

**WHITE PINE COUNTY SCHOOL DISTRICT, STATE OF NEVADA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**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, 2020, 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, 2020, 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, 2019, and our report dated November 30, 2019, 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, 2019, 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 October 23, 2020, 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  
October 23, 2020



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## **White Pine County School District Management's Discussion and Analysis June 30, 2020**

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, 2020. 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 the 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 financial activity and affirms that these financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the White Pine County School District.
- Net position improved by \$2,808,359. This has allowed the school district to build reserves so it is better prepared to deal with sustained, adverse economic events.
- Cash and investments totaled \$5,916,235 which was an increase of \$493,681 over FY2019.
- The General Fund ending balance increased by \$2,132,546. The unassigned General Fund balance was \$5,440,505. This is approximately 47% of total expenditures (including transfers).
- The Debt Service fund balance increased to \$1,592,200 despite transferring \$300,000 to fund capital projects. The fund balance is approximately \$1 million in excess of required reserves and available to fund capital improvements,
- Total assets (net of depreciation) exceeded total liabilities by \$9,188,847 or ratio of \$1.33 of assets for each \$1 of liability (\$1.33 to \$1.00).
- Current assets exceeded current liabilities (i.e. current ratio) by \$8,303,154 or by a ratio of \$4.31 to \$1. This includes the current portion of long-term debt.
- Total deferred inflows of resources exceeded total deferred outflows of resources by \$455,635. This means that acquisition of net assets was more than consumption of net assets.
- Total governmental revenue increased by approximately \$1,751,916 or 3 % and the General Fund revenue increased by \$1,231,486 or 9.3%.
- Total governmental revenue exceeded total governmental expenditures by \$2,296,143.

- Net proceeds of minerals, which is an indicator of mining viability and sustainability, totaled \$1,811,006 or 12.6% of total general fund revenue. This was an increase of \$460,529 over the prior year.
- The District was able to invest \$452,972 more into instruction and student and staff support compared with FY2019.

## 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 FY2020 will focus on required annual reporting so many of the ancillary reports that were evident in prior audits, such as the letter of transmittal and statistics sections, have not been 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: The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The "net investment in capital assets" represents the amount invested in capital assets, net of related debt.

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, 2020 Governmental Activities	June 30, 2019 Governmental Activities	Increase (Decrease)
Current Assets	\$ 10,809,279	\$ 10,735,777	\$ 73,502
Capital Assets	26,580,305	26,935,304	(354,999)
Total Assets	37,389,584	37,671,081	(281,497)
Total deferred outflows of resources	3,180,182	2,720,233	\$ 459,949
Current Liabilities	1,658,253	2,522,055	(863,802)
Current portion of long-term liabilities	847,872	807,091	40,781
Long-term Liabilities	25,694,612	25,885,874	(191,262)
Total Liabilities	28,200,737	29,215,020	(1,014,283)
Total deferred inflows of resources	3,635,817	5,251,441	(1,615,624)
<u>Net Position</u>			
Net Invested in Capital Assets	19,605,687	19,333,638	272,049
Restricted	3,107,384	2,943,319	164,065
Unrestricted	(13,979,859)	(16,352,104)	2,372,245
Total Net Position	\$ 8,733,212	\$ 5,924,853	\$ 2,808,359

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 \$455,635.

The District's assets exceeded liabilities by \$9,188,847 as of June 30, 2020 which is an increase from FY2019 of \$732,786. Assets decreased by \$281,497 while liabilities decreased by \$1,014,283.

The largest portion of total net assets, \$19,605,687, 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 \$4.31 to \$1. This means that for each \$1.00 of current liability there was \$4.31 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 \$2,808,359.

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, 2020**

Description	Governmental Activities FY2020	Governmental Activities FY2019	Increase (Decrease)
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for services	\$ 125,000	\$ 133,527	\$ (8,527)
Capital grants and contributions	741,969		741,969
Operating grants and contributions	6,088,602	6,081,315	7,287
<b>Total Program Revenues</b>	<b>6,955,571</b>	<b>6,214,842</b>	<b>740,729</b>
<b>General Revenues:</b>			
Property taxes, levied for general purposes	4,438,949	3,604,052	834,897
Property taxes, levied for debt services	1,029,041	1,358,613	(329,572)
Local school support tax (LSST)	2,972,909	3,144,925	(172,016)
Other taxes	1,505,944	1,464,226	41,718
Federal aid not restricted to specific purposes	146,497	102,206	44,291
State aid not restricted to specific purposes	5,674,979	4,991,873	683,106
Other local sources	157,798	276,193	(118,395)
Unrestricted investment earnings	101,450	94,292	7,158
<b>Total General Revenues</b>	<b>16,027,567</b>	<b>15,036,380</b>	<b>991,187</b>
<b>Total Revenues</b>	<b>22,983,138</b>	<b>21,251,222</b>	<b>1,731,916</b>
<b>Expenses</b>			
Instruction Expenses	8,882,928	8,633,156	249,772
Support Services Expenses:			
Student support	1,260,316	923,902	336,414
Instructional staff support	1,242,351	1,277,580	(35,229)
General administration	753,766	652,760	101,006
School administration	1,531,319	1,532,243	(924)
Central Services	1,196,410	1,097,925	98,485
Operations and maintenance	2,111,879	2,218,468	(106,589)
Student transportation	1,138,082	1,176,136	(38,054)
Other support	210,788	201,462	9,326
Food services	451,068	388,885	62,183
Noninstructional services	-	1,892	(1,892)
Community services	-	810	(810)
Facilities acquisition, construction and improvements	1,166,475	831,250	335,225
Interest	229,397	246,984	(17,587)
<b>Total Support Services</b>	<b>11,291,851</b>	<b>10,550,297</b>	<b>741,554</b>
<b>Total Expenses</b>	<b>20,174,779</b>	<b>19,183,453</b>	<b>991,326</b>
<b>Changes in Net Position</b>	<b>2,808,359</b>	<b>2,067,769</b>	<b>740,590</b>
<b>Net Position Beginning</b>	<b>5,924,853</b>	<b>3,857,084</b>	<b>2,067,769</b>
Restatement adjustments			
<b>Net Position Ending</b>	<b>8,733,212</b>	<b>5,924,853</b>	<b>2,808,359</b>

### Financial Analysis of the District's Funds

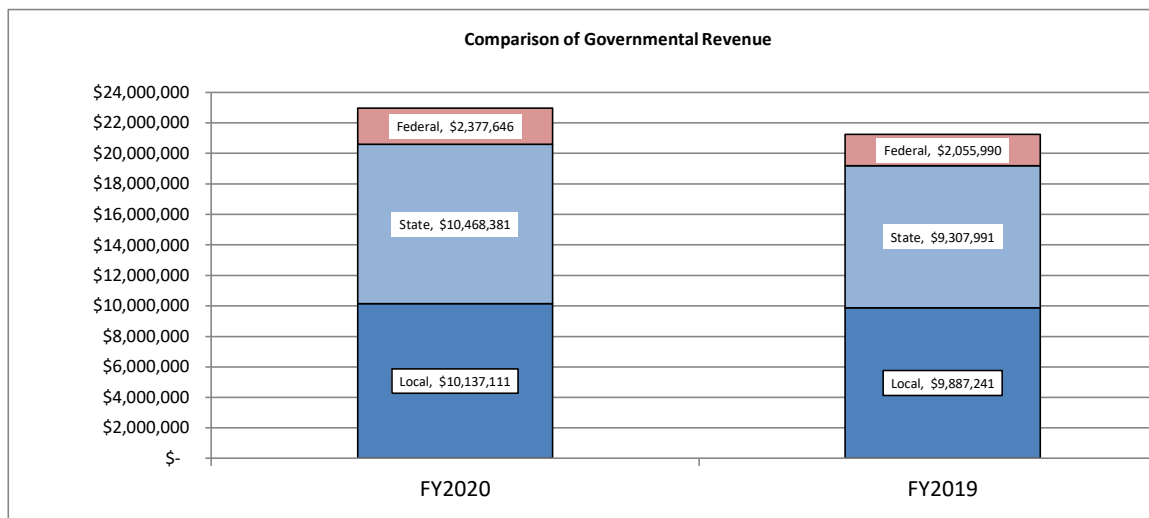
A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. There are essentially three groups of funds for which financial statements are prepared: 1) governmental, 2) proprietary, and 3) fiduciary. Like other state 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**  
FY2020 Governmental Fund Revenues

Expenditures	General Fund	Special Education Fund	State Special Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds	% Total Revenue
Local Sources	\$ 8,385,786	\$ -	\$ -	\$ 1,152,892	\$ 598,433	\$ 10,137,111	44.11%
State Sources	5,674,979	1,194,585	2,463,781		1,135,036	\$ 10,468,381	45.55%
Federal Sources	301,867	-	-		2,075,779	\$ 2,377,646	10.35%
Total Expenditure:	14,362,632	1,194,585	2,463,781	1,152,892	3,809,248	22,983,138	100.00%
	62%	5%	11%	5%	17%	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. Total governmental revenue increased by approximately \$1.7 million.

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**  
FY2020 Governmental Fund Expenditures

Revenues	General Fund	Special Education Fund	State Special Revenue Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds	% Total Revenue
Regular Instruction	\$ 4,501,677		\$ 423,549		\$ 497,625	\$ 5,422,851	26.21%
Special Programs		1,262,675	4,117		240,325	1,507,117	7.29%
Vocational Programs	233,316		347,904		20,650	601,870	2.91%
Other Instructional	395,336		20,746		-	416,082	2.01%
Adult/Alternative Education					638,634	638,634	3.09%
Support Services	6,431,169	452,734	1,605,833	859,815	2,750,890	12,100,441	58.49%
Total Sources	11,561,498	1,715,409	2,402,149	859,815	4,148,124	20,686,995	100.00%
	56%	8%	12%	4%	20%	100%	

Approximately 41.42% of the district revenue is expended on instructional services while 58.49% is spent on support services. Support services includes the following categories:

- Student Support
- Instructional Staff Support
- School Administration
- Operations and Maintenance
- Transportation
- General Administration
- Other Support
- Principal and Interest on Debt

Approximately 20% of support services is spent on student support, instructional staff support and school administration. This means that approximately 61.42% of revenue is spent directly in schools. Only 3.64 % is spend on General Administration. Approximately 16.82% is spent on operations and maintenance of facilities and transportation.

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, 2020, the District realized a governmental fund balance of \$8,717,163 which is approximately 42.14% of total governmental expenditures. It is important to note that \$5,440,505 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 allocated at the discretion of the Board of Trustees for programs and services.

The following lists the components of the governmental fund balances:

- Unassigned - \$5,434,686
- Assigned - \$152,400
- Restricted - \$3,107,384
- Nonspendable - \$22,693

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 specific purposes.

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.

**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 fund. 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 FY2020:

- General Fund
- Special Education
- State 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. Special education is determined through a weighted formula multiplied by the per-pupil basic support. The percentage of student population that is eligible for funding is capped at ½ of 13%. A contingency fund was also established to assist school districts with special needs that are out of the ordinary.

**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.

**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.

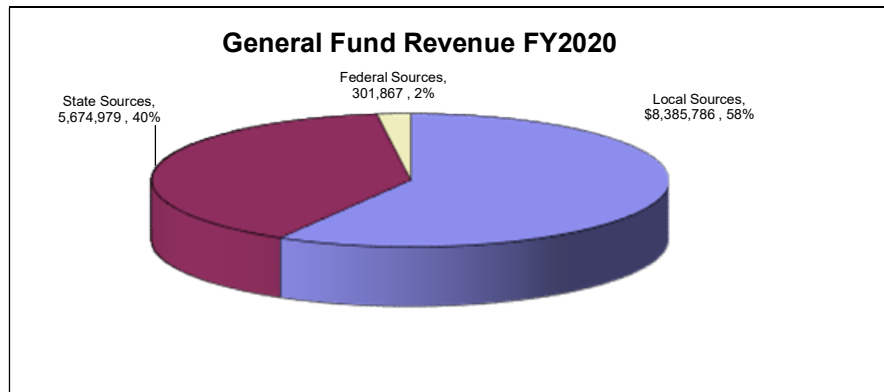
The General Fund is also referred to as the District's operating fund. This is the District's largest fund and accounted for approximately 62% of total governmental revenue. Total General Fund revenue increased compared with the prior year by \$1,231,486 or 9.38%.

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	FY2020	% of Total	FY2019	% of Total
Local Sources	\$ 8,385,786	58%	\$ 7,813,131	60%
State Sources	5,674,979	40%	4,994,273	38%
Federal Sources	301,867	2%	323,742	2%
Total	\$ 14,362,632	100%	\$ 13,131,146	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. Kindergarten students now attend school for a full day and are counted the same as other full-time students. Each early childhood student is still counted as 0.6 of a full-time student because they do not attend school for a full day.

