



**WAHTONKA COMMUNITY SCHOOL**  
The Dalles, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2020



**WAHTONKA COMMUNITY SCHOOL  
The Dalles, Oregon**

**BOARD OF DIRECTORS**

June 30, 2020

**OFFICERS**

Beth McManus, Chair  
5240 Cherry Height  
The Dalles, Oregon 97058

Sara Viemeister, Vice Chair  
713 W 18<sup>th</sup> Street  
The Dalles, Oregon 97058

**MEMBERS**

Aaron Bowman  
1615 Terrace Street  
The Dalles, Oregon 97058

Josephine Colburn (resigned 4/7/2020)  
1221 E Lewis Street  
The Dalles, Oregon 97058

Robert Friel  
2026 Maple Street  
The Dalles, Oregon 97058

Carrie Pipinich  
1010 G Street  
The Dalles, Oregon 97058

**EXECUTIVE DIRECTOR**

Stacey Shaw  
400 East Scenic Drive  
The Dalles, Oregon 97058

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Wahtonka Community School  
The Dalles, Oregon 97058

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major funds of Wahtonka Community School, The Dalles, Oregon, as of and for the year ended June 30, 2020, 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. 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 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 and the major funds of Wahtonka Community School, The Dalles, Oregon as of June 30, 2020, 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 management's discussion and analysis and schedules of the School's proportionate share of the net pension liability and School contributions on pages 4 through 8 and 32, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wahtonka Community School's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.


The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 4, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance

Accuity, LLC

By:   
\_\_\_\_\_

Glen O. Kearns, CPA

Albany, Oregon

January 4, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**INTRODUCTION**

As management of Wahtonka Community School, The Dalles, Oregon, we offer readers this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2020. It should be read in conjunction with the School's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2020, total net position of Wahtonka Community School amounted to \$338,890. The balance included \$241,288 restricted for various activities, and \$97,602 of unrestricted net position.
- The School's total net position increased by \$263,315 during the current fiscal year, as this was the first year in operation.
- Overall revenues of \$1,001,473 exceeded total expenses of \$738,158 by \$263,315.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Wahtonka Community School's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the School's assets, liabilities, and deferred inflows and outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., grants receivable).

The government-wide financial statements can be found on pages 9 through 10 of this report.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fund Financial Statements**

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All funds of the School are governmental funds.

□ **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains two governmental funds. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General and Special Revenue Funds, which are considered to be major funds.

Wahtonka Community School adopts an annual appropriated budget for the General and Special Revenue Funds. Budgetary comparison data has been provided to demonstrate compliance with the fund's respective budgets but is not a required part of the basic financial statements.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 31 of this report.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) and other supplementary information (OSI). RSI includes the schedules of the School's proportionate share of the net pension liability and School contributions, and OSI includes the budgetary comparison information for the General and Special Revenue Funds.

This information can be found on pages 32 through 33 of this report, respectively.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. At June 30, 2020, the School's assets exceeded its liabilities by \$338,890.

**School's Net Position**

At the end of the current fiscal year, the School was able to report positive balances in all categories of net position. The School's net position increased by \$263,315 during the current fiscal year..

Condensed statement of net position information is shown below.

**Condensed Statement of Net Position**

	<b>Governmental Activities</b>	
	2020	2019
<b>ASSETS</b>		
Current assets	\$ 215,374	\$ 53,267
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	133,129	31,874
<b>LIABILITIES</b>		
Current liabilities	9,613	9,566
<b>NET POSITION</b>		
Restricted	241,288	19,621
Unrestricted	97,602	55,954
Total net position	\$ 338,890	\$ 75,575

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**School's Changes in Net Position**

The condensed statement of activities information shown below explains changes in net position.

**Changes in Net Position**

	<b>Governmental Activities</b>	
	2020	2019
<b>Program revenues</b>		
Operating grants and contributions	\$ 473,259	\$ 51,897
Total program revenues	473,259	51,897
<b>General revenues</b>		
State school fund – general support	525,915	311,345
Miscellaneous	2,299	341
Total general revenues	528,214	311,686
Total revenues	1,001,473	363,583
<b>Program expenses</b>		
Instruction	299,690	66,206
Support services	438,468	193,347
Community services	-	28,455
Total program expenses	738,158	288,008
<b>Change in net position</b>	263,315	75,575
<b>Net position - beginning</b>	75,575	-
<b>Net position - ending</b>	\$ 338,890	\$ 75,575

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund**

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the School's net resources available for spending at the end of the fiscal year.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

At the end of the current fiscal year, the School's governmental funds reported a combined fund balance of \$205,761, an increase of \$162,060 from the prior year. Of this total, \$(35,527) constitutes unassigned fund balance.

**KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE**

At the time these financial statements were prepared and audited, the School was aware of the following circumstances that could significantly affect its future financial health.

- The School received funding for high school success programs that include career technical education.
- The School projected 45 students for the 2020-2021 fiscal year.

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$(35,527).

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the School's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to Wahtonka Community School, 3601 West 10<sup>th</sup> Street, The Dalles, Oregon 97058.

## **BASIC FINANCIAL STATEMENTS**

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

STATEMENT OF NET POSITION

June 30, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 188,501
Accounts receivable, net of allowance of \$0	<u>26,873</u>
Total current assets	<u>215,374</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>133,129</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	2,109
Payroll liabilities	<u>7,504</u>
Total current liabilities	<u>9,613</u>
<b>NET POSITION</b>	
Restricted for grant programs	241,288
Unrestricted	<u>97,602</u>
Total net position	<u><u>\$ 338,890</u></u>

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

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities				
Instruction	\$ 299,690	\$ -	\$ 473,259	\$ 173,569
Support services	<u>438,468</u>	<u>-</u>	<u>-</u>	<u>(438,468)</u>
Total governmental activities	<u>\$ 738,158</u>	<u>\$ -</u>	<u>\$ 473,259</u>	<u>\$ (264,899)</u>
General revenues				
State school fund - general support				525,915
Miscellaneous				<u>2,299</u>
Total general revenues				<u>528,214</u>
Change in net position				263,315
Net position - beginning				<u>75,575</u>
Net position - ending				<u>\$ 338,890</u>

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



**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 241,288	\$ 241,288
Accounts receivable	<u>26,873</u>	<u>-</u>	<u>26,873</u>
Total assets	<u><u>\$ 26,873</u></u>	<u><u>\$ 241,288</u></u>	<u><u>\$ 268,161</u></u>
<b>LIABILITIES</b>			
Current			
Book overdraft	\$ 52,787	\$ -	\$ 52,787
Accounts payable	2,109	-	2,109
Payroll liabilities	<u>7,504</u>	<u>-</u>	<u>7,504</u>
Total liabilities	<u>62,400</u>	<u>-</u>	<u>62,400</u>
<b>FUND BALANCE</b>			
Restricted for grant programs	-	241,288	241,288
Unassigned	<u>(35,527)</u>	<u>-</u>	<u>(35,527)</u>
Total fund balance	<u>(35,527)</u>	<u>241,288</u>	<u>205,761</u>
Total liabilities and fund balance	<u><u>\$ 26,873</u></u>	<u><u>\$ 241,288</u></u>	<u><u>\$ 268,161</u></u>

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

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2020

<b>Total fund balance</b>	\$ 205,761
<p>Amounts relating to the School's proportionate share of the net pension liability for the Oregon Public Employees Retirement Systems (PERS) are not reported in governmental fund statements. In the governmental fund statements, pension expense is recognized when due. These amounts consist of:</p>	
Deferred outflows of resources relating to pension expense	<u>133,129</u>
<b>Net position of governmental activities</b>	<u><u>\$ 338,890</u></u>

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

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local revenue	\$ 2,297	\$ 2	\$ 2,299
Intermediate revenue	-	155,261	155,261
State revenue	525,915	-	525,915
Federal revenue	-	317,998	317,998
	<u>528,212</u>	<u>473,261</u>	<u>1,001,473</u>
Total revenues			
<b>EXPENDITURES</b>			
Current			
Instruction	326,411	74,534	400,945
Support services	261,408	177,060	438,468
Community services	-	-	-
	<u>587,819</u>	<u>251,594</u>	<u>839,413</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(59,607)	221,667	162,060
Fund balance - beginning	<u>24,080</u>	<u>19,621</u>	<u>43,701</u>
Fund balance - ending	<u>\$ (35,527)</u>	<u>\$ 241,288</u>	<u>\$ 205,761</u>

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

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

<b>Net change in fund balance</b>	\$ 162,060
Amounts reported for governmental activities in the statement of activities are different because:	
Pension expense or credits that do not meet the measurable and available criteria are not recognized as revenue or expense in the current year in governmental funds. In the statement of activities, pension expense or credits are recognized when determined to have been accrued.	
	<u>101,255</u>
<b>Change in net position of governmental activities</b>	<u>\$ 263,315</u>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statements of activities) report information on all of the activities of the School. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported by the School.

