

White Pine Charter School

Year Ended June 30, 2021

Audited Financial Statements



WHITE PINE CHARTER SCHOOL
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Independent Auditor's Report

Board of Directors
White Pine Charter School

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 Charter School (the School) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School'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 of 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.

Basis for Qualified Opinion on Governmental Activities

Management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the other postemployment benefits as well as certain note disclosures and required supplementary information. The amount by which the departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses, note disclosures, and required supplementary information has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2021, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer’s share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and 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.

Management has not included the management’s discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the School's 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 the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
September 20, 2021

WHITE PINE CHARTER SCHOOL

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$1,839,627
Receivables:	
State Sources	71,167
Federal Sources	171,963
Total Current Assets	<u>2,082,757</u>
Noncurrent Assets	
Nondepreciable Capital Assets	82,242
Depreciable Net Capital Assets	2,853,971
Total Noncurrent Assets	<u>2,936,213</u>
Total Assets	<u>5,018,970</u>
Deferred Outflows of Resources	
Pension Deferred Outflows	565,074
Total Deferred Outflows of Resources	<u>565,074</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$5,584,044</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$23,010
Salaries & Benefits Payable	326,296
Unspent Grant Allocation	14,009
Long-Term Debt, Current	133,818
Total Current Liabilities	<u>497,133</u>
Noncurrent Liabilities	
Long-Term Debt, Noncurrent	2,468,739
Net Pension Liability	1,451,437
Total Noncurrent Liabilities	<u>3,920,176</u>
Total Liabilities	<u>4,417,309</u>
Deferred Inflows of Resources	
Pension Deferred Inflows	47,393
Total Deferred Inflows of Resources	<u>47,393</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,464,702</u>
Net Position	
Net Investment in Capital Assets	333,656
Restricted:	
Special Programs	166,181
Debt Service	250,000
Unrestricted	369,505
Total Net Position	<u>1,119,342</u>
Total Liabilities and Deferred Inflows of Resource and Net Position	<u><u>\$5,584,044</u></u>

WHITE PINE CHARTER SCHOOL

Statement of Activities Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$1,577,330		\$234,925		(\$1,342,405)
Secondary School	636,254		125,713		(510,541)
Special Education	344,654		198,368		(146,286)
Gifted & Talented	1,924				(1,924)
School Activity	21,242				(21,242)
Support Service Programs					
Attendance - Guidance - Health	18,012		18,012		0
Instruction Improvement	50,060		50,060		0
Instruction-Related Technology	75,369		133,697		58,328
Board of Education	19,300				(19,300)
District Administration	28,355				(28,355)
School Administration	651,278				(651,278)
Business Operation	14,164				(14,164)
Administrative Technology	0				0
Buildings - Care	366,742		17,855		(348,887)
Maintenance - Non-Student Occupied	0				0
Maintenance - Student Occupied	101,361		50,797		(50,564)
Maintenance - Grounds	20,273				(20,273)
Security	5,025				(5,025)
Pupil-To-School Transportation	144,083				(144,083)
Non-Instructional Programs					
Child Nutrition	189,523	\$3,319	231,594		45,390
Student Activity	8,877	27,028			18,151
Capital Assets - Student Occupied	87,911				(87,911)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	124,038				(124,038)
Total	\$4,485,775	\$30,347	\$1,061,021	\$0	(3,394,407)
General Revenues					
Local Revenue					140,057
State Revenue					4,016,919
Federal Revenue					0
Pension Revenue (Expense)					(725,342)
Total					3,431,634
Change in Net Position					
					37,227
Net Position - Beginning - As Previously Stated					
					1,054,422
Restatement - See Note I					
					27,693
Net Position - Beginning - As Restated					
					1,082,115
Net Position - Ending					
					\$1,119,342

