

**KLAMATH COUNTY  
SCHOOL DISTRICT**

**Klamath Falls, Oregon**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended June 30, 2020**



Prepared by:  
Business Services Department

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Dennis Clague  
Director of Business Services

Denise Reid  
District Accountant

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**KLAMATH COUNTY SCHOOL DISTRICT**  
**Klamath Falls, Oregon**  
**Fiscal Year Ended June 30, 2020**  
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**KLAMATH COUNTY SCHOOL DISTRICT**  
**Klamath Falls, Oregon**  
**Fiscal Year Ended June 30, 2020**  
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**INTRODUCTORY SECTION**



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December 17, 2020

To the Board of Directors and Citizens of Klamath County School District:

Oregon Revised Statutes (ORS), Sections 297.405 to 297.555 and 297.990 (known as "Municipal Audit Law") in addition to ORS 327.137 (State Financing of Education – "Audit reports filed with department..."), require that "Every common or union high school district or education service district shall file a copy of its audit report with the Department of Education within six months of the end of the fiscal year for which the audit is required". Furthermore, a Securities Exchanges Commission (SEC) Rule requires that a district that has issued municipal bonds file annual financial statements along with other required information in order to meet continuing disclosure requirements. This filing is completed with the Municipal Securities Exchange Repository through the Electronic Municipal Market Access System (EMMA). Pursuant to these requirements, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Klamath County School District (the District) for the fiscal year ended June 30, 2020, together with the audit opinion thereon of our independent auditors as required by Oregon State Laws. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that the financial statements and related information are stated fairly in all material respects in reflecting the financial position and results of operations of the District.

#### **Independent Audit**

The auditors selected by the Board of Directors, KDP Certified Public Accountants, LLP, have completed their required audit of the basic financial statements for the fiscal year ended June 30, 2020, and their unmodified Independent Auditor's Report is presented as the first component of the financial section of this report. The Independent Auditor's Report indicates that the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Klamath County School District, and the respective changes in financial position in accordance with generally accepted accounting principles (GAAP).

The District's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure adequate accounting information is available for the preparation of the financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the likely benefits to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

GAAP requires that management provide a narrative, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Klamath County School District's MD&A can be found immediately following the Independent Auditor's Report.

## **Profile of the District**

Klamath County School District began operations on May 22, 1922. The District is currently comprised of twelve elementary schools, two junior high schools, four Jr./Sr. high schools, two high schools, and three alternative schools for a total of 23 schools. The District Office is located in Klamath Falls, Oregon with schools in Klamath Falls, Bly, Bonanza, Chiloquin, Gilchrist, Keno, Malin, and Merrill. Enrollment in these schools totaled 6,804 students as of March 31, 2020. Due to COVID-19 pandemic, the Oregon Governor closed all schools on March 16, 2020. The March 31, 2020 enrollment data is the last available.

Klamath County School District is Oregon's largest school district geographically. Its service area is larger than three states – Delaware, Connecticut, and Rhode Island. The District boundaries are conterminous with the boundaries of Klamath County, an area nearly 6,100 square miles in size, with the exception of the Klamath Falls city limits. That area is served by the Klamath Falls City School District. The District's north/south boundaries start at the California border and continue north approximately 125 miles to the Willamette Pass Ski Resort. Its east/west boundaries start at the border of Jackson County and continue east to Lake County, approximately 115 miles in length. With such a large geographical area the District's school buses travel more than a million miles each year. Due to the COVID-19 pandemic, while schools were closed or in a comprehensive distance learning model, school buses were used to help deliver meals and school supplies to all District students

Klamath County School District is governed by an elected five-member Board of Directors that has responsibility and control over all activities related to the District. The Board of Directors is elected by a majority of electorate voting. Each Director is elected to serve a four-year term and represents a specific zone of Klamath County. The Board of Directors is accountable for all fiscal matters. Klamath County School District is financially independent.

Glen Szymoniak was appointed by the Board of Directors to be the District's Superintendent effective July 1, 2018. As of this writing, the management staff (Cabinet) includes the Superintendent; Director of Business Services; Director of Elementary Curriculum; Director of Secondary Curriculum; Director of Special Services; and the Director of Human Resources. A copy of the Organizational Chart follows the listing of Administrators, which includes the Principals and Vice Principals of each school. The Superintendent is the Clerk of the District while the Director of Business Services is the Deputy Clerk.

The District is the lowest level of government exercising responsibility for all public school education within its boundaries. Therefore, all significant activities have been included in the basic financial statements.

## **Budget Process**

The budget process complies with Oregon Budget Law as outlined in ORS 294.305 – 294.565. All funding sources, expenditures, grant funds, and bond funds are budgeted using this process. This process includes a budget committee that is comprised of the Board of Directors and an equal number of citizens appointed by the Board. The District budget uses a participative budget process where funding requests, including rationale, originate from individual schools and departments. The District Accountant assimilates the requests into draft form for analysis by the Superintendent's Cabinet. This analysis includes a review of staffing levels, projected enrollment, along with Board and Superintendent goals, in order to confirm expenditures are inclusive. A proposed budget document is then prepared by the District's Budget Officer (Director of Business Services), which is presented to the Budget Committee for approval. The Board of Directors adopts the final budget, which is published by the District.



The District budgets appropriations in seven governmental funds on an annual basis. These funds are the General Fund, Special Revenue Fund, Debt Service Fund, 2010 Debt Sinking Fund, 2012 Debt Sinking Fund, Capital Projects Fund and Reserve Fund. The legal level of appropriations is at the fund and major function level, consistent with Oregon Budget Law.

### **Long-Term Debt**

The District has a policy regarding long-term debt that limits the length of the debt issuance period to that greater than the useful life of the project or equipment. The District is in the process of evaluating many of its schools to determine facility needs and develop a long range facility plan. The result of the evaluation and planning may lead the District to seek General Obligation Bonds, Full Faith and Credit Bonds, or other financing options to address items identified long range facility plan.

### **Local Economy**

The base employment elements of this area are federal, state, and local government; health care and social assistance; retail trade; accommodation and food services; professional and business services; and agriculture. According to the U. S. Department of Commerce's Bureau of Economic Analysis, Klamath County's three largest categories of non-farm employment are Government (15.98%), Health Care and Social Assistance (14.23%), and Retail Trade (11.02%). Of the approximately 5,121 jobs in Government, (19.53%), are attributable to the Klamath County School District.

Agriculture remains an important driver of Klamath County's economy. Cattle, alfalfa/hay, small grains, potatoes, thresh pack/chipper, and dairy are the primary agricultural products of the county. Agricultural producers in Klamath County are primarily family-owned enterprises. Sales of these commodities equated to over \$162 million in 2019 (the most current data available) per the U. S. Department of Commerce's Bureau of Economic Analysis.

### **Employment Outlook for Klamath County**

COVID-19 dramatically impacted the unemployment of the Klamath Basin. Included with the Governor's Executive Order of March 16, 2020 closing public schools, there were requirements that restricted restaurants to take-out dining and prohibited other public services like hair dressers, entertainment venues and gyms. Social distancing of at least six feet was put in place and group gatherings were limited to 10 individuals. These restrictions created economic hardship for employers, forcing reduction in hours and employee layoff. Unemployment in the Klamath Basin, which peaked in 2009 at 14.8%, has slowly been declining to a low in June 2017 of 5.7%. Klamath County School District passed a \$31 million general obligation bond measure in May 2013 in order to make improvements to all District school facilities, including lighting, fire alarms, heating and cooling, roofs, remodeling of walls and windows, in addition to the construction of a new Henley Elementary. These projects have boosted local construction jobs in Klamath County along with the addition of new businesses to Klamath County. The District also received five Seismic Grants that are also supporting local construction jobs.

Natural Grocer opened in the shopping center at South Sixth Street and Washburn Way as well a Dollar General on Sixth Street South. Additionally, Fairfield Inn and Suites, by Marriott, opened in the TimberMill Shores. Two banks, a national tire service chain, and several restaurants are planned for 2020-21.

Sky Lakes Medical Center is the regional hospital for Klamath and Lake County in Oregon, and Modoc and Siskiyou counties in California. Sky Lakes Medical Center serves approximately 80,000 to 100,000 people in a 10,000 square mile area. The hospital was originally built in 1965 and continues to be a full-service, stand-alone, not-for-profit community hospital licensed for 176 beds. Included within the hospital

campus are the Sky Lakes Cancer Treatment Center, the Sky Lakes Family Birthing Center, and multiple medical offices. The hospital employs approximately 1,500 individuals. Sky Lakes Medical Center continues to grow and obtain office space throughout Klamath Falls.

### **Recent History of State Support**

Oregon public schools primarily receive their funding from two sources, local property taxes and a state school support grant. The state's school support formula recognizes local property taxes as an offset to the payment due by the state. State school fund allocations are based on student enrollment and a series of weighting for various student-related factors, such as poverty, pregnant and parenting, and individual educational plans.

Public schools, along with education service districts and community colleges, have a maximum aggregate property tax rate for operations of \$5.00 per \$1,000 of assessed value due to the passage of Measure 5. Measure 50, which was passed by Oregon voters on May 20, 1997, limits the increase in assessed value to no more than 3 percent annually. With the passage of these tax measures, the funding of public schools has shifted from local resources to a state funding model.

The Oregon Legislature appropriated funding for the 2019-21 biennium in the amount of \$9.0 billion for the state school fund, which represented an 9.76% increase over the 2017-19 biennium. A portion of this increase was to help address the increased PERS retirement costs incurred by school districts due to the court decision regarding SB 822. SB 822 was enacted in order to provide \$200 million of PERS (Public Employees Retirement Savings) reform savings. However, the Oregon Supreme Court ruled in April 2015 that a majority of this legislation was unconstitutional. The court ruled that it was illegal to lower cost-of-living adjustments (COLA) on retirement benefits that were earned before this legislation was enacted. Pieces of the legislation that remained intact included reductions to future retirees' COLAs and benefit adjustments to out-of-state retirees that were intended to compensate for tax liability issues.

### **Relevant Financial Policies and Information**

#### **Fiscal Year**

The District's fiscal year begins on July 1<sup>st</sup> and continues through June 30<sup>th</sup> of the following year.

#### **Debt Limitation**

Oregon law (ORS 328.245) limits bonded indebtedness for school districts to no more than 7.95 percent of the Real Market Value of all taxable properties within a school district. Furthermore, the district's voters must approve these general obligation bonds. At June 30, 2020 the District's net bonded debt was \$27,513,482, substantially less than the statutory debt limit of \$454 million.

The Board of Directors adopted a Debt Management Policy on August 21, 2013 that expanded on the previous policy to include short-term debt, long-term debt, General Fund debt, delegation of duties, credit enhancements, investing debt proceeds, and compliance and reporting. A supplemental "Tax-Exempt Bond Post-Issuance Compliance Protocol" was also created and approved by the Board on August 21, 2013 that ensures the District will comply with all applicable requirements of federal tax law necessary to preserve the tax status on tax-exempt obligations issued by the District.

### **Awards and Acknowledgements**

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Klamath County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the sixth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I wish to acknowledge and express appreciation to Denise Reid, District Accountant, for her oversight of accounts payable, accounts receivable, grants, and the general ledger in addition to the coordination of audit activities. Tamara Cosand, Payroll Supervisor, also deserves to be recognized for her dedication to excellence with regard to payroll, retirement activities, and other benefits. I would like to acknowledge the employees of Business Services for their hard work and attention to details and policy.