**B. Reporting Entity**

Wahtonka Community School operates under the authority of North Wasco County School District 21, who grants a charter to the School and exercises oversight, as required by Oregon law. The School began operations in 2018. The School is subject to ORS 338 in connection with the operation of public charter schools. In accordance with ORS 338, the School is organized as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. The School is governed by a four-member board of directors.

**C. Income Taxes**

Wahtonka Community School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made. In addition, the School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The tax-exempt status can be revoked by the Internal Revenue Service as a result of direct violations of laws and regulations governing 501(c)(3) organizations. The School's operating policy requires strict adherence to these laws and regulations in order to maintain its tax-exempt status. Management's policy is to engage in activities related to their exempt purpose.

Management evaluates tax positions annually based on the guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740. FASB ASV 740 prescribes a comprehensive model for recognizing, measuring, presenting, and disclosing, in the financial statements, tax position taken or expected to be taken on a tax return, including positions that the School is exempt from income taxes or not subject to income taxes on unrelated business income. The School presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits.

Generally, the School is subject to examination by U.S. federal and state income tax authorities for three years from the filing of a tax return.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the government’s fund. The emphasis of fund financial statements is on major governmental funds.

The School reports the following major governmental funds:

General Fund – The General Fund is the School’s primary operating fund. It accounts for all financial resources of the School that are not required to be accounted for in another fund. The primary sources of revenue are state and local revenues.

Special Revenue Fund – The Special Revenue Fund accounts for revenues and expenditures related to grants and other special revenue sources. The primary source of revenue is federal revenue.

**E. Measurement Focus and Basis of Accounting**

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

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 all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**F. Budgetary Information**

The School is not subject to Oregon Budget Law. The School prepares an annual budget for management purposes and for submission to its sponsoring district, as required under the terms of its charter. Budgetary comparison schedules are included in this report for additional analysis. Annual budgets are adopted on the modified accrual basis of accounting. Budget amounts shown in the financial statements reflect the original budget amounts.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

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

**1. Cash and Cash Equivalents**

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Deferred Outflows/Inflows of Resources (Non-Pension Related)**

In addition to assets, the statement of net 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 and so will not be recognized as an outflow of resources until that time. In addition to liabilities, the statement of net 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 and therefore, will not be recognized as an inflow of resources until that time.

**3. Net Position Flow Assumption**

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

**4. Fund Balance Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.



**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

**5. Fund Balance Policies**

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

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

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

The School reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory or prepaid expenses) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest-level action to remove or change the constraint.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

- Assigned fund balance - amounts that School intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the school board delegates authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The School has not formally adopted a minimum fund balance policy.

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Pensions**

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

**I. Use of Estimates**

The preparation of financial statements in accordance 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.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

**II. DETAILED NOTES ON THE FUND AND ALL ACCOUNT GROUPS**

**A. Cash Deposits with Financial Institutions**

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the School's deposits may not be returned. The School holds an account at Bank of the West Bank, for which the FDIC provides insurance coverages of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts. At June 30, 2020, the School had deposits of \$185,275 fully insured by the FDIC.

Deposits

The School's deposits and investments at June 30, 2020 are as follows:

Cash on hand	\$	200
Checking accounts		<u>188,301</u>
Total deposits and investments	\$	<u><u>188,501</u></u>

Deposits and investments by restriction type:

Governmental activities - unrestricted		
General Fund - book overdraft	\$	(52,787)
Governmental activities - restricted		
Special Revenue Fund		<u>241,288</u>
Total deposits and investments	\$	<u><u>188,501</u></u>

Restricted cash is for future grant expenditures.

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

**B. Operating Leases**

The School has a long-term lease agreement with North Wasco School District, with terms as follows:

**1. School Premises Lease**

On November 1, 2018, the School signed a one-year lease agreement for use of the building in which the School operates, ending on June 30, 2020. Payments of \$2,000 are due monthly. Lease expense for the year ended June 30, 2020 was \$24,000.

**C. Constraints on Fund Balances**

	General Fund	Special Revenue Fund	Total Governmental Funds
Fund balances:			
Restricted for:			
Grants	\$ -	\$ 241,288	\$ 241,288
Unassigned	(35,527)	-	(35,527)
Total fund balances	\$ (35,527)	\$ 241,288	\$ 205,761

**III. OTHER INFORMATION**

**A. Risk Management**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverages in the past year.

**B. Retirement Plans**

**1. Oregon Public Employees Retirement System**

*General Information about the Pension Plan*

Name of Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan.