WHITE PINE CHARTER SCHOOL
 Balance Sheet - Governmental Funds
 June 30, 2021

	General Fund	Child Nutrition Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash & Investments	\$1,662,598	\$60,438	\$116,591	\$1,839,627
Receivables:				
State Sources	71,167		0	71,167
Federal Sources			171,963	171,963
Due From Other Funds	157,954		0	157,954
Total Assets	\$1,891,719	\$60,438	\$288,554	\$2,240,711
Liabilities				
Accounts Payable	\$22,224	\$786	\$0	\$23,010
Due To Other Funds			157,954	157,954
Salaries & Benefits Payable	316,234	10,062	0	326,296
Unspent Grant Allocation			14,009	14,009
Total Liabilities	338,458	10,848	171,963	521,269
Fund Balances				
Restricted:				
Special Programs		49,590	116,591	166,181
Debt Service	250,000		0	250,000
Unassigned	1,303,261		0	1,303,261
Total Fund Balances	1,553,261	49,590	116,591	1,719,442
Total Liabilities and Fund Balances	\$1,891,719	\$60,438	\$288,554	\$2,240,711

WHITE PINE CHARTER SCHOOL
Balance Sheet - Governmental Funds
June 30, 2021

**Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities**

Total Governmental Fund Balances	\$1,719,442
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,936,213
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	(2,602,557)
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Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(933,756)
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Net Position of Governmental Activities	<u><u>\$1,119,342</u></u>
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WHITE PINE CHARTER SCHOOL

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2021

	General Fund	Child Nutrition Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local Revenue	\$140,057	\$3,319	\$27,028	\$170,404
State Revenue	4,016,919		95,985	4,112,904
Federal Revenue	32,709	231,594	700,733	965,036
Total Revenues	<u>4,189,685</u>	<u>234,913</u>	<u>823,746</u>	<u>5,248,344</u>
Expenditures				
Instructional Programs				
Elementary School	1,560,925		202,216	1,763,141
Secondary School	585,493		125,713	711,206
Special Education	92,862		251,792	344,654
Gifted & Talented	1,924		0	1,924
School Activity	21,242		0	21,242
Support Service Programs				
Attendance - Guidance - Health			18,012	18,012
Instruction Improvement			50,060	50,060
Instruction-Related Technology			75,369	75,369
Board of Education	19,300		0	19,300
District Administration	28,355		0	28,355
School Administration	651,278		0	651,278
Business Operation	14,164		0	14,164
Administrative Technology			0	0
Buildings - Care	348,887		17,855	366,742
Maintenance - Non-Student Occupied			0	0
Maintenance - Student Occupied	80,864		50,797	131,661
Maintenance - Grounds	32,473		0	32,473
Security	5,025		0	5,025
Pupil-To-School Transportation	144,083		0	144,083
Non-Instructional Programs				
Child Nutrition		189,523	0	189,523
Student Activity			8,877	8,877
Capital Assets - Student Occupied			0	0
Capital Assets - Non-Student Occupied	12,960		0	12,960
Debt Service - Principal	126,561		0	126,561
Debt Service - Interest	124,038		0	124,038
Total Expenditures	<u>3,850,434</u>	<u>189,523</u>	<u>800,691</u>	<u>4,840,648</u>
Excess (Deficiency) of Revenues Over Expenditures	339,251	45,390	23,055	407,696
Other Financing Sources (Uses)				
Transfers In		4,200	53,424	57,624
Transfers Out	(57,624)		0	(57,624)
Total Other Financing Sources (Uses)	<u>(57,624)</u>	<u>4,200</u>	<u>53,424</u>	<u>0</u>
Net Change in Fund Balances	281,627	49,590	76,479	407,696
Fund Balances - Beginning - As Prev. Stated	1,271,634	0	12,419	1,284,053
Restatement - See Note I			27,693	27,693
Fund Balances - Beginning - As Restated	1,271,634	0	40,112	1,311,746
Fund Balances - Ending	<u>\$1,553,261</u>	<u>\$49,590</u>	<u>\$116,591</u>	<u>\$1,719,442</u>

WHITE PINE CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2021

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds \$407,696

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

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period. (32,451)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position. 126,561

Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds. (464,579)

Change in Net Position of Governmental Activities \$37,227

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – White Pine Charter School (the School) is organized as a nonprofit corporation providing public charter school educational services as authorized by Section 33 of Idaho Code.

Idaho Code Section 33-5210(3) requires charter schools to comply with the same financial reporting requirements imposed on school districts, i.e. – on a governmental, rather than nonprofit, basis of accounting. Additionally, enabling legislation creates charter schools as public entities, i.e. – as public schools, subject to provisions common with other governmental entities as set forth in Idaho Code Section 33-5204. Accordingly, the School's basis of presentation follows the governmental, rather than nonprofit, reporting model.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to charter schools. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds, when present, are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds based on each fund's respective investment balance. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of depreciable assets is recorded using the straight line method.

