

WHITE PINE COUNTY SCHOOL DISTRICT, STATE OF NEVADA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

WHITE PINE COUNTY SCHOOL DISTRICT
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
White Pine County School District
Ely, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of White Pine County School District, State of Nevada (a Nevada local government unit) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of White Pine County School District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited White Pine County School District's financial statements for the year ended June 30, 2018, and our report dated November 30, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules related to pensions and OPEB and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the White Pine County School District's basic financial statements. The major fund comparative balance sheets, the combining and individual fund nonmajor fund financial statements, certain budgetary comparison information, as listed in the table of contents, combining statement of changes in assets and liabilities-agency funds, and schedule of extraordinary repair fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is also not a required part of the basic financial statements.

The major fund comparative balance sheets, combining and individual fund nonmajor fund financial statements, certain budgetary comparison information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major fund comparative balance sheets, combining and individual nonmajor fund financial statements, certain budgetary comparison information, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The combining statement of changes in assets and liabilities-agency funds and schedule of extraordinary repair fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2019, on our consideration of White Pine County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering White Pine County School District's internal control over financial reporting and compliance.



HintonBurdick, PLLC
St. George, Utah
November 30, 2019

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White Pine County School District Management's Discussion and Analysis June 30, 2019

This section of the White Pine County School District's annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2019. Management's discussion and analysis (MDA) is supplementary information that is intended to provide a readable analysis of the District's financial activities. The MDA is required *before* each basic financial statement and provides an analysis of the District's overall financial position to help the user assess the District's financial position compared with prior year's activity. We encourage readers to read the MDA in conjunction with the letter of transmittal and the financial statements which immediately follow this section.

Financial Highlights

- The District qualified as a low-risk auditee and the auditor's report offered an unmodified opinion. This provides the highest level of assurance of the District's financial activity.
- Net position improved by \$2,067,769.
- The District was able to transfer \$600,000 from the General Fund to the Stabilization Fund and still finished the fiscal year with an unassigned General Fund ending balance of \$3.3 million. This is the highest unassigned fund balance in over a decade and is approximately 25% of total general fund revenue.
- The District was successful in securing e-rate funding that will fund the construction of a fiber internet project. This project will provide high speed internet connectivity up to one gigabyte at each school and support location with the exception of its smallest school, Baker grade school. The Baker school will increase bandwidth and speed to 100 megabyte. This will provide students and staff with greater access, capacity and speed that will create greater operating efficiency, less down time and more time on task. The total project is expected to cost \$490,776 for construction and connectivity. The District's portion net of e-rate funding will be approximately \$99,232.
- The Debt Service fund balance has increased to over \$1.4 million which is approximately \$700,000 more than the required reserves. This will allow the school district to transfer up to \$700,000 for capital improvements or build on fund reserves for future projects.
- Total assets (net of depreciation) exceeded total liabilities by \$8,456,061 or ratio of \$1.28 to \$1.
- Total deferred inflows of resources exceeded total deferred outflows of resources by \$2,531,208. This means that acquisition of net assets was more than consumption of net assets.
- Current assets exceeded current liabilities (i.e. current ratio) by \$7,406,631 or by a ratio of \$3.22 to \$1.
- Total governmental revenue increased by approximately \$605,405 or 3 %.

- Total governmental revenue exceeded total governmental expenditures by \$2,178,736.
- General Fund revenue increased by \$223,650 or 1.7% and exceeded expenditures by \$2,267,547. Local revenue increased by \$1,424,694 while state revenue decreased \$1,198,015. Federal revenue decreased slightly by \$3,029.
- Net proceeds of minerals, which is an indicator of mining viability and sustainability, totaled \$1,350,476 or 10.3% of total general fund revenue.
- The General Fund ending balance increased by \$1,465,666 for a total of \$4,103,135. This is approximately 35% of total expenditures including transfers. The fund balance includes the following amounts:

Prepays	\$ 16,874
Stabilization Fund	625,434
Assigned (Post Employment Benefits)	152,400
Unassigned	3,308,427

Overview of the Financial Statements

The ensuing discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of the following components:

1. Government-wide financial statements
2. Fund financial statements, and
3. Notes to the financial statements.

Notes to the financial statements provide additional detail and information about the District's accounting practices, financing arrangements, capital assets, and significant financial and economic events. Review of the notes helps the public understand the financial position. The audited financial reports provide a reasonable assurance about whether the basic financial statements represent fairly the District's financial situation.

The financial statement for FY2019 will focus on required annual reporting so many of the ancillary reports, letter of transmittal and statistics sections in prior reports will not be included in this report.

Government-Wide Financial Statements. The government-wide statements are designed to provide readers with a broad overview of White Pine County School District's finances in a manner similar to private-sector businesses. They consist of a Statement of Net Position and Statement of Activities. Prior to the implementation of GASB 63, the Statement of Net Position was referred to as the Statement of Net Assets.

Statement of Net Position: This Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Also, the amount invested in capital assets, net of related debt, was changed to "net investment in capital assets".

The Statement of Net Position can be useful in assessing the District's ability to cover its costs and to continue financing services in the future. Comparing total assets with total liabilities

provides information about what the District owns versus what the District owes. The Statement will also determine how much of the District's net assets can be used to provide new services or start new programs, versus how much is invested in capital assets or restricted for specific purposes. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Activities: The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. earned but unused vacation leave). The Statement of Activities also helps explain how the District's net position changed during the fiscal year by providing a comparison of public services (expenses) and the resources obtained to finance services (revenues). This Statement is helpful in learning where the District gets its resources and how they are spent.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Fund financial statements are used by government entities to provide details and report activity related to the District's governmental, business-type (a.k.a. proprietary), and fiduciary funds. White Pine, however, has no business-type activities to report.

Governmental Funds: Governmental funds report the finances of a school district's most basic services which are generally the same as the governmental activities. However, the governmental fund financial statements are prepared using the modified accrual basis of accounting instead of the accrual basis of accounting. Accrual accounting recognizes revenues and expenses in the accounting period in which they have been earned or incurred, regardless of when cash is received or paid. Generally, under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Expenditures are recognized when the related liability is incurred. There are a few exceptions to the general modified accrual expenditure recognition criteria such as unmatured interest on general long-term debt but generally revenues are recorded as mentioned previously.

The governmental fund financial statements show the major funds (or larger funds) individually and total the remaining governmental funds in a single column. GASB Statement No. 34 specifies several provisions regarding major funds. Major fund reporting is required only for governmental funds and enterprise funds each year. Because this is done on a year-by-year basis, some funds may be major funds one year but not in another year. If the fund does not qualify as a major fund, it is included in the "other governmental" category.

Major Funds: Major funds represent the government's most important or significant funds. There are three provisions for determining which governmental funds and enterprise funds should be considered major funds:

- 1) The general fund is always a major fund.
- 2) Any other governmental fund or enterprise fund is required to be reported as a major fund in any year that the total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of that individual governmental fund or enterprise fund are both:

- a) 10 percent or more of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (i.e., total governmental funds or total enterprise funds), and
- b) 5 percent or more of the corresponding total for all governmental funds and enterprise funds combined.
- 3) Any other governmental fund or enterprise fund that government officials consider particularly important to users may be reported as a major fund.

In addition to the major funds, individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in the report (refer to the table of contents).

Notes to the Financial Statements. The notes to the financial statements disclose additional information essential to representing the District's financial status accurately and completely. They are an integral part of the financial statements and are necessary for a full understanding of the data provided. The notes disclose information such as accounting and budget practices; finance, legal and contractual information; financial obligations, and significant economic events and transactions. Refer to the table of contents for the location and page numbers of the notes to the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The combining fund statements are presented immediately following the notes to the financial statements. The District may include other information it feels is necessary to help better understand this annual report and the financial condition of the District.

Government-wide Financial Analysis

The comparison of assets to liabilities provides an indication of the District's ability to meet current and long-term demands. The table below illustrates the net position of the District.

White Pine County School District's
Net Position

Description	June 30, 2019 Governmental Activities	June 30, 2018 Governmental Activities	Increase (Decrease)
Current Assets	10,735,777	\$ 10,734,662	\$ 1,115
Capital Assets	26,935,304	28,003,100	(1,067,796)
Total Assets	37,671,081	38,737,762	(1,066,681)
Total deferred outflows of resources	2,720,233	2,336,497	\$ 383,736
Current Liabilities	2,522,055	5,161,327	(2,639,272)
Current portion of long-term liabilities	807,091	808,367	(1,276)
Long-term Liabilities	25,885,874	25,757,680	128,194
Total Liabilities	29,215,020	31,727,374	(2,512,354)
Total deferred inflows of resources	5,251,441	5,489,801	(238,360)
<u>Net Position</u>			
Net Invested in Capital Assets	19,333,638	19,790,684	(457,046)
Restricted	2,943,319	1,629,663	1,313,656
Unrestricted	(16,352,104)	(17,563,263)	1,211,159
Total Net Position	\$ 5,924,853	\$ 3,857,084	\$ 2,067,769

Governmental accounting standards require that deferred outflows of resources be reported in the financial statements apart from assets and deferred inflows of resources reported apart from liabilities. The reason is that deferrals are not assets or liabilities and not revenues or expenses. They represent consumption and acquisition of future assets. Reporting them as revenues and expenditures would distort a government's actual financial position. Total deferred inflows of resources exceeded total deferred outflows of resources by \$2,531,208.

The District's assets exceeded liabilities by \$8,456,061 as of June 30, 2019 which is an increase from FY2018 of \$1,445,673.

The largest portion of total net assets, \$19,333,684, was invested in capital assets. Capital assets are items such as land, buildings, equipment and other physical, tangible items that are used in the regular course of business and are not easily converted into cash nor are they available for future spending.

A comparison of current assets and liabilities called a current ratio provides a liquidity measure of the District's ability to pay short-term obligations. Current assets are assets that are reasonably expected to be converted into cash within one year in the normal course of business. These include items such as cash, marketable securities, prepaid expenses and other items that can easily be converted to cash to pay liabilities. Current liabilities are obligations or expenditures that are due within one year. This includes the current liabilities and current portion of the long-term liabilities in the table above. Current assets exceeded current liabilities by a ratio of \$3.22 to \$1. This means that for each \$1.00 of current liability there was \$3.22 of current assets to cover what was owed.

Changes in Net Position: The Changes in Net Position provides a comparison of the resources (revenues) of the District with the costs of the services (expenses) including any extraordinary or special items and/or prior period adjustments. The total net position improved by \$2,067,769.

Business-type activities (also known as proprietary funds) reflect functions that are supported through user fees or charges other than typical governmental revenue that pay for the operation. The White Pine County School District currently has no business-type activities so the Statement of Activities will only reflect governmental activities.

Charges for services are comprised of tuition and nutrition program fees. Nevada and Utah school districts that border White Pine County enter into tuition agreements for students that attend schools in their neighboring district. The District has outsourced its nutrition program and this program charges students and staff for meals unless the student families qualify for free meals.

Capital grants and contributions are state, federal, private grants and donations for capital items. Capital grants and contributions are not ongoing sources of revenue and the total received in any given year will vary. Expenditures are limited by the donor or grantor and are typically used for non-recurring items.

General revenues consist of local taxes, state and federal aid, and other revenue. The funding mechanism for public instruction in Nevada is designed to reduce state funding when local sources are more than anticipated.

The following table illustrates the revenues, expenses, and changes in net position.

White Pine County School District's
Changes in Net Position
June 30, 2019

Description	Governmental Activities FY2019	Governmental Activities FY2018	Increase (Decrease)
Revenues			
Program Revenues:			
Charges for services	\$ 133,527	\$ 123,989	\$ 9,538
Capital grants and contributions		276,602	(276,602)
Operating grants and contributions	6,081,315	5,736,875	344,440
Total Program Revenues	6,214,842	6,137,466	77,376
General Revenues:			
Property taxes, levied for general purposes	3,604,052	2,646,647	957,405
Property taxes, levied for debt services	1,358,613	1,144,731	213,882
Local school support tax (LSST)	3,144,925	2,864,134	280,791
Other taxes	1,464,226	1,391,770	72,456
Federal aid not restricted to specific purposes	102,206	90,221	11,985
State aid not restricted to specific purposes	4,991,873	6,192,288	(1,200,415)
Other local sources	276,193	149,108	127,085
Unrestricted investment earnings	94,292	29,452	64,840
Total General Revenues	15,036,380	14,508,351	528,029
Total Revenues	21,251,222	20,645,817	605,405
Expenses			
Instruction Expenses	8,633,156	7,900,105	733,051
Support Services Expenses:			
Student support	923,902	837,655	86,247
Instructional staff support	1,277,580	1,310,309	(32,729)
General administration	652,760	587,945	64,815
School administration	1,532,243	1,487,053	45,190
Central Services	1,097,925	1,178,926	(81,001)
Operations and maintenance	2,218,468	1,847,052	371,416
Student transportation	1,176,136	1,085,808	90,328
Other support	201,462	184,942	16,520
Food services	388,885	383,444	5,441
Noninstructional services	1,892	1,952	(60)
Community services	810	498	312
Facilities acquisition, construction and improvements	831,250	840,317	(9,067)
Interest	246,984	237,026	9,958
Total Support Services	10,550,297	9,982,927	567,370
Total Expenses	19,183,453	17,883,032	1,300,421
Changes in Net Position	2,067,769	2,762,785	(695,016)
Net Position Beginning	3,857,084	3,639,490	217,594
Restatement adjustments		(2,545,191)	2,545,191
Net Position Ending	5,924,853	3,857,084	2,067,769

Financial Analysis of the District's Funds

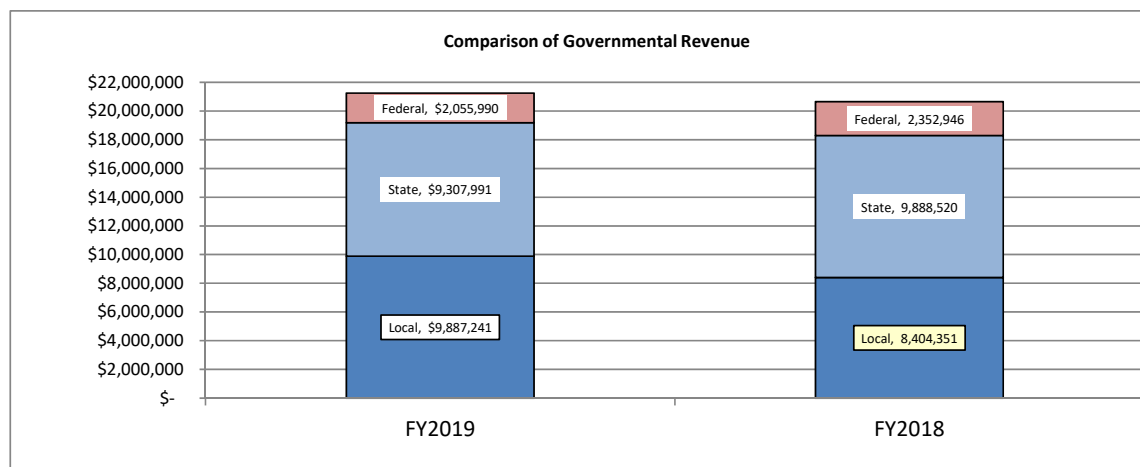
A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. There are essentially three groups of funds for which financial statements are prepared: 1) governmental, 2) proprietary, and 3) fiduciary. Like other state and local governments, the District uses fund accounting to ensure and demonstrate

compliance with finance and accounting related legal requirements. Fund financial statements are used by government entities to provide details and report activity related to the District's governmental, business-type (a.k.a. proprietary), and fiduciary funds. Because White Pine has no business-type activities to report, the fund financial analysis will consist of governmental and fiduciary funds only.

Governmental Funds: Governmental funds are funds that account for and are related to the District's objective to provide educational and correlated services. The table below shows the sources of revenue for each of the governmental funds:

White Pine County School District
FY2019 Governmental Fund Revenues

Expenditures	General Fund	Special Education Fund	State Special Revenue Fund	Federal Special Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Local Sources	\$ 7,813,131	\$ -	\$ -	\$ -	\$ 1,479,264	\$ 594,846	\$ 9,887,241
State Sources	4,994,273	1,084,696	2,001,327			1,227,695	\$ 9,307,991
Federal Sources	323,742	-	-	1,494,367		237,881	\$ 2,055,990
Total Expenditure:	13,131,146	1,084,696	2,001,327	1,494,367	1,479,264	2,060,422	21,251,222
	62%	5%	9%	7%	7%	10%	100%



Local sources are derived primarily from taxes ad valorem (aka property taxes) including net proceeds of minerals, sales taxes and government services tax. State and federal sources are obtained through legislative action and can be directly or indirectly appropriated, or awarded on an application basis. Indirect appropriations are typically from the federal government and are passed through the State. Grants can either be distributed via formula or on a competitive application basis.

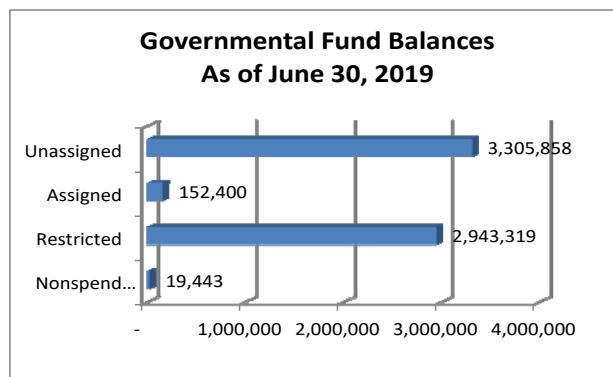
The ensuing table provides an analysis of the functions the District devotes its resources to in order to carry out its objectives:

White Pine County School District
FY2019 Governmental Fund Expenditures

Revenues	General Fund	Special Education Fund	State Special Revenue Fund	Federal Special Revenue Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Regular Instruction	\$ 4,174,771		\$ 382,839	\$ 255,907		\$ 453,023	\$ 5,266,540
Special Programs		1,242,717	12,049	252,066		-	1,506,832
Vocational Programs	222,047		330,119	16,500		-	568,666
Other Instructional	388,891					6,771	395,662
Adult/Alternative Education						675,249	675,249
Support Services	6,077,890	380,372	1,297,452	969,894	861,055	1,072,874	10,659,537
Total Sources	10,863,599	1,623,089	2,022,459	1,494,367	861,055	2,207,917	19,072,486
	57%	9%	11%	8%	5%	12%	100%

Governmental funds report the differences between their assets and liabilities as fund balance. A fund balance can be restricted and/or unrestricted. An unrestricted fund balance can be appropriated and a restricted fund balance it is not available for appropriation. Also, an unrestricted fund balance can be categorized as: 1) committed, 2) assigned, or 3) unassigned. Committed and assigned balances are designated by the governing body. These balances are typically limited or reserved for a future or specific purpose which may make them unavailable for appropriation based on the nature of the limitation(s). Unassigned balances in the general fund can be appropriated in subsequent years without restriction. According to Nevada Administrative Code (NAC) 354.650, if the ending fund balance in the general fund of a local government has been budgeted for less than 4% of the actual expenditures for the previous year, the local government shall provide written explanation to the Department of Taxation that includes the reason for the low ending fund balance and the manner in which the local government plans to increase the fund balance. A fund balance of 8.3% or less is not subject to negotiations with local government employee organizations pursuant to NAC 354.660. Fund balances with respect to special education, debt services, capital projects, grants, donation and other governmental funds are restricted by federal or state law or other criteria for the specific purposes of the fund and are not available for spending at the District's discretion.