**WAHTONKA COMMUNITY SCHOOL**  
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June 30, 2020

Description of Benefit Terms

*Plan Benefits – PERS Pension (Chapter 238)*

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A

*PERS Pension*

The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*Pension Benefits*

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

*Death Benefits*

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by a PERS employer at the time of death
- Member died within 120 days after termination of PERS-covered employment
- Member died as a result of injury sustained while employed in a PERS-covered job, or
- Member was on an official leave of absence from a PERS-covered job at the time of death

*Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for a either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining monthly benefit.

**WAHTONKA COMMUNITY SCHOOL**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

*Benefit Changes after Retirement*

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision.

OPSRP Pension Program (OPSRP DB)

*Pension Benefits*

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: police and fire - 1.8 percent is multiplied by the number of years of service and the final average salary.

Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which the termination becomes effective.

*Death Benefits*

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

*Disability Benefits*

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**WAHTONKA COMMUNITY SCHOOL**  
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June 30, 2020

*Benefit Changes After Retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced.

Employer contributions for the year ended June 30, 2020 were \$122,803.

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

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

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Health retirees and beneficiaries:</b> RP-2014 healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>



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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are on the 2016 Experience Study, which reviewed experience for the four-year period ended December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

<u>Asset Class</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	13.5%	21.5%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

**WAHTONKA COMMUNITY SCHOOL**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2020, the School reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019 the School's proportion was 0.000%. For the year ended June 30, 2020, the School recognized pension expense of \$6,199. At June 30, 2020, 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	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	-	-
Changes in proportionate share	-	-
Differences between employer contributions and employer's proportionate share of system contributions	26,037	-
Total (prior to post-MD contributions)	26,037	-
Contributions subsequent to the MD	107,092	-
Total	\$ 133,129	\$ -

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in subsequent years as follows:

Year ended June 30:	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 6,199
2nd Fiscal Year	6,199
3rd Fiscal Year	6,199
4th Fiscal Year	6,199
5th Fiscal Year	1,241

**WAHTONKA COMMUNITY SCHOOL**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

*Sensitivity of the Schools'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 7.20 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a higher discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

School's proportionate share of the net pension liability (asset):

1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
\$ -	\$ -	\$ -

*Changes Subsequent to the Measurement Date*

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation.

For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability. The decrease in the Total Pension Liability resulting from Senate Bill 1049, measured as of June 30, 2019, is shown in the Exhibit A as the "Effect of plan changes" during the measurement period. While Senate Bill 1049 also made changes to certain aspects of the System's funding and administration, the salary limit is the only change that affects the measured Total Pension Liability. As a result, the salary limit provision is the only difference in the valuation basis used to determine the Total Pension Liability between June 30, 2018 and June 30, 2019.

**C. Individual Account Program (IAP)**

*Plan Description*

Employees of the School are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP).

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS and is administered by the OPERS Board.

*Pension Benefits*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits*

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*Contributions*

Member contributions are set by statute at 6 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. As permitted, the School has opted to pick-up the contributions on behalf of its employees.

*Actuarial Methods and Assumptions*

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized. The assumed rate of return on investments is 7.2% compounded annually. The assumed consumer price inflation rate used is 2.5% per year.

Additional disclosures related to Oregon PERS not applicable to specific employers are available by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700, or can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

**WAHTONKA COMMUNITY SCHOOL**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

**D. Concentrations of Funding Sources**

Wahtonka Community School received a significant portion of its revenue from the state school fund, passed through their sponsoring school district. For the year ended June 30, 2020, the School received approximately 52% of its total revenue from the state school fund.

**E. Commitments and Contingencies**

A substantial portion of operating funding is received from the State of Oregon through North Wasco County School District 21. State funding is determined through statewide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections are pupil counts fluctuate, they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

**F. New Pronouncements**

The Governmental Accounting Standards Board (GASB) issued [Statement No. 95](#), *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

The guidance postpones by one year the effective dates of certain provisions in the pronouncements as follows:

GASB Statement No. 84, *Fiduciary Activities* – This statement established criteria and guidance for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes, as well as the reporting requirements for these fiduciary funds.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements* – This statement addresses the information that is disclosed in the notes to government financial statements related to debt, including borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The Statement postpones the effective dates of the following pronouncements by 18 months:

GASB Statement No. 87, *Leases* – This statement addresses the accounting and financial reporting for leases by governments, requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases.