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

	Q1	Q2	Q3	Q4	Average
FY2019	1,217.47	1,213.62	1,215.86	1,213.84	1,215.20
FY2020	1,244.82	1,250.76	1,252.84	1,246.07	1,248.62
Inc/(Dec)	27.35	37.14	36.98	32.23	33.42
% Inc/-Dec	2.20%	2.97%	2.95%	2.59%	2.68%

Note: Enrollment excludes non-resident distance education students

Enrollment is important because school districts receive funding based on the number of students. Fluctuations in enrollment from year-to-year and during will cause correlating fluctuations in revenue that can be difficult to manage without sufficient fund reserves. Enrollment historically has remained stable over the course of the school year. The average enrollment was essentially flat from Q1 through Q4 and average enrollment increased by 2.68% compared with FY2019.

The local charter school has reached its maximum capacity so n-district enrollment migration 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 insignificant.

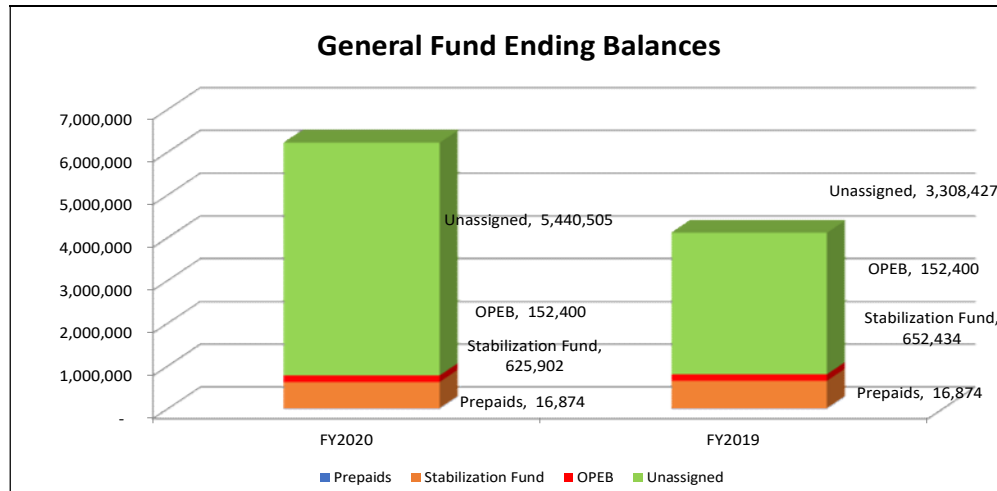
Federal revenue typically comes from e-rate subsidies, Secure Rural School Act (SRS) and federal land leases. Federal revenue remained stable increasing and is typically 2% or less of total General Fund revenue.

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	FY2020 Actual	FY2019 Actual	\$ Change (Decrease)	% Change
Expenditures				
Instruction	\$ 5,130,329	\$ 4,785,709	\$ 344,620	7.20%
Student Support	225,067	139,793	85,274	61.00%
Instructional Staff Support	51,923	28,845	23,078	80.01%
General Administration	422,077	432,710	(10,633)	-2.46%
School Administration	1,324,483	1,223,427	101,056	8.26%
Central Services (including IT)	1,099,457	935,482	163,975	17.53%
Operations & Maintenance	2,061,452	2,120,932	(59,480)	-2.80%
Student Transportation Services	1,014,567	1,012,821	1,746	0.17%
Other Support	232,143	183,880	48,263	-
Total Expenditures	<u>\$ 11,561,498</u>	<u>\$ 10,863,599</u>	<u>\$ 697,899</u>	6.42%

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.



The fund balance is simply the difference between sources and uses of funds. Over time an accumulation of fund balances can create a ready reserve that can be appropriated by the governing body to fill gaps and mitigate the impact of adverse economic impacts.

### 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		
	6/30/2020	6/30/2019	Change
Land	\$ 1,220,902	\$ 1,220,902	0.00%
Construction in Progress	52,465	52,465	0.00%
Buildings and Improvements (net of depreciation)	23,552,856	23,833,700	-1.18%
Furniture, equipment and vehicles	1,754,082	1,828,237	-4.06%
Total Capital Assets, net	\$ 26,580,305	\$ 26,935,304	-1.32%

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 the lower of 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

The District was successful in obtaining voter approval of a bond rollover question in FY2008 that allows the District to keep its property tax rate at 24.9 cents and 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	FY2020	FY2019	% Change
G.O. Refunding Bonds 2013 Series	\$ 464,000	\$ 642,000	-27.73%
G.O. Bonds 2014 Series	\$ 6,285,000	\$ 6,645,000	-5.42%
Total	\$ 6,749,000	\$ 7,287,000	-7.38%

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, 2020

Description	FY2020	FY2019	% Change
PNC Equipment Finance - Lease Purchase Agreement	\$ 86,269	\$ 165,363	-47.83%
Total	\$ 86,269	\$ 165,363	-47.83%



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 COVID-19 pandemic has caused a massive economic impact throughout the nation and has hit Nevada's largest economies such as Clark and Washoe counties especially hard. Smaller mining-based counties have not felt the impact as much. Because so much of the State's budget is derived from activity in these larger counties, the District will be impacted because of its dependence on State allocations. Approximately 46% of total governmental revenue is derived from State sources. Prior to the end of FY2020, the Nevada Department of Education reduced grant funding in the final quarter by approximately \$25 million statewide and \$157 million in FY2021. Approximately \$322,300 was cut from State-funded, grant programs in White Pine before year-end which represents approximately 7.5% of the total state grants awarded. In FY2021, approximately six state, grant-funded programs were eliminated. These programs accounted for approximately \$490,000, or 11%, of state, grant-funded programs. Six staff members were reassigned to other programs including the General Fund. Thus far, there have been no recommended budget cuts identified for base funding which accounts for approximately \$5.5 million and 40% of total General Fund revenue. Fortunately, the federal government has authorized the Coronavirus Aid, Relief and Economic Security Act (CARES) that has filled in some of the gaps left by State budget cuts. Nevada received approximately \$50 million in Coronavirus Relief Funds (CRF) under the CARES Act which was included in Assembly Bill 3 and distributed through grants to school districts. While these funds can not be used to fund budgeted programs reduced or eliminated due to the State's dramatic revenue shortfall, it can be used for new programs to help those directly impacted by the pandemic.

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) that takes effect July 1, 2021. Preliminary iterations of the new formula indicate that the school district may realize a significant boost in general fund revenue and that the increase may be significant enough to outpace any adverse economic impacts caused by the pandemic. This is not the case for most school districts however. A commission on education funding will be evaluating and fine tuning the formula using FY2021 student and financial information as a performance benchmark and will make recommendations with respect to its base, cost (or equity) adjustment factors, program weights, mechanics, funding, reporting and accountability.

The local economy remained relatively stable. Mining has not been interrupted to the extent that other industries have so mining-based economies have not been hit as hard as the tourism, convention and gaming economies in Nevada. Mining was considered an "Essential Critical Infrastructure Workforce" by the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency because it supports virtually every aspect of critical infrastructure. This is significant for our local economy because mining represents approximately 30% of White Pine's total employment. At least one mining company, Fiore Gold, has plans to expand its operations (<https://fioregold.com/gold-rock/>) in the near future.

White Pine's unemployment rate, which is another measure of stability, is among the lowest in Nevada. According to Nevada Department of Employment, Training and Rehabilitation (DETR). The local unemployment rate was approximately 4.2% compared with 13.2% for Nevada and 8.4% nationally (Nevadaworforce.com).

The school district will finish FY2020 with a general fund balance of \$5.5 million which is approximately 47% of total general fund expenditures (excluding transfers to other funds). This is not uncommon for mining-based economies that can realize titanic financial shifts caused by fluctuations in mineral prices and mine closures. Large fund reserves allow a school district to adjust to adversity over a longer period of time. For example, the current fund balance would allow the school district to phase in annual budget cuts of 3% for a period of ten years. Moving forward, however, this significant fund balance will not be as essential because the new formula will essentially guarantee a school districts state and local revenue which means the District's budget will no longer be subject to the ebbs and flows of mining. Senate bill 543, also capped the general fund balance at 16.6% and provides that any amount in excess of this must be remanded to the State's Education Stabilization Account. In other words, a school district will no longer be able to realize a fund balance in excess of 16.6%. School districts that have a fund balance in excess of this percentage at the time the new formula takes effect will be able to keep and/or spend their fund balance but will not be allowed to increase their balance.

Because of the potential for additional revenue through the new formula, guarantee of state and local revenue, fund balance cap and comfortable fund reserves; the District is in the unique position to explore strategies for development and growth despite the global and regional economic impact of the pandemic. The sizeable fund balance should allow the District to comfortably absorb any adverse impacts from reduced or eliminated state programs without reducing staff or cutting budgets for several years. In addition, the new formula incorporates 100% of the taxes on net proceeds of minerals which means that school districts will no longer suffer adverse impacts when taxes on mining proceeds diminish. This reduces the need for school districts to amass significant fund balances to hedge for mining downturns and will allow them to strategically spend down balances to the statutory maximum of 16.6% of total expenditures. The reallocation of resources through the new formula make it conceivable that the District's revenue will remain flat, or possibly, increase despite significant cuts at the State level. While the school district explores its potential for expansion, this will most likely take place after FY2021 after the economic impacts from the pandemic are more clearly identified.

### **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

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## **BASIC FINANCIAL STATEMENTS**

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 5,916,235	\$ 5,422,554
Receivables (net of allowance for uncollectible)	3,906,999	4,300,746
Prepays	22,693	22,693
Restricted cash and investments	963,352	989,784
Capital assets not being depreciated		
Land	986,274	986,274
Land - idle	234,628	234,628
Construction in progress	52,465	52,465
Capital assets being depreciated, net of accumulated depreciation		
Buildings and improvements	23,318,552	23,582,572
Equipment and vehicles	1,754,082	1,828,237
Idle capital assets	234,304	251,128
Total assets	<u>37,389,584</u>	<u>37,671,081</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	2,915,282	2,475,584
Deferred outflows related to OPEB	264,900	244,649
Total deferred outflows of resources	<u>3,180,182</u>	<u>2,720,233</u>
<b>Liabilities</b>		
Accounts payable and other current liabilities	1,641,118	2,503,750
Accrued interest payable	17,135	18,305
Noncurrent liabilities:		
Due within one year	847,872	807,091
Due in more than one year	6,560,313	7,276,524
Net pension liability	15,623,824	15,182,635
Other postemployment benefits liability	3,510,475	3,426,715
Total liabilities	<u>28,200,737</u>	<u>29,215,020</u>
<b>Deferred Inflows of Resources</b>		
Deferred revenue	450,998	1,811,007
Deferred inflows related to pensions	2,996,772	3,227,708
Deferred inflows related to OPEB	188,047	212,726
Total deferred inflows of resources	<u>3,635,817</u>	<u>5,251,441</u>
<b>Net Position</b>		
Net investment in capital assets	19,605,687	19,333,638
Restricted for:		
Capital projects	808,227	792,248
Debt service	1,592,200	1,464,493
Stabilization	625,902	625,434
Other purposes	81,055	61,144
Unrestricted	(13,979,859)	(16,352,104)
Total net position	<u>\$ 8,733,212</u>	<u>\$ 5,924,853</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

Functions/Programs	Expenses	Program Revenues		Net (Expense) / Revenue and Change in Net Position for Governmental Funds	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Programs					
Regular	\$ 5,778,941	\$ 76,608	\$ 975,106	\$ -	\$ (4,727,227)
Special	1,484,219	-	1,538,836	-	54,617
Vocational	578,306	-	371,126	-	(207,180)
Other instructional	416,484	-	22,711	-	(393,773)
Adult/continuing education	624,978	300	819,732	-	195,054
Total program	8,882,928	76,908	3,727,511	-	(5,078,509)
Support services					
Student support services	1,260,316	-	683,074	-	(577,242)
Instructional staff support	1,242,351	-	1,371,160	-	128,809
General administration	753,766	-	31,204	-	(722,562)
School administration	1,531,319	-	-	-	(1,531,319)
Central services	1,196,410	-	-	-	(1,196,410)
Operations and maintenance	2,111,879	-	-	-	(2,111,879)
Student transportation	1,138,082	-	-	-	(1,138,082)
Other support	210,788	-	-	-	(210,788)
Food services	451,068	48,092	275,653	-	(127,323)
Noninstructional services	-	-	-	-	-
Community services	-	-	-	-	-
Facilities acquisition, construction and improvements	1,166,475	-	-	741,969	(424,506)
Interest	229,397	-	-	-	(229,397)
Total support services	11,291,851	48,092	2,361,091	741,969	(8,140,699)
Total primary government	\$ 20,174,779	\$ 125,000	\$ 6,088,602	\$ 741,969	(13,219,208)
General revenues:					
Property taxes, levied for general purposes					4,438,949
Property taxes, levied for debt service					1,029,041
Local school support taxes					2,972,909
Other taxes					1,505,944
Federal aid not restricted to specific purposes					146,497
State aid not restricted to specific purposes					5,674,979
Other local sources					157,798
Unrestricted investment earnings					101,450
Total general revenues					16,027,567
Change in net position					2,808,359
Net position - beginning					5,924,853
Net position - ending					\$ 8,733,212

