

# White Pine Charter School

Financial Statements

Year ended June 30, 2018



# White Pine Charter School

Contents  
*June 30, 2018*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
White Pine Charter School  
Idaho Falls, Idaho

### **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 Charter School), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Charter 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; 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 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 risk 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 Charter School, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States require the budgetary comparison information and schedule of employer's share of net pension liability for PERSI-Base plan last 10 fiscal years, and schedule of employer contributions PERSI-Base plan for last 10 years on pages 24-26 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 consider 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, 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 omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and the agency fund combining statement of changes in assets and liabilities is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, such as the combining and individual nonmajor fund financial schedules and the agency fund combining schedule of changes in assets and liabilities, is the responsibility of management and was derived from and relates 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. In our opinion, the combining and individual nonmajor fund financial schedules and the agency fund combining schedule of changes in assets and liabilities as listed in the table of contents 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 October 3, 2018, on our consideration of White Pine Charter School'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 the District's internal control over financial reporting and compliance.



Wipfli LLP  
CPAs and Consultants  
Idaho Falls, Idaho  
October 3, 2018

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# White Pine Charter School

## Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	939,069
Receivables	
State apportionment	119,720
Federal grants	9,937
Prepaid expenses	8,060
Noncurrent assets	
Capital assets	
Land	82,242
Property, improvements, and equipment, net of accumulated depreciation	2,041,305
Total assets	<u>3,200,333</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions	258,501
Total deferred outflows of resources	<u>258,501</u>
<b>LIABILITIES</b>	
Accounts payable	6,517
Accrued salaries and benefits	188,477
Accrued interest	6,256
Long-term liabilities	
Portion due or payable within one year	
Notes payable	102,344
Portion due or payable after one year	
Net pension liability	622,815
Notes payable	2,301,286
Total liabilities	<u>3,227,695</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions	106,967
Total deferred inflows of resources	<u>106,967</u>
<b>NET POSITION</b>	
Net investment in capital assets	(280,083)
Restricted for debt service	287,300
Unrestricted net position	<u>116,955</u>
Total net position	<u><u>124,172</u></u>

The accompanying notes are an integral part of these statements.

# White Pine Charter School

Statement of Activities  
Fiscal Year Ended June 30, 2018

Functions / Programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Total governmental activities
Governmental activities					
Instruction	1,784,488	33,830	129,335		(1,621,323)
Support services	73,800		80,565		6,765
Administrative	530,612		6,840		(523,772)
Business admin services	9,593				(9,593)
Operations	159,310		27,847		(131,463)
Transportation	89,622		69,987		(19,635)
Noninstructional	114,597	39,508	84,576		9,487
Facility acquisition	28,984				(28,984)
Interest on long-term debt	115,692				(115,692)
Total governmental activities	2,906,698	73,338	399,150	0	(2,434,210)
General revenues					
State foundation program					2,113,306
Other state revenues					290,407
Other local					151,314
Interest and investments earnings					4,906
Total general revenues					2,559,933
Change in net position					125,723
Net position - beginning (as restated)					(1,551)
Net position - ending					124,172

The accompanying notes are an integral part of these statements.

# White Pine Charter School

Combined Balance Sheet  
Governmental Funds  
*June 30, 2018*

	General Fund	Debt Reserve Fund	All Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	618,421	287,300	33,348	939,069
Receivables				
State apportionment	119,720			119,720
Federal grants			9,937	9,937
Advance receivable	34,599			34,599
Interfund receivable	9,937			9,937
Prepaid expenses	8,060			8,060
	<u>790,737</u>	<u>287,300</u>	<u>43,285</u>	<u>1,121,322</u>
Total assets				
<b>LIABILITIES</b>				
Accounts payable	6,505		12	6,517
Salaries and benefits payable	176,280		12,197	188,477
Advance payable			34,599	34,599
Interfund payable			9,937	9,937
	<u>182,785</u>	<u>0</u>	<u>56,745</u>	<u>239,530</u>
Total liabilities				
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid expenses	8,060			8,060
Advance	34,599			34,599
Restricted for				
Debt reserve		287,300		287,300
Other			9,454	9,454
Unassigned	565,293		(22,914)	542,379
	<u>607,952</u>	<u>287,300</u>	<u>(13,460)</u>	<u>881,792</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>790,737</u>	<u>287,300</u>	<u>43,285</u>	<u>1,121,322</u>

The accompanying notes are an integral part of these statements.