As of June 30, 2019, the District realized a governmental fund balance of \$6,421,020 or approximately 33.67% of total governmental expenditures. It is important to note that \$3,305,858 resides in the District's General Fund (or operating fund) and is unassigned so it can be used to hedge for unanticipated economic events or at the discretion of the Board of Trustees. The graph below illustrates the components of the governmental fund balances:



The assigned balance of \$152,400 was designated through a Board action as a means to reserve a portion of its fund balance to meet its other post-employment benefits (OPEB) obligation for retiree health insurance. For additional information about OPEB, refer to the notes to the financial statements.

The restricted fund balance is related to the debt, capital, stabilization and other special governmental funds that are designated for a specific purpose.

The nonspendable balance is related to prepaid expenses. These are expenses paid in the current year for products or services for subsequent year(s). These expenses are typically for insurance or multi-year agreements for tech support and software licenses for example. There is usually an economic advantage or price break offered by the vendor that makes it cost beneficial to secure agreements for future periods.

Major Funds: Major funds represent the government's most important or significant funds and are determined by a mathematical calculation. In addition to the calculation, the District will also include any fund it believes is significant as a major. For example, special education has not always qualified as a major fund based on the mathematical calculation but the District believes it is significant and has consistently reported it as a major fund. The District reported the following major funds in FY2019:

- General Fund
- Special Education
- State Special Revenue
- Federal Special Revenue
- Debt Service

General Fund: The General Fund is the District's operating fund and is not restricted. The fund is used to pay the expenditures related to the District's formative purpose and funds may be transferred to other funds, grants and programs to support services.

Special Education: The Special Education Fund accounts for the revenues and expenditures for the instruction of pupils with disabilities. Unlike the basic support per pupil guarantee (a.k.a. Basic Support) in the General Fund, special education funding is based on a "unit" and the unit dollar amount is established by the Nevada Legislature. A unit is essentially the same as one teaching position although the unit amount does not cover the full cost of a teacher. The number of teaching positions is prescribed by the State Board of Education based on special education caseloads. State revenue remained stable and the number of units remained the same.

State Special Revenue: State special revenue funds account for state originated funds that are restricted for a specific purpose. These can be in the form of direct appropriations, or competitive or formula grants through State agencies.

Federal Special Revenue: Federal special revenue funds account for programs that have originated at the federal level and are restricted for a specific purpose. These can be in the form of direct appropriations, competitive or formula grants through the Nevada Department of Education or directly through the federal government.

Debt Service: The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Nonmajor: All other governmental funds that did not qualify as a major fund are including in this category.

Governmental and major fund financial statements include the Balance Sheet and the Schedule of Revenues, Expenditures, and Changes in Fund Balance.

General Fund Budgetary Highlights

The White Pine County School District prepares its budgets pursuant to Section 354 of the Nevada Revised Statutes. The provisions of the act establish the following timelines for budget preparation:

- On or before April 15, the Board must file a tentative budget with the Nevada Department of Taxation
- A mandatory tentative budget public hearing must be held no sooner than the third Monday in May and no later than the last day in May.
- On or before June 8, the Board must adopt a final budget by majority vote
- In any year in which the legislature by law increases or decreases the revenues of a local government, the District government **may**, within 30 days of adjournment of the legislative session, file an amended budget
- On or before January 1 of each school year, each school district shall adopt an amendment to its final budget after the official count of pupils

The District takes advantage of these opportunities to revise its budget to include changes in enrollment, fund balance, economic events, and other changes in budget assumptions.

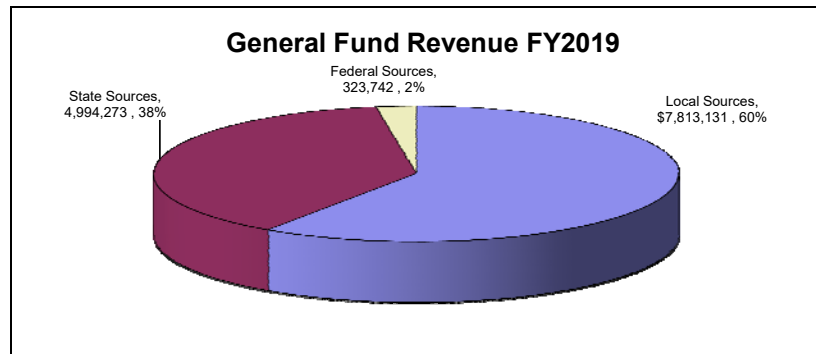
The General Fund is also referred to as the District's operating fund. This is the District's largest fund and accounted for approximately 62% of total governmental revenue. Total General Fund revenue increased compared with the prior year by \$223,650 or 1.7%.

Changes in state and local sources are typically inversely related. The Nevada Plan formula for funding public education is designed to provide less support from the state when local sources increase.

The table below and graph on the following page provides a comparison of General Fund revenue:

General Fund Revenue

Description	FY2019	% of Total	FY2018	% of Total
Local Sources	\$ 7,813,131	60%	\$ 6,388,437	49%
State Sources	4,994,273	38%	6,192,288	48%
Federal Sources	323,742	2%	326,771	3%
Total	\$ 13,131,146	100%	\$ 12,907,496	100%



Local sources are derived from taxes ad valorem (property taxes), net proceeds of minerals (NPM) tax, local school support tax (LSST), government services tax and other non-tax revenue collected by the District such as tuition, fees and miscellaneous items.

State revenue is appropriated on a per pupil basis. The state combines the LSST, 1/3 of the property tax (including NPM) and state revenue into an economic formula to determine a basic per pupil guarantee. This per pupil guarantee is then multiplied by the average daily enrollment. Starting with FY2016, districts were required to use average daily enrollment calculated each quarter for funding purposes. Previously, funding for the school year was based on the number of weighted students on a certain “count day” in the first school month. Prior to FY2018, the student count was considered weighted because kindergarten students and early childhood students did not attend school for a full day. These students were counted at 0.6 of a full-time student. Kindergarten students now attend school for a full day and are counted the same as other full-time students. Early childhood students are still weighted.

The table below compares quarterly enrollment for the current and prior fiscal year:

	Q1	Q2	Q3	Q4	Average
FY2018	1,210.25	1,202.26	1,212.59	1,216.65	1,210.44
FY2019	1,217.47	1,213.62	1,215.86	1,213.84	1,215.20
Inc/(Dec)	7.22	11.36	3.27	(2.81)	4.76
% Inc/-Dec	0.59%	0.94%	0.27%	-0.23%	0.39%

Note: Enrollment excludes non-resident distance education students

Enrollment historically has remained stable over the course of the school year. The average enrollment increased by 4.76 students of 0.39% compared with FY2018.

In FY2019, the District was still under contract with K12 Corporation to provide distance education services (or on-line services) for students outside of White Pine County through three schools:

- Great Basin Virtual Academy
- Destinations Career Academy of Nevada
- Nevada Passport Academy

The district was hopeful that enrolling students in these programs would provide additional revenue following drastic budget cuts in the FY2016 and FY2017. Unfortunately, this program has become politically adverse for the District and not as lucrative as originally perceived. The future of this program is uncertain.

These schools enrolled an average of 357.3 students in FY2019. The District received the per pupil guarantee of the school district of residence for each distance education student. This generated additional revenue of approximately \$2.169 million; however, 94% of the revenue was paid to K12 Corporation for their services. The remaining 6%, or approximately \$130,000, was retained by the District.

Enrollment including the distance education students in FY2019 was as follows:

	Q1	Q2	Q3	Q4	Average
FY2019	1,570.74	1,587.02	1,567.43	1,564.82	1,572.50

The local charter school has reached its maximum capacity so enrollment has stabilized. There is still a risk of enrollment losses to virtual schools; however, the number of White Pine students that attend virtual schools is less significant.

Federal revenue typically comes from e-rate subsidies, Secure Rural School Act (SRS) and federal land leases. Federal revenue remained stable increasing by \$3,029.

General fund expenditures will generally vary with revenue; however, the District may subsidize operations on a short-term basis with its unassigned fund balance. The table below illustrates the General Fund expenditures excluding transfers to other funds.

General Fund Expenditures

Description	FY2019 Actual	FY2018 Actual	\$ Change (Decrease)	% Change
Expenditures				
Instruction	\$ 4,785,709	\$ 4,639,789	\$ 145,920	3.14%
Student Support	139,793	161,211	(21,418)	-13.29%
Instructional Staff Support	28,845	4,170	24,675	591.73%
General Administration	432,710	389,714	42,996	11.03%
School Administration	1,223,427	1,071,561	151,866	14.17%
Central Services (including IT)	935,482	900,316	35,166	3.91%
Operations & Maintenance	2,120,932	1,831,963	288,969	15.77%
Student Transportation Services	1,012,821	959,571	53,250	5.55%
Other Support	183,880	179,354	4,526	-
Total Expenditures	<u>\$ 10,863,599</u>	<u>\$ 10,137,649</u>	<u>\$ 725,950</u>	7.16%

Expenditures increase in direct correlation with revenue. As revenue continues to increase, the District will typically and strategically add programs and services aligned with its goals and objectives.

General Fund - Ending Fund Balances

Description	FY2019	% of Total	FY2018	% of Total
Nonspendable - prepaids	\$ 16,874	0.4%	\$ 31,264	1.2%
Restricted - stabilization	625,434	15.2%	24,848	0.9%
Assigned - OPEB	152,400	3.7%	152,400	5.8%
Unassigned	3,308,427	80.6%	2,428,957	92.1%
Total	<u>\$ 4,103,135</u>	<u>100%</u>	<u>\$ 2,637,469</u>	<u>100%</u>

The fund balance is simply the difference between sources and uses of funds.

Fiduciary Funds

Fiduciary funds are funds that are held in trust for, or on behalf of, others. The District has two types of fiduciary funds:

- School student activity accounts, or agency funds,
- Employee insurance fund

Fiduciary funds are not included in the government-wide financial statements. The fiduciary fund financial statements include the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets. These statements report similar information about assets, liabilities, revenues, and expenditures as the government-wide and fund financial statements.

The student activity accounts are checking accounts maintained by the schools that collect money from fund raising activities. These funds are controlled and administered by the individual schools.

The employee insurance fund is used to account for the funds received in trust from retirees and COBRA participants and employees to pay for group insurance. After the funds are collected, they are remitted to the appropriate entities.

Capital Assets and Debt Administration

Capital assets are the property, facilities, automobiles, and equipment the District owns. New construction and facility improvements are typically conducted through property tax levies; however, the District has been unable to issue general obligation bonds or capital project levies due to statutory limitations that cap the combined property tax rate at \$3.64 per \$100 of assessed

value. In November 2008, the District was successful gaining voter approval of a ballot question for a bond initiative that will lock the debt rate at 24.9 cents regardless of the changes in the property tax base. If the tax base increases and the debt rate of 24.9 cents generates more revenue than is required to pay the principal and interest on voter approved bonds, the excess can be put into a fund reserve and can be used to secure additional debt or for capital improvements on a pay as you go basis. From the time the initiative was approved through the end of FY2019, the District has transferred approximately \$3.8 million to assist with capital improvements.

The District has two of the oldest, active schools in the State that are in need of significant renovation or replacement. The District will seek assistance from the Nevada Legislature for funding to meet its deferred school construction needs.

NRS 350.013 and NRS 354.5945 require school districts to update their debt management policy, indebtedness report, and five-year capital improvement plan prior to August 1 of each year. The primary capital improvement funds are the Building and Sites Fund; Extraordinary Maintenance, Repair, and Improvements Fund; and Debt Services fund. The revenue for Building and Sites is derived from interest earnings, federal grants for construction, donations, and property sales. A 1/8 cent sales tax is the source of revenue for the Extraordinary Repair Fund.

White Pine County School District's Capital Assets
(net of depreciation)

Description	Governmental Activities		
	6/30/2019	6/30/2018	Change
Land	\$ 1,220,902	\$ 1,220,902	0.00%
Construction in Progress	52,465	259,577	-79.79%
Buildings and Improvements (net of depreciation)	23,833,700	24,230,556	-1.64%
Furniture, equipment and vehicles	1,828,237	2,292,065	-20.24%
Total Capital Assets, net	\$ 26,935,304	\$ 28,003,100	-3.81%

White Pine County School District's financial demand for construction and facility and grounds improvements greatly exceeds its financial supply. Financial sources available through Nevada Revised Statutes for capital improvements are either already being utilized, at the statutory maximum, or are insufficient to fuel significant improvements. The District has more than \$60 million in deferred construction and capital improvements and a debt rate that secured \$7 million in G.O. bonds. This bond issue would fund approximately one third (1/3) the cost of a new elementary school and one fourth (1/4) of a new high school. Without financial assistance, new construction or replacement of outdated facilities will not be possible. Federal programs designed to assist rural schools have been limited because the programs require the District match a portion of the federal grant. This match can range anywhere from 20% to 80% of the federal award. The District has had difficulty securing the funds necessary to meet the federal matching requirements.

Facilities that were built in the early 1900's and over 100 years old are still in existence and are currently being used for education. Because of existing financial limitations, it is likely that these facilities will remain active and the list of deferred projects will continue to grow until economic conditions significantly change and/or legislative changes are enacted that provide financial assistance.

The fund balance in excess of required reserves is available for capital projects. Required reserves are equal to 10% of the outstanding principal or one year of principal and interest.

Debt Administration: The Debt Services Fund is used to account for the accumulation of resources for, and the payment of, general long-term principal and interest. Voter approved bond indebtedness is secured through property taxes. Statutes guarantee the District's ability to assess a property tax rate equal to principal and interest payments on voter approved general obligations. Other obligations are paid from one of more of the following:

- Government services tax (aka motor vehicle taxes)
- Interest earnings
- Fund reserves, and
- General Fund transfers
- Capital Fund transfers

As mentioned previously, the District was successful in obtaining voter approval of a bond rollover question in FY2008 that allowed the District to fix its property tax rate use any revenue in excess of required reserves, principal and interest for capital improvements. The voter authorization is only valid for ten years or through maturity of the outstanding bond issue. This funding will provide sources for minor capital improvements providing the local tax base remains stable.

The table below compares the voter approved general obligation debt with the prior year:

Description	FY2019	FY2018	% Change
G.O. Refunding Bonds 2013 Series	\$ 642,000	\$ 816,000	-21.32%
G.O. Bonds 2014 Series	\$ 6,645,000	\$ 7,000,000	-5.07%
	<hr/>		
Total	\$ 7,287,000	\$ 7,816,000	-6.77%

Local sources are comprised of ad valorem taxes (i.e. property taxes) including net proceeds of minerals, government services tax (GST) (a.k.a. motor vehicle taxes), interest and other financing sources. Net proceeds of minerals are a volatile revenue source and may fluctuate significantly from year to year causing significant variances when comparing local revenue from year to year.

The District currently incurs principal and interest on other obligations that are medium-term in nature and did not require voter approval. The following table compares the other outstanding obligations:

White Pine County School District
Other Obligations
As of June 30, 2019

Description	FY2019	FY2018	% Change
PNC Equipment Finance - Lease Purchase Agreement	\$ 165,363	\$ 237,159	-30.27%
Total	\$ 165,363	\$ 237,159	-30.27%

For additional detail with respect to the District obligations and debt management, please refer to the Debt Management Policy on the District's web-site under Business and Finance.

Economic Factors and Next Year's Budget

The District's general fund budget in FY2020 is expected to increase slightly. The per-pupil guarantee will increase by approximately \$251 per student or 4.21%. This increase should cover the rising costs of inflation without eroding purchasing power. Enrollment, programs, services and staffing should remain stable. The District has built a significant general fund unassigned balance of approximately \$3.3 million or 25% of total revenue. This fund balance should allow the District to deliberately adapt to unforeseeable changes in economic conditions.

The State has expanded a number of categorically funded initiatives (or grants) that will provide the District an opportunity to fund supplemental services, expand programs and services, and hire personnel to fill program specific requirements. The District has found it difficult, however, to locate and hire personnel to fill grant funded positions because of the short-term nature of the funding. Grants are subject to biennial authorization from the Nevada Legislature and annual approval through the Nevada Department of Education. The school district cannot offer employment that extends beyond the application and/or legislative authorization so finding and hiring candidates without a guarantee of future employment has been difficult. This increases the risk that the District will have to send money back to the state due to unfilled positions and underspent grant awards.

The District's partnership with K12 Corporation may generate additional revenue for the District; however, it is unclear how the added enrollment will affect the current funding formula as well as special education. The added enrollment may cause per pupil financial statistics in the general funding formula to decline that may erode the District's current per pupil funding. With respect to special education, the same enrollment might provide a benefit by increasing the capped enrollment for funding purposes. The future of this program is uncertain.

The 2019 Legislature passed Senate Bill 543 which was approved by the Governor on June 14, 2019 and replaces the Nevada Plan with a student-centered funding plan (SCFP). This legislation will significantly alter how school districts and schools are funded and will change reporting and accountability. The concepts of a basic guarantee, local wealth adjustments and inside/outside formulary revenue in the Nevada Plan will be replaced by base funding that will derived be an aggregate of total state and local funding combined and then divided by the total number of students to determine a base, per-pupil amount. Programs for special education, gifted and talented, English learners and student of poverty will be funded by program weights that will be multiplied by the base per pupil amount. Funding will also be provided for school district

administration, transportation and food services transfers. Equity, or cost adjustment factors, will be applied to the base per pupil amount for each school district to account for variations between the counties with respect to economies of scale and other factors that influence the cost of wages, services and instructional materials. The SCFP will be run concurrently with the Nevada Plan so that differences in funding can be identified and adjustments made prior to implementation in FY2021. The bill creates a Commission that is charged with reviewing the new SCFP and making recommendations with respect to the formula components and funding level. Current cost adjustment factors include district size, necessarily small schools and comparable wage index but these are subject to change. Preliminary iterations of the draft formula indicate that funding would be redistributed among the school districts. In other words, without additional funding, many school districts would lose funding while a few receive additional funding. To mitigate this redistribution, the FY2020 level of revenue will be guaranteed until funding levels under the new plan exceed FY2020. If progress is not made toward more adequate funding, then school districts will be essentially phase the redistribution in over time.