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

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Special Education	State Special Revenue Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 3,586,725	\$ 170,585	\$ 97,165	\$ 1,228,327	\$ 833,433	\$ 5,916,235
Accounts receivable	79,401	128	-	-	1,076	80,605
Due from other funds	2,063,637	-	-	-	-	2,063,637
Prepays	16,874	2,569	-	-	3,250	22,693
Due from other governments	1,282,094	-	1,052,128	26,423	1,465,749	3,826,394
Restricted cash and investments	625,902	-	-	337,450	-	963,352
Total assets	<u>\$ 7,654,633</u>	<u>\$ 173,282</u>	<u>\$ 1,149,293</u>	<u>\$ 1,592,200</u>	<u>\$ 2,303,508</u>	<u>\$ 12,872,916</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 101,465	\$ -	\$ 6,383	\$ -	\$ 35,939	\$ 143,787
Accrued payroll	637,132	173,282	165,674	-	281,081	1,257,169
Due to other funds	-	-	903,356	-	1,160,281	2,063,637
Due to other governments	229,357	-	8,638	-	2,167	240,162
Total liabilities	<u>967,954</u>	<u>173,282</u>	<u>1,084,051</u>	<u>-</u>	<u>1,479,468</u>	<u>3,704,755</u>
<b>Deferred inflows of resources:</b>						
Deferred revenue	<u>450,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,998</u>
Total deferred inflows of resources	<u>450,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,998</u>
<b>Fund balances:</b>						
Nonspendable:						
Prepays	16,874	2,569	-	-	3,250	22,693
Restricted for:						
Debt service	-	-	-	1,592,200	-	1,592,200
Capital projects	-	-	-	-	808,227	808,227
Stabilization	625,902	-	-	-	-	625,902
Other purposes	-	-	65,242	-	15,813	81,055
Assigned to:						
Other post employment benefits	152,400	-	-	-	-	152,400
Unassigned	<u>5,440,505</u>	<u>(2,569)</u>	<u>-</u>	<u>-</u>	<u>(3,250)</u>	<u>5,434,686</u>
Total fund balances	<u>6,235,681</u>	<u>-</u>	<u>65,242</u>	<u>1,592,200</u>	<u>824,040</u>	<u>8,717,163</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,654,633</u>	<u>\$ 173,282</u>	<u>\$ 1,149,293</u>	<u>\$ 1,592,200</u>	<u>\$ 2,303,508</u>	<u>\$ 12,872,916</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, 2020**

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

Total fund balances - total governmental funds		\$ 8,717,163
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 50,396,154	
Accumulated depreciation	<u>(23,815,849)</u>	26,580,305
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	2,915,282	
Deferred inflows related to pensions	(2,996,772)	
Deferred outflows related to OPEB	264,900	
Deferred inflows related to OPEB	<u>(188,047)</u>	(4,637)
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	(6,749,000)	
Deferred amounts		
Add: Issuance premium (amortized to interest expense)	(139,349)	
Capital lease payable	(86,269)	
Compensated absences	(433,567)	
Net pension liability	(15,623,824)	
Net OPEB obligation	(3,510,475)	
Accrued interest payable	<u>(17,135)</u>	<u>(26,559,619)</u>
Net position of governmental activities		<u><u>\$ 8,733,212</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, 2020**

	General Fund	Special Education	State Special Revenue Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>						
Local sources	\$ 8,385,786	\$ -	\$ -	\$ 1,152,892	\$ 598,433	\$ 10,137,111
State sources	5,674,979	1,194,585	2,463,781	-	1,135,036	10,468,381
Federal sources	301,867	-	-	-	2,075,779	2,377,646
Total revenues	14,362,632	1,194,585	2,463,781	1,152,892	3,809,248	22,983,138
<b>Expenditures</b>						
Programs						
Regular	4,501,677	-	423,549	-	497,625	5,422,851
Special	-	1,262,675	4,117	-	240,325	1,507,117
Vocational	233,316	-	347,904	-	20,650	601,870
Other instructional	395,336	-	20,746	-	-	416,082
Adult/continuing education	-	-	-	-	638,634	638,634
Total program expenditures	5,130,329	1,262,675	796,316	-	1,397,234	8,586,554
Support services expenditures						
Student support services	225,067	345,206	508,605	-	202,861	1,281,739
Instructional staff support	51,923	6,912	344,048	-	852,380	1,255,263
General administration	422,077	100,616	9,217	-	227,807	759,717
School administration	1,324,483	-	-	-	228,024	1,552,507
Central services	1,099,457	-	-	-	118,249	1,217,706
Operations and maintenance	2,061,452	-	1,994	-	42,030	2,105,476
Student transportation	1,014,567	-	-	-	359,986	1,374,553
Other support	207,847	-	-	2,200	-	210,047
Food services	24,296	-	-	-	424,158	448,454
Facilities acquisition, construction and improvements	-	-	741,969	-	295,395	1,037,364
Principal	-	-	-	617,094	-	617,094
Interest	-	-	-	240,521	-	240,521
Total support services expenditures	6,431,169	452,734	1,605,833	859,815	2,750,890	12,100,441
Total expenditures	11,561,498	1,715,409	2,402,149	859,815	4,148,124	20,686,995
Excess revenues over (under) expenditures	2,801,134	(520,824)	61,632	293,077	(338,876)	2,296,143
<b>Other financing sources (uses)</b>						
Transfers in	76,085	520,824	44,404	134,630	394,425	1,170,368
Transfers out	(744,673)	-	(76,085)	(300,000)	(49,610)	(1,170,368)
Total other financing sources and uses	(668,588)	520,824	(31,681)	(165,370)	344,815	-
Net change in fund balances	2,132,546	-	29,951	127,707	5,939	2,296,143
Fund balances - beginning of year	4,103,135	-	35,291	1,464,493	818,101	6,421,020
Fund balances - end of year	\$ 6,235,681	\$ -	\$ 65,242	\$ 1,592,200	\$ 824,040	\$ 8,717,163

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, 2020**

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

Net changes in fund balances - total governmental funds	\$	2,296,143
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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	\$ 1,188,897		
Depreciation expense	<u>(1,534,926)</u>		(346,029)

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

Disposal of capital assets	<u>(8,970)</u>		(8,970)
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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	1,255,839		
Pension expense	(1,026,394)		
OPEB contributions	237,584		
OPEB expense	<u>(276,414)</u>		190,615

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	538,000		
Capital leases	<u>79,094</u>		617,094

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	48,382		
Amortization of bond premium	9,954		
Change in accrued interest	<u>1,170</u>		<u>59,506</u>

Change in net position of governmental activities	\$	<u><u>2,808,359</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

			Totals	
	Employee Insurance Fund	Student Activity Funds	2020	2019
<b>ASSETS</b>				
Cash	\$ 78,016	\$ 576,263	\$ 654,279	\$ 597,478
Total assets and other debits	<u>\$ 78,016</u>	<u>\$ 576,263</u>	<u>\$ 654,279</u>	<u>\$ 597,478</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ 3	\$ -	\$ 3	\$ 3
Due to student groups	-	576,263	576,263	525,200
Total liabilities	<u>3</u>	<u>576,263</u>	<u>576,266</u>	<u>525,203</u>
<b>NET POSITION</b>				
Funds held in trust	<u>\$ 78,013</u>	<u>\$ -</u>	<u>\$ 78,013</u>	<u>\$ 72,275</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

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Employee Insurance Fund

	Totals	
	2020	2019
<b>ADDITIONS</b>		
Contributions:		
Employees	\$ 54,791	52,638
Total contributions	54,791	52,638
Other additions:		
Interest earnings	24	24
Total other additions	24	24
Total additions	54,815	52,662
<b>DEDUCTIONS</b>		
Purchased services	49,077	72,257
Total deductions	49,077	72,257
<b>Change in net position</b>	5,738	(19,595)
Net position - beginning of the year	72,275	91,870
Net position - ending of the year	78,013	72,275

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

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 1.       Summary of Accounting Policies**

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**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, 2020**

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**NOTE 1. Summary of Accounting Policies, Continued**

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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.

**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, 2020**

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**NOTE 1. Summary of Accounting Policies, Continued**

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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 15<sup>th</sup> and May 31<sup>st</sup>.
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, 2020**

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**NOTE 1. Summary of Accounting Policies, Continued**

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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. Investment earnings related to unrestricted investments of the general fund are primarily assigned and reported in the capital projects funds of the District.

***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, 2020**

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**NOTE 1. Summary of Accounting Policies, Continued**

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***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, 2020**

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**NOTE 1.      Summary of Accounting Policies, Continued**

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***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, 2020**

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**NOTE 1. Summary of Accounting Policies, Continued**

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***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, 2019, 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.

**New Pronouncements**

For the year ended June 30, 2020, the District did not implement the provisions of GASB Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective date of GASB Statement No. 84 by one year (COVID-19 pandemic relief), and the District plans to implement for the year ending June 30, 2021.

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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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.

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**NOTE 3. Deposits and Investments**

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Deposits and investments of the District at June 30, 2020 consist of the following:

	Carrying Amount-Fair Value
Deposits:	
Cash in bank	\$ 452,375
Cash in brokerage account	682
Investments:	
UBS Financial Services	7,080,809
Total cash and investments	<u>\$ 7,533,866</u>

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

Cash and investments	\$ 5,916,235
Restricted cash and investments	963,352
Fiduciary fund cash and investments	654,279
Total cash and investments	<u>\$ 7,533,866</u>

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 3. Deposits and Investments, Continued**

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Restricted cash and investments consist of the following as of June 30, 2020:

Stabilization	\$ 625,902
Debt service reserves	<u>337,450</u>
Total restricted cash and investments	<u><u>\$ 963,352</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, 2020, 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, 2020 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	\$ 5,074,583	N/A	Aaa-mf	49
Bonds-certificates of deposit (3)	2,006,226	N/A	N/A	426
Total Fair Value	<u><u>\$ 7,080,809</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, 2020**

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**NOTE 3. Deposits and Investments, Continued**

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**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, 2020, the District had the following recurring fair value measurements.

- Bonds – certificates of deposit of \$2,006,226 that are valued using a pricing model (Level 2 inputs)
- Money market of \$5,074,583 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, 2020, 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, 2020**

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**NOTE 4. Interfund Receivables, Payables, and Transfers**

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Interfund account balances due to/from consisted of the following at June 30, 2020:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 2,063,637	\$ -
State special revenue fund	-	903,356
Nonmajor funds	-	1,160,281
Total	<u>\$ 2,063,637</u>	<u>\$ 2,063,637</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, 2020 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 76,085	\$ 744,673
Special education	520,824	-
State special revenue fund	44,404	76,085
Debt service fund	134,630	300,000
Nonmajor funds	394,425	49,610
Total	<u>\$ 1,170,368</u>	<u>\$1,170,368</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, 2020**

**NOTE 5. Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

<b>Governmental Activities:</b>	<b>Balance 6/30/2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2020</b>
Capital assets, not being depreciated:				
Land	\$ 986,274	\$ -	\$ -	\$ 986,274
Land - idle*	234,628	-	-	234,628
Construction in progress	52,465	-	-	52,465
Total capital assets, not being depreciated:	<u>1,273,367</u>	<u>-</u>	<u>-</u>	<u>1,273,367</u>
Capital assets, being depreciated:				
Buildings and improvements	40,810,528	738,694	-	41,549,222
Buildings and improvements - idle*	1,265,310	-	(490,875)	774,435
Equipment and vehicles	6,625,404	450,203	(276,477)	6,799,130
Total capital assets, being depreciated:	<u>48,701,242</u>	<u>1,188,897</u>	<u>(767,352)</u>	<u>49,122,787</u>
Less accumulated depreciation for:				
Buildings and improvements	(17,227,956)	(1,002,714)	-	(18,230,670)
Buildings and improvements - idle*	(1,014,182)	(15,795)	489,846	(540,131)
Equipment and vehicles	(4,797,167)	(516,417)	268,536	(5,045,048)
Total accumulated depreciation	<u>(23,039,305)</u>	<u>(1,534,926)</u>	<u>758,382</u>	<u>(23,815,849)</u>
Total capital assets, being depreciated, net	<u>25,661,937</u>	<u>(346,029)</u>	<u>(8,970)</u>	<u>25,306,938</u>
Governmental activities capital assets, net	<u>\$ 26,935,304</u>	<u>\$ (346,029)</u>	<u>\$ (8,970)</u>	<u>\$ 26,580,305</u>

\* 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 \$234,304 at fiscal year end.