Compensated Absences – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded.

Other Post-Employment Benefits – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an “implicit subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis.

Pensions – For purposes of measuring the net pension liability and pension expense/revenue, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the Base Plan) and additions to/deductions from Base Plan’s fiduciary net position have been determined on the same basis as they are reported by the Base Plan. 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.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity’s governing body. Assigned portions represent amounts that are constrained by the government’s intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

Income Taxes – The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except for income, if any, derived from unrelated business activities. The School’s tax returns for the

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

current year and prior two years are subject to examination by the IRS and state tax authorities, generally for three years after they are filed.

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

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Custodial Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning custodial credit risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Nonmonetary Transactions – Items received via food commodities programs are recognized at their stated fair market value.

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$675,170
Investments - Local Gov't Investment Pool	<u>1,164,457</u>
Total	<u><u>\$1,839,627</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$675,170 and the bank balances were \$829,317. Of the bank balances, \$250,000 was insured, and the remainder was uninsured and uncollateralized.

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

Investment Type	Investment Maturity Schedule (In Years)	
	Less Than 1	Total
Local Gov't Invest Pool	\$1,164,457	\$1,164,457
Total	\$1,164,457	\$1,164,457

Credit rate risk:

Investment Type	Investment Rating Schedule	
	Not Rated	Total
Local Gov't Invest Pool	\$1,164,457	\$1,164,457
Total	\$1,164,457	\$1,164,457

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Government, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer's office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Total
State Sources			
Foundation Program	\$71,167		\$71,167
Total	\$71,167		\$71,167
Federal Sources			
Special Programs		\$171,963	\$171,963
Total		\$171,963	\$171,963

D. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$82,242			\$82,242
Total	82,242	\$0	\$0	82,242
Depreciable Capital Assets				
Buildings	4,348,051	55,460		4,403,511
Equipment	114,018			114,018
Subtotal	4,462,069	55,460	0	4,517,529
Accumulated Depreciation				
Buildings	1,471,117	86,013		1,557,130
Equipment	104,530	1,898		106,428
Subtotal	1,575,647	87,911	0	1,663,558
Total	2,886,422	(32,451)	0	2,853,971
Net Capital Assets	\$2,968,664	(\$32,451)	\$0	\$2,936,213

Depreciation expense of \$87,911 was charged to the capital assets – student occupied program.

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

E. LONG-TERM DEBT

At year end, the School's notes payable were as follows:

Note payable USDA 97-02, due in monthly payments of \$7,275 with interest at 4.125% through 2037/38, secured by real estate, paid through the general fund	\$1,040,136
Note payable BOI 7062, due in monthly payments of \$9,635 with interest at 4.87% through 2033/34, secured by real estate, paid through the general fund	1,097,262
Note payable BOI 9967, due in monthly payments of \$3,973 with interest at 5.001% through 2029/30 (with final balloon payment due December 19, 2029), secured by real estate, paid through the general fund	<u>465,159</u>
Total	<u><u>\$2,602,557</u></u>

Maturities on the notes are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/22	\$133,818	\$116,781
6/30/23	140,165	110,434
6/30/24	146,815	103,784
6/30/25	153,784	96,815
6/30/26	161,085	89,514
6/30/27-31	1,076,923	311,726
6/30/32-36	669,617	86,185
6/30/37-38	<u>120,350</u>	<u>3,771</u>
Total	<u><u>\$2,602,557</u></u>	<u><u>\$919,010</u></u>

Changes in long-term debt are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Note Payable USDA 97-02	\$1,083,552		\$43,416	\$1,040,136	\$45,244
Note Payable BOI 7062	1,157,088		59,826	1,097,262	63,588
Note Payable BOI 9967	488,478		23,319	465,159	24,986
Total	<u><u>\$2,729,118</u></u>	<u><u>\$0</u></u>	<u><u>\$126,561</u></u>	<u><u>\$2,602,557</u></u>	<u><u>\$133,818</u></u>

Interest and related costs during the year amounted to \$124,038 and were charged to the debt service – interest program.