I would also like to recognize Lana Loney, Business Information System Specialist, for her assistance with the creation of the District's sixth Comprehensive Annual Financial Report. She assisted me with researching information data for the Statistical Section. She also assisted with the organization and printing of the report.

I would like to thank the members of the Board of Directors, the Superintendent, as well as all District employees for their combined support and dedication to the financial operations of the District.

Respectfully submitted,



Dennis J Clague  
Director of Business Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Klamath County School District  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrill*

Executive Director/CEO



## Klamath County School District

Klamath Falls, Oregon

For the Year Ended June 30, 2020

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POSITION	BOARD OF DIRECTORS	TERM EXPIRES
1	JOHN RADEMACHER 420 E Day School Road Chiloquin, OR 97624	June 30, 2023
2	DENISE KANDRA 23195 Highway 50 Merrill, OR 97633	June 30, 2021
3	STEVE LOWELL 1420 McClellan Avenue Klamath Falls, Oregon 97603	June 30, 2023
4	ROBERT MOORE 10112 Pat Drive Klamath Falls, OR 97603	June 30, 2021
5	JILL O'DONNELL 1821 Joe Wright Road Klamath Falls, Oregon 97603	June 30, 2021

### ADMINISTRATION

Glen Szymoniak, Superintendent

Renée M. Ferguson, Director of Business Services, retired 9/30/2019

Dennis J. Clague, Director of Business Services, effective September 9, 2019

Jennifer Hawkins, Director of Elementary Curriculum/Instruction, re-assigned effective October 21, 2019

Jennifer Cole, Director of Elementary Curriculum/Instruction, effective December 20, 2019

Jeff Bullock, Director of Secondary Curriculum

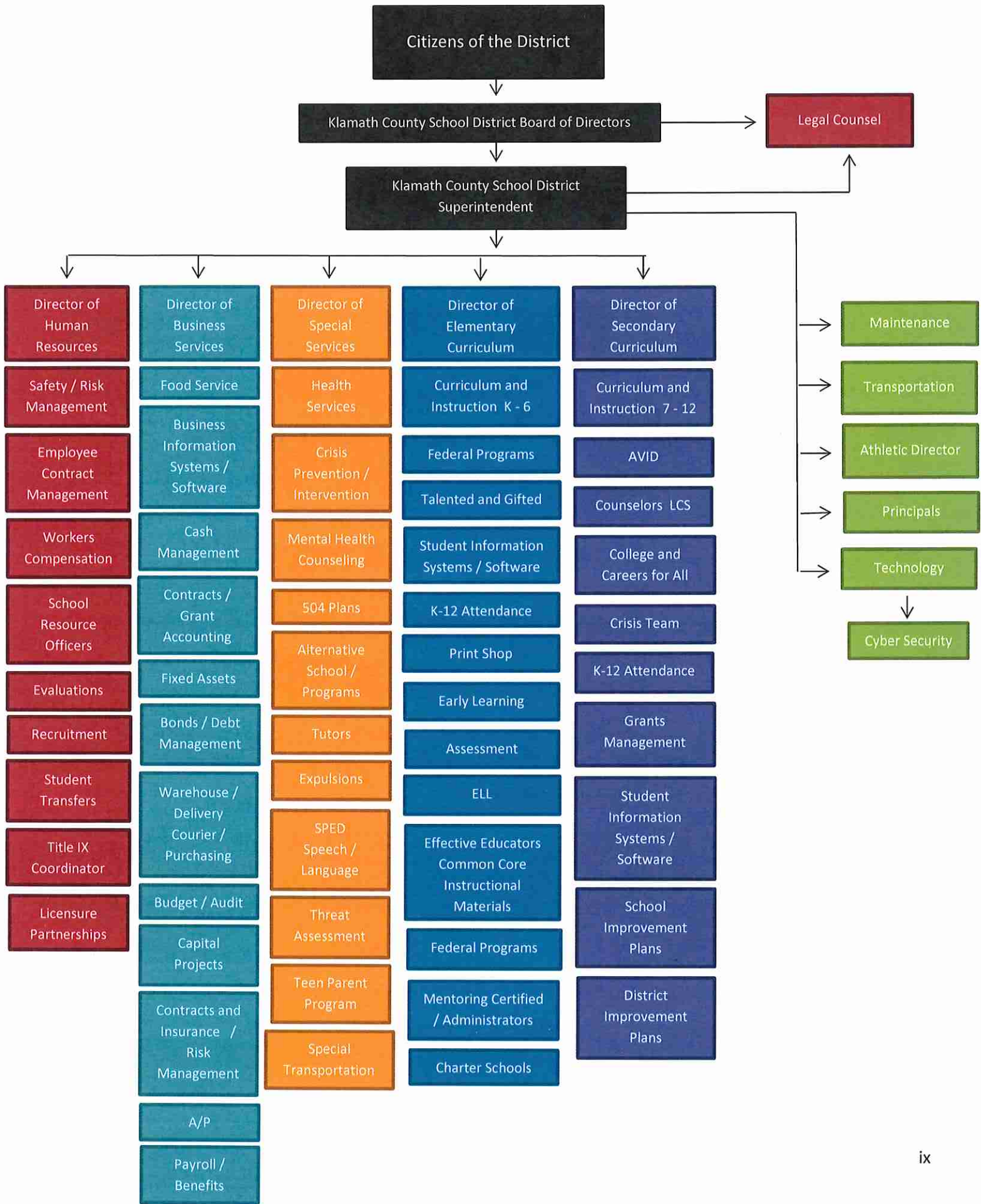
Laura Blair, Director of Special Services

Mark Greif, Director of Human Resources

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Klamath Falls, Oregon 97601  
541.883.5000  
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**Klamath County School District**  
**Administrators for Fiscal Year 2019 - 2020**

<u>TITLE</u>	<u>LOCATION</u>	<u>NAME</u>
Superintendent	District Office	Glen Szymoniak
Director of Business Services	District Office	Renée M. Ferguson (retired 9/30/2019)
Director of Business Services	District Office	Dennis J. Clague (effective 9/9/2019)
Director of Elementary Curriculum	District Office	Jennifer Hawkins (re-assigned 10/21/2019)
Director of Elementary Curriculum	District Office	Jennifer Cole (effective 12/20/2019)
Director of Secondary Curriculum	District Office	Jeff Bullock
Director of Special Services	District Office	Laura Blair
Director of Human Resources	District Office	Mark Greif
Principal	Bonanza Elementary	Jennifer Hayes
Principal	Bonanza Jr/Sr High	Jordan Osborn
Vice Principal /Athletic Director	Bonanza Jr/Sr High	Heather Wright
Principal	Brixner Jr. High	Leslie Garrett
Vice Principal/Athletic Director	Brixner Jr. High	Jesse Hamilton
Principal	Chiloquin Elementary	Rita Hepper
Principal	Chiloquin Jr./Sr. High	Scott Preston
Vice Principal	Chiloquin Jr./Sr. High	Jennifer Sedlock
Principal	Falcon Heights/Great Basin	Joe Tacchini
Principal	Ferguson Elementary	Kelley Fritz
Vice Principal	Ferguson Elementary	Jana Dunlea
Principal	Gearhart Elementary	Jordan Osborn
Principal	Gilchrist Schools	Steve Prock
VP Principal	Gilchrist Schools	Melanie Mobley
Principal	Henley Elementary	Janel Preston
Vice Principal	Henley Elementary	Erin Hanson
Principal	Henley High School	Jack Lee
Vice Principal/Athletic Director	Henley High School	Tom Loney
Vice Principal/Activities Director	Henley High School	Andrea Armantrout
Principal	Henley Middle	Kristine Creed
Vice Principal	Henley Middle	Mike Kappas
Principal	Keno Elementary	Sarah Shively
Principal	Lost River Jr./Sr. High	Jamie Ongman
Vice Principal	Lost River Jr./Sr. High	Angela Wallin
Principal	Malin Elementary	Margaret McCadden
Principal	Mazama High School	Steve Morosin
Vice Principal/Athletic Director	Mazama High School	Vic Lease
Vice Principal/Curriculum	Mazama High School	Andy Bracco (re-assigned 10/21/2019)
Vice Principal/Curriculum	Mazama High School	Jennifer Hawkins (effective 10/21/2019)
Principal	Merrill Elementary	Margaret McCadden
Principal	Peterson Elementary	Travis Fast
Vice Principal	Peterson Elementary	Renee Criss
Principal	Shasta Elementary	Randy Rose
Vice Principal	Shasta Elementary	Ruben Paschal (re-assigned 1/1/2020)
Vice Principal	Shasta Elementary	Jennifer Witt (effective 1/1/2020)
Principal	Stearns Elementary	Elizabeth Clark
Vice Principal	Stearns Elementary	Ruben Paschal (effective 1/1/2020)
Principal	Special Services	Nancy Denson
Principal	Special Services	Andy Bracco (re-assigned 10/21/2019)



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**FINANCIAL SECTION**

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# INDEPENDENT AUDITOR'S REPORT

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Medford, OR 97504

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KDPLLP.COM

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Klamath County School District  
Klamath Falls, Oregon

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Klamath County School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, general fund and major special revenue fund budgetary comparison information, certain pension schedules, and certain other post-employment benefit schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to management's discussion and analysis, the pension schedules, and the other post-employment benefit schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

The general fund and major special revenue fund budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund and major special revenue fund budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, other financial schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, and is also not a required part of the basic financial statements.

The other supplementary information, other financial schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from, and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, other financial schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.


The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

***Other Reporting Required by the State of Oregon***

In accordance with Oregon State Regulations, we have also issued our report dated December 17, 2020 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-0000 through 162-10-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Mark E. Damon CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2020

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**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

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**KLAMATH COUNTY SCHOOL DISTRICT  
KLAMATH FALLS, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020**

As management of Klamath County School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter and the financial statements that follow. It should also be noted that all amounts included in text below are rounded for ease of reading.

**FINANCIAL HIGHLIGHTS**

- In the government wide statements, the liabilities/deferred inflows of the District exceeded its assets and deferred outflows at June 30, 2020 by \$27.3 million. Of this amount, \$38.4 million represents the District's net investment in capital assets, \$3.40 million is restricted for debt service, \$2.2 million is restricted for special purposes, and the deficit of \$71.3 million is considered unrestricted.
- For the fiscal year ended June 30, 2020, the District's total net position decreased by \$3.5 million. In the prior year, the District's total net position decreased by \$1.7 million. The decline can be attributed to changes in total assets and deferred outflows, \$3.9 million, including increases in current assets, \$2.05 million and capital assets, \$3.78 million. These were offset by changes in total liabilities and deferred inflows, \$7.4 million, including an increase in pension liabilities, \$11.7 million and other post-employment benefit obligation, \$1.5 million and decreases in current liabilities, \$497 thousand, and long-term debt, \$1.5 million. The District had significant increases in inventory supplies of COVID-19 sanitization supplies, school supplies, person protective equipment, and social distancing material.
- The District's government funds report a combined ending fund balance of \$13.79 million, an increase of \$1.74 million from the prior year.
- The District's total debt decreased by \$1.5 million during the 2019-20 fiscal year due to scheduled debt payments. More information regarding long-term debt is located in Note 7.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

- (1) Government-wide financial statements;
- (2) Fund financial statements; and
- (3) Notes to the basic 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 District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements. These statements include:

*Statement of Net Position:* The *Statement of Net Position* presents information on all of the assets, deferred outflows, liabilities, and deferred inflows of the District as of the date on the statement. Net position is what remains after the liabilities have been recognized. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*Statement of Activities:* The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. 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., uncollected taxes).