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

<b>Function and Activity</b>	
Regular programs	\$ 441,928
Special programs	225
Vocational programs	17,323
Other instructional programs	103
Adult/continuing ed. programs	235
Food services	2,614
Athletics	741
Students	1,223
Instructional staff	556
General administration	2,186
School administration	3,841
Central services	30,730
Operations and maintenance	32,269
Student transportation	133,146
Facilities acquisition, construction and improvements	867,806
	<u>\$ 1,534,926</u>



**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 6. Long-Term Liabilities**

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Long-term liabilities at June 30, 2020 consisted of the following:

<b>Governmental Activities:</b>	<b>Balance 6/30/2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 6/30/2020</b>	<b>Current Portion</b>
Bonds payable	\$ 7,287,000	\$ -	\$ (538,000)	\$ 6,749,000	\$ 552,000
Deferred amounts:					
For issuance premiums	149,303	-	(9,954)	139,349	-
Capital leases payable	165,363	-	(79,094)	86,269	86,269
Accrued compensated absences	481,949	200,582	(248,964)	433,567	209,603
Net pension liability	15,182,635	441,189	-	15,623,824	-
Net OPEB liability	3,426,715	83,760	-	3,510,475	-
Total long-term liabilities	<u>\$ 26,692,965</u>	<u>\$ 725,531</u>	<u>\$ (876,012)</u>	<u>\$ 26,542,484</u>	<u>\$ 847,872</u>

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

<b>Period Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 552,000	\$ 219,888
2022	562,000	207,802
2023	480,000	191,343
2024	395,000	178,430
2025	410,000	166,580
2026-2030	2,250,000	630,970
2031-2034	2,100,000	206,375
	<u>\$ 6,749,000</u>	<u>\$ 1,801,388</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, 2020**

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**NOTE 6. Long-Term Liabilities, Continued**

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The following is a listing of long-term liabilities as of June 30, 2020:

**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. \$ 464,000

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. 6,285,000

Total bonds payable 6,749,000

**Bond Issuance Premiums** 139,349

**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. 86,269

Total leases payable 86,269

**Accrued Compensated Absences** 433,567

**Net Pension Liability** 15,623,824

**Net OPEB Liability** 3,510,475

Total long-term liabilities 26,542,484  
Less current portion: (847,872)  
Net long-term liabilities \$ 25,694,612

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 7. Capital Leases Payable**

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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
2021	\$ 87,969
Total remaining minimum lease payments	87,969
Less amount representing interest	(1,700)
Present value of net remaining minimum lease payments	<u>\$ 86,269</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	\$ 474,866
	<u>\$ 558,701</u>	<u>\$ 55,870</u>	<u>\$ 474,866</u>

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**NOTE 8. Property Taxes**

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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, 2020**

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**NOTE 8.           Property Taxes, Continued**

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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.

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**NOTE 9.           Nevada Plan for Local Education Agency Financing**

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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. 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 general fund transportation costs and local wealth are also included. 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 is based on 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 an inflationary factor determined by the department of education.

Funding for English learners, at-risk (or student of poverty) and gifted and talented are funded through competitive and formula grants based on school district applications that are subject to approval and reauthorization.

Under this plan, the District has received \$5,674,979 in the General Fund and \$1,194,585 in the Special Education Fund.

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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During the 2019 Legislative session, Senate Bill 543 was passed which effectively replaces the Nevada Plan formula with a pupil-centered funding plan (PCFP) and restructures State and local funding. The SCFP will be implemented in fiscal year 2022. 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 regional cost adjustment factors that reflect school district demographics, district size and school size adjustments. 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 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.

Funding levels from FY2020 will be guaranteed in FY2022 if the new formula provides less revenue than the Nevada Plan. 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 with the expressed purpose to provide guidance to school districts and the Department of Education on the implementation of the Pupil-Centered Funding Plan and monitor its impact and make recommendations for improvement as an ongoing effort to achieve optimal funding.

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**NOTE 10. Available Borrowing Capacity**

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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, 2020, the bonded indebtedness limit of White Pine County School District was \$92,814,016. The District has general obligation long-term bonds outstanding at fiscal year-end of \$6,749,000. Accordingly, the legal borrowing capacity is \$86,065,016 at June 30, 2020.

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 11.      Operating Leases**

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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, 2020 was approximately \$34,770.
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, 2020.
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 in lieu of annual rental payments. The agreement provides that after a period of time, the County will require the District to 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 at any time. 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.

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**NOTE 12.      Commitments and Contingencies**

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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 3<sup>rd</sup> 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, 2020**

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**NOTE 12.      Commitments and Contingencies, Continued**

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

The total amount expended in FY2020 for Accurate Building Maintenance, LLC was \$538,811.

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.

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**NOTE 13.      Risk Management**

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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, 2020.

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**NOTE 14.      Retirement and Pension Plans**

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**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.

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 14. Retirement and Pension Plans, Continued**

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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.

***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. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC).

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.



**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 14. Retirement and Pension Plans, Continued**

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For the fiscal year ended June 30, 2019 and June 30, 2020 the Statutory Employer/employee matching rate was 14.50% and 15.25% for Regular members. The Employer-pay contribution (EPC) rate was 28.00% and 29.25% for Regular Members.

The District's contribution for the year ended June 30, 2020 was \$1,255,839 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, 2019:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Geometric Expected Real Rate of Return*</b>
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

\*As of June 30, 2019, PERS' long-term inflation assumption was 2.75%.

**Pension liability**

***Net pension liability***

At June 30, 2020, the District reported a liability of \$15,623,824 for its proportionate share of the PERS' net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019. The District's proportion measured as of June 30, 2019, was 0.114580 percent, which was an increase of 0.003250 percent from its proportion measured as of June 30, 2018.

***Pension liability discount rate sensitivity***

The following presents the net pension liability of the PERS as of June 30, 2019, 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:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Proportionate share of Net pension (asset) / liability	\$ 24,191,601	\$ 15,623,824	\$ 8,501,828

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 14. Retirement and Pension Plans, Continued**

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*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](http://www.nvpers.org).

*Actuarial assumptions*

The District's net pension liability was measured as of June 30, 2019, 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%
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
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position at June 30, 2019, was projected to be available to make all projected future benefit payments for current plan members. 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, 2019.

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

**NOTE 14. Retirement and Pension Plans, Continued**

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

For the year ended June 30, 2020, the District recognized pension expense for PERS of \$1,026,394. At June 30, 2020, 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	\$ 585,876	\$ 450,649
Changes in assumptions or other inputs	635,825	-
Net difference between projected and actual earnings on pension plan investments	-	777,229
Subtotal	1,221,701	1,227,878
Changes in proportion	437,742	1,768,894
Contributions subsequent to the measurement date	1,255,839	-
Total	\$ 2,915,282	\$ 2,996,772

Average expected remaining service lives 6.18 years

The \$1,255,839 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
2021	\$ 43,994
2022	(296,412)
2023	81,432
2024	100,874
2025	57,328
2026	6,606
Thereafter	-
Total	\$ (6,177)

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**NOTE 15.      Stabilization Fund**

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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, 2020, the District complied with the provisions of this section.

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**NOTE 16.      Postemployment Benefits Other Than Pensions (OPEB)**

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**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, 2020**

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

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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 June 30, 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 June 30, 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, 2020**

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

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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 \$181,706 for the year ended June 30, 2020.

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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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 \$55,878 for the year ended June 30, 2020.

***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, 2020, the District reported a net OPEB liability of \$2,614,342 for PEBP and \$896,133 for WPCSDHIP. The net liability was measured as of June 30, 2019 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, 2019 reflects a change in the use of discount rates of 3.62% as of June 30, 2018 and 3.13% as of June 30, 2019. 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 3.13%, 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	\$ 2,897,810	\$ 2,614,342	\$ 2,373,270
Net OPEB liability - WPCSDHIP	961,841	896,133	835,231

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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***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	\$ 2,386,058	\$ 2,614,342	\$ 2,877,527
Net OPEB liability - WPCSDHIP	782,731	896,133	1,051,126

***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	3.13%
Funding method	Entry age normal cost, closed group, level percent of pay
Healthcare cost trend rates	Actual 2019 increases reflected. Pre-Medicare: 6.0% on July 2020 grading down to 5.0% by 2024 Post-Medicare: 4.5%

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 3.132% as of June 30, 2019. 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, 2020**

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

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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% per year
Discount rate	3.13%
Funding method	Entry age normal cost, closed group, level percent of pay
Healthcare trend	Actual 2019 increases reflected. 6.0% on July 2020 grading down to 5.0% by 2024

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 3.13% as of June 30, 2019. 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, 2020**

**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, 2019	\$ 2,590,869	\$ -	\$ 2,590,869
Changes during the period:			
Service cost	-	-	-
Interest cost	90,353	-	90,353
Expected investment income	-	-	-
Employer contributions	-	189,844	(189,844)
Changes of benefit terms	-	-	-
Benefit payments	(189,844)	(189,844)	-
Assumption changes	122,964	-	122,964
Plan experience	-	-	-
Investment experience	-	-	-
Net changes	23,473	-	23,473
Balances at June 30, 2020	\$ 2,614,342	\$ -	\$ 2,614,342

WPCSDHIP

	Increase (decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) - (b)
Balances at June 30, 2019	\$ 835,846	\$ -	\$ 835,846
Changes during the period:			
Service cost	53,474	-	53,474
Interest cost	31,201	-	31,201
Expected investment income	-	-	-
Employer contributions	-	54,805	(54,805)
Changes of benefit terms	-	-	-
Benefit payments	(54,805)	(54,805)	-
Assumption changes	30,417	-	30,417
Plan experience	-	-	-
Investment experience	-	-	-
Net changes	60,287	-	60,287
Balances at June 30, 2020	\$ 896,133	\$ -	\$ 896,133

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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*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, 2020, the District recognized OPEB expense for PEBP of \$213,317 and for WPCSDHIP of \$63,097.

*Deferred outflows/inflows of resources related to OPEB*

At June 30, 2020, 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	\$ 181,706	\$ -
Total	<u>\$ 181,706</u>	<u>\$ -</u>

The amount \$181,706 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	\$ 27,316	\$ 113,918
Plan experience	-	74,129
Contributions subsequent to the measurement date	55,878	-
Total	<u>\$ 83,194</u>	<u>\$ 188,047</u>

Expected average remaining service life: 9.81 years

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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The amount \$55,878 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
2021	\$ (21,578)
2022	(21,578)
2023	(21,578)
2024	(21,578)
2025	(21,578)
Thereafter	(52,841)

**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, 2020 are as follows:

	PEBP	WPCSDHIP	Combined
Net OPEB liability	\$ 2,614,342	\$ 896,133	\$ 3,510,475
Deferred outflows	181,706	83,194	264,900
Deferred inflows	-	188,047	188,047
OPEB expense	213,317	63,097	276,414

**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.

### **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 PENSION 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.

**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, 2020**  
**(With Comparative Totals for June 30, 2019)**

<b>Revenues</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2019
	Original	Final			
<b>Local sources</b>					
Taxes					
Ad valorem	\$ 4,222,356	\$ 4,222,356	\$ 4,439,721	\$ 217,365	\$ 3,609,374
School support	2,979,845	2,979,845	2,972,909	(6,936)	3,144,925
Motor vehicle privilege tax	866,409	866,409	746,351	(120,058)	727,136
Total taxes	8,068,610	8,068,610	8,158,981	90,371	7,481,435
Tuition					
From other districts	-	-	76,608	76,608	64,280
Adult/continuing education	23,000	23,000	300	(22,700)	1,175
Total tuition	23,000	23,000	76,908	53,908	65,455
Other revenue					
Interest earnings	-	-	468	468	586
Miscellaneous	50,000	47,800	149,429	101,629	265,655
Total other revenue	50,000	47,800	149,897	102,097	266,241
Total from local sources	8,141,610	8,139,410	8,385,786	246,376	7,813,131
<b>State sources</b>					
Distributive school fund	5,151,844	5,505,831	5,674,979	169,148	4,991,873
State grants	-	-	-	-	2,400
Total from state sources	5,151,844	5,505,831	5,674,979	169,148	4,994,273
<b>Federal sources</b>					
E-rate reimbursements	13,578	13,578	88,772	75,194	102,206
National Forest Reserve	50,000	50,000	213,095	163,095	221,536
Total from federal sources	63,578	63,578	301,867	238,289	323,742
<b>Total revenues</b>	13,357,032	13,708,819	14,362,632	653,813	13,131,146

(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, 2020 (continued)**  
**(With Comparative Totals for June 30, 2019)**