With respect to local business and industry, mining has remained relatively stable and local economic indicators lean toward potential expansion. Mining profitability and sustainability are always contingent upon mineral prices which are typically volatile and difficult to predict. Fiore Exploration Limited acquired Midway Gold's Pan Mine. This site is in its second year of operation achieved steady production of about 14,000 tons of gold per day. The company plans on developing its neighboring Gold Rock project in the near future.

According to Bloomberg Business, Contact Gold Corporation (TSXV: C) announced that it signed a purchase option agreement with Ely Gold Royalties, Incorporated (Ely Gold) to acquire an undivided 100% interest in the past producing Green Springs gold project, located in White Pine County. The Green Springs gold project is located at the southern end of Nevada's prolific Carlin Trend, 60 km southwest of the historic mining center of Ely, Nevada in a region hosting numerous producing and past producing Carlin-type gold deposits. Green Springs is approximately 10 km east of Fiore Gold's Gold Rock Project, 10 km south of Waterton's Mt. Hamilton gold deposit and 20 km southeast of Fiore Gold's producing Pan Mine. Other deposits/past producers in the region include Illipah (Waterton) and Griffon (Liberty Gold). The Bald Mountain mine complex operated by Kinross Gold is located 45 km to the north of Green Springs (<https://www.bloomberg.com/press-releases/2019-07-24/contact-gold-acquires-past-producing-green-springs-gold-project-south-carlin-trend-nevada>).

Viscount Mining Corp has continued its exploratory mining operations near Cherry Creek, Nevada. Cherry Creek is Viscount's flagship property focused on mining exploration and is located approximately 30 miles north of Ely. The Cherry Creek claims currently consist of over 400 unpatented and patented claims as well as mill rights. Viscount has acquired all rights by purchasing them from owners of the patented claims which allow Viscount the exclusive rights to prospect and explore for underground or open pit methods, mill, prepare for market, store, sell and dispose of all ores and minerals on or under the described properties.

The current local and state economic environments indicate that the District's budget will be consistent with the prior year and is not at risk of significant change. Although the state will transition to a new funding model for education, there are mechanisms included in the bill that would mitigate any adverse impact. In addition, the District has sufficient fund reserves to absorb transitional effects of the new formula and/or adverse economic events. The District does not anticipate any significant changes in the upcoming year.

Requests for Information

This report has been designed to provide an overview of the White Pine County School District's finances. Questions concerning any of the information contained herein should be addressed to:

White Pine County School District
Chief Financial Officer
1135 Avenue C
Ely, Nevada 89301

BASIC FINANCIAL STATEMENTS

WHITE PINE COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2019
(With Comparative Totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash and investments	\$ 5,422,554	\$ 3,133,717
Receivables (net of allowance for uncollectible)	4,300,746	7,153,186
Prepays	22,693	33,833
Restricted cash and investments	989,784	413,926
Capital assets not being depreciated		
Land	986,274	986,274
Land - idle	234,628	234,628
Construction in progress	52,465	259,577
Capital assets being depreciated, net of accumulated depreciation		
Buildings and improvements	23,582,572	23,953,395
Equipment and vehicles	1,828,237	2,292,065
Idle capital assets	251,128	277,161
Total assets	<u>37,671,081</u>	<u>38,737,762</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	2,475,584	2,102,607
Deferred outflows related to OPEB	244,649	233,890
Total deferred outflows of resources	<u>2,720,233</u>	<u>2,336,497</u>
Liabilities		
Accounts payable and other current liabilities	2,503,750	5,141,901
Accrued interest payable	18,305	19,426
Noncurrent liabilities:		
Due within one year	807,091	808,367
Due in more than one year	7,276,524	7,866,403
Net pension liability	15,182,635	14,690,010
Other postemployment benefits liability	3,426,715	3,201,267
Total liabilities	<u>29,215,020</u>	<u>31,727,374</u>
Deferred Inflows of Resources		
Deferred revenue	1,811,007	1,350,477
Deferred inflows related to pensions	3,227,708	4,096,446
Deferred inflows related to OPEB	212,726	42,878
Total deferred inflows of resources	<u>5,251,441</u>	<u>5,489,801</u>
Net Position		
Net investment in capital assets	19,333,638	19,790,684
Restricted for:		
Capital projects	792,248	544,558
Debt service	1,464,493	993,650
Stabilization	625,434	24,848
Other purposes	61,144	66,607
Unrestricted	(16,352,104)	(17,563,263)
Total net position	<u>\$ 5,924,853</u>	<u>\$ 3,857,084</u>

The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

Functions/Programs		Program Revenues			Net (Expense) / Revenue and Change in Net Position for Governmental Funds	
		Charges for	Operating	Capital	2019	2018
Primary government:	Expenses	Services	Grants and Contributions	Grants and Contributions		
Programs						
Regular	\$ 5,536,548	\$ 64,280	\$ 1,703,898	\$ -	\$ (3,768,370)	\$ (3,525,533)
Special	1,472,761	-	1,409,940	-	(62,821)	(251,766)
Vocational	567,357	-	381,404	-	(185,953)	(183,072)
Other instructional	423,797	-	9,000	-	(414,797)	(302,635)
Adult/continuing education	632,693	1,175	862,658	-	231,140	281,476
Total program	<u>8,633,156</u>	<u>65,455</u>	<u>4,366,900</u>	<u>-</u>	<u>(4,200,801)</u>	<u>(3,981,530)</u>
Support services						
Student support services	923,902	-	513,925	-	(409,977)	(653,067)
Instructional staff support	1,277,580	-	910,661	-	(366,919)	107,573
General administration	652,760	-	26,780	-	(625,980)	(557,374)
School administration	1,532,243	-	-	-	(1,532,243)	(1,487,053)
Central services	1,097,925	-	24,000	-	(1,073,925)	(1,178,926)
Operations and maintenance	2,218,468	-	320	-	(2,218,148)	(1,847,052)
Student transportation	1,176,136	-	-	-	(1,176,136)	(1,085,808)
Other support	201,462	-	-	-	(201,462)	(184,942)
Food services	388,885	68,072	238,729	-	(82,084)	(74,196)
Noninstructional services	1,892	-	-	-	(1,892)	(1,952)
Community services	810	-	-	-	(810)	(498)
Facilities acquisition, construction and improvements	831,250	-	-	-	(831,250)	(563,715)
Interest	246,984	-	-	-	(246,984)	(237,026)
Total support services	<u>10,550,297</u>	<u>68,072</u>	<u>1,714,415</u>	<u>-</u>	<u>(8,767,810)</u>	<u>(7,764,036)</u>
Total primary government	<u>\$ 19,183,453</u>	<u>\$ 133,527</u>	<u>\$ 6,081,315</u>	<u>\$ -</u>	<u>(12,968,611)</u>	<u>(11,745,566)</u>
General revenues:						
Property taxes, levied for general purposes					3,604,052	2,646,647
Property taxes, levied for debt service					1,358,613	1,144,731
Local school support taxes					3,144,925	2,864,134
Other taxes					1,464,226	1,391,770
Federal aid not restricted to specific purposes					102,206	90,221
State aid not restricted to specific purposes					4,991,873	6,192,288
Other local sources					276,193	149,108
Unrestricted investment earnings					94,292	29,452
Total general revenues					<u>15,036,380</u>	<u>14,508,351</u>
Change in net position					2,067,769	2,762,785
Net position - beginning					3,857,084	3,639,490
Restatement adjustment					-	(2,545,191)
Net position - ending					<u>\$ 5,924,853</u>	<u>\$ 3,857,084</u>

The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Education	State Special Revenue Fund	Federal Special Revenue Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 3,266,785	\$ 149,965	\$ 134,713	\$ -	\$ 1,048,145	\$ 822,946	\$ 5,422,554
Accounts receivable	92,836	128	-	-	-	4,741	97,705
Due from other funds	2,637,772	-	-	-	-	-	2,637,772
Prepays	16,874	2,569	-	3,250	-	-	22,693
Due from other governments	1,038,451	-	1,182,649	1,411,933	51,998	518,010	4,203,041
Restricted cash and investments	625,434	-	-	-	364,350	-	989,784
Total assets	<u>\$ 7,678,152</u>	<u>\$ 152,662</u>	<u>\$ 1,317,362</u>	<u>\$ 1,415,183</u>	<u>\$ 1,464,493</u>	<u>\$ 1,345,697</u>	<u>\$ 13,373,549</u>
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities:							
Accounts payable	\$ 1,178,348	\$ 5,273	\$ 141,955	\$ 36,771	\$ -	\$ 5,835	\$ 1,368,182
Accrued payroll	585,662	147,389	105,417	49,599	-	178,348	1,066,415
Due to other funds	-	-	966,046	1,328,813	-	342,913	2,637,772
Due to other governments	-	-	68,653	-	-	500	69,153
Total liabilities	<u>1,764,010</u>	<u>152,662</u>	<u>1,282,071</u>	<u>1,415,183</u>	<u>-</u>	<u>527,596</u>	<u>5,141,522</u>
Deferred inflows of resources:							
Deferred revenue	<u>1,811,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,811,007</u>
Total deferred inflows of resources	<u>1,811,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,811,007</u>
Fund balances:							
Nonspendable:							
Prepays	16,874	2,569	-	-	-	-	19,443
Restricted for:							
Debt service	-	-	-	-	1,464,493	-	1,464,493
Capital projects	-	-	-	-	-	792,248	792,248
Stabilization	625,434	-	-	-	-	-	625,434
Other purposes	-	-	35,291	-	-	25,853	61,144
Assigned to:							
Other post employment benefits	152,400	-	-	-	-	-	152,400
Unassigned	<u>3,308,427</u>	<u>(2,569)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,305,858</u>
Total fund balances	<u>4,103,135</u>	<u>-</u>	<u>35,291</u>	<u>-</u>	<u>1,464,493</u>	<u>818,101</u>	<u>6,421,020</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,678,152</u>	<u>\$ 152,662</u>	<u>\$ 1,317,362</u>	<u>\$ 1,415,183</u>	<u>\$ 1,464,493</u>	<u>\$ 1,345,697</u>	<u>\$ 13,373,549</u>

The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds		\$ 6,421,020
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 49,974,609	
Accumulated depreciation	<u>(23,039,305)</u>	26,935,304
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows related to pensions	2,475,584	
Deferred inflows related to pensions	(3,227,708)	
Deferred outflows related to OPEB	244,649	
Deferred inflows related to OPEB	<u>(212,726)</u>	(720,201)
Some liabilities, including net pension liabilities, bonds payable, capital leases, and interest payable are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(7,287,000)	
Deferred amounts		
Add: Issuance premium (amortized to interest expense)	(149,303)	
Capital lease payable	(165,363)	
Compensated absences	(481,949)	
Net pension liability	(15,182,635)	
Net OPEB obligation	(3,426,715)	
Accrued interest payable	<u>(18,305)</u>	<u>(26,711,270)</u>
Net position of governmental activities		<u><u>\$ 5,924,853</u></u>

The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Education	State Special Revenue Fund	Federal Special Revenue Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Revenues							
Local sources	\$ 7,813,131	\$ -	\$ -	\$ -	\$ 1,479,264	\$ 594,846	\$ 9,887,241
State sources	4,994,273	1,084,696	2,001,327	-	-	1,227,695	9,307,991
Federal sources	323,742	-	-	1,494,367	-	237,881	2,055,990
Total revenues	13,131,146	1,084,696	2,001,327	1,494,367	1,479,264	2,060,422	21,251,222
Expenditures							
Programs							
Regular	4,174,771	-	382,839	255,907	-	453,023	5,266,540
Special	-	1,242,717	12,049	252,066	-	-	1,506,832
Vocational	222,047	-	330,119	16,500	-	-	568,666
Other instructional	388,891	-	-	-	-	6,771	395,662
Adult/continuing education	-	-	-	-	-	675,249	675,249
Total program expenditures	4,785,709	1,242,717	725,007	524,473	-	1,135,043	8,412,949
Support services expenditures							
Student support services	139,793	277,788	304,593	219,349	-	5,506	947,029
Instructional staff support	28,845	23,414	652,803	567,280	-	6,500	1,278,842
General administration	432,710	79,170	20,235	134,895	-	9,087	676,097
School administration	1,223,427	-	121,091	40,885	-	180,909	1,566,312
Central services	935,482	-	160,674	-	-	64,226	1,160,382
Operations and maintenance	2,120,932	-	33,623	4,783	-	31,198	2,190,536
Student transportation	1,012,821	-	4,433	-	-	-	1,017,254
Other support	183,880	-	-	-	2,200	13,066	199,146
Food services	-	-	-	-	-	386,821	386,821
Noninstructional services	-	-	-	1,892	-	-	1,892
Community services	-	-	-	810	-	-	810
Facilities acquisition, construction and improvements	-	-	-	-	-	375,561	375,561
Principal	-	-	-	-	600,796	-	600,796
Interest	-	-	-	-	258,059	-	258,059
Total support services expenditures	6,077,890	380,372	1,297,452	969,894	861,055	1,072,874	10,659,537
Total expenditures	10,863,599	1,623,089	2,022,459	1,494,367	861,055	2,207,917	19,072,486
Excess revenues over (under) expenditures	2,267,547	(538,393)	(21,132)	-	618,209	(147,495)	2,178,736
Other financing sources (uses)							
Transfers in	-	538,393	45,554	-	162,634	447,234	1,193,815
Transfers out	(801,881)	-	-	-	(310,000)	(81,934)	(1,193,815)
Total other financing sources and uses	(801,881)	538,393	45,554	-	(147,366)	365,300	-
Net change in fund balances	1,465,666	-	24,422	-	470,843	217,805	2,178,736
Fund balances - beginning of year	2,637,469	-	10,869	-	993,650	600,296	4,242,284
Fund balances - end of year	\$ 4,103,135	\$ -	\$ 35,291	\$ -	\$ 1,464,493	\$ 818,101	\$ 6,421,020

The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	2,178,736
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceed capital outlay in the current period.

Capital outlay	\$ 523,309		
Depreciation expense	<u>(1,539,328)</u>		(1,016,019)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.

Sale of capital assets		<u>(51,777)</u>	(51,777)
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Pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension liability and OPEB liability are measured a year before the report date. Pension expense and OPEB expense, which are the change in the net pension liability and OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions and OPEB, are reported in the statement of activities.

Pension contributions	1,102,903		
Pension expense	(353,813)		
OPEB contributions	244,649		
OPEB expense	<u>(629,186)</u>		364,553

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments:			
Bonds payable	529,000		
Capital leases	<u>71,796</u>		600,796

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(19,595)		
Amortization of bond premium	9,954		
Change in accrued interest	<u>1,121</u>		<u>(8,520)</u>

Change in net position of governmental activities	\$	<u><u>2,067,769</u></u>
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The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Fiduciary Net Position
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

			Totals	
	Employee Insurance Fund	Student Activity Funds	2019	2018
ASSETS				
Cash	\$ 72,278	\$ 525,200	\$ 597,478	\$ 574,518
Total assets and other debits	<u>\$ 72,278</u>	<u>\$ 525,200</u>	<u>\$ 597,478</u>	<u>\$ 574,518</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 3	\$ -	\$ 3	\$ 3
Due to student groups	-	525,200	525,200	482,645
Total liabilities	<u>3</u>	<u>525,200</u>	<u>525,203</u>	<u>482,648</u>
NET POSITION				
Funds held in trust	<u>\$ 72,275</u>	<u>\$ -</u>	<u>\$ 72,275</u>	<u>\$ 91,870</u>

The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

Employee Insurance Fund

	Totals	
	2019	2018
ADDITIONS		
Contributions:		
Employees	\$ 52,638	67,632
Total contributions	52,638	67,632
Other additions:		
Interest earnings	24	-
Total other additions	24	-
Total additions	52,662	67,632
 DEDUCTIONS		
Purchased services	72,257	97,605
Total deductions	72,257	97,605
 Change in net position	(19,595)	(29,973)
 Net position - beginning of the year	91,870	121,843
Net position - ending of the year	72,275	91,870

The accompanying notes are an integral part of the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 1. Summary of Accounting Policies

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable. No business activities or component units are reported.

Reporting Entity

The White Pine County School District is authorized under NRS 386.010 and is governed by an elected Board consisting of seven members. The Board possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits and borrowing funds and/or issuing bonds to finance District operations and construction.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. As to the District, there are no component units which are included to form the reporting entity.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 1. Summary of Accounting Policies, Continued

The government reports the following major governmental funds:

General Fund – the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Education Fund – used to account for revenues received for the instruction of pupils with disabilities and gifted and talented pupils in accordance with Senate Bill 569 passed in 1994.

State Special Revenue Fund – used to account for monies provided for State funded projects.

Federal Special Revenue Fund – used to account for monies provided for Federally funded projects.

Debt Service Fund – used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Additionally, the District reports the following fund types:

Fiduciary Funds

Employee Insurance Fund is used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, or other governmental units, and/or other funds.

Student Activity Funds are custodial in nature and cannot be used to support the District’s own programs.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 1. Summary of Accounting Policies, Continued

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting

Budgets are prepared, filed, noticed and public hearings held in accordance with the Local Government Budget Act (NRS 354). The Board of Trustees may prepare additional financial information and hold additional meetings and/or public hearings other than those identified in statute in order to disseminate to, and solicit information from, the general public. The provisions of this Act include the following major procedures to establish the budgetary data which is reflected in these financial statements.

1. On or before April 15, the Board files a tentative budget with the Nevada Department of Taxation for all funds other than Fiduciary Funds, which are not required to be budgeted. The appropriated budget is prepared by fund, function and department.
2. Public budget hearings on the tentative budgets are held between May 15th and May 31st.
3. On or before June 8, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Department of Taxation for final approval.
4. On or before January 1, the Board must adopt an amendment to its final budget to reflect any necessary adjustments as a result of the District's completed pupil count.
5. The Department of Taxation shall examine the submitted documents for compliance with law and with appropriate regulations and shall submit to the governing body at least 3 days before the public hearing a written certificate of compliance or a written notice of lack of compliance. The written notice must indicate the manner in which the submitted documents fail to comply with law or appropriate regulations.
6. Whenever the governing body receives from the Department of Taxation a notice of lack of compliance, the governing body shall forthwith proceed to amend the tentative budget to effect compliance with the law and with the appropriate regulation.

The District maintains site-based budgets that identify costs associated with each site and/or department in addition to other formats that may be prescribed by the Board of Trustees or required by Nevada Revised Statutes. Each site will be recognized as a separate unit and will be analyzed as to use of resources and performance.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 1. Summary of Accounting Policies, Continued

Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. All uncommitted appropriations lapse at fiscal year-end.

Budget changes may be required to reflect changes in revenue and/or expenditures. Any transfer, increase or decrease in budget appropriations are conducted pursuant to NRS 354.