In the government-wide financial statements, the District's activities are shown in one category:

*Governmental activities.* Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes and the Oregon's State School Fund.

The government-wide financial statements can be found as listed in the Table of Contents of this report.

## **Fund financial statements**

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be categorized as governmental funds.

**Governmental funds.** The *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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, Special Revenue Fund, Debt Service Fund, 2010 Sinking Fund, 2012 Sinking Fund, and Capital Projects Fund, of which all are considered major funds. The Reserve Fund is combined with the General Fund.

The basic governmental fund financial statements can be found as listed in the Table of Contents 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. Information such as significant accounting policies and detail of certain assets/deferred outflows and liabilities/deferred inflows are included in the notes which should be read in conjunction with the basic financial statements.

The *notes to the basic financial statements* can be found as listed in the Table of Contents of this report.

**Other information:** This report presents certain required supplementary information. A Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual has been provided for the General Fund and for the Special Revenue Fund as required supplementary information. Additionally, the required supplementary information contains certain pension and other post-employment benefit schedules as noted in the table of contents.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As of June 30, 2020, District liabilities/deferred inflows exceeded assets/deferred outflows by \$27.32 million. At June 30, 2019 District liabilities/deferred inflows were greater than assets/deferred outflows by \$23.79 million.

	Net Position		Increase (Decrease) From June 30, 2019
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	
<b>Assets:</b>			
Current assets	\$ 17,244,672	\$ 15,196,763	\$ 2,047,909
Assets restricted under bond agreements	1,540,881	2,459,476	(918,595)
Assets held in trust (sinking fund)	2,258,930	1,886,847	372,083
Other post employment benefit (RHIA)	664,226	383,998	280,228
Capital assets	<u>77,799,630</u>	<u>74,019,774</u>	<u>3,779,856</u>
<b>Total Assets</b>	99,508,339	93,946,858	5,561,481
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to OPERS and RHIA	<u>30,398,395</u>	<u>32,053,717</u>	<u>(1,655,322)</u>
<b>Total Assets and Deferred Outflows</b>	<u>129,906,734</u>	<u>126,000,575</u>	<u>3,906,159</u>
<b>Liabilities:</b>			
Current liabilities	5,709,446	6,207,193	(497,747)
Pension liabilities (OPERS & stipend)	85,492,277	73,773,270	11,719,007
Other post employment benefit obligation (medical)	14,372,962	12,919,116	1,453,846
Long debt (including current portion)	<u>40,942,577</u>	<u>42,454,282</u>	<u>(1,511,705)</u>
<b>Total Liabilities</b>	146,517,262	135,353,861	11,163,401
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pension	<u>10,712,238</u>	<u>14,433,380</u>	<u>(3,721,142)</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>157,229,500</u>	<u>149,787,241</u>	<u>7,442,259</u>
<b>Net Position:</b>			
Net investments in capital assets	38,397,934	34,024,968	4,372,966
Restricted	5,635,918	3,738,358	1,897,560
Unrestricted	<u>(71,356,618)</u>	<u>(61,549,992)</u>	<u>(9,806,626)</u>
<b>Total Net Position</b>	<u>\$ (27,322,766)</u>	<u>\$ (23,786,666)</u>	<u>\$ (3,536,100)</u>

As noted previously, net position may serve over time as a useful indicator of government's financial position. Net position decreased by \$3.53 million from the prior year.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent approximately 78% of total assets. The remaining assets consist of cash, investments, receivables, prepaid expenses, inventories, assets restricted under bond agreements, assets held in trust (sinking funds) and other post-employment benefits.

The District's largest liabilities consist of unfunded pension obligations, unfunded other post-employment benefit obligations, general obligation bonds and other debt. This includes the \$31.0 million General Obligation Bonded debt issued in August 2013, \$5.0 million in Full Faith and Credit Obligations issued in October 2014, and \$4.1 million issued in March 2017.

A large portion of the District's net position reflects its net investment in capital assets (e.g. land, buildings, vehicles and equipment) net of accumulated depreciation and related outstanding debt (General Obligation Bonds, Full Faith and Credit Obligations, and leases) used for acquisition of some of the assets. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state school fund support) since the capital assets themselves cannot be used to liquidate these liabilities. The majority of the capital-related debt is a general obligation of the District for which the District has taxing authority under the Oregon constitution.

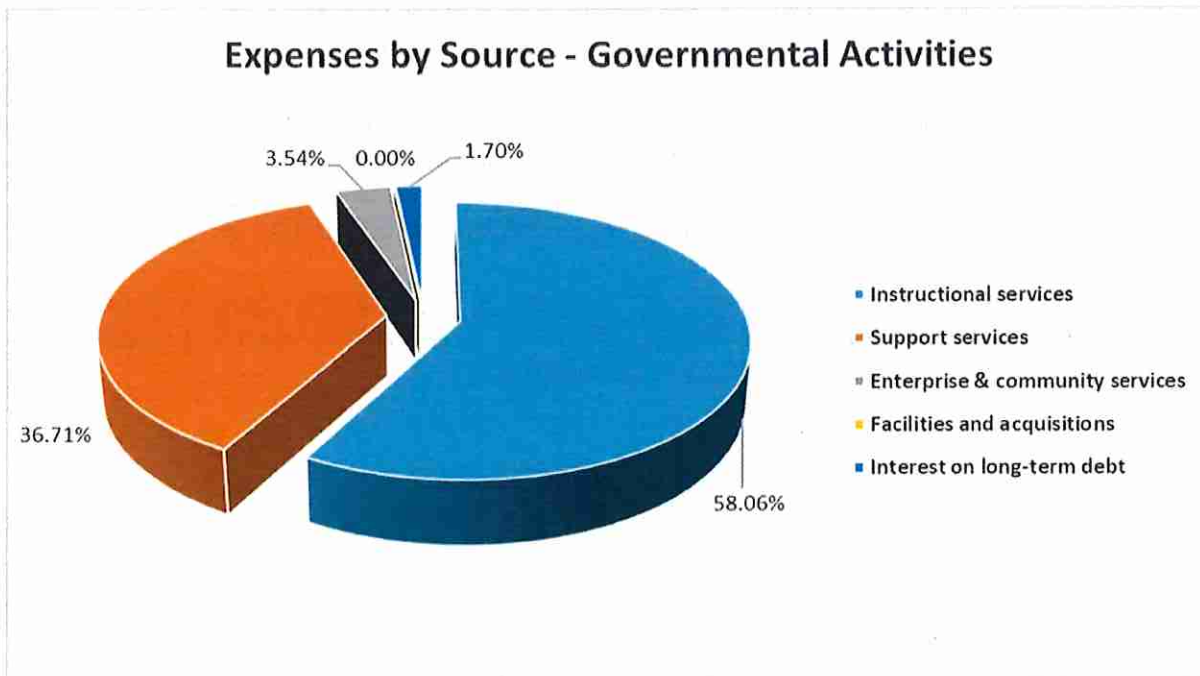
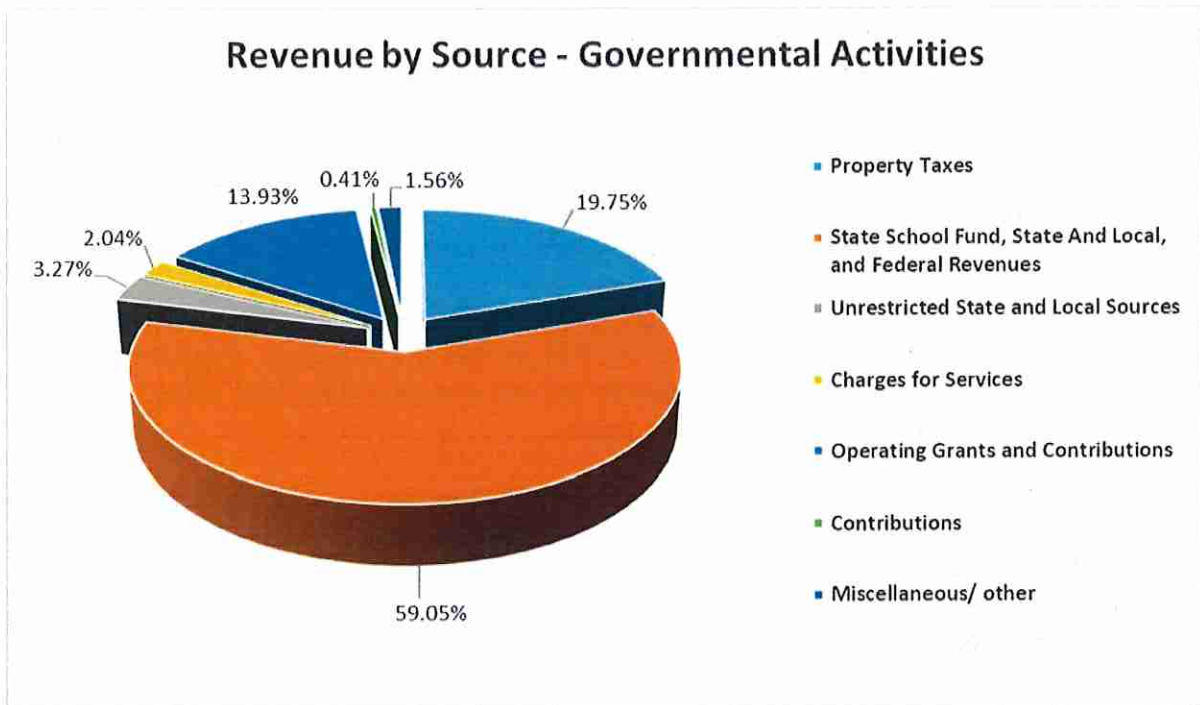
**Governmental activities.** When compared to fiscal year 2019, the District's annual change in net position decreased by \$3.53 million. In the prior year, the District's total net position decreased by \$1.7 million. The decline can be attributed to changes in total assets and deferred outflows, \$3.9 million, including increases in current assets, \$2.05 million and capital assets, \$3.78 million. These were offset by changes in total liabilities and deferred inflows, \$7.4 million, including an increase in pension liabilities, \$11.7 million and other post-employment benefit obligation, \$1.5 million and decreases in current liabilities, \$497 thousand, and long-term debt, \$1.5 million. The District had significant increases in inventory supplies of COVID-19 sanitization supplies, school supplies, person protective equipment, and social distancing material.