# White Pine Charter School

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position *June 30, 2018*

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Total fund balances - governmental funds		881,792
Total net position reported for governmental activities in the Statement of Net Position is different because:		
The net pension liability (asset) and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position.		
		(471,281)
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds.		
Cost of capital assets	3,480,322	
Accumulated depreciation	<u>(1,356,775)</u>	
		2,123,547
Interest payable on long-term debt does not require current financial resources and therefore interest payable is not reported as a liability in the governmental funds balance sheet.		
		(6,256)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consisted of two notes payable.		
		<u>(2,403,630)</u>
Total net position - governmental activities		<u><u>124,172</u></u>

The accompanying notes are an integral part of these statements.

# White Pine Charter School

Governmental Fund Types  
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Fiscal Year Ended June 30, 2018

	General Fund	Debt Reserve Fund	All Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Local				
Earnings on investments	4,906			4,906
Other local	228,393		39,508	267,901
State apportionment				
Base	2,113,306			2,113,306
Transportation	69,987			69,987
Other state revenue	308,798		79,446	388,244
Federal assistance	6,840		224,484	231,324
Total revenues	2,732,230	0	343,438	3,075,668
<b>EXPENDITURES</b>				
Instruction	1,595,848		129,335	1,725,183
Support services	504		73,296	73,800
School administration	545,194			545,194
Business operations	9,593			9,593
Operations	224,563			224,563
Transportation	89,622			89,622
Noninstructional	4,349		149,702	154,051
Facility acquisition	56,122			56,122
Debt service	213,622			213,622
Total expenditures	2,739,417	0	352,333	3,091,750
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers, net	(2,704)		2,704	0
Total other financing sources (uses)	(2,704)	0	2,704	0
Revenues and other financing sources over (under) expenditures	(9,891)		(6,191)	(16,082)
Fund balance - July 1, 2017 (as restated)	617,843	287,300	(7,269)	897,874
Fund balance - June 30, 2018	607,952	287,300	(13,460)	881,792

The accompanying notes are an integral part of these statements.

# White Pine Charter School

## Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities *For Fiscal Year Ended June 30, 2018*

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Total net change in fund balances - governmental funds:	(16,082)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds 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 amount by which depreciation exceeded capital outlays in the period.	(35,302)
Vested employee benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year. Change in net pension liability \$217,183. Change in deferred outflows of resources related to pensions \$(305,771). Change in deferred inflows of resources related to pensions \$167,763.	79,177
Accrued interest expense on long-term debt is reported in the government-wide statement of activities, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds. Change in accrued interest.	4,731
Principle payments on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	<u>93,199</u>
Change in net position of governmental activities	<u><u>125,723</u></u>

The accompanying notes are an integral part of these statements.

# White Pine Charter School

Fiduciary Funds  
Statement of Fiduciary Net Position  
*June 30, 2018*

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	<u>24,930</u>
Total assets	<u><u>24,930</u></u>
<b>LIABILITIES</b>	
Due to student groups	<u>24,930</u>
Total liabilities	<u><u>24,930</u></u>

The accompanying notes are an integral part of these statements.