Expenditures	Budgeted Amounts		Actual Amounts	Variance	Actual 2019
	Original	Final		Favorable (Unfavorable)	
<b>Instructional Expenditures</b>					
<b>Regular programs</b>					
Instruction					
Salaries and wages	\$ 2,551,691	\$ 2,826,024	\$ 2,792,606	\$ 33,418	\$ 2,514,390
Employee benefits	1,344,639	1,275,847	1,269,329	6,518	1,190,042
Purchased services	264,347	306,478	306,025	453	271,597
Supplies	114,521	145,208	133,717	11,491	198,742
Other	289	289	-	289	-
Total regular programs	4,275,487	4,553,846	4,501,677	52,169	4,174,771
<b>Vocational programs</b>					
Instruction					
Salaries and wages	240,941	154,609	154,605	4	133,247
Employee benefits	123,391	63,235	61,435	1,800	62,932
Supplies	20,069	19,767	12,012	7,755	25,868
Property and equipment	-	5,300	5,264	36	-
Total vocational programs	384,401	242,911	233,316	9,595	222,047
<b>Other instructional programs</b>					
Instruction					
Salaries and wages	219,043	246,399	228,966	17,433	223,046
Employee benefits	15,356	17,726	14,279	3,447	14,772
Purchased services	70,532	97,532	92,032	5,500	70,673
Supplies	17,861	17,471	16,596	875	35,218
Other	2,500	3,050	3,050	-	3,030
Total instruction	325,292	382,178	354,923	27,255	346,739
Transportation					
Salaries and wages	44,459	45,796	30,368	15,428	32,345
Employee benefits	4,395	4,537	2,034	2,503	1,938
Purchased services	8,130	9,645	8,011	1,634	7,869
Total transportation	56,984	59,978	40,413	19,565	42,152
Total other instructional programs	382,276	442,156	395,336	46,820	388,891
Total instructional expenditures	5,042,164	5,238,913	5,130,329	108,584	4,785,709

(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, 2020 (continued)**  
**(With Comparative Totals for June 30, 2019)**

<b>Expenditures (Continued):</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2019
	Original	Final			
<b>Support Service Expenditures</b>					
<b>Student support services</b>					
Salaries and wages	\$ 83,183	\$ 132,496	\$ 129,487	\$ 3,009	\$ 81,621
Employee benefits	43,193	92,226	89,599	2,627	51,019
Purchased services	3,024	-	667	(667)	2,189
Supplies	7,378	9,075	5,314	3,761	4,964
Total student support	136,778	233,797	225,067	8,730	139,793
<b>Instructional support services</b>					
Salaries and wages	-	45,193	43,676	1,517	23,057
Employee benefits	-	1,425	1,576	(151)	1,046
Purchased services	4,483	5,879	4,898	981	3,912
Supplies	1,549	3,744	1,773	1,971	830
Total instructional support	6,032	56,241	51,923	4,318	28,845
<b>General administration support</b>					
Salaries and wages	164,673	177,789	175,691	2,098	159,387
Employee benefits	123,277	112,310	111,683	627	117,756
Purchased services	144,819	113,308	111,925	1,383	131,171
Supplies	6,374	4,112	4,046	66	8,499
Other	19,366	18,655	18,732	(77)	15,897
Total general administration support	458,509	426,174	422,077	4,097	432,710
<b>School administration support</b>					
Salaries and wages	834,981	903,308	892,979	10,329	815,919
Employee benefits	388,170	386,401	370,741	15,660	357,072
Purchased services	50,002	53,630	43,288	10,342	34,991
Supplies	14,467	20,925	13,155	7,770	13,545
Other	3,399	4,496	4,320	176	1,900
Total school administration support	1,291,019	1,368,760	1,324,483	44,277	1,223,427

(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, 2020 (continued)**  
**(With Comparative Totals for June 30, 2019)**

<b>Expenditures (Continued):</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2019
	Original	Final			
<b>Central services</b>					
Salaries and wages	\$ 419,254	\$ 450,495	\$ 451,133	\$ (638)	\$ 365,086
Employee benefits	179,314	181,706	181,218	488	163,671
Purchased services	475,538	426,932	377,475	49,457	374,960
Supplies	39,529	88,227	45,190	43,037	29,626
Property and equipment	-	16,000	41,624	(25,624)	-
Other	2,299	1,818	2,817	(999)	2,139
Total central services	1,115,934	1,165,178	1,099,457	65,721	935,482
<b>Operation/maintenance</b>					
Salaries and wages	316,820	278,708	273,246	5,462	313,263
Employee benefits	157,849	122,289	114,610	7,679	141,321
Purchased services	923,148	1,044,731	925,484	119,247	867,776
Supplies	777,042	807,421	745,198	62,223	798,033
Property and equipment	-	38,959	-	38,959	-
Other	1,969	3,296	2,914	382	539
Total operation and maintenance	2,176,828	2,295,404	2,061,452	233,952	2,120,932
<b>Student transportation services</b>					
Salaries and wages	507,285	519,322	499,611	19,711	454,660
Employee benefits	273,891	261,175	239,000	22,175	249,397
Purchased services	147,373	109,869	87,572	22,297	79,160
Supplies	373,020	309,362	187,090	122,272	197,814
Property and equipment	30,000	-	-	-	30,000
Other	183	3,273	1,294	1,979	1,790
Total student transportation services	1,331,752	1,203,001	1,014,567	188,434	1,012,821
<b>Other support</b>					
Employee benefits	249,137	181,706	207,847	(26,141)	183,146
Purchased services	3,911	-	-	-	134
Supplies	600	600	-	600	600
Total other support	253,648	182,306	207,847	(25,541)	183,880
<b>Food services</b>					
Purchased services	-	25,000	24,296	704	-
Total food services	-	25,000	24,296	704	-
Total support service expenditures	6,770,500	6,955,861	6,431,169	524,692	6,077,890
<b>Total expenditures</b>	11,812,664	12,194,774	11,561,498	633,276	10,863,599
Excess of revenues over/(under) expenditures	1,544,368	1,514,045	2,801,134	1,287,089	2,267,547

(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, 2020 (continued)**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2019
<b>Other sources (uses)</b>					
Transfers in	\$ -	\$ 2,200	\$ 76,085	\$ 73,885	\$ -
Transfers out	(1,186,377)	(1,017,378)	(744,673)	272,705	(801,881)
Total other financing sources (uses):	(1,186,377)	(1,015,178)	(668,588)	346,590	(801,881)
<b>Net change in fund balance</b>	357,991	498,867	2,132,546	1,633,679	1,465,666
Fund balance, beginning of year	4,103,135	4,103,135	4,103,135	-	2,637,469
Fund balance, end of year	<u>\$ 4,461,126</u>	<u>\$ 4,602,002</u>	<u>\$ 6,235,681</u>	<u>\$ 1,633,679</u>	<u>\$ 4,103,135</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2019
<b>Revenues</b>					
State sources	\$ 834,281	\$ 1,194,585	\$ 1,194,585	\$ -	\$ 1,084,696
Total revenues	834,281	1,194,585	1,194,585	-	1,084,696
<b>Expenditures</b>					
Special programs					
Salaries and wages	885,293	976,491	918,098	58,393	890,462
Employee benefits	378,680	378,869	344,924	33,945	349,230
Purchased services	791	2,502	(347)	2,849	2,370
Supplies	5,000	5,000	-	5,000	505
Other	-	-	-	-	150
Total special programs	1,269,764	1,362,862	1,262,675	100,187	1,242,717
Support services - student support					
Salaries and wages	197,831	234,295	230,908	3,387	140,810
Employee benefits	68,421	98,693	104,298	(5,605)	64,336
Purchased services	61,306	76,743	10,000	66,743	72,625
Supplies	-	184	-	184	17
Total student support	327,558	409,915	345,206	64,709	277,788
Support services - instructional support					
Salaries and wages	5,164	9,846	6,051	3,795	5,089
Employee benefits	257	1,103	861	242	360
Purchased services	5,000	1,231	-	1,231	17,965
Total instructional support	10,421	12,180	6,912	5,268	23,414
Support services - general administration					
Salaries and wages	89,067	77,895	78,244	(349)	62,004
Employee benefits	18,168	27,352	22,322	5,030	16,869
Purchased services	-	-	50	(50)	297
Total general administration	107,235	105,247	100,616	4,631	79,170
Total expenditures	1,714,978	1,890,204	1,715,409	174,795	1,623,089
Excess of revenues over/(under) expenditures	(880,697)	(695,619)	(520,824)	174,795	(538,393)
<b>Other financing sources (uses)</b>					
Transfers in	880,697	695,619	520,824	(174,795)	538,393
Total other financing sources (uses)	880,697	695,619	520,824	(174,795)	538,393
<b>Net change in fund balance</b>	-	-	-	-	-
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**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

Revenues	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2019
	Original	Final			
<b>State sources</b>					
State grants	\$ 1,853,640	\$ 2,887,303	\$ 2,463,781	\$ (423,522)	\$ 2,001,327
Total revenues	1,853,640	2,887,303	2,463,781	(423,522)	2,001,327
<b>Expenditures</b>					
Regular programs					
Salaries and wages	323,453	297,345	292,439	4,906	182,267
Employee benefits	71,182	100,471	94,305	6,166	44,917
Purchased services	13,000	-	-	-	4,250
Supplies	121,462	55,960	36,804	19,156	151,405
Total regular programs	529,097	453,776	423,548	30,228	382,839
Special programs					
Salaries and wages	20,000	3,974	3,974	-	5,910
Employee benefits	-	143	143	-	6,139
Total special programs	20,000	4,117	4,117	-	12,049
Vocational programs					
Salaries and wages	208,006	232,078	210,386	21,692	191,317
Employee benefits	110,656	120,672	90,610	30,062	80,738
Supplies	48,785	22,925	21,329	1,596	58,064
Property and equipment	-	25,580	25,580	-	-
Total vocational programs	367,447	401,255	347,905	53,350	330,119
Other instructional programs					
Salaries and wages	-	21,400	17,611	3,789	-
Employee benefits	-	3,781	3,135	646	-
Total other instructional programs	-	25,181	20,746	4,435	-
Student support services					
Salaries and wages	232,497	388,546	380,065	8,481	157,970
Employee benefits	86,122	150,385	128,538	21,847	59,048
Supplies	-	30,737	-	30,737	86,075
Other	-	-	-	-	1,500
Total student support	318,619	569,668	508,603	61,065	304,593
Instructional support services					
Salaries and wages	175,452	252,054	248,131	3,923	370,642
Employee benefits	65,866	83,755	81,885	1,870	101,445
Purchased services	119,617	14,034	14,034	-	180,716
Total instructional support	360,935	349,843	344,050	5,793	652,803

(continued)

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**STATE SPECIAL REVENUE FUND**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020 (continued)**  
**(With Comparative Totals for June 30, 2019)**

<b>Expenditures (Continued):</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2019
	Original	Final			
General administration support					
Salaries and wages	\$ 15,930	\$ 9,217	\$ 9,217	\$ -	\$ 16,839
Employee benefits	3,041	-	-	-	3,396
Total general administration support	18,971	9,217	9,217	-	20,235
School administration support					
Salaries and wages	89,173	-	-	-	84,716
Employee benefits	26,196	-	-	-	36,035
Purchased services	-	-	-	-	340
Total school administration support	115,369	-	-	-	121,091
Central services					
Salaries and wages	84,413	-	-	-	84,146
Employee benefits	38,333	-	-	-	26,528
Purchased services	50,000	24,000	-	24,000	50,000
Total central services	172,746	24,000	-	24,000	160,674
Operation/maintenance					
Purchased services	-	117,644	1,994	115,650	33,623
Total operation and maintenance	-	117,644	1,994	115,650	33,623
Student transportation services					
Purchased services	-	-	-	-	4,433
Total student transportation services	-	-	-	-	4,433
Facilities acquisition, construction, and improvement					
Purchased services	-	1,020,368	741,969	278,399	-
Total facilities acquisition	-	1,020,368	741,969	278,399	-
Total expenditures	1,903,184	2,975,069	2,402,149	572,920	2,022,459
Excess of revenues over/(under) expenditures	(49,544)	(87,766)	61,632	149,398	(21,132)
<b>Other sources (uses)</b>					
Transfers in	38,675	78,675	44,404	(34,271)	45,554
Transfers out	-	(26,200)	(76,085)	(49,885)	-
Total other financing sources (uses):	38,675	52,475	(31,681)	(84,156)	45,554
<b>Net change in fund balance</b>	(10,869)	(35,291)	29,951	65,242	24,422
Fund balance, beginning of year	35,291	35,291	35,291	-	10,869
Fund balance, end of year	\$ 24,422	\$ -	\$ 65,242	\$ 65,242	\$ 35,291

**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, 2020**  
**Last 10 Fiscal Years**

	Reporting Fiscal Year (Measurement Date)					
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability (asset)	0.11458%	0.11133%	0.11045%	0.12185%	0.13703%	0.14427%
Proportionate share of the net pension liability (asset)	\$ 15,623,824	\$ 15,182,635	\$ 14,690,010	\$ 16,397,603	\$ 15,702,690	\$ 15,035,367
Covered payroll	\$ 7,833,956	\$ 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	199.44%	206.91%	208.32%	222.21%	191.17%	177.18%
Plan fiduciary net position as a percentage of the total pension liability	76.5%	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, 2020**  
**Last 10 Fiscal Years**