**Changes in Net Position for the Years Ended:**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease) From June 30, 2019</u>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 1,931,496	\$ 2,263,401	\$ (331,905)
Operating grants	9,284,169	8,793,652	490,517
Capital grants and contributions	3,911,031	1,609,724	2,301,307
General revenues:			
Property and construction excise tax	18,707,946	17,696,161	1,011,785
State school fund	54,815,141	48,799,129	6,016,012
Federal forest fees	917,320	946,426	(29,106)
Other state & local sources	3,093,159	3,594,005	(500,846)
Earnings on investments	565,309	573,430	(8,121)
Contributions	385,507	526,478	(140,971)
Interest subsidy	208,238	207,766	472
Gain on sale of assets	11,225	4,379	6,846
Miscellaneous/ other	899,525	1,089,106	(189,581)
<b>Total Revenues</b>	<u>94,730,066</u>	<u>86,103,657</u>	<u>8,626,409</u>
<b>Expenses</b>			
Instructional services	57,049,121	50,468,815	6,580,306
Support services	36,073,485	32,059,205	4,014,280
Enterprise & community services	3,477,066	3,503,260	(26,194)
Facilities and acquisitions	-	-	-
Interest on long-term debt	1,666,494	1,725,798	(59,304)
<b>Total Expenses</b>	<u>98,266,166</u>	<u>87,757,078</u>	<u>10,509,088</u>
<b>Change in Net Position</b>	(3,536,100)	(1,653,421)	(1,882,679)
<b>Net Position - Beginning of Year</b>	<u>(23,786,666)</u>	<u>(22,133,245)</u>	<u>(1,653,421)</u>
<b>Net Position - End of Year</b>	<u>\$ (27,322,766)</u>	<u>\$ (23,786,666)</u>	<u>\$ (3,536,100)</u>



The following charts and table show details of this information.



## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

**Governmental funds.** The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2020, the District's governmental funds reported combined ending fund balance of \$13.8 million, an increase of \$1.7 million (14.44%) in comparison with the prior year. Approximately \$6.0 million (43%) of the ending fund balance constitutes unassigned ending fund balance, which is available for spending at the government's discretion.

General Fund. The General Fund is the chief operating fund of the District. At June 30, 2020, the fund balance was \$6.3 million. This is an increase of \$2.23 million (35.7%) as compared to FY 2018-19 and is attributable to decrease general spending due to COVID-19. The general fund unassigned balance represents 6.4% of total general fund expenditures. This is an increase of 1.8% when compared to 2019. The District continues to balance needs with limited resources.

The General Fund is the primary operating fund of the District, and the majority of its revenue comes from state funding distributed through the State School Fund (SSF) by the Oregon Department of Education (ODE). The State of Oregon is the largest source of revenue for public education. The Oregon Legislature allocates money to the State School Fund primarily from the State's General Fund and lottery revenue. School Districts receive 95.5% of the State School Fund whereas Educational Service Districts (ESDs) receive 4.5%. The allocations to school districts and ESDs are offset by local revenues identified in the funding calculation. Local Revenues include local property taxes (specifically excludes taxes for voter approved general obligation bonds), common school fund, county school fund, federal forest fees, state managed timber revenues, and tax offsets.

The Legislative Assembly, which meets on an annual basis, is responsible for determining both the amount and the allocation formula for education funding. Available State and Local resources are major factors in recommending the SSF budget to the Governor.

Current and historical state funding levels for school districts are detailed in the following table:

State K-12 Education Funding  
(in Millions)

Biennium	Fiscal Year	Budget Appropriation
2019-21	2021	\$ 4,590
	2020	4,410
2017-19	2019	4,100
	2018	4,100
2015-17	2017	3,744
	2016	3,629
2013-15	2015	3,441
	2014	3,210
2011-13	2013	2,845
	2012	2,868
2009-11	2011	2,813
	2010	2,940
2007-09	2009	2,911
	2008	2,918
2005-07	2007	2,695
	2006	2,567

SSF funding is distributed to Oregon school districts pursuant to a formula, the objective of which is to provide equal funding for all school districts. The SSF grant provides to each school district a general-purpose grant, a high-cost disability grant, and a facility grant, less local revenues.

The general purpose grant is determined by a distribution formula, which is comprised of a system of weights connected to student count. The student count begins with "Average Daily Membership" or ADM. This becomes resident ADM (ADMr) with kindergarten students counted as one ADM effective Fiscal Year 2015-16. Prior to FY 2015-16, kindergarten students were counted at one-half or 50% of an ADM. The ADMr count is then adjusted to reflect the differences in the cost of educating students who require more extensive educational services, such as English as a second language, special

education, pregnant and parenting, or are living in poverty. There is also an adjustment for students attending a remote small school. The total of all students is multiplied by a statewide target grant of \$4,500. In addition to a State derived funding ratio, a factor of \$25 per year per student that a district's average teacher experience exceeds the state average is added to (or subtracted from, if below the State average) this calculation to arrive at the state general purpose grant.

The transportation grant is 70% of approved transportation costs. Approved costs are those attributable to transporting students from home to school (if over 1 mile from an elementary school or 1.5 miles from a secondary school), between schools, special education transportation, field trips, and for other reasons in special circumstances.

The facility grant (\$4.5 million in the 2017-19 biennium as compared to \$7.2 million the prior biennium) is distributed on a first-come, first-served basis to districts in the first year a new school facility is put into use. The facility grant is based on 8% of the total construction costs of a new school building excluding land, but including the addition of new structures to existing school buildings and pre-manufactured buildings, if the new structures are used for instructing students. The grants to districts cannot exceed \$4.5 million per biennium and are prorated if 8% of the eligible costs exceed \$4.5 million.

The high cost disabilities grant is equal to the approved costs of a resident student with disabilities for whom the approved costs to the school district of providing special education and related services exceed \$30,000. For Fiscal Year 2018-19, Klamath County had an estimated 13 students fitting into this category. This number will be finalized in May 2021 as part of the State Support Fund reconciliation process.

Special Revenue Fund. The Special Revenue Fund is used to account for federal, state, and local grants as well as food services and associated student body. All funds are utilized to carry out specific programs, and the ending fund balance of \$2.5 million is for associated student body programs and activities and grant related activities. This is an increase of about \$619 thousand (33.1%) from the previous year. Special revenue funding has become much more volatile over the last three years as state and federal stimulus programs are established for short periods of time. Additionally, federal funding in the form of Title allocation or Federal Forest Fees are impacted by sequestration or special federal earmarks. As general funding continues to be impacted by the economy, our reliance on special revenues increases.

Debt Service Fund. The Debt Service Fund accounts for the principal and interest to be paid to bondholders for the \$31 million in 2013 general obligations bonds that were approved by the voters in May 2013 and sold in August 2013. Interest is payable semi-annually each December 15<sup>th</sup> and June 15<sup>th</sup> beginning December 15, 2013. Principal payments are due June 15<sup>th</sup> of each year. This is a 20 year bond with final payment due June 15, 2033. The Debt Service Fund has a total fund balance of \$850 thousand of which the entire \$850 thousand is restricted for the payment of general obligation bond debt service.

2010 Sinking Fund. The 2010 Sinking Fund accounts for the accumulation of principal payments until it is time to make the balloon payment of \$2.0 million for the Qualified School Construction Bonds due June 1, 2027. The 2010 Sinking Fund has a total fund balance of \$1.08 million.

2012 Sinking Fund. The 2012 Sinking Fund accounts for the accumulation of principal payments until it is time to make the balloon payment of \$2,412,000 for the Qualified School Construction Bonds due June 30, 2030. The 2012 Sinking Fund has a total fund balance of \$1.30 million.

Capital Projects Fund. This fund accounts for all remaining projects funded by the \$31 million general obligation bonds issued in August 2013 in addition to the March 2017 \$4.1 million full faith and credit obligations. The March 2017 debt was issued to remove deteriorating modular classrooms and in their place construct new classrooms.

The largest project funded by the \$31 million bonds was the construction of Henley Elementary, which opened to students on January 4, 2016. Students previously attended school in modular buildings. Other projects included the major remodeling of 4 schools with new walls, windows, flooring, roofs, fire alarms, lighting and heating systems. All remaining schools are slated for at least one upgrade, which for the majority of schools, consists of fire alarms and/or lighting upgrades.

The projects funded with the \$31 million bonds have been completed. The 2017 debt issuance reflects the completed construction of the classroom buildings located at Peterson Elementary and Henley Middle School. The final classroom project is at Stearns Elementary began construction in the spring of 2020. The Capital Projects Fund has a total fund balance of \$1.81 million.

### General Fund Budgetary Highlights

There were five Board Resolutions that modified the budget for Fiscal Year 2019-20. The supplemental budgets adopted were to accept changes needed in school operations. During the year, as shown in the table below, all General Fund expenditures were within budget in accordance with final appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (Negative)</u>
<b>Expenditures:</b>			
Instruction	\$ 45,685,753	\$ 43,162,373	\$ 2,523,380
Support services	32,973,510	30,671,269	2,302,241
Debt service	1,240,707	1,381,271	(140,564)
Contingency	1,238,238	-	1,238,238
<b>Total Expenditures</b>	<u>\$ 81,138,208</u>	<u>\$ 75,214,913</u>	<u>\$ 5,923,295</u>

## Capital Asset and Debt Administration

**Capital assets.** The District's investment in capital assets includes land, building and improvements, vehicles and equipment, and construction in progress. At June 30, 2020, the District had invested \$77.8 million in capital assets, net of accumulated depreciation, as shown in the following table:

	Capital Assets for the Fiscal Years:		Increase (Decrease) From June 30, 2019
	FY 2019-20	FY 2018-19	
Land	\$ 3,746,260	\$ 3,746,260	\$ -
Construction in Progress	1,872,588	2,800,972	(928,384)
Buildings and improvements, net	64,976,876	60,819,977	4,156,899
Vehicles and equipment, net	7,203,906	6,652,565	551,341
Total	<u>\$ 77,799,630</u>	<u>\$ 74,019,774</u>	<u>\$ 3,779,856</u>

During Fiscal Year 2019-20, the District's investment in net capital assets increased by \$3.78 million.

The major capital asset events for the year included the following projects:

- Completion of the:
  - Henley Middle School Seismic Project/New Classroom
  - Merrill Elementary Seismic Project
  - Henley Middle School Boiler Project
  - Mazama Roof
  - Mazama Tennis Courts
- Initial or on-going work of the:
  - Stearns Modular Replacement
  - Henley High Gyms Seismic Project
  - Chiloquin Elementary Re-pipe
  - Bonanza Schools Drainage and Pump House

Additional information regarding the District's capital assets can be found in Note 4.

**Long-term debt.** At the end of the current fiscal year, the District had outstanding long-term debt of \$40.9 million versus \$42.5 million in Fiscal Year 2019-2020. Outstanding debt includes Qualified School Construction Bonds (Series 2010 and 2012), a Department of Environmental Quality loan, a Cool Schools Energy Loan, a 2013 general obligation bond and Full Faith and Credit Obligations (Series 2014 and 2017).



**Long Term Debt for the Fiscal Years:**

	<u>FY 2019-20</u>	<u>FY 2018-19</u>	<u>Increase (Decrease) From June 30, 2019</u>
<b>Debt obligations:</b>			
General obligation bonds	\$ 26,165,000	\$ 27,130,000	\$ (965,000)
Other obligations	13,006,416	13,423,673	(417,257)
Unamortized discount and premium, net	<u>1,771,161</u>	<u>1,900,609</u>	<u>(129,448)</u>
Total	<u>\$ 40,942,577</u>	<u>\$ 42,454,282</u>	<u>\$ (1,511,705)</u>

During the current fiscal year, the District's total debt decreased by \$1.5 million. This was the result of making the required scheduled principal payments.