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# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General. The basic financial statements listed in the table of contents have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also complies with the American Institute of Certified Public Accountants' Industry Audit Guide for Audits of State and Local Government Units.
2. Reporting Entity. White Pine Charter School (the Charter School) is an Idaho non-profit corporation organized in December 2001. The Charter School is organized exclusively for educational purposes under section 501c(3) of the Internal Revenue Code. The Charter School serves grades K-8. The Charter School receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The State of Idaho requires that governmental standards be followed. The Charter School is not included in any other governmental "reporting entity" as defined by GASB pronouncement, since Board members are elected and have decision making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.
3. Government-wide and Fund 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 Charter School. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to those (customers or applicants) whom purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. State support and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

4. Fund Accounting. The Charter School uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. The emphasis of fund financial statements is on major governmental funds, each reported 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.

### Governmental Fund Types

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

**Debt Reserve Fund** – The Debt Reserve Fund consists of funds set aside as a reserve as required in the debt agreements.

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Additionally, the District reports the following fund types:

Special Revenue Fund – The purpose of the Special Revenue Fund is to account for federal, state, and locally funded grants. These grants are awarded to the Charter School with the purpose of accomplishing specific educational tasks as defined in the Grant Awards.

5. Basis of Accounting. The Charter School applies the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the Charter School's financial outlook.

### *Government-wide Financial Statements*

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the Charter School, except for its fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of given functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other internally directed revenues are reported instead as general revenues.

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. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

The Charter School applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation has been allocated specifically to functional areas with the majority of it being allocated to instructional. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### *Governmental Fund Financial Statements*

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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Charter School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency funds, when applicable, are accounted for on the cash basis of accounting. The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). 'Measurable' means the amount of the transaction can be determined, and 'available' means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year.

The Charter School does not levy property taxes.

6. Budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at year end.
7. Cash and Investments. Cash includes amounts in demand as well as short-term investments with a maturity date within three months of the date acquired by the Charter School. The Charter School pools cash of all funds into common bank accounts. The accounting records of each fund reflect its interest in the pooled cash. Any deficiencies in cash of individual funds represent liabilities to other funds for cash borrowed. Under state law, the Charter School may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Idaho law, and national banks having their principal offices in Idaho.

State statutes authorize the Charter School to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The Charter School has elected to deposit cash in excess of immediate needs into certificates of deposits at various local financial institutions. All other cash is deposited with local banks in checking or savings accounts. For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Charter School will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The Charter School does not have a policy for custodial credit risk outside of the deposit and investment agreements.

Credit risk is the risk that an issuer of debt securities, or another counterparty to an investment, will not fulfill its obligation and is commonly expressed in terms of the credit quality rating issued by nationally recognized statistical rating organization such as Moody's, Standard & Poor's, and Fitch's. The investments of the Charter School are not rated and the Charter School's policy does not restrict them to rated investments.

8. Short-term Interfund Receivables / Payables. During the course of operations, numerous transactions occur between individual funds and the General Fund for goods provided or services rendered. These receivables and payables are classified as 'interfund receivables' or 'interfund payables' on the balance sheet.
9. Prepaid items. Prepaid items represent payments made by the Charter School for which benefits extend beyond June 30.



# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

10. Capital Assets. Capital assets, including land, buildings, improvements, and equipment assets, are reported in the government-wide financial statements. The Charter School defines capital assets as assets with an initial, individual cost of more than \$5,000 (excluding vehicles which are capitalized regardless of individual cost) and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Buildings, improvements, and equipment assets are depreciated using the straight-line depreciation over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Equipment	5-20
Vehicles	5-8

11. Compensated Absences. Employees are not entitled to compensated absences at the Charter School.

12. Pensions. For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (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.

13. Long-term Obligations. Long-term debt is recognized as a liability of a governmental fund when due.

For other long-term obligations, only that portion expected to be financed from expendable, available, financial resources is reported as a fund liability of a governmental fund. The entire portion of such obligations is reported in the government-wide financial statements.

14. 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 Charter School reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and District contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset).

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 Charter School reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions.