	Reporting Fiscal Year					
	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,255,839	\$ 1,102,903	\$ 1,032,685	\$ 991,413	\$ 1,033,114	\$ 1,057,549
Contributions in relation to the contractually required contribution	\$ (1,255,839)	\$ (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>	<u>\$ -</u>
Covered payroll	\$ 8,534,210	\$ 7,833,956	\$ 7,337,766	\$ 7,051,823	\$ 7,379,386	\$ 8,213,969
Contributions as a percentage of covered payroll	14.72%	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, 2020**  
**Last 10 Fiscal Years**

	<b>Reporting Fiscal Year</b>		
	<b>(Measurement Date)</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>(2019)</b>	<b>(2018)</b>	<b>(2017)</b>
Total OPEB liability			
Service cost	\$ -	\$ -	\$ -
Interest cost	90,353	75,702	69,447
Changes of benefit terms	-	164,824	-
Benefit payments	(189,844)	(178,670)	(170,718)
Assumption changes	122,964	(2,810)	(146,639)
Plan experience	-	316,039	-
Net change in total OPEB liability	23,473	375,085	(247,910)
Total OPEB liability - beginning	2,590,869	2,215,784	2,463,694
Total OPEB liability - ending (a)	<u>\$ 2,614,342</u>	<u>\$ 2,590,869</u>	<u>\$ 2,215,784</u>
Plan fiduciary net position			
Employer contributions	\$ 189,844	\$ 178,670	\$ 170,718
Net investment income	-	-	-
Benefit payments	(189,844)	(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>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 2,614,342	\$ 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, 2020**  
**Last 10 Fiscal Years**

	Reporting Fiscal Year (Measurement Date)		
	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability			
Service cost	\$ 53,474	\$ 63,741	\$ 67,635
Interest cost	31,201	36,369	29,998
Changes of benefit terms	-	-	-
Benefit payments	(54,805)	(55,220)	(48,230)
Assumption changes	30,417	(101,416)	(47,728)
Plan experience	-	(93,111)	-
Net change in total OPEB liability	60,287	(149,637)	1,675
Total OPEB liability - beginning	835,846	985,483	983,808
Total OPEB liability - ending (a)	<u>\$ 896,133</u>	<u>\$ 835,846</u>	<u>\$ 985,483</u>
Plan fiduciary net position			
Employer contributions	\$ 54,805	\$ 55,220	\$ 48,230
Net investment income	-	-	-
Benefit payments	(54,805)	(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>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 896,133	\$ 835,846	\$ 985,483
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered-employee payroll	\$ 6,183,255	\$ 6,544,866	\$ 6,010,676
Net OPEB liability as a percentage of covered payroll	14.49%	12.77%	16.40%

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, 2020**

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**NOTE 1.           OPEB – Factors that Affect Trends**

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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.

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**NOTE 2.           OPEB – Plan Assets**

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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 **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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2019
<b>Revenues</b>					
Local sources	\$ 1,397,599	\$ 1,397,599	\$ 1,152,892	\$ (244,707)	\$ 1,479,264
Total revenues	<u>1,397,599</u>	<u>1,397,599</u>	<u>1,152,892</u>	<u>(244,707)</u>	<u>1,479,264</u>
<b>Expenditures</b>					
Debt issuance and other costs	2,500	2,500	2,200	300	2,200
Principal	617,104	617,109	617,094	15	600,796
Interest	240,510	240,515	240,521	(6)	258,059
Total expenditures	<u>860,114</u>	<u>860,124</u>	<u>859,815</u>	<u>309</u>	<u>861,055</u>
Excess of revenues over/(under) expenditures	537,485	537,475	293,077	(244,398)	618,209
<b>Other financing sources (uses)</b>					
Transfers in	134,630	134,630	134,630	-	162,634
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>(310,000)</u>
Total other financing sources (uses)	<u>(165,370)</u>	<u>(165,370)</u>	<u>(165,370)</u>	<u>-</u>	<u>(147,366)</u>
<b>Net change in fund balance</b>	372,115	372,105	127,707	(244,398)	470,843
Fund balance, beginning of year	<u>1,464,493</u>	<u>1,464,493</u>	<u>1,464,493</u>	<u>-</u>	<u>993,650</u>
Fund balance, end of year	<u>\$ 1,836,608</u>	<u>\$ 1,836,598</u>	<u>\$ 1,592,200</u>	<u>\$ (244,398)</u>	<u>\$ 1,464,493</u>

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**GENERAL FUND**  
**Balance Sheet**  
**June 30, 2020**  
**(With Comparative Totals from June 30, 2019)**

	Totals	
	2020	2019
<b>Assets</b>		
Cash and investments	\$ 3,586,725	\$ 3,266,785
Accounts receivable	79,401	92,836
Due from other funds	2,063,637	2,637,772
Prepays	16,874	16,874
Due from other governments	1,282,094	1,038,451
Restricted cash and investments	625,902	625,434
Total assets	<u>\$ 7,654,633</u>	<u>\$ 7,678,152</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 101,465	\$ 1,178,348
Accrued payroll	637,132	585,662
Due to other governments	229,357	-
Total liabilities	<u>967,954</u>	<u>1,764,010</u>
Deferred inflows of resources:		
Deferred revenue	<u>450,998</u>	<u>1,811,007</u>
Total deferred inflows of resources	<u>450,998</u>	<u>1,811,007</u>
Fund balances:		
Nonspendable:		
Prepays	16,874	16,874
Restricted	625,902	625,434
Assigned	152,400	152,400
Unassigned	<u>5,440,505</u>	<u>3,308,427</u>
Total fund balances	<u>6,235,681</u>	<u>4,103,135</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,654,633</u>	<u>\$ 7,678,152</u>

**WHITE PINE COUNTY SCHOOL DISTRICT  
SPECIAL EDUCATION**

**Balance Sheet**

**June 30, 2020**

**(With Comparative Totals from June 30, 2019)**

	Totals	
	2020	2019
<b>Assets</b>		
Cash and investments	\$ 170,585	\$ 149,965
Accounts receivable	128	128
Prepaid expense	2,569	2,569
Total assets	<u>\$ 173,282</u>	<u>\$ 152,662</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ -	\$ 5,273
Accrued payroll	173,282	147,389
Total liabilities	<u>173,282</u>	<u>152,662</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>\$ 173,282</u>	<u>\$ 152,662</u>

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**STATE SPECIAL REVENUE FUND**  
**Balance Sheet**  
**June 30, 2020**  
**(With Comparative Totals from June 30, 2019)**

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	Totals	
	2020	2019
<b>Assets</b>		
Cash and investments	\$ 97,165	\$ 134,713
Due from other governments	1,052,128	1,182,649
Total assets	<u>\$ 1,149,293</u>	<u>\$ 1,317,362</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 6,383	\$ 141,955
Accrued payroll	165,674	105,417
Due to other funds	903,356	966,046
Due to other governments	8,638	68,653
Total liabilities	<u>1,084,051</u>	<u>1,282,071</u>
Fund balances:		
Restricted	<u>65,242</u>	<u>35,291</u>
Total fund balances	<u>65,242</u>	<u>35,291</u>
Total liabilities and fund balance	<u>\$ 1,149,293</u>	<u>\$ 1,317,362</u>



**WHITE PINE COUNTY SCHOOL DISTRICT**  
**DEBT SERVICE FUND**  
**Balance Sheet**  
**June 30, 2020**  
**(With Comparative Totals from June 30, 2019)**

	Totals	
	2020	2019
<b>Assets</b>		
Cash and investments	\$ 1,228,327	\$ 1,048,145
Due from other governments	26,423	51,998
Restricted cash and investments	337,450	364,350
Total assets	<u>\$ 1,592,200</u>	<u>\$ 1,464,493</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Restricted	<u>1,592,200</u>	<u>1,464,493</u>
Total fund balances	<u>1,592,200</u>	<u>1,464,493</u>
Total liabilities and fund balances	<u>\$ 1,592,200</u>	<u>\$ 1,464,493</u>

**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.

**Federal Special Revenue Fund** – To account for monies provided for Federally funded projects.

**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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Totals (Memorandum Only)	
			2020	2019
<b>Assets</b>				
Cash and investments	\$ 88,115	\$ 745,318	\$ 833,433	\$ 822,946
Accounts receivable	1,076	-	1,076	4,741
Due from other governments	1,388,394	77,355	1,465,749	1,929,943
Prepays	3,250	-	3,250	3,250
Total assets	<u>\$ 1,480,835</u>	<u>\$ 822,673</u>	<u>\$ 2,303,508</u>	<u>\$ 2,760,880</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 21,493	\$ 14,446	\$ 35,939	\$ 42,606
Accrued payroll	281,081	-	281,081	227,947
Due to other funds	1,160,281	-	1,160,281	1,671,726
Due to other governments	2,167	-	2,167	500
Total liabilities	<u>1,465,022</u>	<u>14,446</u>	<u>1,479,468</u>	<u>1,942,779</u>
Fund balances:				
Nonspendable				
Prepays	3,250	-	3,250	3,250
Restricted	15,813	808,227	824,040	818,101
Unassigned	(3,250)	-	(3,250)	(3,250)
Total fund balances	<u>15,813</u>	<u>808,227</u>	<u>824,040</u>	<u>818,101</u>
Total liabilities and fund balance	<u>\$ 1,480,835</u>	<u>\$ 822,673</u>	<u>\$ 2,303,508</u>	<u>\$ 2,760,880</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Totals (Memorandum Only)	
			2020	2019
<b>Revenues</b>				
Local sources	\$ 75,266	\$ 523,167	\$ 598,433	\$ 594,846
State sources	1,135,036	-	1,135,036	1,227,695
Federal sources	2,018,054	57,725	2,075,779	1,732,248
Total revenues	3,228,356	580,892	3,809,248	3,554,789
<b>Expenditures</b>				
Regular programs	485,873	11,752	497,625	708,930
Special programs	240,325	-	240,325	252,066
Vocational programs	20,650	-	20,650	16,500
Other instructional programs	-	-	-	6,771
Adult/continuing ed. programs	638,634	-	638,634	675,249
Support services expenditures				
Student support	201,793	1,068	202,861	224,855
Instructional support	851,312	1,068	852,380	573,780
General administration	225,670	2,137	227,807	143,982
School administration	223,750	4,274	228,024	221,794
Central services	20,556	97,693	118,249	64,226
Operations and maintenance	100	41,930	42,030	35,981
Student transportation	-	359,986	359,986	-
Other support	-	-	-	13,066
Food services	424,158	-	424,158	386,821
Noninstructional services	-	-	-	1,892
Community services	-	-	-	810
Facilities acquisition, construction and improvements	-	295,395	295,395	375,561
Total expenditures	3,332,821	815,303	4,148,124	3,702,284
Excess of revenues over (under) expenditures	(104,465)	(234,411)	(338,876)	(147,495)
Other financing sources (uses):				
Transfers in	94,425	300,000	394,425	447,234
Transfers out	-	(49,610)	(49,610)	(81,934)
Total other financing sources (uses)	94,425	250,390	344,815	365,300
Net change in fund balances	(10,040)	15,979	5,939	217,805
Fund balance, beginning of year	25,853	792,248	818,101	600,296
Fund balance, end of year	\$ 15,813	\$ 808,227	\$ 824,040	\$ 818,101

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

	<u>Class Size Reduction</u>	<u>Adult Education</u>	<u>Gifts and Donations</u>	<u>Other Special Revenue Fund</u>	<u>Federal Special Revenue Fund</u>
<b>Assets</b>					
Cash and investments	\$ 73,122	\$ -	\$ 12,743	\$ 278	\$ -
Accounts receivable	-	423	500	-	-
Due from other governments	-	325,501	-	-	1,020,753
Prepays	-	-	-	-	3,250
Total assets	<u>\$ 73,122</u>	<u>\$ 325,924</u>	<u>\$ 13,243</u>	<u>\$ 278</u>	<u>\$ 1,024,003</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 190	\$ 12	\$ 10,820
Accrued payroll	73,122	119,840	-	-	88,119
Due to other funds	-	206,084	-	-	923,384
Due to other governments	-	-	500	-	1,667
Total liabilities	<u>73,122</u>	<u>325,924</u>	<u>690</u>	<u>12</u>	<u>1,023,990</u>
Fund balances:					
Nonspendable					
Prepays	-	-	-	-	3,250
Restricted	-	-	12,553	266	13
Unassigned	-	-	-	-	(3,250)
Total fund balances	<u>-</u>	<u>-</u>	<u>12,553</u>	<u>266</u>	<u>13</u>
Total liabilities and fund balance	<u>\$ 73,122</u>	<u>\$ 325,924</u>	<u>\$ 13,243</u>	<u>\$ 278</u>	<u>\$ 1,024,003</u>

(Continued)