The last analysis of the District's credit rating was conducted by S & P Global Ratings (Standard and Poor's) on March 7, 2017. This analysis was in conjunction with the issuance of the \$4.1 million Full Faith and Credit Obligations, Series 2017. The District was assigned its 'A' long-term rating on this debt issuance and at the same time S & P Global Ratings affirmed its 'A' long term rating and underlying rating on the District's general obligation bonds outstanding indicating the outlook is stable.

More information on the District's outstanding long-term debt can be found in Note 7.

**ECONOMIC FACTORS IN CURRENT AND NEXT YEAR'S BUDGET**

The most significant revenue factor for the District continues to be the adequacy of Oregon's State School Fund as appropriated by the Oregon Legislature on a biennial basis. For the year ended June 30, 2020, the State School Fund basic support provided approximately 61% of the District's General Fund program revenue, a 9% decrease from the previous year. When combined with local property taxes, which are included in the school fund formula, these two sources provide about 80% of the resources for the General Fund as compared to 91% for the prior year.

While the funding totals from these two sources have declined, payroll benefit cost increases in the form of OPERS contributions are increasing sharply, causing pressure on the District's budget to meet the changing needs of the District's students.

OPERS has informed employers to anticipate increased employer contribution rates for the next three biennia. The District estimates the cost impact to be approximately \$4.90 million for the 2017-19 biennium. Adopted rates for the 2019-21 biennium, released in October 2018 showed rate increases even higher than what occurred for the 2017-19 biennium. Tier 1/Tier 2 rates will be 32.03%, up from 27.20% and OPSRP rates (Tier3) will be 26.58%, up from 21.87%, both effective July 1, 2019. This is in addition to the mandatory 6% Employee Pick-up. The estimated impact of the rate increases was projected at \$1.07 million

The Oregon Legislature increased its appropriations for K-12 education funding for the 2019-20

biennium. Despite the cost increase of payroll benefits, this increase in funding has allowed for some planned instructional changes in the District. For the 2019-2020 year, the District added 40 teachers, which is in addition to the 105.5 teachers added to the budget over the previous four years. The District has also expanded junior high athletic programs while implementing additional high school science, technology, and engineering based programs.

District enrollment reflected an increase of 152 students during FY 2019-2020 as compared to an increase of 132 students the prior fiscal year. Enrollment is expected to be flat during Fiscal Year 2020-21 due the significant impact of COVID-19. The pandemic has caused shifts in the District's learning model as the number of documented cases has increased steadily in Klamath County. Due to uncertainty of the District's learning model, the 2020-21 enrollment projections will remain flat and adjust as data shows an increase or decrease.

The District began work on three of four seismic rehabilitation grants awarded in the spring of 2017. These grants are being used to make seismic upgrades at the Henley Middle School Cafeteria, Henley Middle School, and Merrill Elementary School. The Henley Middle School Cafeteria Seismic Project was completed in the fall of 2018. The Henley Middle School and Merrill Elementary School Seismic Projects will be completed during the fall of 2019. The Henley High Schools Gym Seismic project began in the Spring of 2020 and will be completed in the Fall of 2020. The District continues to apply for and receive grants to enhance and expand programs throughout our District including but not limited to farm-to-school, career technical education, outdoor school, and youth transition program grants.

The District remains cautiously optimistic about the future. The COVID-19 pandemic is continually impacting the District's ability to provide a sound education for all students. It is estimated that there will be a decrease in available revenues due to increased unemployment, decreased taxes from business that have had a reduction in services or closed, and lower than traditional property collections. Capital improvements are occurring at several of our schools, resulting in improved learning environments for students and staff while simultaneously reducing energy costs. District instructional programs are strong - the Talented and Gifted (TAG) program has been doubled and the STEM&M and Aerospace Science programs are in their fourth year. Graduation rates are increasing while chronic absenteeism is declining. COVID-19 could impact the graduation rates as students struggle with hybrid or comprehensive distance learning models. The positive relationship the District has with our parents and community will continue to be strained as COVID-19 effects learning models. Lastly, the District's Board of Directors are engaged, making decisions that are beneficial for the District and our students.

### **Requests for Information**

This financial report is designated to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate our accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Business Services, 2845 Greensprings Drive, Klamath Falls, OR, 97601.



**BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT – WIDE FINANCIAL STATEMENTS**

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**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	
<b>ASSETS:</b>	
Cash and investments	11,727,993
Receivables	4,835,365
Prepaid expenses	221,687
Inventories	459,627
Assets restricted under bond agreements	1,540,881
Assets held in trust (sinking fund)	2,258,930
Other post-employment benefit (RHIA)	664,226
Capital assets, net:	
Land	3,746,260
Construction in progress	1,872,588
Buildings and improvements	64,976,876
Vehicles and equipment	7,203,906
<b>TOTAL ASSETS</b>	<b>99,508,339</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred amounts related to OPERS and OPEB	30,398,395
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS of RESOURCES</b>	<b>129,906,734</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	
<b>LIABILITIES:</b>	
Accounts payable	1,275,140
Accrued salaries and benefits	4,151,421
Accrued interest payable	106,479
Accrued compensated absences payable	176,406
Pension liability (stipend) (due in more than one year)	3,843,123
Other post-employment benefit obligation (due in more than one year)	14,372,962
Net pension liability (OPERS) (due in more than one year)	81,649,154
Debt, net of unamortized discount/premium:	
Due within one year	1,833,654
Due in more than one year	39,108,923
<b>TOTAL LIABILITIES</b>	<b>146,517,262</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred amounts related to OPERS and OPEB	10,712,238
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>157,229,500</b>
<b>NET POSITION:</b>	
Net investment in capital assets	38,397,934
Restricted:	
Debt service	3,401,198
Special purposes	2,234,720
Unrestricted	(71,356,618)
<b>TOTAL NET POSITION/(DEFICIT)</b>	<b>\$ (27,322,766)</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental activities:</b>				
Instruction	\$ 57,049,121	\$ 1,624,789	\$ 4,285,195	\$ -
Supporting services	36,073,485	141,333	1,741,671	-
Enterprise & community services	3,477,066	165,374	3,257,303	-
Facilities and acquisitions	-	-	-	3,911,031
Interest on long-term debt	1,666,494	-	-	-
<b>Total governmental activities</b>	<b>\$ 98,266,166</b>	<b>\$ 1,931,496</b>	<b>\$ 9,284,169</b>	<b>\$ 3,911,031</b>
<b>General revenues:</b>				
				16,075,955
Property taxes levied for general purposes				2,253,891
Property taxes levied for debt service				378,100
Construction excise tax				54,815,141
State school fund - general support				586,179
Common school fund				433,211
County timber payments				917,320
Federal forest fees				2,073,769
Unrestricted state and local sources				565,309
Earnings on investments				11,225
Gain (loss) on sale of assets				385,507
Contributions				208,238
Interest subsidy				8,411
Revenue in lieu of taxes				891,114
Miscellaneous				
<b>Total general revenues</b>				<b>79,603,370</b>
<b>CHANGE IN NET POSITION</b>				<b>(3,536,100)</b>
<b>BEGINNING NET POSITION - JULY 1, 2019</b>				<b>(23,786,666)</b>
<b>ENDING NET POSITION - JUNE 30, 2020</b>				<b>\$ (27,322,766)</b>

## **FUND FINANCIAL STATEMENTS**

**KLAMATH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>ASSETS:</b>		
Equity in pooled cash and investments	\$ 9,534,972	\$ 938,963
Receivables	2,241,738	2,346,317
Prepaid items	209,730	25,368
Assets held in trust (sinking fund)	-	-
Assets restricted under bond agreements	-	-
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><b>\$ 11,986,440</b></u>	<u><b>\$ 3,310,648</b></u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 360,182	\$ 822,760
Accrued salaries and benefits	4,151,421	-
	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u><b>4,511,603</b></u>	<u><b>822,760</b></u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Unavailable revenue - property taxes	1,217,678	-
	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	<u><b>5,729,281</b></u>	<u><b>822,760</b></u>
<b>FUND BALANCES:</b>		
Non-spendable:		
Prepays	209,730	-
Restricted for:		
Debt service	-	-
Special purposes	-	2,234,720
Capital projects	-	-
Committed to:		
Professional development	-	50,000
Capital projects	-	-
Assigned to:		
Furniture reserve	52,723	-
Textbook reserve	3,637	-
Student body and athletics	-	203,168
Unassigned	5,991,069	-
	<u>                    </u>	<u>                    </u>
<b>TOTAL FUND BALANCES</b>	<u><b>6,257,159</b></u>	<u><b>2,487,888</b></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><b>\$ 11,986,440</b></u>	<u><b>\$ 3,310,648</b></u>

<b>Debt Service Fund</b>	<b>2010 Sinking Fund</b>	<b>2012 Sinking Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
\$ 769,317	\$ 51,603	\$ 74,038	\$ 359,100	\$ 11,727,993
247,310	-	-	-	4,835,365
-	-	-	-	235,098
-	1,030,247	1,228,683	-	2,258,930
-	-	-	1,540,881	1,540,881
<u>\$ 1,016,627</u>	<u>\$ 1,081,850</u>	<u>\$ 1,302,721</u>	<u>\$ 1,899,981</u>	<u>\$ 20,598,267</u>
\$ -	\$ -	\$ -	\$ 92,198	\$ 1,275,140
-	-	-	-	4,151,421
-	-	-	92,198	5,426,561
166,527	-	-	-	1,384,205
166,527	-	-	92,198	6,810,766
-	-	-	-	209,730
850,100	1,081,850	1,302,721	-	3,234,671
-	-	-	-	2,234,720
-	-	-	1,540,881	1,540,881
-	-	-	-	50,000
-	-	-	266,902	266,902
-	-	-	-	52,723
-	-	-	-	3,637
-	-	-	-	203,168
-	-	-	-	5,991,069
<u>850,100</u>	<u>1,081,850</u>	<u>1,302,721</u>	<u>1,807,783</u>	<u>13,787,501</u>
<u>\$ 1,016,627</u>	<u>\$ 1,081,850</u>	<u>\$ 1,302,721</u>	<u>\$ 1,899,981</u>	<u>\$ 20,598,267</u>

See notes to basic financial statements

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**KLAMATH COUNTY SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2020**

<b>TOTAL FUND BALANCES</b>		<b>\$ 13,787,501</b>
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.</p>		1,384,205
<p>Debt principal and interest paid in advance are considered prepaid in the governmental funds.</p>		(13,411)
<p>Inventory is not reported as a governmental fund asset under the purchase method of accounting for inventory.</p>		459,627
<p>Capital assets are not financial resources and therefore are not reported in the governmental funds:</p>		
Cost	\$ 116,945,524	
Accumulated depreciation	<u>(39,145,894)</u>	77,799,630
<p>Net deferred outflows and inflows of resources related to pensions (OPERS &amp; OPEB)</p>		19,686,157
<p>Other postemployment benefit asset (OPEB)</p>		664,226
<p>Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:</p>		
Accrued interest payable	\$ (106,479)	
Accrued compensated absences payable	(176,406)	
Net pension liability (OPERS)	(81,649,154)	
Long term debt (net of premium)	(40,942,577)	
Other post-employment benefit obligation (Medical Subsidy)	(14,372,962)	
Net pension liability (Stipend)	<u>(3,843,123)</u>	<u>(141,090,701)</u>
<b>TOTAL NET POSITION</b>		<b><u>\$ (27,322,766)</u></b>