15. Net Position Flow Assumption. Sometimes the Charter School 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 Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

16. Fund Balance Flow Assumptions. It is the Charter School'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.
17. Fund Balances. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributions, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* These amounts can only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The School Board is the highest level of decision-making authority for the District that can, by board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance:* This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The School Board has by resolution authorized management to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

18. Risk Management. The Charter School is exposed to a considerable number of risks of loss, including: (a) damage to and loss of property and contents; (b) employee torts; (c) professional liability, i.e. errors and omissions; (d) environmental damage; (e) workers' compensation, i.e. employee injuries; and (f) medical insurance costs of employees. Commercial policies, transferring the risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

19. Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires the Charter School 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 during the reporting year. Actual results could differ from those estimates.

20. Income Taxes. The Charter School applies generally accepted accounting principles for recognition of uncertainty in income taxes and prescribing a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken or expected to be taken in a tax return. In the course of its assessment, the Charter School has determined that it is subject to examination of its income tax filings in the United States for the past three tax years.

Penalties and interest assessed by income taxing authorities are included in administration and general expenses, if applicable. The Charter School has no interest and penalties related to income taxes for the year ended June 30, 2018.

## NOTE B CASH AND INVESTMENTS

At June 30, 2018, the carrying amount of the Charter School's deposits was \$622,173 and the bank balance was as follows:

	<u>Bank/Credit Union Balance</u>
Insured by FDIC/NCUA	455,263
Uninsured and uncollateralized	<u>207,834</u>
Total	<u><u>663,097</u></u>

At June 30, 2018, the cost and fair market value of the Charter School's investments were as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Average Maturity</u>
Local Government Investment Pool	341,826	342,442	94 days
Total investments	<u><u>341,826</u></u>	<u><u>342,442</u></u>	

Interest rate risk - The Charter School manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit risk - The Charter School invests in accordance with Idaho code, Title 67, chapter 12. The Charter School's deposits and investments at year end are limited to the Local Government Investment Pool (LGIP), bank deposits, and certificates of deposits with various banks and credit unions located in Idaho. The Charter School has reduced its concentration of credit risk by using several financial institutions.

Custodial credit risk - In the case of deposits, this is the risk that in the event of a bank or credit union failure, the Charter School's deposits may not be returned to it. The Charter School does not have a deposit policy for custodial credit risk. As of June 30, 2018, \$207,834 of the Charter School's deposits and certificates of deposit was exposed to custodial credit risk because it was uninsured and uncollateralized. Of the investments, \$341,826 was held in the Local Government Investment Pool, which is not insured or guaranteed by the FDIC or NCUA.

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE B CASH AND INVESTMENTS, continued

Amounts held by the LGIP were held in the following investments: government agency notes, corporate bonds, Idaho bank deposits, commercial paper, U.S. treasury notes, commercial mortgages, repurchase agreements, and purchased accrued interest. All investments for the LGIP are collateralized with securities held by the pool's agent in the pool's name. The investments held by the pools are carried at cost which is not materially different than fair value (determined by the Idaho State Treasurer's Office). Information necessary to determine the level of collateralization for the pools was unavailable.

The LGIP is audited annually, and the related financial statements and note disclosures are included in the State of Idaho's Comprehensive Annual Financial Report, a copy of which can be downloaded from [www.sco.idaho.gov](http://www.sco.idaho.gov).

## NOTE C INTERFUND RECEIVABLES AND PAYABLES/ADVANCE RECEIVABLE PAYABLE

Interfund receivable and payable balances in the fund financial statements on June 30, 2018 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund		
Receivable	9,937	
Advance	34,599	
Nonmajor funds		
Payable		9,937
Advance		34,599
Total	<u>44,536</u>	<u>44,536</u>

The purpose for interfund receivable and payable balances in Title I is to eliminate negative cash. There was also an advance from the General Fund to the Child Nutrition fund for \$43,249 that the Child Nutrition fund is repaying over 5 years. The Child Nutrition fund repaid \$8,650 during the year ended June 30, 2018. The interfund transfer at June 30, 2018, was a transfer of \$2,704 to the Child Nutrition Fund to meet the FICA match as required.