Actual expenditures may not exceed budgetary appropriations of the various governmental functions per NRS.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Investments

Investments of the District are reported at fair value (generally based on quoted market prices) with unrealized gains/losses recorded as adjustments to investment earnings.

Receivables

Receivables, as stated in the balance sheet, are considered collectible. Accordingly, an allowance for uncollectible accounts is not deemed necessary.

Inventories and prepaid items

Expenditures for supplies held for future consumption and minor equipment purchases are charged against appropriations of all governmental funds at the time of purchase. Any inventories of such supplies at year end are not material to the individual funds and are not recognized in these financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Buildings	35-50 years
Building improvements	20-30 years
Equipment	4-20 years
Vehicles	5-8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures by the governmental fund upon acquisition.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 1. Summary of Accounting Policies, Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two types of items that qualify for reporting in this category. Accordingly, the items, *deferred outflows related to pensions* and *deferred outflow related to OPEB*, are reported in the government-wide financial statements. See Note 14 and Note 16 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. *Deferred revenue*, is reported in both the governmental funds balance sheet and the statement of net position. This item relates to net proceeds from minerals taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts apply to. The items, *deferred inflows related to pensions* and *deferred inflows related to OPEB*, are reported in the government-wide financial statements. See Note 14 and Note 16 for more information.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined based on annual actuarial reports. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 1. Summary of Accounting Policies, Continued

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Chief Financial Officer is authorized to assign amounts to a specific purpose in accordance with the District's budget policy pending Board approval. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 1. Summary of Accounting Policies, Continued

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for these compensated absences is recorded as a long-term liability in the government-wide statements. A liability for these accounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Prior-Year Summarized Comparative Information

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Reclassification Prior Year Balances

Certain reclassifications have been made to the presentation of the prior fiscal year information to correspond to the current fiscal year's format. Total net position/fund balances and change in net position/fund balances are unchanged due to these reclassifications.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 27.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 29.

NOTE 3. Deposits and Investments

Deposits and investments of the District at June 30, 2019 consist of the following:

	Carrying Amount-Fair Value
Deposits:	
Cash in bank	\$ 3,276,670
Cash in brokerage account	33,896
Investments:	
UBS Financial Services	3,699,249
Total cash and investments	<u>\$ 7,009,816</u>

A reconciliation of cash and investments as shown on the statement of net position is as follows:

Cash and investments	\$ 5,422,554
Restricted cash and investments	989,784
Fiduciary fund cash and investments	<u>597,478</u>
Total cash and investments	<u>\$ 7,009,816</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 3. Deposits and Investments, Continued

Restricted cash and investments consist of the following as of June 30, 2019:

Stabilization	\$ 625,434
Debt service reserves	<u>364,350</u>
Total restricted cash and investments	<u><u>\$ 989,784</u></u>

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the District's bank balance was exposed to custodial credit risk because it was insured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Investments

State statutes authorize the District to invest in the State Treasurer's investment pool, bonds and debentures of the United States, obligations of the Federal Land Banks, bills and notes of the U.S. Postal Service, obligations of the Federal National Mortgage Association, short-term bonds of local governments, and banker's acceptances.

As of June 30, 2019 the District had the following investments, maturities, and quality ratings:

Investment Type	Fair Value	Credit Rating (1)		Weighted Average Maturity - Days (2)
		S&P	Moody's	
Money market	\$ 2,876,385	N/A	Aaa-mf	46
Bonds-certificates of deposit (3)	822,864	N/A	N/A	96
Total Fair Value	<u><u>\$ 3,699,249</u></u>			

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using the weighted average days to maturity.

(3) FDIC insured.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 3. Deposits and Investments, Continued

Fair Value of Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2019, the District had the following recurring fair value measurements.

- Bonds – certificates of deposit of \$822,864 that are valued using a pricing model (Level 2 inputs)
- Money market of \$2,876,385 that are valued using net asset value (NAV)

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from decreasing interest rates is to comply with the provision of the Nevada Revised Statutes (NRS).

Credit risk

For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that were in the possession of an outside party. The District does not have a formal investment policy. Credit risk is reduced by investing in the Nevada Local Government Investment pool and other investments authorized by NRS.

The District is subject to the provision of GASB 31 which requires that investments be valued at their fair market value on the balance sheet date. At June 30, 2019, the District had investments with the Nevada State Treasurer with a carrying value and market value of \$0. The State Treasurer is required to have collateral pledged for amounts deposited in the pool not covered by Federal Depository Insurance. In addition, the District had cash holdings and investments in a brokerage account at fiscal year-end that were insured or collateralized.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 4. Interfund Receivables, Payables, and Transfers

Interfund account balances due to/from consisted of the following at June 30, 2019:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 2,637,772	\$ -
State special revenue fund	-	966,046
Federal special revenue fund	-	1,328,813
Nonmajor funds	-	342,913
Total	<u>\$ 2,637,772</u>	<u>\$ 2,637,772</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the fiscal year ended June 30, 2019 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 801,881
Special education	538,393	-
State special revenue fund	45,554	-
Debt service fund	162,634	310,000
Nonmajor funds	447,234	81,934
Total	<u>\$ 1,193,815</u>	<u>\$1,193,815</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 5. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

Governmental Activities:	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
Capital assets, not being depreciated:				
Land	\$ 986,274	\$ -	\$ -	\$ 986,274
Land - idle*	234,628	-	-	234,628
Construction in progress	259,577	424,478	(631,590)	52,465
Total capital assets, not being depreciated:	1,480,479	424,478	(631,590)	1,273,367
Capital assets, being depreciated:				
Buildings and improvements	40,178,938	631,590	-	40,810,528
Buildings and improvements - idle*	1,265,310	-	-	1,265,310
Equipment and vehicles	6,843,213	98,831	(316,640)	6,625,404
Total capital assets, being depreciated:	48,287,461	730,421	(316,640)	48,701,242
Less accumulated depreciation for:				
Buildings and improvements	(16,225,543)	(1,002,413)	-	(17,227,956)
Buildings and improvements - idle*	(988,149)	(26,033)	-	(1,014,182)
Equipment and vehicles	(4,551,148)	(510,882)	264,863	(4,797,167)
Total accumulated depreciation	(21,764,840)	(1,539,328)	264,863	(23,039,305)
Total capital assets, being depreciated, net	26,522,621	(808,907)	(51,777)	25,661,937
Governmental activities capital assets, net	\$ 28,003,100	\$ (384,429)	\$ (683,367)	\$ 26,935,304

* These assets are categorized as idle because they are no longer active facilities. The District does still use these buildings for storage. The net book value of the idle buildings is \$251,128 at fiscal year end.

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation expense was charged to the functions/programs of the District as follows:

Function and Activity	
Regular programs	\$ 441,514
Special programs	225
Vocational programs	12,294
Other instructional programs	237
Adult/continuing ed. programs	1,409
Food services	2,064
Athletics	2,316
Students	1,411
Instructional staff	804
General administration	1,989
School administration	3,872
Central services	15,744
Operations and maintenance	36,909
Student transportation	138,373
Facilities acquisition, construction and improvements	880,167
	<u>\$ 1,539,328</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 6. Long-Term Liabilities

Long-term liabilities at June 30, 2019 consisted of the following:

Governmental Activities:	Balance 6/30/2018	Additions	Retirements	Balance 6/30/2019	Current Portion
Bonds payable	\$ 7,816,000	\$ -	\$ (529,000)	\$ 7,287,000	\$ 538,000
Deferred amounts:					
For issuance premiums	159,257	-	(9,954)	149,303	-
Capital leases payable	237,159	-	(71,796)	165,363	79,104
Accrued compensated absences	462,354	189,836	(170,241)	481,949	189,987
Net pension liability	14,690,010	492,625	-	15,182,635	-
Net OPEB liability	3,201,267	375,085	(149,637)	3,426,715	-
	<u>\$ 26,566,047</u>	<u>\$ 1,057,546</u>	<u>\$ (930,628)</u>	<u>\$ 26,692,965</u>	<u>\$ 807,091</u>
Total long-term liabilities	<u>\$ 26,566,047</u>	<u>\$ 1,057,546</u>	<u>\$ (930,628)</u>	<u>\$ 26,692,965</u>	<u>\$ 807,091</u>

The aggregate maturities of notes and bonds payable are as follows:

Period Ending June 30,	Principal	Interest
2020	\$ 538,000	\$ 234,864
2021	552,000	219,888
2022	562,000	207,802
2023	480,000	191,343
2024	395,000	178,430
2025-2029	2,180,000	701,800
2030-2034	2,580,000	302,125
	<u>\$ 7,287,000</u>	<u>\$ 2,036,252</u>

The District's general obligation bonds are public offering bonds and are unsecured bonds that were offered through competitive sale. The District can pre-pay or extinguish debt early without penalty.

The General Obligation School Improvement 2014 bond is guaranteed by the State of Nevada School Permanent Fund. In the event the District is unable to make payments or default, the remaining obligation would be secured by the Nevada School Permanent Fund.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 6. Long-Term Liabilities, Continued

The following is a listing of long-term liabilities as of June 30, 2019:

Bonds Payable:

Governmental Activities:

General Obligation (Limited Tax) Refunding Bonds, Series 2013, with semi-annual interest payments ranging between \$1,363 and \$18,892, and annual principal payments ranging between \$85,000 and \$189,000, bearing interest from .76% to 2.87%, maturing December 2022. \$ 642,000

General Obligation (Limited Tax) School Improvement Bonds, Series 2014, with semi-annual interest payments ranging between \$11,100 and \$115,040, and annual principal payments (beginning June 2019) ranging between \$355,000 and \$555,000, bearing interest from 2% to 4%, maturing June 2034. 6,645,000

Total bonds payable 7,287,000

Bond Issuance Premiums 149,303

Leases Payable:

Governmental Activities:

Lease payable to PNC Equipment Finance, payable in monthly installments ranging between \$4,700 and \$11,086, bearing interest at 4.35%, maturing March 2021. 165,363

Total leases payable 165,363

Accrued Compensated Absences 481,949

Net Pension Liability 15,182,635

Net OPEB Liability 3,426,715

Total long-term liabilities 26,692,965

Less current portion: (807,091)

Net long-term liabilities \$ 25,885,874

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 7. Capital Leases Payable

The District has entered into a lease agreement, which is considered a capital lease in accordance with accounting standards. The lease is shown in the governmental activities of the government-wide statements. The following is an annual schedule of future minimum lease payments together with the present value of the net minimum lease payments:

Year Ending June 30,	Total
2020	\$ 84,750
2021	87,959
Total remaining minimum lease payments	172,709
Less amount representing interest	(7,346)
Present value of net remaining minimum lease payments	<u>\$ 165,363</u>

A summary of the assets acquired through capital leases is as follows:

	Cost	Depreciation Expense	Accumulated Depreciation
Buildings and improvements	\$ 558,701	\$ 55,870	\$ 419,026
	<u>\$ 558,701</u>	<u>\$ 55,870</u>	<u>\$ 419,026</u>

NOTE 8. Property Taxes

All real property within White Pine County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements are being assessed at 35% of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located.

The maximum tax rate was established in the State Constitution at \$5.00 per hundred dollars of assessed valuation; however, as a result of the 1979 legislative sessions, the tax rate was further limited to \$3.64 per hundred dollars of assessed valuation unless an additional rate is approved by the electorate. White Pine County is currently at this maximum tax limit.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 8. Property Taxes, Continued

Taxes on real property are a lien on the property and attach on July 1 of the year for which the taxes are levied.

Taxes on property are due on the third Monday in August; however, they may be made in four installments payable on the third Monday in August, and the first Mondays in October, January and March. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale. Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial, mobile homes, aircraft and agricultural. In White Pine County, taxes on motor vehicles are collected by the State. The taxes are then returned to the County of origin to be apportioned based on a statutory formula.

White Pine County collects property taxes for all entities, including the District and remits the tax collected the month following collections to the District.

NOTE 9. Nevada Plan for Local Education Agency Financing

The Nevada Plan is the means used to finance elementary and secondary education in Nevada's public schools. The State develops a basic support guaranteed (BSG) amount of funding for each school district. Funding consists of the State support received through the distributive school account, locally collected revenues through a 2.25 cent local school support tax and 25 cents (or one-third) of the ad valorem tax and State general fund appropriations.

The District receives funding based on the average daily enrollment reported quarterly. The funding rate is determined by a formula that considers the demographic characteristics of the District, operating expenditures, staffing allotments and local wealth adjustment. A separate factor for transportation is used to and is based on 85% of a four year average of actual transportation expenditures adjusted for inflation at a rate of 2.5% per year. The wealth adjustment compares the per pupil amount of local wealth with the State average and adjusts funding up or down depending on each school districts per pupil wealth relative to the State average. The Nevada Plan is designed to provide more State funding for school with less local wealth relative to the per pupil average.

Special education funding has transitioned to a weighted formula and is based on the number of special education students with a maximum student limit equal to 13% of the total student population. Provisions have been included for contingencies to meet unexpected demand, one-half of the number of students in excess of the 13% cap and inflationary factor determined by the department of education.

Under this plan, the District has received \$4,991,873 in the General Fund and \$1,084,696 in the Special Education Fund.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 9. Nevada Plan for Local Education Agency Financing, Continued

During the 2019 Legislative session, Senate Bill 543 was passed which effectively replaces the Nevada Plan formula with a student-centered funding plan (SCFP) and restructures State and local funding. The SCFP will be implemented in fiscal year 2021. All local taxes and state revenue will flow through the Nevada education budget to schools (excluding federal revenue). The State will provide a base amount for all students that will be adjusted by equity factors to produce an adjusted base for each school district. The equity factors include cost adjustment factors, district size adjustment and an adjustment for necessarily small schools. School districts will also receive funding adjustments for transportation and nutrition program transfers from the general fund. A maximum amount will be prescribed by the Nevada Department of Education for each school district to be used for administrative cost. After the administrative costs are deducted, the remainder must be provided to schools. Funding for necessarily small schools must be distributed directly to the qualifying schools.

Funding for English learners, special education, at-risk (or student of poverty) and gifted and talented programs will be funded using program weights that will be multiplied by the statewide base, per-pupil amount.

School district budgets will be held at the fiscal year 2020 levels if the new funding formula produces less revenue. This will allow school districts to phase in any adverse consequences over time so educational services are not abruptly affected.

A Commission on Education Funding was created to review the formula prior to implementation, and after, to better understand the impacts and make recommendations for continual improvements.

NOTE 10. Available Borrowing Capacity

The lawful County School District bonded indebtedness limit is established under NRS 387.400 not to exceed an amount equal to 15 percent of the total of the last assessed valuation of taxable property situated within the County School District. At June 30, 2019, the bonded indebtedness limit of White Pine County School District was \$91,123,256. The District has general obligation long-term bonds outstanding at fiscal year-end of \$7,287,000. Accordingly, the legal borrowing capacity is \$83,836,256 at June 30, 2019.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 11. Operating Leases

The District maintains the following operating leases:

1. The District has entered into a month-to-month lease agreement with Office Products Incorporated for the use of copy machines at an average rate of \$.018 per copy. This agreement may be canceled at any time. Total expense related to this lease for the fiscal year ended June 30, 2019 was approximately \$36,670.
2. In September 1998, the District entered into a lease agreement with DVM, a Nevada LLC, for the use of a building. The agreement is for \$600 per month. This agreement has an automatic renewal each successive fiscal year and can be cancelled by either party with a 60 day written notice. The District paid \$7,200 for fiscal year ended June 30, 2019.
3. During fiscal year 2010 the District entered in to a lease with White Pine County to use two of its baseball fields for high school baseball practice and games. The District made improvements to a Senior League Field of approximately \$64,000 so it could be used for boys, high school baseball in lieu of annual rental payments. The improvements were paid through the Extraordinary Repair, Maintenance and Improvement fund. The agreement provides that after approximately six years, the District will pay \$500 per year to use the Little League Field; however, the County has allowed the District to infuse capital improvements to the field in lieu of annual rental payments. The District also pays \$5,000 per year for use of the Marich Field.

There are no operating leases with initial or remaining noncancelable lease terms in excess of one year. Therefore, future minimum rental payments are not applicable.

NOTE 12. Commitments and Contingencies

The White Pine County School District is obligated as follows:

Janitorial Services

The District entered into a contract with Accurate Building Maintenance, LLC for janitorial services beginning in fiscal year 2013. The agreement is for \$24,898 per month with a 3% increase in the monthly service fee on the 3rd anniversary of the agreement. The term of the agreement is for an initial period of three years. This agreement has an automatic renewal each successive fiscal year and can be cancelled by either party with a 90 day written notice.

Starting in October 2014, the District contracted with Accurate Building Maintenance, LLC for additional janitorial services at McGill Elementary. This agreement is for \$6,220 per month.

In February of 2017, the District contracted for services with Accurate Building Maintenance, LLC for additional janitorial services for Lund and in February 2018 services were expanded to Baker Grade School. The contract amounts were for \$3,445 and \$1,783 per month respectively.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 12. Commitments and Contingencies, Continued

In January 2019, the District contracted for services with Accurate Building Maintenance, LLC for a full-time and part-time janitorial positions at White Pine High School. The monthly amount for both positions is \$5,024 per month.

The contracts are for an initial period of one year and automatically renewed each consecutive year unless written notice to terminate by either part is provided 90 days prior to renewal.

Grants Received

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability in the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 13. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District assesses these risks and manages these risks through commercial insurance companies. There were no significant changes in coverage during the year ended June 30, 2019.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 14. Retirement and Pension Plans

Public Employees' Retirement System of Nevada (PERS)

Plan description

PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system, which includes Regular members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members entering the system prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered the system on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 14. Retirement and Pension Plans, Continued

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2018 and June 30, 2019 the Statutory Employer/employee matching rate was 14.5% for Regular members. The Employer-pay contribution (EPC) rate was 28% for Regular Members.

The District's contribution for the year ended June 30, 2019 was \$1,102,903 which was equal to the required contribution.

Investment policy

The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Board adopted policy target asset allocation as of June 30, 2018:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return*
Domestic stocks	42%	5.50%
International stocks	18%	5.75%
U.S. bonds	30%	0.25%
Private markets	10%	6.80%

*As of June 30, 2018, PERS' long-term inflation assumption was 2.75%.

The System adopted a new target asset allocation in June 2018, with an effective implementation date of July 1, 2018. The new target allocation is as follows: 42% U.S. stock, 18% international stock, 28% U.S. bonds, and 12% Private markets.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 14. Retirement and Pension Plans, Continued

Pension liability

Net pension liability

At June 30, 2019, the District reported a liability of \$15,182,635 for its proportionate share of the PERS' net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their employer contributions relative to the total employer contributions for all employers for the period ended June 30, 2018. The District's proportion measured as of June 30, 2018, was 0.111330 percent, which was an increase of 0.000880 percent from its proportion measured as of June 30, 2017.