**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2020**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>REVENUES:</b>		
Taxes	\$ 16,057,763	\$ 378,100
Intergovernmental	59,597,776	12,939,936
Charges for services	240,439	1,472,190
Donations	81,513	283,828
Interest on investments	341,549	10,109
Miscellaneous	694,985	62,015
	<b>77,014,025</b>	<b>15,146,178</b>
<b>EXPENDITURES:</b>		
Current:		
Instruction	43,162,373	5,291,880
Support services	30,671,269	1,992,578
Enterprise and community services	-	3,465,809
Debt service	1,381,271	-
Facilities acquisition and construction	-	3,436,031
	<b>75,214,913</b>	<b>14,186,298</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,799,112</b>	<b>959,880</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds from issuing long-term debt	668,253	-
Proceeds from the sale of assets	11,225	-
Transfers in	624,892	284,444
Transfers out	(870,604)	(624,892)
	<b>433,766</b>	<b>(340,448)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,232,878</b>	<b>619,432</b>
<b>FUND BALANCE - JULY 1, 2019</b>	<b>4,024,281</b>	<b>1,868,456</b>
<b>FUND BALANCE - JUNE 30, 2020</b>	<b>\$ 6,257,159</b>	<b>\$ 2,487,888</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2020**

Debt Service Fund	2010 Sinking Fund	2012 Sinking Fund	Capital Projects Fund	Total
\$ 2,253,949	\$ -	\$ -	\$ -	\$ 18,689,812
-	-	-	-	72,537,712
-	-	-	-	1,712,629
-	-	-	20,166	385,507
25,866	16,025	126,352	45,408	565,309
-	-	-	52,738	809,738
<u>2,279,815</u>	<u>16,025</u>	<u>126,352</u>	<u>118,312</u>	<u>94,700,707</u>
-	-	-	-	48,454,253
-	-	-	-	32,663,847
-	-	-	-	3,465,809
2,252,275	115,000	111,555	-	3,860,101
-	-	-	1,760,638	5,196,669
<u>2,252,275</u>	<u>115,000</u>	<u>111,555</u>	<u>1,760,638</u>	<u>93,640,679</u>
<u>27,540</u>	<u>(98,975)</u>	<u>14,797</u>	<u>(1,642,326)</u>	<u>1,060,028</u>
-	-	-	-	668,253
-	-	-	-	11,225
-	210,856	252,304	123,000	1,495,496
-	-	-	-	(1,495,496)
<u>-</u>	<u>210,856</u>	<u>252,304</u>	<u>123,000</u>	<u>679,478</u>
27,540	111,881	267,101	(1,519,326)	1,739,506
822,560	969,969	1,035,620	3,327,109	12,047,995
<u>\$ 850,100</u>	<u>\$ 1,081,850</u>	<u>\$ 1,302,721</u>	<u>\$ 1,807,783</u>	<u>\$ 13,787,501</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2020**

<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ 1,739,506</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds do not report inventory balances under the purchase method of accounting for inventory while the Statement of Net Position does. This is the change in inventory in the current period.</p>		
	299,115	
<p>Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Expenditures for capital assets	\$ 6,864,112	
Less: current year depreciation	<u>(3,084,256)</u>	3,779,856
<p>In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.</p>		
Interest expense, net of premium amortization	\$ (1,666,494)	
Interest paid	<u>1,804,015</u>	137,521
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the net position. This amount is the net effect of those differences in the treatment of long-term debt:</p>		
Proceeds from long-term debt	\$ (668,253)	
Debt principal payments	<u>2,050,510</u>	1,382,257
<p>Government funds report pension and other post-employment benefit (OPEB) contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits and OPEB earned net of employee contributions is reported as pension expense.</p>		
Pension - OPERS		(11,063,887)
Pension - Stipend		(76,613)
OPEB - Medical Subsidy		175,322
OPEB - RHIA		138,373
Change in accrued compensated absences		(65,684)
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p>		
		<u>18,134</u>
<b>CHANGE IN NET POSITION</b>		<b><u>\$ (3,536,100)</u></b>

**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020**

	<u>Scholarship Fund</u>
<b>ASSETS:</b>	
Cash and investments	<u>\$ 311,675</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 311,675</u></u>
<b>NET POSITION:</b>	
Restricted for scholarships	<u>\$ 311,675</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 311,675</u></u>

**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Scholarship Fund</b>
<b>ADDITIONS:</b>	
Contributions	\$ 145,659
Investment earnings	4,307
<b>TOTAL ADDITIONS</b>	<b>149,966</b>
<b>DEDUCTIONS:</b>	
Community services	5,160
<b>TOTAL DEDUCTIONS</b>	<b>5,160</b>
<b>CHANGE IN NET POSITION</b>	144,806
<b>NET POSITION - JULY 1, 2019</b>	<b>166,869</b>
<b>NET POSITION - JUNE 30, 2020</b>	<b>\$ 311,675</b>

A decorative border surrounds the page, featuring a grid of small icons in orange and blue. The icons include a soccer ball, a star, a speech bubble, a pencil, a clock, a book, a pair of scissors, a paint palette, a calculator, a funnel, a lightbulb, a magnifying glass, a ruler, and a pencil sharpener.

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

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**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Reporting Entity**

Klamath County School District (the District), Klamath Falls, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

There are various other governmental agencies and special service districts, which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

The more significant of the District's accounting policies are described below.

**Basis of Presentation**

***Government-Wide Financial Statements***

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Program revenues may include: (1) charges to students or others for tuition, fees, rentals, materials, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds.

Net position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

***Fund Financial Statements***

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All the District's governmental funds are reported as major funds.

The District reports the following major governmental funds:

*General Fund* - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. The reserve fund combines with the general fund for generally accepted accounting principles purposes.

*Special Revenue Fund* - This fund accounts for revenues and expenditures of grants restricted for specific educational purposes. Principal revenue sources are federal and state grants.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Fund Financial Statements (continued)***

*Debt Service Fund* - This fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue sources are property taxes.

*Debt Service 2010 Sinking Fund* – This fund provides for the establishment of a Debt Service Sinking Fund for the QSCB 2010 debt. Principal payments will accumulate in this fund until it is time to make the balloon principal payment of \$2,000,000 on June 1, 2027.

*Debt Service 2012 Sinking Fund* – This fund provides for the establishment of a Debt Service Sinking Fund for the QSCB 2012 debt. Principal payments will accumulate in this fund until it is time to make the balloon principal payment of \$2,412,000 on June 30, 2030.

*Capital Projects Fund* - This fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds and interest earnings.

Additionally, the District reports the following fund type:

The private-purpose trust fund is used to account for scholarship resources held by the District in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the trust agreement. This fund is not included in the government-wide statements.

**Measurement Focus and Basis of Accounting**

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, and there are both restricted and unrestricted net position available to finance the program, it is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Pooled Cash and Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost which approximates fair value.

The District's investments, authorized under state statute, consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Earnings on pooled cash and investments are credited to each fund monthly based on the average daily balance of each participating fund. Pooled cash and investments have the general characteristics of a demand deposit account in that any participating fund may deposit additional cash at any time and may also withdraw cash at any time without prior notice or penalty.

**Assets Held by Trustee (Sinking Fund)**

On June 2, 2010, the District entered into a Financing Agreement with U.S. Bank for \$2,000,000 to finance the construction of a water line project, a geothermal well project, portions of a geothermal project and portions of a sewer at the Henley Schools Complex. The District entered into an irrevocable election that the 2010 obligations are treated as a Qualified School Construction Bonds (QSCB). In addition to semi-annual interest payments, the District is to deposit annual payments of \$95,856 into a principal subaccount (sinking fund) every June 1, starting in 2011 and ending 2024. Interest earning for the sinking fund are not to exceed 4.3% annually. As of June 30, 2020, the principal balance of the sinking fund for the Series 2010 Obligations was \$1,030,247.

During the fiscal year 2011-12 the District entered into a new loan agreement with the Bank of New York Mellon Trust Company, N.A. for \$2,412,000 at 4.625% interest to finance capital improvements. The District entered into an irrevocable election that the 2012B Obligations are treated as QSCB. In addition to semi-annual interest payments, the District is to deposit annual payments of \$134,000 into a principal subaccount (sinking funds) every June 30 of each year starting in 2013 and ending in 2030. As of June 30, 2020, the principal balance of the sinking fund for the Full Faith and Credit Obligations, Series 2012B was \$1,228,683.

**Property Taxes Receivable**

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on July 1 for personal property and real property. Property taxes are levied on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Accounts and Other Receivables**

Accounts receivable and other receivables consist primarily of charges for services, claims for reimbursement of costs under various federal and state grant programs and refunds of prior year expenditures.

**Grants**

Unreimbursed grant expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

**Inventories**

Inventories consist of supplies held for use by the District. Inventories are charged as expenditures when purchased and are stated at cost using the first-in, first-out (FIFO) method.

**Capital Assets**

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their acquisition value plus ancillary charges, if any, on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements - 15 to 50 years  
Equipment - 5 to 15 years

**457b Deferred Compensation Plan**

The District acts as a plan sponsor of a 457b tax deferred compensation investment program, through the Oregon Savings Growth Plan, established by the OIC under 243.421 and administered by the Public Employees Retirement Board according to ORS 243.435. The program is offered to eligible personnel and contributions are made through salary reduction. There were no contributions for the year ended June 30, 2020.

**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's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Post-Employment Health Care Benefits**

Eligible employees who elect early retirement are entitled to payment of group medical insurance premiums. In the Government-wide financial statements, the District reports its liability for other post-employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees. Such costs are recorded as expenses in the Governmental Funds and funded as premiums become due.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the District-wide financial statements. A liability for these amounts is reported in the governmental funds once they have matured.

**Long-term Debt**

The District reports long-term debt of governmental activities at face value in the government-wide Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, government fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums and discounts received on debt issuances, and deferred charges are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other financing uses.

**Deferred Outflows/Inflows of Resources**

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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has deferred outflows related to pension costs and OPEB costs reported on the Statement of Net Position.

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 on net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has deferred inflows related to pension costs and OPEB costs reported on the Statement of Net Position.

Deferred inflows related to pensions and other post-employment benefits arise under the full accrual basis of accounting that qualifies for reporting under this category. Accordingly, these items, are reported in the government-wide financial statements.

In contrast, deferred inflows related to property taxes (unavailable revenue) arise under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Net Position and Fund Balance**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

*Net investment in capital assets* – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Position and Fund Balance (continued)**

*Restricted net position* – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

*Unrestricted net position* – Consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental fund balance is classified in the following categories:

*Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory or legally or contractually required to be maintained intact.

*Restricted* – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

*Committed* – Includes items committed by the District's Board of Education by formal board action which is indicated by majority vote of Board Members. Only actions taken by the Board of Education constitute the most binding constraint of committed fund balance for classification purposes.

*Assigned* – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Director of Business Services.

*Unassigned* – This is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The District has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable), and lastly unassigned fund balance.

**Budget**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types, except capital outlay expenditures (including items below the District's capitalization level), and debt service which are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional requirements may be added to the budget through the use of a supplemental budget and appropriation resolution.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Budget (continued)**

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. During the year, the Board adopted five supplemental budgets revising appropriations. Appropriations lapse at the end of each fiscal year.