**WAHTONKA COMMUNITY SCHOOL**  
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The School will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the above pronouncements.

The GASB provides other COVID-19 related resources on its website:

<https://www.gasb.org/COVID19>.

**G. Subsequent Events**

Management has evaluated subsequent events through January 4, 2021, which was the date that the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION**

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS

**OREGON PERS SYSTEM**

**Schedule of the School's Proportionate Share of the Net Pension Liability**

	<u>2020</u>	<u>2019</u>
School's Proportion of the net pension liability (asset)	0.00000000%	0.00000000%
School's proportionate share of the net pension liability (asset)	\$ -	\$ -
School's covered-employee payroll (from actuarial exhibits)	\$ -	\$ -
School's proportionate share of the net pension liability (asset) as a percentage its covered-employee payroll	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	82%

**Schedule of the School's Contributions**

	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 122,803	\$ 20,416
Contributions in relation to the contractually required contribution	<u>(122,803)</u>	<u>(20,416)</u>
Contribution deficiency (excess)	\$ -	\$ -
School's covered-employee payroll	\$ 382,546	\$ 149,050
Contributions as a percentage of covered-employee payroll	32%	14%



## **OTHER INFORMATION**

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020

	Original and Final Budget	Variance with Final Budget Over (Under)	GAAP Basis
<b>REVENUES</b>			
Local revenue	\$ 26,020	\$ (23,723)	\$ 2,297
State revenue	<u>525,920</u>	<u>(5)</u>	<u>525,915</u>
Total revenues	<u>551,940</u>	<u>(23,728)</u>	<u>528,212</u>
<b>EXPENDITURES</b>			
Current			
Instruction	379,751	(53,340)	326,411
Support services	<u>162,189</u>	<u>99,219</u>	<u>261,408</u>
Total expenditures	<u>541,940</u>	<u>45,879</u>	<u>587,819</u>
Excess (deficiency) of revenues over (under) expenditures	10,000	(69,607)	(59,607)
Fund balance - beginning	<u>-</u>	<u>24,080</u>	<u>24,080</u>
Fund balance - ending	<u><u>\$ 10,000</u></u>	<u><u>\$ (45,527)</u></u>	<u><u>\$ (35,527)</u></u>

**WAHTONKA COMMUNITY SCHOOL**  
**The Dalles, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

SPECIAL REVENUE FUND

For the Year Ended June 30, 2020

	Original and Final Budget	Variance with Final Budget Over (Under)	GAAP Basis
<b>REVENUES</b>			
Local revenue	\$ 2,000	\$ (1,998)	\$ 2
Intermediate revenue	28,885	126,376	155,261
Federal revenue	479,496	(161,498)	317,998
Total revenues	510,381	(37,120)	473,261
<b>EXPENDITURES</b>			
Current			
Instruction	212,384	(137,850)	74,534
Support services	124,409	52,651	177,060
Capital outlay	173,600	(173,600)	-
Total expenditures	510,393	(258,799)	251,594
Excess (deficiency) of revenues over (under) expenditures	(12)	221,679	221,667
Fund balance - beginning	1,212	18,409	19,621
Fund balance - ending	\$ 1,200	\$ 240,088	\$ 241,288

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY  
STATE REGULATIONS**



## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors  
Wahtonka Community School  
The Dalles, Oregon 97058

We have audited the financial statements of Wahtonka Community School, The Dalles, Oregon, as of and for the year ended June 30, 2020, and have issued our report thereon dated January 4, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether Wahtonka Community School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to, the following:

**Insurance and fidelity bonds in force or required by law**

**Programs funded from outside sources**

**Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)**

**Public charter school requirements**

In connection with our testing, nothing came to our attention that caused us to believe the School was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**OAR 162-010-0230 Internal Control**

In planning and performing our audit, we considered the School’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control over financial reporting. However, we noted certain matters that we have reported to management of the School in a separate letter dated January 4, 2021.

This report is intended solely for the information and use of the board of directors and management of Wahtonka Community School, North Wasco County School District 21, and the Oregon Secretary of State, and is not intended to be, and should not be used by anyone other than these parties.

A handwritten signature in blue ink that reads "Accuity, LLC". The signature is stylized and cursive.

January 4, 2021