Pension liability discount rate sensitivity

The following presents the net pension liability of the PERS as of June 30, 2018, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net pension (asset) / liability	\$ 23,152,904	\$ 15,182,635	\$ 8,559,806

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website. www.nvpers.org.

Actuarial assumptions

The District's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Productivity pay increase	0.5%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2018 funding actuarial valuation

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 14. Retirement and Pension Plans, Continued

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2018, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

Pension expense and deferred outflows/inflows of resources related to pensions

For the year ended June 30, 2019, the District recognized pension expense for PERS of \$353,813. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 475,629	\$ 704,735
Changes in assumptions	800,029	-
Net difference between projected and actual earnings on pension plan investments	-	72,284
Subtotal	1,275,658	777,019
Changes in proportion	97,023	2,450,689
Contributions subsequent to the measurement date	1,102,903	-
Total	<u>\$ 2,475,584</u>	<u>\$ 3,227,708</u>

Average expected remaining service lives 6.22 years

The \$1,102,903 reported as deferred outflows of resources related to PERS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pensions excluding the changes in proportion will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2020	\$ 347,514
2021	92,556
2022	(238,244)
2023	128,937
2024	147,831
2025	20,046
Thereafter	-
Total	<u>\$ 498,639</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 15. Stabilization Fund

NRS 354.6115 states that the governing body of a local government may, by resolution, establish a fund to stabilize the operation of the local government and mitigate the effects of natural disasters. For the fiscal year ended June 30, 2010, the District's stabilization fund was reported as a separate major fund in the financial statements. However, in accordance with GASBS 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District's stabilization fund is included in the General Fund, as restricted fund balance, beginning with the year ended June 30, 2011. The NRS also states that the money in this fund may be used only if the total actual revenue of the local government falls short of the total anticipated revenue in the general fund for the fiscal year in which the local government uses that money; or to pay expenses incurred by the local government to mitigate the effects of a natural disaster.

In addition, NRS 354.6115 states that the balance in the stabilization amount must not exceed 10 percent of the expenditures from the general fund for the previous fiscal year, excluding any federal funds expended by the local government.

During the fiscal year ended June 30, 2019, the District complied with the provisions of this section.

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB)

Plan description

The District contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Additionally, the District administers a single-employer defined benefit healthcare plan, White Pine County School District Health Insurance Plan (WPCSDHIP). Each plan provides medical and life insurance benefits to eligible retired District employees and beneficiaries. In addition, PEBP provides dental and vision benefits.

Benefit provisions for PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. Benefit provisions for WPCSDHIP are established pursuant to NRS 287.023 and amended through negotiations between the District and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to board of trustees.

Benefits provided

PEBP

PEBP closed to non-State public agency retirees on September 1, 2008 unless the agency's active employees are participating in PEBP. However, the District is responsible for a portion of the PEBP subsidy for a former employee retiring after September 1, 2008 from the State or from a Non-State public agency whose active employees participate in PEBP. For a retiree to participate in the PEBP program, the participant must be receiving a PERS benefit. PERS eligibility requirements vary by employee group and benefit type.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

Those retirees and former employees who were eligible and elected PEBP coverage are entitled to a subsidy toward their premium cost based on their years of covered employment under Nevada PERS. The subsidy is shared on a pro-rata basis by the employers for which the retiree has worked and earned PERS service credit. Thus, the District is obligated to subsidize health care premiums for former employees as well as those who retired directly from the District.

The Nevada Legislature changes the benefit subsidies from time to time. The monthly subsidy continues to be based on years of credited service under Nevada PERS, though the level differs for pre-Medicare and Medicare eligible retirees. The subsidy ends at the earlier of the retiree's death or the date he or she discontinues coverage.

There are exceptions to the amounts shown below:

- (a) Participants who retired before January 1, 1994 receive the 15 year subsidy, regardless of their years of covered service and
- (b) Participants do not receive a subsidy if they were hired by their last employer on or after January 1, 2010, retired with less than 15 years of service and were not disabled.

Agency subsidy for PEBP coverage for non-state pre-medicare retirees: The subsidy provided to pre-Medicare retirees varies based on the type of plan selected (PPO or HMO) and by the level of coverage taken (e.g., single, two party, family, etc.). The chart below shows the monthly amounts payable beginning July 2019 for those with 15 years of PERS service. Actual pre-Medicare subsidies for July 2018, as invoiced to the District by individual, were used for the valuation. Some subsidy increases are expected pursuant to SB 552, to be phased in through 2022.

Coverage Level	PPO CDHP		Statewide EPO/HMO	
	Base Subsidy	SB 552 Subsidy	Base Subsidy	SB 552 Subsidy
<i>For 15 Years of PERS Service</i>				
Retiree Only	\$ 812.88	\$ 215.43	\$ 432.09	\$ 5.52
Retiree + Spouse	1,341.82	557.59	692.07	13.43
Retiree + Child(ren)	1,162.90	513.97	570.22	26.82
Retiree + Family	1,691.86	856.14	830.20	34.73

HRA contributions for non-state Medicare retirees covered by the Exchange: Amounts paid for Medicare eligible retirees covered by the Exchange do not vary by type of plan or coverage level; they vary only by years of PERS membership service. On July 1, 2019, the monthly subsidy for retirees on the Medicare Exchange is \$13 per month per year of PERS service. The maximum benefit payable is \$260 per month.

WPCSDHIP

Employees who retire from the District are eligible to continue their coverage under the health plans and life insurance plan offered by the District to its active employees or, if they retired prior to September 1, 2008, could elect to participate in the Public Employees' Benefit Plan (PEBP).

Employees who retire from the District may elect to continue their medical, dental, vision and life insurance coverage under the programs made available to the District's active employees. Coverage is available to District retirees for their lifetime. The District does not pay any portion of the retiree's premiums. The premiums for all coverage are entirely at the retiree's own expense.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

The only conditions to be eligible for coverage as a retiree are:

1. The employee must have qualified for and started his or her retirement benefits from Nevada PERS;
2. The employee was eligible for benefits while employed by the District; and
3. The District is the employee's last Nevada public agency employer.

District plan premium rates: The premium rates applicable to retirees (both before and after Medicare) are the same as those for active employees. The monthly premium rates effective July 1, 2017 were:

Coverage Level	Active/ Pre-Medicare	Medicare- Eligible
Employee only	\$ 712	\$ 712
Employee & spouse	1,316	1,316
Employee & children	783	783
Employee & family	1,423	1,423

Life insurance: Prior to age 65, the face amount of insurance available to certified and administrative retirees is \$50,000 and for all other retirees is \$20,000. Beginning at age 65, the face amount decreases to 65% of the original amount; for ages 70 and older, the face amount is 50% of the original amount. Retiree life insurance premiums are \$0.15 per month per \$1,000 of coverage.

Dependent coverage, if elected, is \$2,000 for each covered dependent. The premium is \$0.125 per month per \$1,000 of coverage.

Employees covered by benefit terms

PEBP

There are no active District employees covered by or eligible for coverage under PEBP. As of the June 2018 valuation date, there were 79 former employees for whom the District pays a subsidy toward the cost of PEPB coverage.

WPCSDHIP

There are 126 active employees for the June 2018 valuation. Of these, 122 were shown as currently participating in the medical program while 4 employees were waiving coverage. There are 18 retirees electing coverage on the District's medical and life insurance plans.

Contributions

PEBP

District contributions to the Plan occur as benefits are paid to retirees. In this PEBP program, the only benefit payments occur in the form of direct payments to PEBP on behalf of currently covered retirees. Contributions to the Plan from the District were \$189,844 for the year ended June 30, 2019.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

WPCSDHIP

District contributions to the Plan occur as benefits are paid to retirees. Benefit payments may occur in the form of direct payments for premiums and taxes (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). Contributions to the Plan from the District were \$54,805 for the year ended June 30, 2019.

Plan financial reports

Information about PEBP’s financial report is available at <https://pebp.state.nv.us/>. WPCSDHIP does not issue a separate financial report.

OPEB liability

Net OPEB liability

At June 30, 2019, the District reported a net OPEB liability of \$2,590,869 for PEBP and \$835,846 for WPCSDHIP. The net liability was measured as of June 30, 2018 and the total liability was determined by an actuarial valuation as of June 30, 2018. An OPEB trust has not been established so the total liability is equal to net liability. There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits. The total OPEB liability as of June 30, 2018 reflects a change in the use of discount rates of 3.56% as of June 30, 2017 and 3.62% as of June 30, 2018. There were no other significant changes of actuarial assumptions. The projections are based on established patterns of practice.

OPEB liability discount rate sensitivity

The following presents the net OPEB liability calculated using the discount rate of 3.62%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability - PEBP	\$ 2,870,254	\$ 2,590,869	\$ 2,353,971
Net OPEB liability - WPCSDHIP	896,498	835,846	779,587

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

OPEB liability healthcare cost trend rates sensitivity

The following presents the net OPEB liability calculated using current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Medical Trend</u>	<u>1% Increase</u>
Net OPEB liability - PEBP	\$ 2,364,635	\$ 2,590,869	\$ 2,851,691
Net OPEB liability - WPCSDHIP	730,073	835,846	980,412

Actuarial assumptions

PEBP

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Salary increases	N/A – no active employee in this plan
Discount rate	3.62%
Funding method	Entry age normal cost, closed group, level percent of pay
Healthcare cost trend rates	Pre-Medicare subsidy increase: actual for 7/1/19, 6.00% for 7/1/20, 5.75% for 7/1/21, 5.50% for 7/1/22, 5.25% for 7/1/23, 5.00% for 7/1/24 and later years Medicare subsidy increase: actual for 7/1/19, 4.50% for 7/1/20 and later years

The basic mortality rates used in this valuation are based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2017, except for a different basis used to project future mortality improvements.

Non-disabled life rates for regular employees:

Males and Females: Headcount-Weighted RP-2014 Healthy Annuitant Table

These rates were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2018 on a generational basis from 2018 forward (i.e. mortality is projected to improve each year until the payments anticipated in any future year occur).

The discount rate used to measure the total OPEB liability was 3.62% as of June 30, 2018. The District funds the PEBP OPEB liability on a pay-as-you-go basis. Therefore, the discount rate used in this valuation is based on the Fidelity Municipal Bond AA 20 Year Maturity Yield.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

WPCSDHIP

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Salary increases	4.00%
Discount rate	3.62%
Funding method	Entry age normal cost, closed group, level percent of pay
Healthcare trend	Medical premium increase: actual for 7/1/19, 6.00% for 7/1/20, 5.75% for 7/1/21, 5.50% for 7/1/22, 5.25% for 7/1/23, 5.00% for 7/1/24 and later years

The demographic actuarial assumptions used in this valuation are based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2017, which covers the employees included in this valuation except for a different basis used to project future mortality improvements.

Non-disabled life rates for regular employees:

Males and Females: Headcount-Weighted RP-2014 Healthy Annuitant Table

Pre-retirement life rates for regular employees:

Males and Females: Headcount-Weighted RP-2014 Employee Table

These rates were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2018 on a generational basis from 2018 forward (i.e. mortality is projected to improve each year until the payments anticipated in any future year occur).

The discount rate used to measure the total OPEB liability was 3.62% as of June 30, 2018. The District funds the PEBP OPEB liability on a pay-as-you-go basis. Therefore, the discount rate used in this valuation is based on the Fidelity Municipal Bond AA 20 Year Maturity Yield.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

Changes in the net OPEB liability

PEBP

	Increase (decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) - (b)
Balances at June 30, 2018	\$ 2,215,784	\$ -	\$ 2,215,784
Changes during the period:			
Service cost	-		-
Interest cost	75,702		75,702
Expected investment income		-	-
Employer contributions		178,670	(178,670)
Changes of benefit terms	164,824		164,824
Benefit payments	(178,670)	(178,670)	-
Assumption changes	(2,810)		(2,810)
Plan experience	316,039		316,039
Investment experience	-	-	-
Net changes	375,085	-	375,085
Balances at June 30, 2019	\$ 2,590,869	\$ -	\$ 2,590,869

WPCSDHIP

	Increase (decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) - (b)
Balances at June 30, 2018	\$ 985,483	\$ -	\$ 985,483
Changes during the period:			
Service cost	63,741		63,741
Interest cost	36,369		36,369
Expected investment income		-	-
Employer contributions		55,220	(55,220)
Changes of benefit terms	-		-
Benefit payments	(55,220)	(55,220)	-
Assumption changes	(101,416)		(101,416)
Plan experience	(93,111)		(93,111)
Investment experience		-	-
Net changes	(149,637)	-	(149,637)
Balances at June 30, 2019	\$ 835,846	\$ -	\$ 835,846

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

Plan fiduciary net position

Detailed information about PEBP's fiduciary net position is available in a separately issued PEBP financial report. WPCSDHIP does not issue a separate financial report.

OPEB expense

For the year ended June 30, 2019, the District recognized OPEB expense for PEBP of \$553,755 and for WPCSDHIP of \$75,431.

Deferred outflows/inflows of resources related to OPEB

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

PEBP

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 189,844	\$ -
Total	<u>\$ 189,844</u>	<u>\$ -</u>

The amount (\$189,844) reported as deferred outflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

WPCSDHIP

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 129,106
Plan experience	-	83,620
Contributions subsequent to the measurement date	54,805	-
Total	<u>\$ 54,805</u>	<u>\$ 212,726</u>

Expected average remaining service life: 9.81 years

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2019

NOTE 16. Postemployment Benefits Other Than Pensions (OPEB), Continued

The amount (\$54,805) reported as deferred outflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2020	\$ (24,679)
2021	(24,679)
2022	(24,679)
2023	(24,679)
2024	(24,679)
Thereafter	(89,331)

Combined balances for OPEB plans

The combined balances for both the PEBP and WPCSDHIP OPEB plans as of and for the year ended June 30, 2018 are as follows:

	PEBP	WPCSDHIP	Combined
Net OPEB liability	\$ 2,590,869	\$ 835,846	\$ 3,426,715
Deferred outflows	189,844	54,805	244,649
Deferred inflows	-	212,726	212,726
OPEB expense	553,755	75,431	629,186

Assigned Fund Balance

The assigned fund balance of \$152,400 in the general fund relates to the projected other post employment benefits (OPEB) obligation on behalf of possible future retirees projected to elect coverage and be entitled to a subsidy from the District. The District has chosen to set aside, by way of this assigned fund balance, rather than maintain an insurance trust fund. Additional amounts have not been assigned.

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REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

FOR THE FOLLOWING FUNDS:

- The **General fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
- The **Special Education Fund** is used to account for revenues received for the instruction of pupils with disabilities and gifted and talented pupils in accordance with Senate Bill 569 passed in 1994.
- The **State Special Revenue Fund** is used to account for monies provided for State funded projects.
- The **Federal Special Revenue Fund** is used to account for monies provided for Federally funded projects.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

- **Schedule of the proportionate share of the net pension liability** for pension plans, see note 14.

SCHEDULE OF CONTRIBUTIONS

- **Schedule of contributions** for pension plans, see note 14.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

- **Schedule of Changes in the Net OPEB Liability and Related Ratios** for post employment health care plans, see note 16.

SCHEDULE OF OPEB CONTRIBUTIONS

- **Schedule of OPEB Contributions** for post employment health care plans, see note 16.

WHITE PINE COUNTY SCHOOL DISTRICT
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

Revenues	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2018
	Original	Final			
Local sources					
Taxes					
Ad valorem	\$ 3,763,823	\$ 3,763,823	\$ 3,609,374	\$ (154,449)	\$ 2,652,216
School support	2,782,197	2,782,197	3,144,925	362,728	2,864,134
Motor vehicle privilege tax	669,524	669,524	727,136	57,612	681,460
Total taxes	7,215,544	7,215,544	7,481,435	265,891	6,197,810
Tuition					
From other districts	-	-	64,280	64,280	41,285
Adult/continuing education	23,000	23,000	1,175	(21,825)	525
Total tuition	23,000	23,000	65,455	42,455	41,810
Other revenue					
Interest earnings	-	-	586	586	309
Miscellaneous	-	-	265,655	265,655	148,508
Total other revenue	-	-	266,241	266,241	148,817
Total from local sources	7,238,544	7,238,544	7,813,131	574,587	6,388,437
State sources					
Distributive school fund	5,637,752	5,637,752	4,991,873	(645,879)	6,192,288
State grants	-	-	2,400	2,400	-
Total from state sources	5,637,752	5,637,752	4,994,273	(643,479)	6,192,288
Federal sources					
E-rate reimbursements	13,578	13,578	102,206	88,628	90,221
National Forest Reserve	50,000	50,000	221,536	171,536	236,550
Total from federal sources	63,578	63,578	323,742	260,164	326,771
Total revenues	12,939,874	12,939,874	13,131,146	191,272	12,907,496

(continued)

WHITE PINE COUNTY SCHOOL DISTRICT
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019 (continued)
(With Comparative Totals for June 30, 2018)

Expenditures	Budgeted Amounts		Actual Amounts	Variance	Actual 2018
	Original	Final		Favorable (Unfavorable)	
Instructional Expenditures					
Regular programs					
Instruction					
Salaries and wages	\$ 2,359,410	\$ 2,600,172	\$ 2,514,390	\$ 85,782	\$ 2,361,472
Employee benefits	1,137,951	1,245,502	1,190,042	55,460	1,205,774
Purchased services	263,751	284,068	271,597	12,471	289,554
Supplies	131,890	199,633	198,742	891	210,430
Other	289	289	-	289	49,059
Total regular programs	3,893,291	4,329,664	4,174,771	154,893	4,116,289
Vocational programs					
Instruction					
Salaries and wages	156,376	164,136	133,247	30,889	139,941
Employee benefits	74,955	78,115	62,932	15,183	60,014
Supplies	8,264	25,939	25,868	71	6,815
Total vocational programs	239,595	268,190	222,047	46,143	206,770
Other instructional programs					
Instruction					
Salaries and wages	212,661	235,316	223,046	12,270	186,323
Employee benefits	14,901	18,166	14,772	3,394	10,524
Purchased services	63,201	78,137	70,673	7,464	61,578
Supplies	13,813	35,814	35,218	596	10,648
Other	1,900	3,310	3,030	280	1,900
Total instruction	306,476	370,743	346,739	24,004	270,973
Transportation					
Salaries and wages	42,359	45,589	32,345	13,244	34,858
Employee benefits	4,230	4,466	1,938	2,528	2,560
Purchased services	8,008	8,442	7,869	573	8,339
Total transportation	54,597	58,497	42,152	16,345	45,757
Total other instructional programs	361,073	429,240	388,891	40,349	316,730
Total instructional expenditures	4,493,959	5,027,094	4,785,709	241,385	4,639,789

(continued)

WHITE PINE COUNTY SCHOOL DISTRICT
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019 (continued)
(With Comparative Totals for June 30, 2018)