## NOTE D PAYROLL EXPENDITURES AND RELATED LIABILITIES

Teacher contracts were signed for the ten-month school year August 2017, through May 2018, to be paid over the twelve months of September 2017, through August 2018, or August 2017 through July 2018.

The financial statements reflect the salary expense for this year. The accrued payroll reflects the final one or two months on the contracts.

## NOTE E PENSION PLAN

### *Plan Description*

The Charter 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](http://www.persi.idaho.gov).

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE E PENSION PLAN, continued

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 for 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% 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 and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

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, 2017, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The Charter School's contributions were \$160,703 for the year ended June 30, 2018.

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

At June 30, 2018, the Charter School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net pension liability was based on the Charter 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, 2017, the Charter School's proportion was .0396236 percent.

For the year ended June 30, 2018, the Charter School recognized pension expense of \$109,075. At June 30, 2018, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

**NOTE E PENSION PLAN, continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	86,280	56,110
Changes in assumptions or other inputs	11,518	
Net difference between projected and actual earnings on pension plan investments		37,315
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		13,542
Charter School contributions subsequent to the measurement date	160,703	
Total	258,501	106,967

\$160,703 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

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, 2016, the beginning of the measurement period ended June 30, 2017, is 4.9 years and 5.5 years for the measurement period June 30, 2016.

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

Year ended June 30:	
2018	(25,407)
2019	66,965
2020	18,770
2021	(42,412)

*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 50-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net investment expenses
Cost-of-living adjustments	1%

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

**NOTE E PENSION PLAN**, continued

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, 2007, through June 30, 2013, which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009, through June 30, 2013. The Total Pension Liability as of June 30, 2017, is based on the results of an actuarial valuation date July 1, 2017.

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 rates or 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.

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 January 1, 2017.

**Capital Market Assumptions**

<u>Asset Class</u>	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
			<b>Expected Real Return</b>	<b>Expected Risk</b>
<u>Total Fund</u>	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\*Expected arithmetic return net of fees and expenses.

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

**NOTE E**      **PENSION PLAN**, continued

**Actuarial Assumptions:**

Assumed Inflation – Mean	3.25%
Assumed Inflation – Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	<u>0.40%</u>
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	<u><u>7.10%</u></u>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.10%. 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 rate of return on pension plan investments was applied to all period 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 Employer's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
Employer's proportionate share of the net pension liability (asset)	1,447,550	622,815	(62,562)

*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](http://www.persi.idaho.gov).

At June 30, 2018, the Charter School reported \$1,065 payable to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.



# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

## NOTE F POST RETIREMENT BENEFITS

The Charter School funds post retirement benefits on a current basis through PERSI. The Charter School paid 1.16% of the wages covered by PERSI to the State for the year July 1, 2017, through June 30, 2018. At the time of retirement, a sum equal to one-half of the monetary value of unused sick leave, calculated at the rate of pay at that time, is transferred from the sick leave account to the employee's retirement account. This money shall then be used to pay premiums for health, accident, dental, and life insurance.

## NOTE G CAPITAL ASSETS

Following is a summary of the capital assets at June 30, 2018:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Capital assets, not being depreciated				
Land	82,242			82,242
Total capital assets, not being depreciated	82,242	0	0	82,242
Buildings and improvements	3,210,647	73,415		3,284,062
Equipment	95,042	18,976		114,018
Total capital assets, being depreciated	3,305,689	92,391	0	3,398,080
Less accumulated depreciation for:				
Buildings and improvements	(1,139,580)	(120,225)		(1,259,805)
Equipment	(89,502)	(7,468)		(96,970)
Total accumulated depreciation	(1,229,082)	(127,693)	0	(1,356,775)
Total capital assets being depreciated, net	2,076,607	(35,302)	0	2,041,305
Governmental activities capital assets, net	<u>2,158,849</u>	<u>(35,302)</u>	<u>0</u>	<u>2,123,547</u>