F. OPERATING LEASES

The School has operating leases for certain facilities. The leases' terms are from March 2019 through February 2024 and call for current monthly payments ranging from \$2,271 - \$6,046. The leases contain options to extend and total lease payments for the year were \$158,911.

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

Future minimum lease payments are estimated as follows:

Year Ended	
6/30/22	\$99,803
6/30/23	99,803
6/30/24	66,535
Total	<u><u>\$266,141</u></u>

G. PENSION PLAN

Plan Description

The School contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020 it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were \$260,763 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the School's proportion was 0.0625045 percent.

For the year ended June 30, 2021, the School recognized pension revenue (expense) of (\$725,342). At June 30, 2021, the School 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	\$113,402	\$47,393
Changes in assumptions or other inputs	24,546	
Net difference between projected and actual earnings on pension plan investments	166,363	
Employer contributions subsequent to the measurement date	260,763	
Total	\$565,074	\$47,393

\$260,763 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending June 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2019 is 4.8 and 4.8 for the measurement period June 30, 2020.

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension revenue (expense) as follows:

Year Ended	
6/30/22	(\$4,687)
6/30/23	(61,140)
6/30/24	(82,982)
6/30/25	(108,109)
Total	<u><u>(\$256,918)</u></u>

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2020.

Capital Market Assumptions from Callen 2020

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return*		5.85%	3.49%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return*	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2018

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return*	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric Rate of Return*	7.05%
*Net of Investment Expenses	

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate.

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
School's proportionate share of the net pension liability (asset)	\$2,976,500	\$1,451,437	\$190,459

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Impacts on the School's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan whenever deemed necessary), such deficits are not deemed to be of substantial concern.

H. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due From Fund	
Due To Fund	Nonmajor Governmental	Total
General	\$157,954	\$157,954
Total	\$157,954	\$157,954

WHITE PINE CHARTER SCHOOL
Notes to Financial Statements

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$57,624	Support, Benefits
Child Nutrition	\$4,200		Benefits
Nonmajor Governmental	53,424		Support
Total	<u>\$57,624</u>	<u>\$57,624</u>	

I. PRIOR PERIOD ADJUSTMENT

During the year, the School implemented GASB No. 84 *Fiduciary Activities*. As required by GASB 84, the School's net position and student activities fund balances were restated by \$27,693 to reflect the implementation of this new standard which requires that certain previously reported fiduciary funds now be classified as governmental funds.

WHITE PINE CHARTER SCHOOL
 Budgetary Comparison Schedule -
 General and Major Special Revenue Funds
 Year Ended June 30, 2021

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Revenue	\$38,000	\$192,409	\$140,057	(\$52,352)
State Revenue	4,100,200	3,988,940	4,016,919	27,979
Federal Revenue	0	0	32,709	32,709
Total Revenues	<u>4,138,200</u>	<u>4,181,349</u>	<u>4,189,685</u>	<u>8,336</u>
Expenditures				
Instructional Programs				
Elementary School	1,558,000	1,508,000	1,560,925	(52,925)
Secondary School	534,400	603,800	585,493	18,307
Special Education	122,600	104,100	92,862	11,238
Gifted & Talented	5,000	4,000	1,924	2,076
School Activity	27,200	21,280	21,242	38
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Instruction Improvement	0	0	0	0
Instruction-Related Technology	0	0	0	0
Board of Education	32,250	22,600	19,300	3,300
District Administration	36,900	38,250	28,355	9,895
School Administration	715,400	733,850	651,278	82,572
Business Operation	13,500	16,000	14,164	1,836
Administrative Technology	0	0	0	0
Buildings - Care	369,100	362,135	348,887	13,248
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	86,100	82,800	80,864	1,936
Maintenance - Grounds	17,000	20,300	32,473	(12,173)
Security	11,000	11,000	5,025	5,975
Pupil-To-School Transportation	130,000	144,100	144,083	17
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Student Activity	0	0	0	0
Capital Assets - Student Occupied	40,000	0	0	0
Capital Assets - Non-Student Occupied	0	40,000	12,960	27,040
Debt Service - Principal	0	0	126,561	(126,561)
Debt Service - Interest	250,700	250,700	124,038	126,662
Total Expenditures	<u>3,949,150</u>	<u>3,962,915</u>	<u>3,850,434</u>	<u>112,481 *</u>
Excess (Deficiency) of Revenues Over Expenditures	189,050	218,434	339,251	120,817
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(52,600)	(43,400)	(57,624)	(14,224) *
Total Other Financing Sources (Uses)	<u>(52,600)</u>	<u>(43,400)</u>	<u>(57,624)</u>	<u>(14,224)</u>
Net Change in Fund Balances	136,450	175,034	281,627	106,593
Fund Balances - Beginning	904,870	1,271,634	1,271,634	0
Fund Balances - Ending	<u>\$1,041,320</u>	<u>\$1,446,668</u>	<u>\$1,553,261</u>	<u>\$106,593</u>