Expenditures (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2018
	Original	Final			
Support Service Expenditures					
Student support services					
Salaries and wages	\$ 107,557	\$ 102,987	\$ 81,621	\$ 21,366	\$ 105,868
Employee benefits	42,575	59,378	51,019	8,359	48,556
Purchased services	3,010	3,010	2,189	821	286
Supplies	7,154	8,311	4,964	3,347	6,501
Other	-	-	-	-	-
Total student support	160,296	173,686	139,793	33,893	161,211
Instructional support services					
Salaries and wages	-	23,700	23,057	643	-
Employee benefits	-	1,160	1,046	114	-
Purchased services	2,356	5,335	3,912	1,423	2,621
Supplies	1,549	2,394	830	1,564	1,549
Total instructional support	3,905	32,589	28,845	3,744	4,170
General administration support					
Salaries and wages	166,616	167,193	159,387	7,806	156,310
Employee benefits	125,791	127,196	117,756	9,440	125,096
Purchased services	121,314	137,941	131,171	6,770	88,103
Supplies	5,732	11,768	8,499	3,269	4,040
Other	16,603	19,366	15,897	3,469	16,165
Total general administration support	436,056	463,464	432,710	30,754	389,714
School administration support					
Salaries and wages	723,734	844,225	815,919	28,306	702,852
Employee benefits	321,549	369,653	357,072	12,581	325,030
Purchased services	47,665	48,558	34,991	13,567	33,284
Supplies	7,547	13,259	13,545	(286)	7,131
Other	3,399	3,350	1,900	1,450	3,264
Total school administration support	1,103,894	1,279,045	1,223,427	55,618	1,071,561

(continued)

WHITE PINE COUNTY SCHOOL DISTRICT
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019 (continued)
(With Comparative Totals for June 30, 2018)

Expenditures (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2018
	Original	Final			
Central services					
Salaries and wages	\$ 357,186	\$ 371,949	\$ 365,086	\$ 6,863	\$ 344,856
Employee benefits	164,558	167,035	163,671	3,364	161,891
Purchased services	471,272	432,349	374,960	57,389	363,303
Supplies	37,788	40,264	29,626	10,638	27,634
Other	2,299	2,299	2,139	160	2,632
Total central services	1,033,103	1,013,896	935,482	78,414	900,316
Operation/maintenance					
Salaries and wages	\$ 304,393	\$ 337,272	\$ 313,263	\$ 24,009	\$ 284,872
Employee benefits	158,167	154,261	141,321	12,940	143,929
Purchased services	903,283	937,953	867,776	70,177	802,867
Supplies	607,971	826,068	798,033	28,035	598,420
Other	1,798	1,969	539	1,430	1,875
Total operation and maintenance	1,975,612	2,257,523	2,120,932	136,591	1,831,963
Student transportation services					
Salaries and wages	588,327	558,006	454,660	103,346	446,311
Employee benefits	267,896	275,984	249,397	26,587	250,486
Purchased services	144,217	148,300	79,160	69,140	86,053
Supplies	358,080	356,540	197,814	158,726	175,150
Property and equipment	-	30,000	30,000	-	-
Other	1,333	1,608	1,790	(182)	1,571
Total student transportation services	1,359,853	1,370,438	1,012,821	357,617	959,571
Other support					
Employee benefits	226,488	226,488	183,146	43,342	179,328
Purchased services	-	1,100	134	966	-
Supplies	-	600	600	-	-
Other	-	-	-	-	26
Total other support	226,488	228,188	183,880	44,308	179,354
Total support service expenditures	6,299,207	6,818,829	6,077,890	740,939	5,497,860
Total expenditures	10,793,166	11,845,923	10,863,599	982,324	10,137,649
Excess of revenues over/(under) expenditures	2,146,708	1,093,951	2,267,547	1,173,596	2,769,847

(continued)

WHITE PINE COUNTY SCHOOL DISTRICT
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019 (continued)
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2018
Other sources (uses)					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 5,273
Transfers out	(1,191,354)	(1,202,780)	(801,881)	400,899	(1,061,824)
Total other financing sources (uses):	(1,191,354)	(1,202,780)	(801,881)	400,899	(1,056,551)
Net change in fund balance	955,354	(108,829)	1,465,666	1,574,495	1,713,296
Fund balance, beginning of year	2,637,469	2,637,469	2,637,469	-	924,173
Fund balance, end of year	<u>\$ 3,592,823</u>	<u>\$ 2,528,640</u>	<u>\$ 4,103,135</u>	<u>\$ 1,574,495</u>	<u>\$ 2,637,469</u>

WHITE PINE COUNTY SCHOOL DISTRICT
SPECIAL EDUCATION
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2018
Revenues					
State sources	\$ 834,281	\$ 834,281	\$ 1,084,696	\$ 250,415	\$ 834,378
Total revenues	834,281	834,281	1,084,696	250,415	834,378
Expenditures					
Special programs					
Salaries and wages	926,827	903,853	890,462	13,391	845,210
Employee benefits	350,358	357,076	349,230	7,846	378,190
Purchased services	5,218	2,282	2,370	(88)	427
Supplies	65,000	1,000	505	495	-
Other	-	150	150	-	-
Total special programs	1,347,403	1,264,361	1,242,717	21,644	1,223,827
Support services - student support					
Salaries and wages	197,290	197,815	140,810	57,005	197,441
Employee benefits	93,850	64,630	64,336	294	92,909
Purchased services	45,738	77,598	72,625	4,973	71,632
Supplies	-	50	17	33	-
Total student support	336,878	340,093	277,788	62,305	361,982
Support services - instructional support					
Salaries and wages	-	5,095	5,089	6	-
Employee benefits	-	278	360	(82)	-
Purchased services	-	18,450	17,965	485	-
Total instructional support	-	23,823	23,414	409	-
Support services - general administration					
Salaries and wages	87,047	70,106	62,004	8,102	86,552
Employee benefits	27,540	16,876	16,869	7	27,152
Purchased services	-	240	297	(57)	195
Total general administration	114,587	87,222	79,170	8,052	113,899
Total expenditures	1,798,868	1,715,499	1,623,089	92,410	1,699,708
Excess of revenues over/(under) expenditures	(964,587)	(881,218)	(538,393)	342,825	(865,330)
Other financing sources (uses)					
Transfers in	964,587	881,218	538,393	(342,825)	865,330
Total other financing sources (uses)	964,587	881,218	538,393	(342,825)	865,330
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

WHITE PINE COUNTY SCHOOL DISTRICT
STATE SPECIAL REVENUE FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2018
Revenues					
State sources	\$ 1,884,469	\$ 2,075,049	\$ 2,001,327	\$ (73,722)	\$ 1,736,854
Total revenues	1,884,469	2,075,049	2,001,327	(73,722)	1,736,854
Expenditures					
Regular programs	325,949	432,105	382,839	49,266	296,583
Special programs	-	15,724	12,049	3,675	87
Vocational programs	337,259	335,095	330,119	4,976	253,161
Other instructional programs	-	-	-	-	16,121
Support services					
Student support	286,219	309,807	304,593	5,214	223,010
Instructional support	792,166	670,160	652,803	17,357	670,233
General administration	18,971	21,197	20,235	962	19,065
School administration	844	121,092	121,091	1	2,786
Central services	161,736	184,674	160,674	24,000	295,846
Operations and maintenance	-	33,623	33,623	-	-
Student transportation	-	8,000	4,433	3,567	4,530
Total expenditures	1,923,144	2,131,477	2,022,459	109,018	1,781,422
Excess of revenues over (under) expenditures	(38,675)	(56,428)	(21,132)	35,296	(44,568)
Other financing sources (uses):					
Transfers in (out)	38,675	45,559	45,554	(5)	44,330
Total other financing sources (uses)	38,675	45,559	45,554	(5)	44,330
Net change in fund balances	-	(10,869)	24,422	35,291	(238)
Fund balances - beginning	10,869	10,869	10,869	-	11,107
Fund balances - ending	\$ 10,869	\$ -	\$ 35,291	\$ 35,291	\$ 10,869

WHITE PINE COUNTY SCHOOL DISTRICT
FEDERAL SPECIAL REVENUE FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2018
Revenues					
Federal sources	\$ 1,238,829	\$ 1,774,523	\$ 1,494,367	\$ (280,156)	\$ 1,799,911
Total revenues	<u>1,238,829</u>	<u>1,774,523</u>	<u>1,494,367</u>	<u>(280,156)</u>	<u>1,799,911</u>
Expenditures					
Regular programs	272,723	298,962	255,907	43,055	355,842
Special programs	303,007	275,413	252,066	23,347	247,781
Vocational programs	13,908	16,500	16,500	-	11,017
Support services					
Student support	225,928	234,930	219,349	15,581	154,523
Instructional support	307,750	721,123	567,280	153,843	663,448
General administration	91,277	159,772	134,895	24,877	86,391
School administration	11,313	54,789	40,885	13,904	277,159
Central services	1,673	-	-	-	1,798
Operations and maintenance	-	4,783	4,783	-	-
Noninstructional services	11,250	7,351	1,892	5,459	1,952
Total expenditures	<u>1,238,829</u>	<u>1,774,523</u>	<u>1,494,367</u>	<u>280,156</u>	<u>1,799,911</u>
Net change in fund balances	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Public Employees' Retirement System of Nevada
June 30, 2019
Last 10 Fiscal Years

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability (asset)	0.11133%	0.11045%	0.12185%	0.13703%	0.14427%
Proportionate share of the net pension liability (asset)	\$ 15,182,635	\$ 14,690,010	\$ 16,397,603	\$ 15,702,690	\$ 15,035,367
Covered payroll	\$ 7,337,766	\$ 7,051,823	\$ 7,379,386	\$ 8,213,969	\$ 8,485,992
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	206.91%	208.32%	222.21%	191.17%	177.18%
Plan fiduciary net position as a percentage of the total pension liability	75.2%	74.4%	72.2%	75.1%	76.3%

The District implemented GASB 68 in fiscal year 2015. Prior year information is not available.

WHITE PINE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Contributions
Public Employees' Retirement System of Nevada
June 30, 2019
Last 10 Fiscal Years

	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,102,903	\$ 1,032,685	\$ 991,413	\$ 1,033,114	\$ 1,057,549
Contributions in relation to the contractually required contribution	\$ (1,102,903)	\$ (1,032,685)	\$ (991,413)	\$ (1,033,114)	\$ (1,057,549)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,833,956	\$ 7,337,766	\$ 7,051,823	\$ 7,379,386	\$ 8,213,969
Contributions as a percentage of covered payroll	14.08%	14.07%	14.06%	14.00%	12.88%

The District implemented GASB 68 in fiscal year 2015. Prior year information is not available.

WHITE PINE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
PEBP
June 30, 2019
Last 10 Fiscal Years

	Reporting Fiscal Year	
	(Measurement Date)	
	2019	2018
	(2018)	(2017)
Total OPEB liability		
Service cost	\$ -	\$ -
Interest cost	75,702	69,447
Changes of benefit terms	164,824	-
Benefit payments	(178,670)	(170,718)
Assumption changes	(2,810)	(146,639)
Plan experience	316,039	-
Net change in total OPEB liability	375,085	(247,910)
Total OPEB liability - beginning	2,215,784	2,463,694
Total OPEB liability - ending (a)	<u>\$ 2,590,869</u>	<u>\$ 2,215,784</u>
Plan fiduciary net position		
Employer contributions	\$ 178,670	\$ 170,718
Net investment income	-	-
Benefit payments	(178,670)	(170,718)
Investment experience	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 2,590,869	\$ 2,215,784

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

WHITE PINE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
WPCSDHIP
June 30, 2019
Last 10 Fiscal Years

	Reporting Fiscal Year (Measurement Date)	
	2019 (2018)	2018 (2017)
Total OPEB liability		
Service cost	\$ 63,741	\$ 67,635
Interest cost	36,369	29,998
Changes of benefit terms	-	-
Benefit payments	(55,220)	(48,230)
Assumption changes	(101,416)	(47,728)
Plan experience	(93,111)	-
Net change in total OPEB liability	(149,637)	1,675
Total OPEB liability - beginning	985,483	983,808
Total OPEB liability - ending (a)	<u>\$ 835,846</u>	<u>\$ 985,483</u>
Plan fiduciary net position		
Employer contributions	\$ 55,220	\$ 48,230
Net investment income	-	-
Benefit payments	(55,220)	(48,230)
Investment experience	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 835,846	\$ 985,483
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered-employee payroll	\$ 5,830,870	\$ 5,610,450
Net OPEB liability as a percentage of covered payroll	14.33%	17.57%

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

WHITE PINE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of OPEB Contributions
OPEB
June 30, 2019
Last 10 Fiscal Years

	Reporting Fiscal Year	
	2019	2018
Contractually required contributions	\$ 189,844	\$ 178,670
Contributions in relation to the contractually required contribution	\$ (189,844)	\$ (178,670)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

WHITE PINE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Schedule of OPEB Contributions
WPCSDHIP
June 30, 2019
Last 10 Fiscal Years

	Reporting Fiscal Year	
	2019	2018
Contractually required contributions	\$ 54,805	\$ 55,220
Contributions in relation to the contractually required contribution	(54,805)	\$ (55,220)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,981,033	\$ 5,830,870
Contributions as a percentage of covered payroll	0.92%	0.95%

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to Required Supplementary Information
June 30, 2019

NOTE 1. OPEB – Factors that Affect Trends

There are no factors (e.g. changes in benefit terms, the use of different assumptions, changes in investment policies) that significantly affect trends in the amounts reported in the required schedules.

NOTE 2. OPEB – Plan Assets

There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits.

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

- The **Debt Service Fund** is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

COMPARATIVE BALANCE SHEETS

FOR THE FOLLOWING MAJOR FUNDS:

- The **General fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
- The **Special Education Fund** is used to account for revenues received for the instruction of pupils with disabilities and gifted and talented pupils in accordance with Senate Bill 569 passed in 1994.
- The **State Special Revenue Fund** is used to account for monies provided for State funded projects.
- The **Federal Special Revenue Fund** is used to account for monies provided for Federally funded projects.
- The **Debt Service Fund** is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

WHITE PINE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2018
Revenues					
Local sources	\$ 1,364,610	\$ 1,364,610	\$ 1,479,264	\$ 114,654	\$ 1,257,856
Total revenues	<u>1,364,610</u>	<u>1,364,610</u>	<u>1,479,264</u>	<u>114,654</u>	<u>1,257,856</u>
Expenditures					
Debt issuance and other costs	2,500	2,500	2,200	300	2,950
Principal	600,789	600,789	600,796	(7)	795,222
Interest	258,066	258,066	258,059	7	292,002
Total expenditures	<u>861,355</u>	<u>861,355</u>	<u>861,055</u>	<u>300</u>	<u>1,090,174</u>
Excess of revenues over/(under) expenditures	503,255	503,255	618,209	114,954	167,682
Other financing sources (uses)					
Transfers in	162,634	162,634	162,634	-	156,018
Transfers out	<u>(300,000)</u>	<u>(310,000)</u>	<u>(310,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(137,366)</u>	<u>(147,366)</u>	<u>(147,366)</u>	<u>-</u>	<u>156,018</u>
Net change in fund balance	365,889	355,889	470,843	114,954	323,700
Fund balance, beginning of year	<u>993,650</u>	<u>993,650</u>	<u>993,650</u>	<u>-</u>	<u>669,950</u>
Fund balance, end of year	<u>\$ 1,359,539</u>	<u>\$ 1,349,539</u>	<u>\$ 1,464,493</u>	<u>\$ 114,954</u>	<u>\$ 993,650</u>

WHITE PINE COUNTY SCHOOL DISTRICT
GENERAL FUND
Balance Sheet
June 30, 2019
(With Comparative Totals from June 30, 2018)

	Totals	
	2019	2018
Assets		
Cash and investments	\$ 3,266,785	\$ 1,510,160
Accounts receivable	92,836	88,054
Due from other funds	2,637,772	3,066,462
Prepays	16,874	31,264
Due from other governments	1,038,451	3,588,511
Restricted cash and investments	625,434	24,848
Total assets	<u>\$ 7,678,152</u>	<u>\$ 8,309,299</u>
Liabilities, Deferred Inflows, and Fund Balances		
Liabilities:		
Accounts payable	\$ 1,178,348	\$ 3,672,775
Accrued payroll	585,662	599,519
Due to other governments	-	49,059
Total liabilities	<u>1,764,010</u>	<u>4,321,353</u>
Deferred inflows of resources:		
Deferred revenue	<u>1,811,007</u>	<u>1,350,477</u>
Total deferred inflows of resources	<u>1,811,007</u>	<u>1,350,477</u>
Fund balances:		
Nonspendable:		
Prepays	16,874	31,264
Restricted	625,434	24,848
Assigned	152,400	152,400
Unassigned	<u>3,308,427</u>	<u>2,428,957</u>
Total fund balances	<u>4,103,135</u>	<u>2,637,469</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,678,152</u>	<u>\$ 8,309,299</u>

**WHITE PINE COUNTY SCHOOL DISTRICT
SPECIAL EDUCATION**

Balance Sheet

June 30, 2019

(With Comparative Totals from June 30, 2018)

	Totals	
	2019	2018
Assets		
Cash and investments	\$ 149,965	\$ 171,708
Accounts receivable	128	128
Prepaid expense	2,569	2,569
Total assets	<u>\$ 152,662</u>	<u>\$ 174,405</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 5,273	\$ -
Accrued payroll	147,389	174,405
Total liabilities	<u>152,662</u>	<u>174,405</u>
Fund balances:		
Nonspendable:		
Prepays	2,569	2,569
Unassigned	(2,569)	(2,569)
Total fund balances	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 152,662</u>	<u>\$ 174,405</u>

WHITE PINE COUNTY SCHOOL DISTRICT
STATE SPECIAL REVENUE FUND
Balance Sheet
June 30, 2019
(With Comparative Totals from June 30, 2018)

	Totals	
	2019	2018
Assets		
Cash and investments	\$ 134,713	\$ 106,222
Due from other governments	1,182,649	1,346,902
Total assets	<u>\$ 1,317,362</u>	<u>\$ 1,453,124</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 141,955	\$ 46,112
Accrued payroll	105,417	128,326
Due to other funds	966,046	1,185,946
Due to other governments	68,653	81,871
Total liabilities	<u>1,282,071</u>	<u>1,442,255</u>
Fund balances:		
Restricted	35,291	10,869
Total fund balances	<u>35,291</u>	<u>10,869</u>
Total liabilities and fund balance	<u>\$ 1,317,362</u>	<u>\$ 1,453,124</u>

WHITE PINE COUNTY SCHOOL DISTRICT
FEDERAL SPECIAL REVENUE FUND
Balance Sheet
June 30, 2019
(With Comparative Totals from June 30, 2018)

	Totals	
	2019	2018
ASSETS		
Cash and investments	\$ -	\$ -
Due from other governments	1,411,933	1,670,408
Prepays	3,250	-
Total assets	<u>\$ 1,415,183</u>	<u>\$ 1,670,408</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 36,771	\$ 47,946
Accrued payroll	49,599	17,765
Due to other funds	1,328,813	1,604,697
Total liabilities	<u>1,415,183</u>	<u>1,670,408</u>
Fund balances:		
Unassigned	-	-
Total fund balances	-	-
Total liabilities and fund balance	<u>\$ 1,415,183</u>	<u>\$ 1,670,408</u>

WHITE PINE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND
Balance Sheet
June 30, 2019
(With Comparative Totals from June 30, 2018)

	Totals	
	2019	2018
Assets		
Cash and investments	\$ 1,048,145	\$ 584,993
Due from other governments	51,998	19,579
Restricted cash and investments	364,350	389,078
Total assets	<u>\$ 1,464,493</u>	<u>\$ 993,650</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Restricted	<u>1,464,493</u>	<u>993,650</u>
Total fund balances	<u>1,464,493</u>	<u>993,650</u>
Total liabilities and fund balances	<u>\$ 1,464,493</u>	<u>\$ 993,650</u>

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SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS
AND BUDGETARY COMPARISON SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues (other than expendable trusts and capital projects) that are legally restricted to expenditure for particular purposes.