**Appropriation Authority**

During the fiscal year ended June 30, 2020, the District exceeded its appropriation authority in the General Fund debt service category by \$140,564.

**Use of Estimates**

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

**New GASB Pronouncements Adopted**

During the fiscal year ended June 30, 2020, there were no new GASB Pronouncements implemented.

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2020:

GASB Statement No. 84, *Fiduciary Activities*. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB 84 will be effective for the District, fiscal year ending June 30, 2021.

GASB Statement No. 87, *Leases*. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the District for fiscal year ending June 30, 2022.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the District for fiscal year ending June 30, 2022.

GASB Statement No. 90, *Majority Equity Interests*. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the District for fiscal year ending June 30, 2021.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Future GASB Pronouncements (continued)**

GASB Statement No 91, *Conduit Debt Obligations*. Issued May 2019, this statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. GASB Statement No. 91 will be effective for the District for fiscal year ending June 30, 2023.

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

**NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS**

Cash and investments are comprised of the following as of June 30, 2020:

Petty cash	\$	300
Carrying amount of cash and cash equivalents		9,695,427
Carrying amount of investments		6,143,752
 Total cash and investments	 \$	 <u>15,839,479</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position:		
Cash and investments	\$	11,727,993
Assets held in trust (sinking fund)		2,258,930
Assets restricted under bond agreement		1,540,881
Fiduciary Fund		311,675
 Total cash and investments	 \$	 <u>15,839,479</u>

As of June 30, 2020, the District's net carrying amount of deposits was \$9,695,427 and the bank balance was \$10,304,309. Of these deposits, \$9,554,269 was not covered by the Federal Depository Insurance Corporation (FDIC) and the National Credit Union Share Insurance Fund (NCUSIF).

As required by Oregon Revised Statutes, Chapter 295, deposits in excess of insurance limits were held at qualified depositories for public funds.

The "weighted average maturity in years" calculation assumes that all investments are held until maturity.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy generally limits investments to no more than 18 months. In February of 2017, the Board of Directors approved investment of the 2010 and 2012 Sinking Fund Reserves with a timeframe that corresponds to the due date for the balloon payment of the principal. (June 1, 2027 and June 30, 2030, respectively).

Custodial credit risk, for deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As required by Oregon Revised Statutes, Chapter 295, deposits in excess of FDIC and NCUSIF coverage were held at qualified depositories for public funds.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District has no exposure to custodial credit risk for deposits with financial institutions.

Custodial credit risk, for investments, is the risk that, in the event of the failure of the counter-party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's total investments, the District has no custodial credit risk.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool.

The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2019-2020. Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294.035 and 294.810. These funds are held in the District's name and are not subject to collateralization requirements of ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

As of June 30, 2020 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

*Credit Risk* - State Statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

*Concentration of Credit Risk* - The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government.

*Interest Rate Risk* - The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

**Fair Value of Assets**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

*Level 1* - Unadjusted inputs using quoted prices in active markets for identical investments.

*Level 2* - Other significant observable inputs other than level 1 prices, including, but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.

*Level 3* - Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

	Totals as of 6/30/2020	Level One	Level Two	Level Three	Not Measured at Fair Value
Investments:					
Local Government					
Investment Pool	\$ 3,865,613	\$ -	\$ -	\$ -	\$ 3,865,613
Certificates of Deposit	778,358	-	778,358	-	-
U.S. Treasuries	1,499,781	1,499,781	-	-	-
<b>Total</b>	<b>\$ 6,143,752</b>	<b>\$ 1,499,781</b>	<b>\$ 778,358</b>	<b>\$ -</b>	<b>\$ 3,865,613</b>

As of June 30, 2020, the District's investments had the following maturities and credit ratings:

	Total Investments	Investment Maturities		
		Less than 1 yr	1-5 years	6-10 years
Local Government				
Investment Pool	\$ 3,865,613	\$ 3,865,613	\$ -	\$ -
Certificates of Deposit	778,358	778,358	-	-
U.S. Treasuries	1,499,781	-	1,499,781	-
<b>Total Investments</b>	<b>\$ 6,143,752</b>	<b>\$ 4,643,971</b>	<b>\$ 1,499,781</b>	<b>\$ -</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

**Fair Value of Assets (continued)**

	<u>Moody's Rating</u>	<u>Standard &amp; Poor Rating</u>	<u>Percentage of Total Investments</u>
Local Government			
Investment Pool	N/R	N/R	62.92%
Certificates of Deposit	N/R	N/R	12.67%
U.S. Treasuries	Aaa	AA+	<u>24.41%</u>
Total Investments			<u><u>100.00%</u></u>

N/R = Not Rated

**NOTE 3 - RECEIVABLES**

Receivables are comprised of the following as of June 30, 2020:

	<u>Taxes</u>	<u>Intergov't</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 1,820,226	\$ 414,923	\$ 6,589	\$ 2,241,738
Special Revenue Fund	139,724	2,206,593	-	2,346,317
Debt Service Fund	<u>247,310</u>	<u>-</u>	<u>-</u>	<u>247,310</u>
Total	<u><u>\$ 2,207,260</u></u>	<u><u>\$ 2,621,516</u></u>	<u><u>\$ 6,589</u></u>	<u><u>\$ 4,835,365</u></u>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 – CAPITAL ASSETS**

The changes in capital assets for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Transfers/ Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 3,746,260	\$ -	\$ -	\$ 3,746,260
Construction in progress	2,800,972	1,827,706	(2,756,090)	1,872,588
Total capital assets not being depreciated	<u>6,547,232</u>	<u>1,827,706</u>	<u>(2,756,090)</u>	<u>5,618,848</u>
Capital assets being depreciated:				
Buildings and improvements	91,260,824	3,901,832	2,756,090	97,918,746
Vehicles and equipment	12,273,356	1,134,574	-	13,407,930
Total capital assets being depreciated	<u>103,534,180</u>	<u>5,036,406</u>	<u>2,756,090</u>	<u>111,326,676</u>
Less accumulated depreciation for:				
Buildings and improvements	(30,440,847)	(2,501,023)	-	(32,941,870)
Vehicles and equipment	(5,620,791)	(583,233)	-	(6,204,024)
Total accumulated depreciation	<u>(36,061,638)</u>	<u>(3,084,256)</u>	<u>-</u>	<u>(39,145,894)</u>
Total capital assets being depreciated, net	<u>67,472,542</u>	<u>1,952,150</u>	<u>2,756,090</u>	<u>72,180,782</u>
Total capital assets, net	<u>\$ 74,019,774</u>	<u>\$ 3,779,856</u>	<u>\$ -</u>	<u>\$ 77,799,630</u>

Depreciation expense for the fiscal year ended June 30, 2020 was charged to the following programs:

Instruction	\$ 1,818,335
Support services	1,154,017
Enterprise and community services	<u>111,903</u>
Total depreciation expense	<u>\$ 3,084,256</u>

**NOTE 5 – INTERFUND TRANSACTIONS**

The District made transfers from the General Fund to the Special Revenue Fund to supplement development costs and the COVID-19 emergency funding. The transfer from the Special Revenue Fund to the General Fund was to supplement debt service costs. The transfers from the General Fund to the 2010 Sinking Fund and the 2012 Sinking Fund were for interest payments and future debt payments. The transfers from the General Fund to the Capital Projects fund was to supplement capital project costs.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 – INTERFUND TRANSACTIONS (continued)**

	Transfers In	Transfers Out
General Fund	\$ 624,892	\$ 870,604
Special Revenue Fund	284,444	624,892
2010 Sinking Fund	210,856	-
2012 Sinking Fund	252,304	-
Capital Projects Fund	123,000	-
Total	<u>\$ 1,495,496</u>	<u>\$ 1,495,496</u>

**NOTE 6 – ACCRUED COMPENSATED ABSENCES**

The changes in accrued compensated absences for the year ended June 30, 2020 are as follows:

	Accrued June 30, 2019	Earned	Taken	Accrued June 30, 2020	Due Within One Year
Governmental Activities	\$ 110,722	\$ 212,428	\$ (146,744)	\$ 176,406	\$ 176,406

It is the District's opinion that the liability is current in nature as it has capped amounts which can be earned to encourage employees to take their vacation annually. The Special Revenue Fund and General Funds are typically used to liquidate this liability.

**NOTE 7 – LONG-TERM LIABILITIES**

**Full Faith and Credit Obligation, Series 2010 Note (QSCB)**

On June 2, 2010, the District entered into a Financing Agreement for \$2,000,000 at 5.75% interest to finance the construction of a water line project, a geothermal well project, portions of a geothermal project and portions of a sewer at the Henley Schools Complex. The District entered into an irrevocable election that the 2010 obligations are treated as a Qualified School Construction Bonds (QSCB). The QSCB's are eligible to receive subsidy payments from the United States Treasury. The District plans to apply any subsidy payments received to offset the interest component of the financing, but those subsidy payments are not pledged for this purpose. The agreement contains a provision that in an event of default, the Escrow Agent shall proceed to take whatever action at law or in equity may appear necessary or desirable to enforce the Financing Agreement; however, the payments are not subject to acceleration. Per the agreement, the principal and interest payments of the Bonds are guaranteed by the full faith and credit of the State of Oregon under the provisions of the Oregon School Bond Guaranty Act. Interest is payable semi-annually each December 1 and June 1, commencing December 1, 2010. Final maturity is June 1, 2027 (Balloon Principal Payment).

In addition to the interest payments, the District is to deposit amounts into a principal subaccount of the payment account (Sinking Fund Deposits) every June 1, starting in 2011 and ending in 2027. Interest earnings for the sinking fund are not to exceed 4.3% annually. The sinking fund payment is held at U.S. Bank and is restricted to retire the Series 2010 Note in 2027. The current value of the sinking fund as of June 30, 2020 is \$1,228,683 (restricted).

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES (continued)**

**Full Faith and Credit Obligation, Series 2010 Note (QSCB) (continued)**

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>District Paid Interest</u>	<u>Total Debt Service</u>	<u>Sinking Fund Deposit</u>
2021	\$ -	\$ 115,000	\$ 115,000	\$ 95,856
2022	-	115,000	115,000	95,856
2023	-	115,000	115,000	95,856
2024	-	115,000	115,000	95,856
2025	-	115,000	115,000	95,856
2026-2027	2,000,000	230,000	2,230,000	191,712
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 805,000</b>	<b>\$ 2,805,000</b>	<b>\$ 670,992</b>

During the year ended June 30, 2020, \$115,000 of interest was charged to expense.

**Full Faith and Credit Revenue Secured Loan, DEQ Clean Water State Revolving Fund Loan**

In fiscal year 2009-2010, the District entered into a Full Faith and Credit loan noninterest bearing agreement in the amount of \$2,472,000. This loan is with the State of Oregon, acting by and through the Department of Environmental Quality (DEQ). The loan is a Revenue Secured Loan made by the DEQ pursuant to OAR Section 340-054-0065 for the purpose of financing a wastewater pump station and sewer line at the Henley School Complex. The agreement contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment. The District only borrowed \$1,979,571 of the available balance and on April 12, 2012 the final amortization schedule was set. Semi-annual payments of principal and fees are to be repaid over a period of 20 years commencing upon the completion of the Project. An annual fee of 0.5% of the Outstanding Loan Amount is due during the repayment period commencing with the second payment date.