**Total expenditures (over) under appropriations are: \$98,257*

WHITE PINE CHARTER SCHOOL
 Budgetary Comparison Schedule -
 General and Major Special Revenue Funds
 Year Ended June 30, 2021

Child Nutrition Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Revenue	\$55,000	\$3,318	\$3,319	\$1
Federal Revenue	105,260	232,740	231,594	(1,146)
Total Revenues	<u>160,260</u>	<u>236,058</u>	<u>234,913</u>	<u>(1,145)</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	159,360	195,500	189,523	5,977
Total Expenditures	<u>159,360</u>	<u>195,500</u>	<u>189,523</u>	<u>5,977</u> *
Excess (Deficiency) of Revenues				
Over Expenditures	900	40,558	45,390	4,832
Other Financing Sources (Uses)				
Transfers In	4,600	4,600	4,200	(400)
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>4,600</u>	<u>4,600</u>	<u>4,200</u>	<u>(400)</u>
Net Change in Fund Balances	5,500	45,158	49,590	4,432
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$5,500</u>	<u>\$45,158</u>	<u>\$49,590</u>	<u>\$4,432</u>

**Total expenditures (over) under appropriations are:* \$5,977

WHITE PINE CHARTER SCHOOL
Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School's portion of the net pension liability	0.0625045%	0.0491889%	0.0441243%
School's proportionate share of the net pension liability	\$1,451,437	\$561,478	\$650,841
School's covered payroll	\$2,230,645	\$1,670,656	\$1,419,639
School's proportional share of the net pension liability as a percentage of its covered payroll	65.07%	33.61%	45.85%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's portion of the net pension liability	0.0396236%	0.0414373%	0.0406789%	0.0368874%
School's proportionate share of the net pension liability	\$622,815	\$839,998	\$535,675	\$271,549
School's covered payroll	\$1,107,709	\$1,211,906	\$1,155,718	\$1,007,230
School's proportional share of the net pension liability as a percentage of its covered payroll	56.23%	69.31%	46.35%	26.96%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%	94.95%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30, 2020.

WHITE PINE CHARTER SCHOOL
Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$260,763	\$266,339	\$189,118
Contributions in relation to the statutorily required contribution	<u>\$260,763</u>	<u>\$266,339</u>	<u>\$189,118</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	\$2,183,945	\$2,230,645	\$1,670,656
Contributions as a percentage of covered payroll	11.94%	11.94%	11.32%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$160,703	\$125,393	\$137,188	\$130,827
Contributions in relation to the statutorily required contribution	<u>\$160,703</u>	<u>\$125,393</u>	<u>\$137,188</u>	<u>\$130,827</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	\$1,419,639	\$1,107,709	\$1,211,906	\$1,155,718
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

WHITE PINE CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2021

	Special Revenue Funds			
	Student Activity	Technology	Substance Abuse	Title I-A ESSA IBP
Assets				
Cash & Investments	\$45,844	\$68,078	\$2,669	
Receivables:				
State Sources				
Federal Sources				\$17,273
Due From Other Funds				
Total Assets	<u>\$45,844</u>	<u>\$68,078</u>	<u>\$2,669</u>	<u>\$17,273</u>
Liabilities				
Accounts Payable				
Due To Other Funds				\$17,273
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>17,273</u>
Fund Balances				
Restricted:				
Special Programs	45,844	68,078	2,669	
Debt Service				
Unassigned				
Total Fund Balances	<u>45,844</u>	<u>68,078</u>	<u>2,669</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$45,844</u>	<u>\$68,078</u>	<u>\$2,669</u>	<u>\$17,273</u>