Class Size Reduction – To account for money appropriated by the Nevada State Legislature. Expenditures are restricted to reduction of class size in grades kindergarten through third.

Adult Education – This funding is provided by the Nevada legislature each year to assist with programs and services for adult high school education programs and services. Expenditures are restricted to adult high school diploma programs.

Gifts and Donations – To account for various monies received from private organizations or individuals: State Superintendent Meeting Donations, PACE Coalition SVHS Grad Night Donation, E.L. Cord Foundation Donations, Hughes & Jones Music Donations, Donations – General, Science Fair Donations, WP Education Community Coalition, Spring Valley Wind Donations, Senior FFA Scholarship Donation, Jack and Renee Smith Scholarship, Pool/Pact, Mt. Wheeler Donation, Pennington Donation, Banis Donation, Samantha Anderson Donation, Memory of Ruth Donation, and WPHS Pantry Donations.

Other Special Revenue Fund – To account for various monies received from private organizations or individuals: Soda Fund.

School Nutrition Fund– Requested by State Department of Education and Taxation, used to pay for school nutrition program. Funded by Federal and State entitlement payments, fees and transfers from general fund.

Scholarship Fund – Donations made for the purpose of providing scholarship to students.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Building and Sites Fund – This fund is used to record transactions related to receipts of rentals, sales of school property and gifts to the District as set forth in NRS 387.177 and federal funds for construction of school facilities. Expenditures are limited as set forth in NRS 387.177.

Capital Projects Fund - This fund is used to account for revenues received for capital projects from grants, taxes or private donations and the related expenditures. Within this fund, accounting is done for School Construction and Extraordinary Repair.

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019
(With Comparative Totals for June 30, 2018)

	Nonmajor Special Revenue	Nonmajor Capital Projects	Totals (Memorandum Only)	
			2019	2018
Assets				
Cash and investments	\$ 97,746	\$ 725,200	\$ 822,946	\$ 760,634
Accounts receivable	4,741	-	4,741	14,938
Due from other governments	450,962	67,048	518,010	424,666
Restricted cash and investments	-	-	-	-
Total assets	<u>\$ 553,449</u>	<u>\$ 792,248</u>	<u>\$ 1,345,697</u>	<u>\$ 1,200,238</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,835	\$ -	\$ 5,835	\$ 80,342
Accrued payroll	178,348	-	178,348	146,604
Due to other funds	342,913	-	342,913	275,819
Due to other governments	500	-	500	97,177
Total liabilities	<u>527,596</u>	<u>-</u>	<u>527,596</u>	<u>599,942</u>
Fund balances:				
Restricted	<u>25,853</u>	<u>792,248</u>	<u>818,101</u>	<u>600,296</u>
Total fund balances	<u>25,853</u>	<u>792,248</u>	<u>818,101</u>	<u>600,296</u>
Total liabilities and fund balance	<u>\$ 553,449</u>	<u>\$ 792,248</u>	<u>\$ 1,345,697</u>	<u>\$ 1,200,238</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Nonmajor Special Revenue	Nonmajor Capital Projects	Totals (Memorandum Only)	
			2019	2018
Revenues				
Local sources	\$ 101,019	\$ 493,827	\$ 594,846	\$ 758,058
State sources	1,227,695	-	1,227,695	1,125,000
Federal sources	237,881	-	237,881	226,264
Total revenues	1,566,595	493,827	2,060,422	2,109,322
Expenditures				
Regular programs	453,023	-	453,023	347,718
Other instructional programs	6,771	-	6,771	1,239
Adult/continuing ed. programs	675,249	-	675,249	548,619
Support services expenditures				
Student support	5,506	-	5,506	-
Instructional support	6,500	-	6,500	5,697
General administration	1,209	7,878	9,087	2,737
School administration	180,909	-	180,909	246,916
Central services	1,782	62,444	64,226	9,567
Operations and maintenance	2,878	28,320	31,198	7,737
Other support	13,066	-	13,066	2,276
Food services	386,821	-	386,821	381,204
Community services	-	-	-	498
Facilities acquisition, construction and improvements	-	375,561	375,561	978,872
Total expenditures	1,733,714	474,203	2,207,917	2,533,080
Excess of revenues over (under) expenditures	(167,119)	19,624	(147,495)	(423,758)
Other financing sources (uses):				
Transfers in (out)	137,234	310,000	447,234	69,791
Transfers out	-	(81,934)	(81,934)	(78,918)
Total other financing sources (uses)	137,234	228,066	365,300	(9,127)
Net change in fund balances	(29,885)	247,690	217,805	(432,885)
Fund balance, beginning of year	55,738	544,558	600,296	1,033,181
Fund balance, end of year	\$ 25,853	\$ 792,248	\$ 818,101	\$ 600,296

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019
(With Comparative Totals for June 30, 2018)

	<u>Class Size Reduction</u>	<u>Adult Education</u>	<u>Gifts and Donations</u>	<u>Other Special Revenue Fund</u>
Assets				
Cash and investments	\$ 70,624	\$ -	\$ 23,681	\$ 200
Accounts receivable	-	423	4,165	-
Due from other governments	-	448,732	-	-
Total assets	<u>\$ 70,624</u>	<u>\$ 449,155</u>	<u>\$ 27,846</u>	<u>\$ 200</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 2,183	\$ -	\$ -
Accrued payroll	70,624	107,724	-	-
Due to other funds	-	339,248	3,665	-
Due to other governments	-	-	500	-
Total liabilities	<u>70,624</u>	<u>449,155</u>	<u>4,165</u>	<u>-</u>
Fund balances:				
Restricted	-	-	23,681	200
Total fund balances	<u>-</u>	<u>-</u>	<u>23,681</u>	<u>200</u>
Total liabilities and fund balance	<u>\$ 70,624</u>	<u>\$ 449,155</u>	<u>\$ 27,846</u>	<u>\$ 200</u>

(Continued)

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019
(With Comparative Totals for June 30, 2018)

	School Nutrition	Scholarship	Totals (Memorandum Only)	
			2019	2018
Assets				
Cash and investments	\$ 1,269	\$ 1,972	\$ 97,746	\$ 207,595
Accounts receivable	153	-	4,741	14,938
Due from other governments	2,230	-	450,962	354,897
Total assets	<u>\$ 3,652</u>	<u>\$ 1,972</u>	<u>\$ 553,449</u>	<u>\$ 577,430</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,652	\$ -	\$ 5,835	\$ 2,092
Accrued payroll	-	-	178,348	146,604
Due to other funds	-	-	342,913	275,819
Due to other governments	-	-	500	97,177
Total liabilities	<u>3,652</u>	<u>-</u>	<u>527,596</u>	<u>521,692</u>
Fund balances:				
Restricted	-	1,972	25,853	55,738
Total fund balances	<u>-</u>	<u>1,972</u>	<u>25,853</u>	<u>55,738</u>
Total liabilities and fund balance	<u>\$ 3,652</u>	<u>\$ 1,972</u>	<u>\$ 553,449</u>	<u>\$ 577,430</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
June 30, 2019
(With Comparative Totals for June 30, 2018)

	Class Size Reduction	Adult Education	Gifts and Donations	Other Special Revenue Fund
Revenues				
Local sources	\$ -	\$ -	\$ 32,947	\$ -
State sources	364,190	862,658	-	-
Federal sources	-	-	-	-
Total revenues	<u>364,190</u>	<u>862,658</u>	<u>32,947</u>	<u>-</u>
Expenditures				
Regular programs	424,444	-	28,579	-
Other instructional programs	-	-	6,771	-
Adult/continuing ed. programs	-	675,249	-	-
Support services expenditures				
Student support	-	-	5,506	-
Instructional support	-	6,500	-	-
General administration	-	-	1,177	32
School administration	-	180,909	-	-
Central services	-	-	1,750	32
Operations and maintenance	-	-	2,878	-
Student transportation	-	-	-	-
Other support	-	-	13,066	-
Food services	-	-	-	-
Community services	-	-	-	-
Facilities, acquisition, construction and improvement	-	-	-	-
Total expenditures	<u>424,444</u>	<u>862,658</u>	<u>59,727</u>	<u>64</u>
Excess of revenues over (under) expenditures	<u>(60,254)</u>	<u>-</u>	<u>(26,780)</u>	<u>(64)</u>
Other financing sources (uses):				
Transfers in (out)	<u>60,254</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>60,254</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(26,780)	(64)
Fund balance, beginning of year	-	-	50,461	264
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,681</u>	<u>\$ 200</u>

(Continued)

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
June 30, 2019
(With Comparative Totals for June 30, 2018)

	School Nutrition	Scholarship	Totals (Memorandum Only)	
			2019	2018
Revenues				
Local sources	\$ 68,072	\$ -	\$ 101,019	\$ 370,560
State sources	847	-	1,227,695	1,125,000
Federal sources	237,881	-	237,881	226,264
Total revenues	306,800	-	1,566,595	1,721,824
Expenditures				
Regular programs	-	-	453,023	347,718
Other instructional programs	-	-	6,771	1,239
Adult/continuing ed. programs	-	-	675,249	548,619
Support services expenditures				
Student support	-	-	5,506	-
Instructional support	-	-	6,500	5,697
General administration	-	-	1,209	2,737
School administration	-	-	180,909	246,916
Central services	-	-	1,782	1,603
Operations and maintenance	-	-	2,878	2,358
Student transportation	-	-	-	-
Other support	-	-	13,066	-
Food services	386,821	-	386,821	381,204
Community services	-	-	-	498
Facilities, acquisition, construction and improvement	-	-	-	253,042
Total expenditures	386,821	-	1,733,714	1,791,631
Excess of revenues over (under) expenditures	(80,021)	-	(167,119)	(69,807)
Other financing sources (uses):				
Transfers in (out)	76,980	-	137,234	69,791
Total other financing sources (uses)	76,980	-	137,234	69,791
Net change in fund balances	(3,041)	-	(29,885)	(16)
Fund balance, beginning of year	3,041	1,972	55,738	55,754
Fund balance, end of year	\$ -	\$ 1,972	\$ 25,853	\$ 55,738

WHITE PINE COUNTY SCHOOL DISTRICT
CLASS SIZE REDUCTION
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2018
Revenues					
State sources	\$ 386,680	\$ 364,190	\$ 364,190	\$ -	\$ 324,321
Total revenues	<u>386,680</u>	<u>364,190</u>	<u>364,190</u>	<u>-</u>	<u>324,321</u>
Expenditures					
Regular programs	386,680	424,444	424,444	-	324,321
Total expenditures	<u>386,680</u>	<u>424,444</u>	<u>424,444</u>	<u>-</u>	<u>324,321</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(60,254)</u>	<u>(60,254)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in (out)	-	60,254	60,254	-	-
Total other financing sources (uses)	<u>-</u>	<u>60,254</u>	<u>60,254</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WHITE PINE COUNTY SCHOOL DISTRICT
ADULT EDUCATION
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2018
Revenues					
State sources	\$ 794,395	\$ 873,093	\$ 862,658	\$ (10,435)	\$ 799,874
Total revenues	<u>794,395</u>	<u>873,093</u>	<u>862,658</u>	<u>(10,435)</u>	<u>799,874</u>
Expenditures					
Adult/continuing ed. programs	538,805	679,355	675,249	4,106	548,619
Support services					
Instructional support	2,039	6,585	6,500	85	1,981
School administration	253,092	187,153	180,909	6,244	246,916
Central services	459	-	-	-	-
Operations and maintenance	-	-	-	-	2,358
Total expenditures	<u>794,395</u>	<u>873,093</u>	<u>862,658</u>	<u>10,435</u>	<u>799,874</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,953)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,953)</u>
Net change in fund balances	-	-	-	-	(4,953)
Fund balance, beginning of year	-	-	-	-	4,953
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WHITE PINE COUNTY SCHOOL DISTRICT
GIFTS AND DONATIONS
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2018
Revenues					
Local sources	\$ -	\$ 19,320	\$ 32,947	\$ 13,627	\$ 288,308
Total revenues	-	19,320	32,947	13,627	288,308
Expenditures					
Regular programs	1,590	34,560	28,579	5,981	21,495
Other instructional programs	-	9,000	6,771	2,229	1,239
Support services					
Student support	-	5,750	5,506	244	-
Instructional support	-	-	-	-	3,716
General administration	-	1,200	1,177	23	2,704
Central services	-	3,050	1,750	1,300	1,561
Operations and maintenance	-	3,155	2,878	277	-
Other support	-	13,066	13,066	-	-
Community services	-	-	-	-	498
Facilities acquisition and construction	-	-	-	-	253,042
Total expenditures	1,590	69,781	59,727	10,054	284,255
Excess of revenues over (under) expenditures	(1,590)	(50,461)	(26,780)	23,681	4,053
Other financing sources (uses):					
Transfers in (out)	-	-	-	-	(253)
Total other financing sources (uses)	-	-	-	-	(253)
Net change in fund balances	(1,590)	(50,461)	(26,780)	23,681	3,800
Fund balance, beginning of year	-	50,461	50,461	-	46,661
Fund balance, end of year	\$ (1,590)	\$ -	\$ 23,681	\$ 23,681	\$ 50,461

WHITE PINE COUNTY SCHOOL DISTRICT
OTHER SPECIAL REVENUE FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2018
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 53
Total revenues	-	-	-	-	53
Expenditures					
General administration	-	132	32	100	33
Central services	-	132	32	100	42
Total expenditures	-	264	64	200	75
Excess of revenues over (under) expenditures	-	(264)	(64)	200	(22)
Net change in fund balances	-	(264)	(64)	200	(22)
Fund balance, beginning of year	264	264	264	-	286
Fund balance, end of year	<u>\$ 264</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 264</u>

WHITE PINE COUNTY SCHOOL DISTRICT
SCHOOL NUTRITION
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2018
Revenues					
Local sources	\$ 78,562	\$ 82,180	\$ 68,072	\$ (14,108)	\$ 82,179
State sources	832	832	847	15	805
Federal sources	214,827	225,430	237,881	12,451	226,264
Total revenue	294,221	308,442	306,800	(1,642)	309,248
Expenditures					
Support services - food services					
Salaries and wages	4,305	4,528	4,220	308	4,106
Employee benefits	5,055	5,267	937	4,330	1,143
Purchased services	382,348	422,886	373,304	49,582	369,251
Supplies	9,883	12,784	7,591	5,193	6,314
Other	22	1,067	769	298	390
Total expenditures	401,613	446,532	386,821	59,711	381,204
Excess of revenues over (under) expenditures	(107,392)	(138,090)	(80,021)	58,069	(71,956)
Other financing sources (uses)					
Transfers in	107,392	135,049	76,980	(58,069)	74,997
Net change in fund balance	-	(3,041)	(3,041)	-	3,041
Fund balance, beginning of year	3,041	3,041	3,041	-	-
Fund balance, end of year	<u>\$ 3,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,041</u>

WHITE PINE COUNTY SCHOOL DISTRICT
SCHOLARSHIP
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts			Variance Favorable (Unfavorable)	Actual 2018
	Original	Final	Actual		
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 20
Total revenue	-	-	-	-	20
Expenditures					
Regular programs					
Purchased services	-	-	-	-	1,902
Total regular programs	-	-	-	-	1,902
Total expenditures	-	-	-	-	1,902
Excess of revenues over (under) expenditures	-	-	-	-	(1,882)
Net change in fund balance	-	-	-	-	(1,882)
Fund balance, beginning of year	1,972	1,972	1,972	-	3,854
Fund balance, end of year	<u>\$ 1,972</u>	<u>\$ 1,972</u>	<u>\$ 1,972</u>	<u>\$ -</u>	<u>\$ 1,972</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2019
(With Comparative Totals for June 30, 2018)

	Capital Project Fund	Building & Sites	Totals (Memorandum Only)	
			2019	2018
Assets				
Cash	\$ 658,346	\$ 66,854	\$ 725,200	\$ 553,039
Due from other governments	67,048	-	67,048	69,769
Restricted cash and investments	-	-	-	-
Total assets	<u>\$ 725,394</u>	<u>\$ 66,854</u>	<u>\$ 792,248</u>	<u>\$ 622,808</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 78,250
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,250</u>
Fund balances:				
Restricted	<u>725,394</u>	<u>66,854</u>	<u>792,248</u>	<u>544,558</u>
Total fund balances	<u>725,394</u>	<u>66,854</u>	<u>792,248</u>	<u>544,558</u>
Total liabilities and fund balance	<u>\$ 725,394</u>	<u>\$ 66,854</u>	<u>\$ 792,248</u>	<u>\$ 622,808</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Capital Project Fund	Building & Sites	Totals (Memorandum Only)	
			2019	2018
Revenues				
Local sources	\$ 423,350	\$ 70,477	\$ 493,827	\$ 387,498
Total revenues	423,350	70,477	493,827	387,498
Expenditures				
Support services expenditures				
General administration	7,878	-	7,878	-
Central services	62,444	-	62,444	7,964
Operations and maintenance	24,697	3,623	28,320	5,379
Other support	-	-	-	2,276
Facilities acquisition, construction and improvements	375,561	-	375,561	725,830
Total expenditures	470,580	3,623	474,203	741,449
Excess of revenues over (under) expenditures	(47,230)	66,854	19,624	(353,951)
Other financing sources (uses):				
Transfers in	310,000	-	310,000	-
Transfers out	(81,934)	-	(81,934)	(78,918)
Total other financing sources (uses)	228,066	-	228,066	(78,918)
Net change in fund balances	180,836	66,854	247,690	(432,869)
Fund balance, beginning of year	544,558	-	544,558	977,427
Fund balance, end of year	\$ 725,394	\$ 66,854	\$ 792,248	\$ 544,558