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

	School Nutrition	Scholarship	Totals (Memorandum Only)	
			2020	2019
<b>Assets</b>				
Cash and investments	\$ -	\$ 1,972	\$ 88,115	\$ 97,746
Accounts receivable	153	-	1,076	4,741
Due from other governments	42,140	-	1,388,394	1,862,895
Prepays	-	-	3,250	3,250
Total assets	<u>\$ 42,293</u>	<u>\$ 1,972</u>	<u>\$ 1,480,835</u>	<u>\$ 1,968,632</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 10,471	\$ -	\$ 21,493	\$ 42,606
Accrued payroll	-	-	281,081	227,947
Due to other funds	30,813	-	1,160,281	1,671,726
Due to other governments	-	-	2,167	500
Total liabilities	<u>41,284</u>	<u>-</u>	<u>1,465,022</u>	<u>1,942,779</u>
Fund balances:				
Nonspendable				
Prepays	-	-	3,250	3,250
Restricted	1,009	1,972	15,813	25,853
Unassigned	-	-	(3,250)	(3,250)
Total fund balances	<u>1,009</u>	<u>1,972</u>	<u>15,813</u>	<u>25,853</u>
Total liabilities and fund balance	<u>\$ 42,293</u>	<u>\$ 1,972</u>	<u>\$ 1,480,835</u>	<u>\$ 1,968,632</u>

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**June 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Class Size Reduction	Adult Education	Gifts and Donations	Other Special Revenue Fund	Federal Special Revenue Fund
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ 24,451	\$ 89	\$ -
State sources	313,393	819,732	-	-	-
Federal sources	-	-	-	-	1,744,312
Total revenues	313,393	819,732	24,451	89	1,744,312
<b>Expenditures</b>					
Regular programs	313,393	-	21,093	-	151,387
Special programs	-	-	-	-	240,325
Vocational programs	-	-	-	-	20,650
Other instructional programs	-	-	-	-	-
Adult/continuing ed. programs	-	638,634	-	-	-
Support services expenditures					
Student support	-	-	4,686	-	197,107
Instructional support	-	1,660	-	-	849,652
General administration	-	-	-	11	225,659
School administration	-	179,438	-	-	44,312
Central services	-	-	-	12	20,544
Operations and maintenance	-	-	100	-	-
Other support	-	-	-	-	-
Food services	-	-	9,700	-	-
Noninstructional services	-	-	-	-	-
Community services	-	-	-	-	-
Total expenditures	313,393	819,732	35,579	23	1,749,636
Excess of revenues over (under) expenditures	-	-	(11,128)	66	(5,324)
Other financing sources (uses):					
Transfers in (out)	-	-	-	-	5,337
Total other financing sources (uses)	-	-	-	-	5,337
Net change in fund balances	-	-	(11,128)	66	13
Fund balance, beginning of year	-	-	23,681	200	-
Fund balance, end of year	\$ -	\$ -	\$ 12,553	\$ 266	\$ 13

(Continued)

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**June 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

	School Nutrition	Scholarship	Totals (Memorandum Only)	
			2020	2019
<b>Revenues</b>				
Local sources	\$ 50,726	\$ -	\$ 75,266	\$ 101,019
State sources	1,911	-	1,135,036	1,227,695
Federal sources	273,742	-	2,018,054	1,732,248
Total revenues	326,379	-	3,228,356	3,060,962
<b>Expenditures</b>				
Regular programs	-	-	485,873	708,930
Special programs	-	-	240,325	252,066
Vocational programs	-	-	20,650	16,500
Other instructional programs	-	-	-	6,771
Adult/continuing ed. programs	-	-	638,634	675,249
Support services expenditures				
Student support	-	-	201,793	224,855
Instructional support	-	-	851,312	573,780
General administration	-	-	225,670	136,104
School administration	-	-	223,750	221,794
Central services	-	-	20,556	1,782
Operations and maintenance	-	-	100	7,661
Other support	-	-	-	13,066
Food services	414,458	-	424,158	386,821
Noninstructional services	-	-	-	1,892
Community services	-	-	-	810
Total expenditures	414,458	-	3,332,821	3,228,081
Excess of revenues over (under) expenditures	(88,079)	-	(104,465)	(167,119)
Other financing sources (uses):				
Transfers in (out)	89,088	-	94,425	137,234
Total other financing sources (uses)	89,088	-	94,425	137,234
Net change in fund balances	1,009	-	(10,040)	(29,885)
Fund balance, beginning of year	-	1,972	25,853	55,738
Fund balance, end of year	\$ 1,009	\$ 1,972	\$ 15,813	\$ 25,853



**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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2019
<b>Revenues</b>					
State sources	\$ 364,190	\$ 313,393	\$ 313,393	\$ -	\$ 364,190
Total revenues	<u>364,190</u>	<u>313,393</u>	<u>313,393</u>	<u>-</u>	<u>364,190</u>
<b>Expenditures</b>					
Regular programs	364,190	313,393	313,393	-	424,444
Total expenditures	<u>364,190</u>	<u>313,393</u>	<u>313,393</u>	<u>-</u>	<u>424,444</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,254)</u>
Other financing sources (uses):					
Transfers in (out)	-	-	-	-	60,254
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,254</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2019
<b>Revenues</b>					
State sources	\$ 800,522	\$ 819,732	\$ 819,732	\$ -	\$ 862,658
Total revenues	<u>800,522</u>	<u>819,732</u>	<u>819,732</u>	<u>-</u>	<u>862,658</u>
<b>Expenditures</b>					
Adult/continuing ed. programs	602,064	638,634	638,634	-	675,249
Support services					
Instructional support	10,000	1,660	1,660	-	6,500
School administration	188,458	179,438	179,438	-	180,909
Total expenditures	<u>800,522</u>	<u>819,732</u>	<u>819,732</u>	<u>-</u>	<u>862,658</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</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**  
**GIFTS AND DONATIONS**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	Favorable (Unfavorable)	2019
<b>Revenues</b>					
Local sources	\$ 10,000	\$ 21,322	\$ 24,451	\$ 3,129	\$ 32,947
Federal sources	5,000	5,000	-	(5,000)	-
Total revenues	15,000	26,322	24,451	(1,871)	32,947
<b>Expenditures</b>					
Regular programs	-	27,565	21,093	6,472	28,579
Other instructional programs	5,000	7,229	-	7,229	6,771
Support services					
Student support	5,100	5,232	4,686	546	5,506
General administration	800	-	-	-	1,177
Central services	4,100	-	-	-	1,750
Operations and maintenance	-	277	100	177	2,878
Other support	-	-	-	-	13,066
Food services	-	9,700	9,700	-	-
Total expenditures	15,000	50,003	35,579	14,424	59,727
Net change in fund balances	-	(23,681)	(11,128)	12,553	(26,780)
Fund balance, beginning of year	-	23,681	23,681	-	50,461
Fund balance, end of year	\$ -	\$ -	\$ 12,553	\$ 12,553	\$ 23,681

**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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Actual 2019
	Original	Final			
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ 89	\$ 89	\$ -
Total revenues	-	-	89	89	-
<b>Expenditures</b>					
General administration	-	50	11	39	32
Central services	-	150	12	138	32
Total expenditures	-	200	23	177	64
Excess of revenues over (under) expenditures	-	(200)	66	266	(64)
Net change in fund balances	-	(200)	66	266	(64)
Fund balance, beginning of year	200	200	200	-	264
Fund balance, end of year	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 266</u>	<u>\$ 266</u>	<u>\$ 200</u>

**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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2019
<b>Revenues</b>					
Federal sources	\$ 1,733,544	\$ 1,948,816	\$ 1,744,312	\$ (204,504)	\$ 1,494,367
Total revenues	<u>1,733,544</u>	<u>1,948,816</u>	<u>1,744,312</u>	<u>(204,504)</u>	<u>1,494,367</u>
<b>Expenditures</b>					
Regular programs	508,842	235,625	151,387	84,238	255,907
Special programs	340,677	245,665	240,325	5,340	252,066
Vocational programs	15,668	27,992	20,650	7,342	16,500
Support services					
Student support	203,931	248,027	197,107	50,920	219,349
Instructional support	424,673	875,077	849,652	25,425	567,280
General administration	208,846	232,661	225,659	7,002	134,895
School administration	21,798	44,731	44,312	419	40,885
Central services	1,758	24,000	20,544	3,456	-
Operations and maintenance	-	-	-	-	4,783
Noninstructional services	7,351	15,038	-	15,038	1,892
Total expenditures	<u>1,733,544</u>	<u>1,948,816</u>	<u>1,749,636</u>	<u>199,180</u>	<u>1,494,367</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(5,324)</u>	<u>(5,324)</u>	<u>-</u>
Other financing sources (uses):					
Transfers in (out)	<u>-</u>	<u>-</u>	<u>5,337</u>	<u>5,337</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,337</u>	<u>5,337</u>	<u>-</u>
Net change in fund balances	-	-	13	13	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ -</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2019
<b>Revenues</b>					
Local sources	\$ 78,071	\$ 78,071	\$ 50,726	\$ (27,345)	\$ 68,072
State sources	791	791	1,911	1,120	847
Federal sources	214,159	214,159	273,742	59,583	237,881
Total revenue	293,021	293,021	326,379	33,358	306,800
<b>Expenditures</b>					
Support services - food services					
Salaries and wages	4,498	4,634	4,800	(166)	4,220
Employee benefits	5,057	5,000	858	4,142	937
Purchased services	458,451	458,451	400,022	58,429	373,304
Supplies	6,883	6,883	7,544	(661)	7,591
Other	117	117	1,234	(1,117)	769
Total expenditures	475,006	475,085	414,458	60,627	386,821
Excess of revenues over (under) expenditures	(181,985)	(182,064)	(88,079)	93,985	(80,021)
<b>Other financing sources (uses)</b>					
Transfers in	181,985	182,064	89,088	(92,976)	76,980
<b>Net change in fund balance</b>	-	-	1,009	1,009	(3,041)
Fund balance, beginning of year	-	-	-	-	3,041
Fund balance, end of year	\$ -	\$ -	\$ 1,009	\$ 1,009	\$ -

**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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts			Variance Favorable (Unfavorable)	Actual 2019
	Original	Final	Actual		
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenue	-	-	-	-	-
<b>Expenditures</b>					
Regular programs					
Purchased services	-	-	-	-	-
Total regular programs	-	-	-	-	-
Total expenditures	-	-	-	-	-
<b>Net change in fund balance</b>	-	-	-	-	-
Fund balance, beginning of year	1,972	1,972	1,972	-	1,972
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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Capital Project Fund	Building & Sites	Totals (Memorandum Only)	
			2020	2019
<b>Assets</b>				
Cash	\$ 624,366	\$ 120,952	\$ 745,318	\$ 725,200
Due from other governments	<u>77,355</u>	<u>-</u>	<u>77,355</u>	<u>67,048</u>
Total assets	<u>\$ 701,721</u>	<u>\$ 120,952</u>	<u>\$ 822,673</u>	<u>\$ 792,248</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 14,446	\$ -	\$ 14,446	\$ -
Total liabilities	<u>14,446</u>	<u>-</u>	<u>14,446</u>	<u>-</u>
Fund balances:				
Restricted	<u>687,275</u>	<u>120,952</u>	<u>808,227</u>	<u>792,248</u>
Total fund balances	<u>687,275</u>	<u>120,952</u>	<u>808,227</u>	<u>792,248</u>
Total liabilities and fund balance	<u>\$ 701,721</u>	<u>\$ 120,952</u>	<u>\$ 822,673</u>	<u>\$ 792,248</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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Capital Project Fund	Building & Sites	Totals (Memorandum Only)	
			2020	2019
<b>Revenues</b>				
Local sources	\$ 448,770	\$ 74,397	\$ 523,167	\$ 493,827
Federal sources	57,725	-	57,725	-
Total revenues	506,495	74,397	580,892	493,827
<b>Expenditures</b>				
Regular programs	-	11,752	11,752	-
Support services expenditures				
Student support	-	1,068	1,068	-
Instructional support	-	1,068	1,068	-
General administration	-	2,137	2,137	7,878
School administration	-	4,274	4,274	-
Central services	97,693	-	97,693	62,444
Operations and maintenance	41,930	-	41,930	28,320
Student transportation	359,986	-	359,986	-
Facilities acquisition, construction and improvements	295,395	-	295,395	375,561
Total expenditures	795,004	20,299	815,303	474,203
Excess of revenues over (under) expenditures	(288,509)	54,098	(234,411)	19,624
Other financing sources (uses):				
Transfers in	300,000	-	300,000	310,000
Transfers out	(49,610)	-	(49,610)	(81,934)
Total other financing sources (uses)	250,390	-	250,390	228,066
Net change in fund balances	(38,119)	54,098	15,979	247,690
Fund balance, beginning of year	725,394	66,854	792,248	544,558
Fund balance, end of year	\$ 687,275	\$ 120,952	\$ 808,227	\$ 792,248