WHITE PINE CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2021

	Special Revenue Funds			
	ESSER I	IDEA Part B 611 School Age 3-21	School Based Medicaid	Title IV-A ESSA SS&AE
Assets				
Cash & Investments				
Receivables:				
State Sources				
Federal Sources	\$18,101	\$22,337	\$104,008	\$5,762
Due From Other Funds				
Total Assets	<u>\$18,101</u>	<u>\$22,337</u>	<u>\$104,008</u>	<u>\$5,762</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$5,320	\$22,337	\$104,008	\$4,624
Salaries & Benefits Payable				
Unspent Grant Allocation	12,781			1,138
Total Liabilities	<u>18,101</u>	<u>22,337</u>	<u>104,008</u>	<u>5,762</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$18,101</u>	<u>\$22,337</u>	<u>\$104,008</u>	<u>\$5,762</u>

WHITE PINE CHARTER SCHOOL
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Special Revenue Funds				
	Title II-A ESSA SEI	CRF	CSP Grant	Total
Assets				
Cash & Investments				\$116,591
Receivables:				
State Sources				0
Federal Sources	\$4,482			171,963
Due From Other Funds				0
Total Assets	\$4,482	\$0	\$0	\$288,554
Liabilities				
Accounts Payable				\$0
Due To Other Funds	\$4,392			157,954
Salaries & Benefits Payable				0
Unspent Grant Allocation	90			14,009
Total Liabilities	4,482	\$0	\$0	171,963
Fund Balances				
Restricted:				
Special Programs				116,591
Debt Service				0
Unassigned				0
Total Fund Balances	0	0	0	116,591
Total Liabilities and Fund Balances	\$4,482	\$0	\$0	\$288,554

WHITE PINE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds			Title I-A ESSA IBP
	Student Activity	Technology	Substance Abuse	
Revenues				
Local Revenue	\$27,028			
State Revenue		\$86,835	\$9,150	
Federal Revenue				\$50,112
Total Revenues	<u>27,028</u>	<u>86,835</u>	<u>9,150</u>	<u>50,112</u>
Expenditures				
Instructional Programs				
Elementary School				50,112
Secondary School				
Special Education				
Gifted & Talented				
School Activity				
Support Service Programs				
Attendance - Guidance - Health			9,150	
Instruction Improvement				
Instruction-Related Technology		28,507		
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity	8,877			
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>8,877</u>	<u>28,507</u>	<u>9,150</u>	<u>50,112</u>
Excess (Deficiency) of Revenues Over Expenditures	18,151	58,328	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	18,151	58,328	0	0
Fund Balances - Beginning - As Prev. Stated	0	9,750	2,669	0
Restatement - See Note I	27,693			
Fund Balances - Beginning - As Restated	<u>27,693</u>	<u>9,750</u>	<u>2,669</u>	<u>0</u>
Fund Balances - Ending	<u>\$45,844</u>	<u>\$68,078</u>	<u>\$2,669</u>	<u>\$0</u>