WHITE PINE COUNTY SCHOOL DISTRICT
BUILDING AND SITES FUND
Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts			Variance Favorable (Unfavorable)	Actual 2018
	Original	Final	Actual		
Revenues					
Local sources	\$ 7,500	\$ 11,305	\$ 70,477	\$ 59,172	\$ 3,564
Total revenues	7,500	11,305	70,477	59,172	3,564
Expenditures					
Support services - central services					
Supplies	-	-	-	-	7,964
Total central services	-	-	-	-	7,964
Support services - operations and maintenance					
Purchased services	-	4,000	3,623	377	3,131
Supplies	7,500	7,305	-	7,305	2,160
Total operations and maintenance	7,500	11,305	3,623	7,682	5,291
Support services -other support					
Other	-	-	-	-	91
Total other support	-	-	-	-	91
Total expenditures	7,500	11,305	3,623	7,682	13,346
Excess of revenues over (under) expenditures	-	-	66,854	66,854	(9,782)
Net change in fund balance	-	-	66,854	66,854	(9,782)
Fund balance, beginning of year	-	-	-	-	9,782
Fund balance, end of year	\$ -	\$ -	\$ 66,854	\$ 66,854	\$ -

WHITE PINE COUNTY SCHOOL DISTRICT
CAPITAL PROJECT FUND
Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Budgeted Amounts			Variance Favorable (Unfavorable)	Actual 2018
Revenues	Original	Final	Actual		
Local sources	\$ 210,000	\$ 214,500	\$ 423,350	\$ 208,850	\$ 383,934
Total revenues	210,000	214,500	423,350	208,850	383,934
Expenditures					
General administration	-	7,978	7,878	100	-
Central services	62,440	316,059	62,444	253,615	-
Operations and maintenance	65,626	218,202	24,697	193,505	88
Other support	-	-	-	-	2,185
Facilities acquisition, construction and improvements	300,000	444,885	375,561	69,324	725,830
Total expenditures	428,066	987,124	470,580	516,544	728,103
Excess of revenues over (under) expenditures	(218,066)	(772,624)	(47,230)	725,394	(344,169)
Other financing sources (uses):					
Transfers in	300,000	310,000	310,000	-	-
Transfers out	(81,934)	(81,934)	(81,934)	-	(78,918)
Total other financing sources (uses)	218,066	228,066	228,066	-	(78,918)
Net change in fund balances	-	(544,558)	180,836	725,394	(423,087)
Fund balances - beginning	544,558	544,558	544,558	-	967,645
Fund balances - ending	\$ 544,558	\$ -	\$ 725,394	\$ 725,394	\$ 544,558

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FIDUCIARY AND AGENCY FUNDS

STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES

Fiduciary funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Funds – These agency funds are used to maintain the operations of the various school activities. The monies actually belong to the various clubs and classes and are maintained by each school principal.

WHITE PINE COUNTY SCHOOL DISTRICT
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Transfers	Balance June 30, 2019
WHITE PINE HIGH SCHOOL					
STUDENT BODY ACTIVITIES FUND					
ASSETS					
Cash	\$ 277,487	\$ 357,913	\$ 335,835	\$ -	\$ 299,565
LIABILITIES					
Due to student groups	\$ 277,487	\$ 357,913	\$ 335,835	\$ -	\$ 299,565
LUND HIGH SCHOOL					
STUDENT BODY ACTIVITIES FUND					
ASSETS					
Cash	\$ 23,416	\$ 57,668	\$ 53,372	\$ -	\$ 27,712
LIABILITIES					
Due to student groups	\$ 23,416	\$ 57,668	\$ 53,372	\$ -	\$ 27,712
WHITE PINE MIDDLE SCHOOL					
STUDENT BODY ACTIVITIES FUND					
ASSETS					
Cash	\$ 127,168	\$ 73,863	\$ 51,328	\$ -	\$ 149,703
LIABILITIES					
Due to student groups	\$ 127,168	\$ 73,863	\$ 51,328	\$ -	\$ 149,703
DAVID E. NORMAN ELEMENTARY SCHOOL					
STUDENT BODY ACTIVITIES FUND					
ASSETS					
Cash	\$ 19,303	\$ 23,095	\$ 19,999	\$ -	\$ 22,399
LIABILITIES					
Due to student groups	\$ 19,303	\$ 23,095	\$ 19,999	\$ -	\$ 22,399
					(continued)

WHITE PINE COUNTY SCHOOL DISTRICT
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

(Continued)

McGILL ELEMENTARY SCHOOL

STUDENT BODY ACTIVITIES FUND

ASSETS

Cash	<u>\$ 34,353</u>	<u>\$ 26,024</u>	<u>\$ 35,494</u>	<u>\$ -</u>	<u>\$ 24,883</u>
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LIABILITIES

Due to student groups	<u>\$ 34,353</u>	<u>\$ 26,024</u>	<u>\$ 35,494</u>	<u>\$ -</u>	<u>\$ 24,883</u>
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BAKER SCHOOL

STUDENT BODY ACTIVITIES FUND

ASSETS

Cash	<u>\$ 918</u>	<u>\$ 454</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ 938</u>
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LIABILITIES

Due to student groups	<u>\$ 918</u>	<u>\$ 454</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ 938</u>
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TOTAL - ALL AGENCY FUNDS

ASSETS

Cash	<u>\$ 482,645</u>	<u>\$ 539,017</u>	<u>\$ 496,462</u>	<u>\$ -</u>	<u>525,200</u>
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LIABILITIES

Due to student groups	<u>\$ 482,645</u>	<u>\$ 539,017</u>	<u>\$ 496,462</u>	<u>\$ -</u>	<u>525,200</u>
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FEDERAL AND STATE REPORTS

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Board of Trustees
White Pine County School District
Ely, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of White Pine County School District, State of Nevada, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise White Pine County School District's basic financial statements and have issued our report thereon dated November 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered White Pine County School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of White Pine County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the White Pine County School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

2018-001 Controls and Segregation of Duties

Compliance and Other Matters

As part of obtaining reasonable assurance about whether White Pine County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC

St. George, Utah

November 30, 2019

WHITE PINE COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Grantor Agency	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
(Passed through the State of Nevada Department of Agriculture)			
Child Nutrition Cluster			
School Breakfast Program	10.553	19-801-17000	\$ 67,151
National School Lunch Program	10.555	19-802-17000	150,165
Total Child Nutrition Cluster			<u>217,316</u>
Commodity Supplemental Food Program	10.565	19-806-17000	20,566
(Passed through White Pine County, Nevada)			
Secure Rural Schools	10.666	N/A	221,536
Total U.S. Department of Agriculture			<u>459,418</u>
U.S. Department of Education			
(Passed through the State of Nevada Department of Education)			
Title I Section 1003(a) Focus Schools	84.010	19-624-17000	464,242
Title I - Part A	84.010	19-633-17000	217,185
Total 84.010			<u>681,427</u>
Special Education Cluster (IDEA)			
Special Ed - Part B - Local plan	84.027	19-639-17000	318,547
Special Ed - Early Childhood	84.173	19-665-17000	6,697
Total Special Education Cluster			<u>325,244</u>
Carl Perkins Basic	84.048	19-631-17000	17,309
Title II Part A - Improving Teacher Quality	84.367	19-709-17000	26,780
Preschool Development	84.419	19-795-17000	195,689
Student Support and Academic Enrichment	84.424	19-715-17000	237,918
Total U.S. Department of Education			<u>1,484,367</u>
U.S. Department of Health and Human Services			
(Passed through the State of Nevada Department of Education)			
Substance Abuse Prevention and Treat. (SAPTA)	93.243	ENCC10/11#3	10,000
Total U.S. Department of Health and Human Services			<u>10,000</u>
Total expenditure of federal awards			<u>\$ 1,953,785</u>

WHITE PINE COUNTY SCHOOL DISTRICT
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

NOTE 1. Summary Significant Accounting Policies and Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the White Pine County School District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of White Pine County School District, it is not intended to and does not present the financial position or changes in financial position of White Pine County School District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2. Indirect Cost Rate

White Pine County School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance for the year ended June 30, 2019.

NOTE 3. Federal Loans and Loan Guarantee Programs Outstanding

White Pine County School District had no balances of loan and loan guarantee programs outstanding as of June 30, 2019.



**Report on Compliance for Each Major Program
and on Internal Control Over Compliance
Required by the Uniform Guidance**

Board of Trustees
White Pine County School District
Ely, Nevada

Report on Compliance for Each Major Federal Program

We have audited White Pine County School District, State of Nevada's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of White Pine County School District's major federal programs for the year ended June 30, 2019. White Pine County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about White Pine County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, White Pine County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of White Pine County School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of White Pine County School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
November 30, 2019

WHITE PINE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ yes ☐ no

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal Control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ no

Type of auditor's report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance?

☐ yes ☒ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I Grants

Dollar threshold used to distinguish between type
A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

WHITE PINE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None noted

Significant Deficiencies:

2018-001. Controls and Segregation of Duties

Criteria: A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected in a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Furthermore, auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the District's internal controls.

Condition: The combination of deficiencies in internal control, as summarized below, is deemed to be a significant deficiency. There appears to be a lack of controls in the following areas:

- Segregation of duties and staff changes
- Tracking leave time and days worked
- Approval of extra duties compensation
- Timeliness of grant reimbursement requests and paybacks
- Timeliness of bank reconciliations
- Misstatements and reconciliations, including revenue accruals, capital assets and compensated absences

Cause: There are multiple factors causing the deficiencies, including the following: budget constraints; office staff reductions and changes (a lack of resources), including staff turnover and extended leave absences; and a lack of formal policies and procedures in certain areas. The District's business supervisor was unavailable during nearly all of the fiscal-year end close period for 2019, which contributed to the lack of controls and reconciliations and to the increase in misstatements.

WHITE PINE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II - Financial Statement Findings, Continued

Effect: These circumstances increase the potential for financial statement misstatements (whether due to fraud or error), misappropriation of assets, employee turnover, audit delays and not meeting statutory compliance requirements or deadlines.

Recommendation: We understand that the District reduced staff due to significant budget constraints in the past few years, but the financial conditions that prompted the staff reduction have changed. We further recognize the District must balance demands with respect to all aspects of its budget. However, in light of the risks facing the District from a lack of segregation of duties and staff changes, we emphasize the importance of adequately staffing the District office. We understand that in fiscal year 2020 the District replaced half of the position that was previously eliminated. This should improve the deficiencies. We recommend the District develop a plan to ensure that all significant adjustments are posted to the general ledger before the annual audit takes place. The plan should address the need to perform complete and timely reconciliations of various accounts and areas including revenue accruals, capital assets and compensated absences.

COMPLIANCE AND OTHER MATTERS:

Compliance:

None noted

Other Matters:

None noted

Section III - Federal Award Findings and Questioned Costs

INTERNAL CONTROL OVER FEDERAL AWARDS:

None noted

COMPLIANCE:

None noted

WHITE PINE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section IV – Summary Schedule of Prior Audit Findings

FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

Not applicable

Significant Deficiencies:

2018-001 Controls and Segregation of Duties – Not corrected fiscal year 2019

As noted in Section II, this finding was not corrected in fiscal year 2019. The District is experiencing challenges related to staffing and is working to address the issues. See additional information in the accompanying corrective action plan.

COMPLIANCE AND OTHER MATTERS:

Compliance:

2018-002 Nepotism – Corrected fiscal year 2019

Other Matters:

Not applicable

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INTERNAL CONTROL OVER FEDERAL AWARDS:

Not applicable

COMPLIANCE:

Not applicable



**Report of Independent Certified Public Accountants on
Compliance with Statutes and Administrative Code
in Accordance with NRS 354.624(4)(C) and 354.6241**

Board of Trustees
White Pine County School District
Ely, Nevada

We have audited the basic financial statements of the White Pine County School District School, State of Nevada, for the year ended June 30, 2019, and have issued our report thereon dated November 30, 2019. Our audit also included test work on White Pine County School District's compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

The management of White Pine County School District, State of Nevada, is responsible for the District's compliance with the Nevada Revised Statutes (NRS) and regulations (Nevada Administrative Code). Our responsibility is to express an opinion on compliance with those requirements based on our audit and make specific statements regarding funds established and the status of prior year finding and recommendations; accordingly, we make the following statements:

There was one instance of noncompliance in the prior year which was corrected for the year ended June 30, 2019.

The District has complied with the provisions of NRS 354.6113.

The District has complied with the provisions of NRS 354.6115.

White Pine County School District appears to be using all of its funds expressly for the purposes for which they were created in accordance with NRS 354.624.

NRS 354.624 requires that a schedule of all fees imposed by the District which are subject to the provisions of NRS 354.5989 be presented. The District does not impose fees that are subject to NRS 354.5989.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, White Pine County School District complied, in all material respects, with the requirements identified above for the year ended June 30, 2019.

The results of our auditing procedures disclosed no instance of noncompliance for the year ended June 30, 2019.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Nevada Revised Statutes (NRS) and regulations (Nevada Administrative Code) and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hinton Burdick, PLLC".

HintonBurdick, PLLC
St. George, Utah
November 30, 2019

WHITE PINE COUNTY SCHOOL DISTRICT
Schedule of Extraordinary Repair Fund pursuant to NRS 354.6105.
Year Ended June 30, 2019

On June 25, 2000, pursuant to NRS 374A.010, the Board passed a resolution to establish a fund for the extraordinary maintenance, repair, or improvement of the District's facilities. Revenue for this fund is generated through a one-eighth of one percent sales tax in White Pine County. As required by NRS 354.6105 a separate fund has been established which may only be used for the extraordinary maintenance, repair or improvement of existing local government facilities or facilities which replace those facilities. A plan for this fund has been established. A detail of the actual and planned activity, stated on an accrual basis, in that fund follows.

	Actual For Year Ended June 30, 2019	Planned For Year Ended June 30, 2020
Beginning balance	\$ 414,173	\$ 626,801
Revenue	389,581	210,000
Expenditures		
Regular programs	-	-
Special programs	-	-
Student support	-	-
General administration	(7,878)	-
School administration	-	-
Central services	(62,444)	-
Operations and maintenance	(24,697)	(160,390)
Student transportation	-	-
Facilities acquisition, construction, and improvements	-	-
Transfers out	(81,934)	(49,610)
Ending balance	<u>\$ 626,801</u>	<u>\$ 626,801</u>

The District has complied with the provision of NRS 354.6105.

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White Pine County School District

1135 Avenue C Ely, Nevada 89301 (775) 289-4851 FAX (775) 289-3999



Response to Findings/Corrective Action Plan For the Year Ended June 30, 2019

During the fiscal years 2018 and 2019 audits, the following significant deficiency was noted by the external, independent auditors with respect to controls and segregation of duties.

2018-001. Controls and Segregation of Duties

Criteria: A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected in a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Furthermore, auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the District's internal controls.

Condition: The combination of deficiencies in internal control, as summarized below, is deemed to be a significant deficiency. There appears to be a lack of controls in the following areas:

- Segregation of duties and staff changes
- Tracking leave time and days worked
- Approval of extra duties compensation
- Timeliness of grant reimbursement requests and paybacks
- Timeliness of bank reconciliations
- Misstatements and reconciliations, including revenue accruals, capital assets and compensated absences

Cause: There are multiple factors causing the deficiencies, including the following: budget constraints; office staff reductions and changes (a lack of resources), including staff turnover and extended leave absences; and a lack of formal policies and procedures in certain areas. The District's business supervisor was unavailable during nearly all of the fiscal-year end close period for 2019, which contributed to the lack of controls and reconciliations and to the increase in misstatements.

Effect: These circumstances increase the potential for financial statement misstatements (whether due to fraud or error), misappropriation of assets, employee turnover, audit delays and not meeting statutory compliance requirements or deadlines.

Recommendation: We understand that the District reduced staff due to significant budget constraints in the past few years, but the financial conditions that prompted the staff reduction have changed. We further recognize the District must balance demands with respect to all

aspects of its budget. However, in light of the risks facing the District from a lack of segregation of duties and staff changes, we emphasize the importance of adequately staffing the District office. We understand that in fiscal year 2020 the District replaced half of the position that was previously eliminated. This should improve the deficiencies. We recommend the District develop a plan to ensure that all significant adjustments are posted to the general ledger before the annual audit takes place. The plan should address the need to perform complete and timely reconciliations of various accounts and areas including revenue accruals, capital assets and compensated absences.

Response to Finding/Corrective Action Plan

The District agrees with the auditor findings and recommendations.

On July 16, 2019, the Board of Trustees approved an additional ½ time clerical support position in the district office to replace ½ of the position that was eliminated in fiscal year 2016. In addition, the District has leveraged federal funding to contract with a company called WestEd to analyze the work flow and volume in the District's central support services to identify operating efficiencies and adequate staffing. WestEd is a nonpartisan, nonprofit research, development, and service agency that works with education and other communities throughout the United States and abroad to promote excellence, achieve equity, and improve learning for children, youth, and adults. Although the funding for WestEd does not provide any staffing resources directly to the District that would assist with the risks identified by the independent auditors, the information gained from their review will provide information to the Board of Trustees that will help identify operating efficiencies and sufficient resources to adequately equip the central support areas that will address the significant deficiencies identified in the FY 2018 and FY2019 annual reports.

In addition to a reduction in staff, fiscal services has experienced turnover in its payroll department and the long-term absence of the Business Supervisor has adversely affected the District's ability to meet work demands in a timely and accurate manner. The shortage of staff has increased the risk of error, increased the frequency of late reports, delays in bank reconciliations and gaps in work performance. The timing of the absence being so close to the fiscal year-end further compounded challenges with respect to the work burden. It should be noted that although the work performance was strained, the school district met its fiscal and fiduciary responsibilities and qualified as a low risk auditee despite the obstacles.

The abrupt, unplanned long-term absence of one of the key financial services employees has forced a series of temporary cross training that will provide benefit moving forward. In the short-term, the District Chief Financial Officer (CFO) will review operating procedures to better identify year-end protocols and procedures so that year-end functions can be completed more thoroughly in the event a similar employee absence happens again. The long-term solution will be developed with the assistance of WestEd. The Board of Trustees, Superintendent and CFO will review the WestEd report when it is completed and work to change operations and staff based on their recommendations.

Individuals/Entities Responsible for Corrective Action Plan

White Pine County School District

- Board of Trustees
- Adam Young, Superintendent
- Paul Johnson, Chief Financial Officer

BOARD OF SCHOOL TRUSTEES

*Shella Nicholes, Chair • Angela McVickers, Vice Chair • Jessica Trask, Clerk
Amy Adams, Member • Candice Campeau, Member • Pete Mangum • Tasheena Sandoval, Member
Adam Young, Superintendent*