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

Governmental activities	
Instruction	123,898
Non-instructional	3,795
Total depreciation expense – governmental activities	<u>127,693</u>

## NOTE H NOTES PAYABLE

The Charter School entered into a \$1,625,000 note payable with U.S. Bank for the new school building on December 20, 2007. The note required monthly payments of \$11,566 and includes interest at 6.98% until November of 2017. The interest rate was adjusted in November of 2017 to the bank borrowing rate plus 1.6% and the payments have been reduced to \$9,785 per month. The interest rate is adjustable annually in November. The loan is being amortized over 25 years at 4.55% at June 30, 2018. The Charter School was out of compliance with the debt covenants at June 30, 2017, and the agreement between the Charter School and the bank to set the interest rate as specified in the second addendum to the interest rate rider was not executed during the year ended June 30, 2018. The Charter School is in compliance with the coverage ratio at June 30, 2018.

# White Pine Charter School

Notes to Financial Statements  
June 30, 2018

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## NOTE H NOTES PAYABLE, continued

The Charter School entered into a \$1,500,000 note payable with the United States Department of Agriculture – Rural Development for the new school building on December 6, 2007. The note requires monthly payments of \$7,275 and includes interest at 4.125%.

The schedule of payments for the next five years is as follows:

Fiscal Year	Principal	Interest	Total
2019	102,344	102,372	204,716
2020	106,922	97,794	204,716
2021	111,705	93,011	204,716
2022	116,703	88,013	204,716
2023	121,925	82,791	204,716
2024-2028	696,531	327,047	1,023,578
2029-2033	795,217	157,366	952,583
2034-2038	352,283	33,701	385,984
Total	<u>2,403,630</u>	<u>982,095</u>	<u>3,385,725</u>

## NOTE I CHANGES IN LONG-TERM DEBT

Following is a summary of the changes in long-term debt for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Note payable	1,293,272		54,841	1,238,431
USDA loan	1,203,557		38,358	1,165,199
Net pension liability	839,998		217,183	622,815
Total	<u>3,336,827</u>	<u>0</u>	<u>310,382</u>	<u>3,026,445</u>

## NOTE J LOAN RESERVES

On December 6, 2007, White Pine Charter School entered into a promissory note with the United States Department of Agriculture for \$1,500,000. The note requires a reserve account to be funded at a rate of one-tenth of the annual payment per year until a total of one annual payment has been accumulated as stated in the Letter of Conditions. The annual reserve requirement for Fiscal Year 2017-2018 is \$0 the accumulated reserve amount is \$87,300.

On December 20, 2007, White Pine Charter School entered into a term loan with US Bank for \$1,625,000. The note requires a reserve fund held at U.S. Bank to be funded at rate of \$20,000 per year until the reserve balance reaches \$200,000. The annual reserve for Fiscal Year 2017-2018 is \$0. The accumulated reserve amount is \$200,000. The reserve account is held in a Money Market account at U.S. Bank.

# White Pine Charter School

Notes to Financial Statements  
*June 30, 2018*

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## **NOTE K      COMMITMENTS AND CONTINGENCIES**

### *Federal and State Receivables*

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

## **NOTE L      RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE**

Management of the Charter School evaluated additional amounts received during the current year that were earned in the prior year and an amount expended in the current year that was for the prior year. The additional state revenue received was \$52,567. The prior period fund balance in the General Fund was increased by \$52,567 as a result of this item. There was also an additional payable in the technology fund at June 30, 2018, of \$7,269. The net position was also increased by the net of these two amounts or \$45,209 at June 30, 2018.