WHITE PINE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds			
	ESSER I	IDEA Part B 611 School Age 3-21	School Based Medicaid	Title IV-A ESSA SS&AE
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$5,320	\$94,360	\$104,008	\$8,862
Total Revenues	<u>5,320</u>	<u>94,360</u>	<u>104,008</u>	<u>8,862</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	5,320			
Special Education		94,360	157,432	
Gifted & Talented				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				8,862
Instruction Improvement				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>5,320</u>	<u>94,360</u>	<u>157,432</u>	<u>8,862</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(53,424)	0
Other Financing Sources (Uses)				
Transfers In			53,424	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>53,424</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning - As Prev. Stated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restatement - See Note I				
Fund Balances - Beginning - As Restated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WHITE PINE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds			Total
	Title II-A	CRF	CSP	
	ESSA SEI			
Revenues				
Local Revenue				\$27,028
State Revenue				95,985
Federal Revenue	\$10,914	\$293,853	\$133,304	700,733
Total Revenues	<u>10,914</u>	<u>293,853</u>	<u>133,304</u>	<u>823,746</u>
Expenditures				
Instructional Programs				
Elementary School		152,104		202,216
Secondary School			120,393	125,713
Special Education				251,792
Gifted & Talented				0
School Activity				0
Support Service Programs				
Attendance - Guidance - Health				18,012
Instruction Improvement	10,914	26,235	12,911	50,060
Instruction-Related Technology		46,862		75,369
Board of Education				0
District Administration				0
School Administration				0
Business Operation				0
Administrative Technology				0
Buildings - Care		17,855		17,855
Maintenance - Non-Student Occupied				0
Maintenance - Student Occupied		50,797		50,797
Maintenance - Grounds				0
Security				0
Pupil-To-School Transportation				0
Non-Instructional Programs				
Child Nutrition				0
Student Activity				8,877
Capital Assets - Student Occupied				0
Capital Assets - Non-Student Occupied				0
Debt Service - Principal				0
Debt Service - Interest				0
Total Expenditures	<u>10,914</u>	<u>293,853</u>	<u>133,304</u>	<u>800,691</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	23,055
Other Financing Sources (Uses)				
Transfers In				53,424
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,424</u>
Net Change in Fund Balances	0	0	0	76,479
Fund Balances - Beginning - As Prev. Stated	0	0	0	12,419
Restatement - See Note I				27,693
Fund Balances - Beginning - As Restated	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,112</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$116,591</u>

WHITE PINE CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
COVID-19 - School Breakfast Program	10.553	202020/202121N109947	\$46,362
COVID-19 - National School Lunch Program*	10.555	202020/202121N109947	143,161
Total Child Nutrition Cluster			<u>189,523</u>
Total US Dept of Agriculture			<u>189,523</u>
US Dept of Treasury			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Coronavirus Relief Fund	21.019	20-1892-0-1-806	293,853
Total US Dept of Treasury			<u>293,853</u>
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027	H027A18/200088	92,867
Special Education - Preschool Grants	84.173	H173A200030	1,493
Total Special Education Cluster			<u>94,360</u>
Title I Grants to Local Educational Agencies	84.010	S010A200012	50,112
Supporting Effective Instruction State Grants	84.367	S367A200011	10,914
Student Support & Academic Enrichment	84.424	S424A19/200013	8,862
COVID-19 - Education Stabilization Fund	84.425	S425D200043	5,320
<i>Passed Through Bluum:</i>			
Charter Schools	84.282	CSP-2018-23-4731371831	133,304
Total US Dept of Education			<u>302,872</u>
Total Expenditures of Federal Awards			<u>\$786,248</u>

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2021. 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 the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the 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. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

***C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$11,114.



**Independent Auditor’s 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 Directors
White Pine Charter School

We have audited, in accordance with the 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 the White Pine Charter School (the School), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School’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 the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’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 over financial reporting 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 School's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Payette, Idaho
September 20, 2021



Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
White Pine Charter School

Report on Compliance for Each Major Federal Program

We have audited White Pine Charter School’s (the School’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 the School’s major federal programs for the year ended June 30, 2021. The School’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 School’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 the School’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 School’s compliance.

Opinion on Each Major Federal Program

In our opinion, the School 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, 2021.

Report on Internal Control Over Compliance

Management of the School 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 School's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 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 the School'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 in 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.

Quest CPAs PLLC

Payette, Idaho
September 20, 2021

WHITE PINE CHARTER SCHOOL
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued: Unmodified

- Each Major Fund
- Aggreg Remain Fund Info

Qualified

- Gov't Activities

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Major program identification:

- a. Child Nutrition Cluster – CFDA #10.553, 10.555
- b. COVID-19 - Coronavirus Relief Fund – CFDA #21.019

Dollar threshold used to distinguish between type A and B programs: \$750,000

Auditee qualified as a low-risk auditee? No

WHITE PINE CHARTER SCHOOL
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

FINDINGS - FINANCIAL STATEMENT AUDIT

Significant Deficiency

2020-001 Procurement Policies

Condition – In the previous year, it was noted that certain procurement policies were not being followed.

Recommendation – It was recommended that the School ensure staff responsible for the procurement function are trained in these policies and that the School monitor this function to ensure that procurement policies are being followed as designed.

Current Status – This issue has been resolved by management performing training sessions for staff responsible for procurement and by regularly reviewing purchases to ensure they follow procurement policies.