**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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts			Variance Favorable (Unfavorable)	Actual 2019
	Original	Final	Actual		
<b>Revenues</b>					
Local sources	\$ 2,750	\$ 2,750	\$ 74,397	\$ 71,647	\$ 70,477
Total revenues	2,750	2,750	74,397	71,647	70,477
<b>Expenditures</b>					
Regular Programs					
Supplies	-	11,754	11,752	2	-
Total regular programs	-	11,754	11,752	2	-
Support services - student support					
Supplies	-	1,069	1,068	1	-
Total student support	-	1,069	1,068	1	-
Support services - instructional support					
Supplies	-	1,069	1,068	1	-
Total instructional support	-	1,069	1,068	1	-
Support services - general administration					
Supplies	-	2,137	2,137	-	-
Total general administration	-	2,137	2,137	-	-
Support services - school administration					
Supplies	-	4,275	4,274	1	-
Total school administration	-	4,275	4,274	1	-
Support services - operations and maintenance					
Purchased services	-	-	-	-	3,623
Supplies	2,750	49,300	-	49,300	-
Total operations and maintenance	2,750	49,300	-	49,300	3,623
Total expenditures	2,750	69,604	20,299	49,305	3,623
Excess of revenues over (under) expenditures	-	(66,854)	54,098	120,952	66,854
<b>Net change in fund balance</b>	-	(66,854)	54,098	120,952	66,854
Fund balance, beginning of year	66,854	66,854	66,854	-	-
Fund balance, end of year	\$ 66,854	\$ -	\$ 120,952	\$ 120,952	\$ 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, 2020**  
**(With Comparative Totals for June 30, 2019)**

	Budgeted Amounts			Variance	
	Original	Final	Actual	Favorable (Unfavorable)	Actual 2019
<b>Revenues</b>					
Local sources	\$ 210,000	\$ 214,500	\$ 448,770	\$ 234,270	\$ 423,350
Federal sources	-	7,000	57,725	50,725	-
Total revenues	210,000	221,500	506,495	284,995	423,350
<b>Expenditures</b>					
General administration	-	-	-	-	7,878
Central services	-	97,698	97,693	5	62,444
Operations and maintenance	160,390	443,285	41,930	401,355	24,697
Student transportation	-	359,986	359,986	-	-
Facilities acquisition, construction and improvements	300,000	296,315	295,395	920	375,561
Total expenditures	460,390	1,197,284	795,004	402,280	470,580
Excess of revenues over (under) expenditures	(250,390)	(975,784)	(288,509)	687,275	(47,230)
Other financing sources (uses):					
Transfers in	300,000	300,000	300,000	-	310,000
Transfers out	(49,610)	(49,610)	(49,610)	-	(81,934)
Total other financing sources (uses)	250,390	250,390	250,390	-	228,066
Net change in fund balances	-	(725,394)	(38,119)	687,275	180,836
Fund balances - beginning	725,394	725,394	725,394	-	544,558
Fund balances - ending	\$ 725,394	\$ -	\$ 687,275	\$ 687,275	\$ 725,394

## **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, 2020**

	Balance June 30, 2019	Additions	Deductions	Transfers	Balance June 30, 2020
<b>WHITE PINE HIGH SCHOOL</b>					
<b>STUDENT BODY ACTIVITIES FUND</b>					
ASSETS					
Cash	\$ 299,565	\$ 280,955	\$ 250,042	\$ -	\$ 330,478
LIABILITIES					
Due to student groups	\$ 299,565	\$ 280,955	\$ 250,042	\$ -	\$ 330,478
<b>LUND HIGH SCHOOL</b>					
<b>STUDENT BODY ACTIVITIES FUND</b>					
ASSETS					
Cash	\$ 27,712	\$ 50,867	\$ 42,214	\$ -	\$ 36,365
LIABILITIES					
Due to student groups	\$ 27,712	\$ 50,867	\$ 42,214	\$ -	\$ 36,365
<b>WHITE PINE MIDDLE SCHOOL</b>					
<b>STUDENT BODY ACTIVITIES FUND</b>					
ASSETS					
Cash	\$ 149,703	\$ 64,522	\$ 56,692	\$ -	\$ 157,533
LIABILITIES					
Due to student groups	\$ 149,703	\$ 64,522	\$ 56,692	\$ -	\$ 157,533
<b>DAVID E. NORMAN ELEMENTARY SCHOOL</b>					
<b>STUDENT BODY ACTIVITIES FUND</b>					
ASSETS					
Cash	\$ 22,399	\$ 19,093	\$ 17,748	\$ -	\$ 23,744
LIABILITIES					
Due to student groups	\$ 22,399	\$ 19,093	\$ 17,748	\$ -	\$ 23,744
					(continued)

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2020**

**(Continued)**

**McGILL ELEMENTARY SCHOOL**

**STUDENT BODY ACTIVITIES FUND**

ASSETS

Cash	<u>\$ 24,883</u>	<u>\$ 22,041</u>	<u>\$ 19,671</u>	<u>\$ -</u>	<u>\$ 27,253</u>
------	------------------	------------------	------------------	-------------	------------------

LIABILITIES

Due to student groups	<u>\$ 24,883</u>	<u>\$ 22,041</u>	<u>\$ 19,671</u>	<u>\$ -</u>	<u>\$ 27,253</u>
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**BAKER SCHOOL**

**STUDENT BODY ACTIVITIES FUND**

ASSETS

Cash	<u>\$ 938</u>	<u>\$ 457</u>	<u>\$ 505</u>	<u>\$ -</u>	<u>\$ 890</u>
------	---------------	---------------	---------------	-------------	---------------

LIABILITIES

Due to student groups	<u>\$ 938</u>	<u>\$ 457</u>	<u>\$ 505</u>	<u>\$ -</u>	<u>\$ 890</u>
-----------------------	---------------	---------------	---------------	-------------	---------------

**TOTAL - ALL AGENCY FUNDS**

ASSETS

Cash	<u>\$ 525,200</u>	<u>\$ 437,935</u>	<u>\$ 386,872</u>	<u>\$ -</u>	<u>576,263</u>
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LIABILITIES

Due to student groups	<u>\$ 525,200</u>	<u>\$ 437,935</u>	<u>\$ 386,872</u>	<u>\$ -</u>	<u>576,263</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, 2020, 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 October 23, 2020.

**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) as a basis for designing 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 financial statements. 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

October 23, 2020

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

<b>Grantor Agency</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
(Passed through the State of Nevada Department of Agriculture)			
Child Nutrition Cluster			
School Breakfast Program	10.553	XX-801-17000	\$ 88,256
National School Lunch Program	10.555	XX-802-17000	167,699
Total Child Nutrition Cluster			<u>255,955</u>
Commodity Supplemental Food Program			
(Passed through White Pine County, Nevada)	10.565	XX-806-17000	19,787
Secure Rural Schools	10.666	N/A	213,095
Total U.S. Department of Agriculture			<u>488,837</u>
<b>U.S. Department of Education</b>			
(Passed through the State of Nevada Department of Education)			
Title I Section 1003(a) Focus Schools	84.010	XX-624-17000	632,646
Title I - Part A	84.010	XX-633-17000	670,939
Total 84.010			<u>1,303,585</u>
Special Education Cluster (IDEA)			
Special Ed - Part B - Local plan	84.027	XX-639-17000	336,051
Special Ed - Early Childhood	84.173	XX-665-17000	8,200
Total Special Education Cluster			<u>344,251</u>
Carl Perkins Basic			
Title II Part A - Improving Teacher Quality	84.048	XX-631-17000	20,873
Student Support and Academic Enrichment	84.367	XX-709-17000	31,204
Total U.S. Department of Education	84.424	XX-715-17000	<u>36,886</u>
			<u>1,736,799</u>
<b>U.S. Department of Health and Human Services</b>			
(Passed through the State of Nevada Department of Education)			
Substance Abuse Prevention and Treat. (SAPTA)	93.243	ENCC10/11#3	7,500
Total U.S. Department of Health and Human Services			<u>7,500</u>
Total expenditure of federal awards			<u>\$ 2,233,136</u>

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2020**

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**NOTE 1.        Summary Significant Accounting Policies and Basis of Presentation**

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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, 2020. 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.

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**NOTE 2.        Indirect Cost Rate**

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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, 2020.

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**NOTE 3.        Federal Loans and Loan Guarantee Programs Outstanding**

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White Pine County School District had no balances of loan and loan guarantee programs outstanding as of June 30, 2020.



**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, 2020. 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, 2020.

### **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  
October 23, 2020

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

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**Section I - Summary of Auditors' Results**

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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, 2020**

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**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 and monitoring payroll cost allocations for grants
- Tracking leave time and days worked
- Approval of extra duties compensation
- Timeliness of bank reconciliations
- Misstatements and reconciliations, including revenue accruals and capital assets

**Cause:** There are multiple factors causing the deficiencies, including the following: office staff 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 payroll clerk position turned over multiple times and the business supervisor was unavailable during much of fiscal year 2020, which contributed to the lack of controls and reconciliations and to the increased misstatements.

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

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**Section II - Financial Statement Findings, Continued**

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**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 recognize the District must balance demands with respect to all aspects of its budget. In light of the risks facing the District from a lack of segregation of duties and staff changes, we continue to emphasize the importance of adequately staffing the District office, particularly as it relates to maintaining greater stability. The District should continue to consider providing the resources for cross-training in key accounting functions. The District should consider the fiscal and business process review findings and recommendations in addressing these issues.

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 and capital assets.

**COMPLIANCE AND OTHER MATTERS:**

**Compliance:**

None noted

**Other Matters:**

None noted

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**Section III - Federal Award Findings and Questioned Costs**

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**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, 2020**

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**Section IV – Summary Schedule of Prior Audit Findings**

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**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 2020

As noted in Section II, this finding was not corrected in fiscal year 2020. 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:**

Not applicable

**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, 2020, and have issued our report thereon dated October 23, 2020. 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.

Management of White Pine County School District 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 were no instances of noncompliance in the prior year which needed to be corrected.

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, 2020.

***Other matters***

The results of our auditing procedures disclosed no instance of noncompliance for the year ended June 30, 2020.

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

October 23, 2020

**WHITE PINE COUNTY SCHOOL DISTRICT**  
**Schedule of Extraordinary Repair Fund pursuant to NRS 354.6105.**  
**Year Ended June 30, 2020**

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	\$ 626,801	\$ 612,765
Revenue	421,875	210,000
Expenditures		
Regular programs	-	-
Special programs	-	-
Student support	-	-
General administration	-	-
School administration	-	-
Central services	-	-
Operations and maintenance	(26,315)	-
Student transportation	(359,986)	(160,390)
Facilities acquisition, construction, and improvements	-	-
Transfers out	(49,610)	(49,610)
Ending balance	<u>\$ 612,765</u>	<u>\$ 612,765</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, 2020**

During the fiscal year 2018, 2019 and 2020 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

### **Response to Finding/Corrective Action Plan**

The District agrees with the auditor findings and recommendations. As the auditor indicated, there are multiple factors causing the deficiencies, including the following: office staff 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 payroll clerk position turned over multiple times and the business supervisor was unavailable during much of fiscal year 2020, which contributed to the lack of controls and reconciliations and to the increased misstatements.

During FY2020, the District 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 appropriate staffing and operating efficiencies. 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. Their final report was issued in May 2020 and identified a need for additional staffing, resources and operating efficiency measures with respect to purchasing and payroll. Management is in the process of implementing the measures from the report as well as other improvements. The District added a ½ position and is considering moving this position to full-time. Cross training and segregation of duties was delayed primarily because of an unplanned long-term absence and resignation of a key position. This position has been replaced and staffing has been stable.

The District has made significant progress in FY2021 with respect to the conditions identified by the auditor in FY2020. Duties such as deposits, data entry and reconciliations have been segregated. With the addition to staff and stability of work force, management has been able to focus on training (including cross training) opportunities to improve operations and provide essential redundancies for key services such as payroll and accounts payable. The additional position has also allowed management to assess and redistribute work flow that has helped segregate duties and facilitated the timeliness of bank reconciliations. All bank reconciliations for cash and investments are current and performed on a monthly basis. Deposits have been segregated and are no longer a responsibility of the Business Supervisor. Timely bank reconciliations and recording of deposits will help identify revenue accruals and associated journal entries. Reconciliation of the capital assets has been removed from the Accounts Payable Clerk and assumed by the Business Supervisor and CFO. In addition, the inventory control



software provider has made significant changes to their program that should help facilitate physical inventory counts and proper recording of inventory.

The District is confident that the deficiencies identified by the auditor in FY2020 have been remedied and sufficient measures implemented in FY2021.

### **Individuals/Entities Responsible for Corrective Action Plan**

White Pine County School District

- Board of Trustees
- Adam Young, Superintendent
- Paul Johnson, Chief Financial Officer
- Ken Jones, Business Supervisor

### **BOARD OF SCHOOL TRUSTEES**

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

The White Pine County School District operates without discrimination on the basis of sex, religion, national origin, age or disability in compliance with the Title VI, Title VII, Title IX, Section 504, and all other applicable civil rights legislation.