## **NOTE M      SUBSEQUENT EVENTS**

Management of the Charter School evaluated subsequent events through October 3, 2018, which was the date the financial statements were available to be issued. There were no other subsequent type events, identified by management of the Charter School, that are required to be disclosed.

**REQUIRED FINANCIAL INFORMATION**

# White Pine Charter School

General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
-Budget to Actual-  
Fiscal Year Ended June 30, 2018

<b>REVENUES</b>	Budget	Actual	Favorable (Unfavorable) Variance
Local			
Earnings on investments	1,000	4,906	3,906
Other local	72,500	228,393	155,893
State			
Base support	2,216,176	2,113,306	(102,870)
Transportation	72,000	69,987	(2,013)
Other state revenue	239,417	308,798	69,381
Federal assistance		6,840	6,840
	2,601,093	2,732,230	131,137
 <b>EXPENDITURES</b>			
Instructional services	1,537,673	1,595,848	(58,175)
Support services		504	(504)
School administration	535,616	545,194	(9,578)
Business operations	16,804	9,593	7,211
Operations	146,952	224,563	(77,611)
Transportation	100,000	89,622	10,378
Noninstructional		4,349	(4,349)
Facility acquisition	109,506	56,122	53,384
Debt service	226,092	213,622	12,470
	2,672,643	2,739,417	(66,774)
 <b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers, net	0	(2,704)	(2,704)
 Revenues and other financing sources over (under) expenditures	(71,550)	(9,891)	195,207
 Fund balance - July 1, 2017 (as restated)		617,843	
 Fund balance - June 30, 2018		607,952	

See Independent Auditor's Report.

# White Pine Charter School

Required Supplementary Information

*Fiscal Year Ended June 30, 2018*

## Schedule of Employer's Share of Net Pension Liability

### PERSI-Base Plan Last 10-Fiscal Years \*

	2018	2017	2016	2015
Employer's portion of net pension liability	0.0396236%	0.0414373%	0.0406789%	0.0368874%
Employers proportionate share of the net pension liability	622,815	839,998	535,675	271,549
Employer's covered payroll	1,107,709	1,211,906	1,155,718	1,007,230
Employer'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 Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

2018 data reported is measured as of June 30, 2017 (measurement date).

## Schedule of Employer Contributions

### PERSI-Base Plan Last 10-Fiscal Years \*

	2018	2017	2016	2015
Statutorily required contribution	160,703	125,393	137,188	130,827
Contributions in relation to the statutorily required contribution	160,703	126,893	137,188	128,981
Contribution (deficiency) excess	0	1,500	0	(1,846)
Employer's covered payroll	1,419,639	1,107,709	1,211,906	1,155,718
Contributions as a percentage of covered payroll	11.3200%	11.4554%	11.3200%	11.1602%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

2018 data reported is measured as of June 30, 2018 (reporting date).

See Independent Auditor's Report.

# White Pine Charter School

Notes to Required Supplementary Information  
*Fiscal Year Ended June 30, 2018*

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**NOTE A BUDGET ADOPTION**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at year end. A budget was not adopted for the Debt Reserve Fund.

**NOTE B EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED IN THE MAJOR FUNDS**

Actual expenditures for the fiscal year ended June 30, 2018, exceeded the budgeted expenditures in the General Fund.

See Independent Auditor's Report.

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**OTHER FINANCIAL INFORMATION**

# White Pine Charter School

All Nonmajor Funds  
Combining Balance Sheet  
June 30, 2018

	State Technology	Substance Abuse	Title I Fund	IDEA School Age	Title II Fund	Child Nutrition	All Nonmajor Funds
<b>ASSETS</b>							
Cash and investments	9,454			12,197		11,697	33,348
Federal grants receivable			9,937				9,937
<b>Total assets</b>	<b>9,454</b>	<b>0</b>	<b>9,937</b>	<b>12,197</b>	<b>0</b>	<b>11,697</b>	<b>43,285</b>
 <b>LIABILITIES AND FUND EQUITY</b>							
<b>LIABILITIES</b>							
Accounts payable						12	12
Accrued wages				12,197			12,197
Advance payable						34,599	34,599
Interfund payable			9,937				9,937
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>9,937</b>	<b>12,197</b>	<b>0</b>	<b>34,611</b>	<b>56,745</b>
 <b>FUND EQUITY</b>							
Unassigned						(22,914)	(22,914)
Restricted	9,454						9,454
<b>Total fund equity</b>	<b>9,454</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(22,914)</b>	<b>(13,460)</b>
<b>Total liabilities and fund</b>	<b>9,454</b>	<b>0</b>	<b>9,937</b>	<b>12,197</b>	<b>0</b>	<b>11,697</b>	<b>43,285</b>

See Independent Auditor's Report.

# White Pine Charter School

All Nonmajor Funds  
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Fiscal Year Ended June 30, 2018

	State Technology	Substance Abuse	Title I Fund	IDEA School Age	Title IV Fund	Title II Fund	Child Nutrition	All Nonmajor Funds
<b>REVENUES</b>								
Food service							39,508	39,508
Other state revenue	71,749	7,697						79,446
Federal grants and assistance			47,407	71,928	10,000	10,573	84,576	224,484
<b>Total revenues</b>	<b>71,749</b>	<b>7,697</b>	<b>47,407</b>	<b>71,928</b>	<b>10,000</b>	<b>10,573</b>	<b>124,084</b>	<b>343,438</b>
<b>EXPENDITURES</b>								
Instruction								
Elementary			47,407					47,407
Special education program				71,928				71,928
Gifted and talented					10,000			10,000
Support services								
Attendance, guidance, & health		7,697						7,697
Instructional improvement						10,573		10,573
Instructional related technology	55,026							55,026
Noninstructional services							149,702	149,702
<b>Total expenditures</b>	<b>55,026</b>	<b>7,697</b>	<b>47,407</b>	<b>71,928</b>	<b>10,000</b>	<b>10,573</b>	<b>149,702</b>	<b>352,333</b>
Revenues over (under) expenditures	16,723	0	0	0	0	0	(25,618)	(8,895)
<b>OTHER FINANCING SOURCES (USES)</b>								
Net transfers							2,704	2,704
<b>Total other financing sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,704</b>	<b>2,704</b>
Revenues and other financing sources over (under) expenditures and other financing sources (uses)	16,723						(22,914)	(6,191)
Fund balance - July 1, 2017	(7,269)	0	0	0	0	0	0	(7,269)
Fund balance - June 30, 2018	9,454	0	0	0	0	0	(22,914)	(13,460)

See Independent Auditor's Report.

# White Pine Charter School

All Agency Funds  
Combining Schedule of Changes in Assets and Liabilities  
*Fiscal Year Ended June 30, 2018*

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	Balance <u>June 30, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>June 30, 2018</u>
<b>ASSETS</b>				
Cash	<u>18,133</u>	<u>32,823</u>	<u>26,026</u>	<u>24,930</u>
Total assets	<u><u>18,133</u></u>	<u><u>32,823</u></u>	<u><u>26,026</u></u>	<u><u>24,930</u></u>
<b>LIABILITIES</b>				
Due to student groups	<u>18,133</u>	<u>32,823</u>	<u>26,026</u>	<u>24,930</u>
Total liabilities	<u><u>18,133</u></u>	<u><u>32,823</u></u>	<u><u>26,026</u></u>	<u><u>24,930</u></u>

See Independent Auditor's Report.

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**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 Trustees  
White Pine Charter School  
Idaho Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to the financial audits contain in the *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 Charter School as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise White Pine Charter School’s basic financial statements, and have issued our report thereon dated October 3, 2018.

**Internal Control over Financial Reporting**

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

*Wipfli LLP*

Wipfli LLP  
CPAs and Consultants

Idaho Falls, Idaho  
October 3, 2018