On December 6, 2012, the Environmental Quality Commission adopted DEQ's proposed administrative rule revisions for Clean Water State Revolving Fund loan program. Under OAR 340-054-0065(6)b) a borrower with annual loan fee payments from January 1, 2013 through December 31, 2014 will pay an annual loan fee of .025% on the outstanding loan balance, rather than the 0.5% as previously required. Beginning January 1, 2015 an annual loan fee of 0.5% will be assessed on the outstanding loan balance.

This loan (note) is payable from non-restricted General Fund revenues. The District did not impute an interest rate, as the loan is considered a low-interest loan issued by governments to carry out governmental objectives.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES (continued)**

**Full Faith and Credit Revenue Secured Loan, DEQ Clean Water State Revolving Fund Loan  
(continued)**

The repayment schedule of principal maturities for this loan is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2021	\$ 101,386
2022	101,386
2023	101,386
2024	101,386
2025	101,386
2026-2030	506,930
2031	<u>50,700</u>
Total	<u>\$ 1,064,560</u>

**Full Faith and Credit Revenue Secured Loan, Cool Schools SELP-Small Scale Local Energy Loan  
Program**

In fiscal year 2011-12, the District entered into a new loan agreement for \$1,876,000 at 3.5% interest with the State of Oregon, acting by and through its Department of Energy. The loan is a Revenue Secured Loan made by the Department of Energy for the purpose of financing lighting retrofit projects at Brixner, Chiloquin Elementary, Lost River, and ground water heat pump installations for Bonanza and Lost River. Monthly payments of principal and interest are to be repaid over a period of 15 years commencing April 1, 2012 and ending on March 1, 2027. This loan (note) is payable from non-restricted General Fund revenues.

The repayment schedule of principal maturities for this loan is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 118,700	\$ 28,821	\$ 147,521
2022	133,946	26,986	160,932
2023	138,710	22,222	160,932
2024	143,598	17,334	160,932
2025	148,751	12,181	160,932
2026-2027	<u>266,651</u>	<u>8,458</u>	<u>275,109</u>
Total	<u>\$ 950,356</u>	<u>\$ 116,002</u>	<u>\$ 1,066,358</u>

During the year ended June 30, 2020, \$35,561 of interest was charged to expense.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES (continued)**

**Full Faith and Credit Obligations, Series 2012B Taxable Qualified School Construction Bonds**

In fiscal year 2011-12, the District entered into a new loan agreement with the Bank of New York Mellon Trust Company, N.A. for \$2,412,000 at 4.625% interest to finance chiller projects at Brixner and Shasta schools, heating controls at Ferguson, Gilchrist, Merrill and Shasta schools, a fire suppression system at the Henley Complex, a new gym at Peterson and wall, window and roof replacements at Chiloquin Jr/Sr High School. The District entered into an irrevocable election so that the 2012B Obligations are treated as Qualified School Construction Bonds (QSCB). The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The QSCB's are eligible to receive subsidy payments from the United States Treasury. The District plans to apply any Subsidy Payments received to offset the interest component of the Financing Payments, but those District Subsidy Payments are not pledged for this purpose. Direct Interest is payable semi-annually each December 30 and June 30, commencing December 30, 2012. Final maturity is June 30, 2030 (Balloon Principal Payment). An administration fee of .00150 of principal amount outstanding (as of June 30 each year) per borrower, up to and including \$1 million; and .00010 of principal amount outstanding (as of June 30 each year) per borrower over \$1 million; with an annual maximum per borrower of \$800 and minimum of \$350 is applicable to these bonds.

The bond premium will be amortized using the straight-line method (approximates the effective interest method) over the life of the Series 2012B Bonds.

This loan (bond) is payable from non-restricted General Fund revenues. U.S. Treasury subsidy payments of \$104,974 were received.

In addition to the interest payments, the District is to deposit amounts into a principal subaccount of the payment account (Sinking Fund Deposits) every June 30, starting in 2013 and ending in 2030. The sinking fund payment is held at Bank of New York Mellon and is restricted to retire the Series 2012B obligation. The current value of the sinking fund as of June 30, 2020 is \$1,030,247 (restricted).

The repayment schedule is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Premium/ (Discount)	Total	Sinking Fund Deposit
2021	\$ -	\$ 111,555	\$ (2,328)	\$ 109,227	\$ 134,000
2022	-	111,555	(2,328)	109,227	134,000
2023	-	111,555	(2,328)	109,227	134,000
2024	-	111,555	(2,328)	109,227	134,000
2025	-	111,555	(2,328)	109,227	134,000
2026-2030	2,412,000	557,775	(11,639)	2,958,136	670,000
Total	<u>\$ 2,412,000</u>	<u>\$ 1,115,550</u>	<u>\$ (23,279)</u>	<u>\$ 3,504,271</u>	<u>\$ 1,340,000</u>

During the year ended June 30, 2020, \$111,555 and \$2,328 of interest and amortization, respectively, were charged to expense.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES (continued)**

**General Obligation Bonds Series 2013**

On August 15, 2013, the District issued 2013 General Obligation Bonds (2013 G.O. Bonds) in the amount of \$31,000,000. The 2013 G.O. Bonds were issued to finance the costs of capital projects for the District, and to pay the costs of issuance. Principal of and interest on the Bonds will be payable by the District's Paying Agent, initially U.S. Bank National Association, to the Depository Trust Company (DTC) which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owner of the Bonds. The 2013 G.O. Bonds are general obligations of the District. The full faith and credit and taxing powers of the District are pledged to the successive owners of each of the Bonds for the punctual payment of such obligations, when due. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the State of Oregon, under the provisions of the Oregon School Bond Guaranty Act.

The 2013 G.O. Bonds were issued at a premium of \$2,074,588. The premium represents interest paid in advance to the District by Bond holders who then receive a return of this premium in the form of larger periodic interest payments. The bond premium will be amortized using the straight-line method (approximates the effective interest method) over the life of the 2013 G.O. Bonds.

The 2013 G.O. Bonds stated interest rate ranges between 2% and 5.5% based upon maturity date of each obligation. Interest on the Bonds will be paid on December 15, 2013 and semiannually thereafter on June 15 and December 15 of each year to the maturity or earlier redemption of the Bonds. Principal on the Bonds will be paid on June 15, 2014 and annually thereafter on June 15 of each year to the maturity or earlier redemption of the bonds (mature in 2033).

The 2013 G.O. Bonds maturing in years 2014 through 2023, inclusive, are not subject to optional redemption prior to maturity. The bonds maturing on June 15, 2024 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2023, as a whole or in part, and if in part, with maturities to be selected by the District at a price of par, plus accrued interest, if any, to the date of redemption.

The repayment schedule is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Premium/ (Discount)	Total
2021	\$ 1,070,000	\$ 1,248,675	\$ 103,729	\$ 2,422,404
2022	1,180,000	1,205,875	103,729	2,489,604
2023	1,315,000	1,140,975	103,729	2,559,704
2024	1,465,000	1,068,650	103,729	2,637,379
2025	1,615,000	995,400	103,729	2,714,129
2026-2030	10,655,000	3,600,750	518,645	14,774,395
2031-2033	8,865,000	754,300	311,193	9,930,493
Total	<u>\$ 26,165,000</u>	<u>\$ 10,014,625</u>	<u>\$ 1,348,483</u>	<u>\$ 37,528,108</u>

The G.O. Bonds are payable from property taxes levied in the District's Debt Service Fund. During the year ended June 30, 2020, \$1,285,693 and \$103,729 of interest and amortization, respectively, were charged to expense.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES (continued)**

**Full Faith and Credit Obligations, Series 2014**

On October 8, 2014, the District issued 2014 Full Faith and Credit Obligation Bonds (2014 Bond Series) in the amount of \$5,000,000. The 2014 Bond Series were issued to finance the costs of capital projects for the District, and to pay the costs of issuance. Principal of and interest on the Bonds will be payable to the District's Paying Agent, initially U.S. Bank National Association, the Depository Trust Company (DTC) which, in turn, will remit such principal and interest components to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds. The District's payment obligations are to be secured by and payable from lawfully available funds of the District, including the proceeds of the Financing Agreement and any taxes levied by and for the District. The obligation of the District to make payments is a full faith and credit obligation of the District, and is not subject to appropriation. The Beneficial Owners of the Bonds do not have a lien or security interest on the property financed with the proceeds of the Financing Agreement. The Bonds do not constitute a debt or indebtedness of Klamath County, the State of Oregon, or any political subdivision thereof other than the District. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The scheduled payment of principal and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Municipal Assurance Corp.

The 2014 Bond Series were issued at a premium of \$272,261. The premium represents interest paid in advance to the District by Bond holders who then receive a return of this premium in the form of larger periodic interest payments. The bond premium will be amortized using the straight-line method (approximates the effective interest method) over the life of the 2014 Bond Series.

The 2014 Bond Series stated interest rate ranges between 2% and 4% based upon maturity date of each obligation. Interest on the Bonds will be paid on July 15, 2015 and semiannually thereafter on January 15 and July 15 each year to the maturity or earlier redemption of the Bonds. Principal on the Bonds will be paid on January 15 of each year to the maturity or earlier redemption of the bonds (matures in 2035).

The 2014 Bond Series maturing in years 2016 through 2024, inclusive, are not subject to optional prepayment prior to maturity. The bonds maturing on January 15, 2026 and on any date thereafter are subject to prepayment at the option of the District prior to their stated maturity dates at any time on or after January 15, 2024, as a whole or in part, and if in part, with maturities to be selected by the District at a price of par, plus accrued interest, if any, to the date of prepayment.

The repayment schedule is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Premium/ (Discount)	Total
2021	\$ 125,000	\$ 100,713	\$ 13,613	\$ 239,326
2022	125,000	83,612	13,613	222,225
2023	130,000	81,113	13,613	224,726
2024	135,000	77,363	13,613	225,976
2025	135,000	73,462	13,613	222,075
2026-2030	770,000	290,463	68,065	1,128,528
2031-2035	940,000	131,087	68,066	1,139,153
Total	<u>\$ 2,360,000</u>	<u>\$ 837,813</u>	<u>\$ 204,196</u>	<u>\$ 3,402,009</u>

During the year ended June 30, 2020, \$92,891 and \$13,613 of interest and amortization, respectively, were charged to expense.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES (continued)**

**Full Faith and Credit Obligations, Series 2017**

On March 24, 2017, the District issued 2017 Full Faith and Credit Obligation Bonds (2017 Bond Series) in the amount of \$4,100,000. The 2017 Bond Series were issued to finance the costs of capital projects for the District, and to pay the costs of issuance. Principal of and interest on the Bonds will be payable to the District's Paying Agent, initially U.S. Bank National Association, the Depository Trust Company (DTC) which, in turn, will remit such principal and interest components to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds. The District's payment obligations are to be secured by and payable from lawfully available funds of the District, including the proceeds of the Financing Agreement and any taxes levied by and for the District. The obligation of the District to make payments is a full faith and credit obligation of the District, and is not subject to appropriation. The Beneficial Owners of the Bonds do not have a lien or security interest on the property financed with the proceeds of the Financing Agreement. The Bonds do not constitute a debt or indebtedness of Klamath County, the State of Oregon, or any political subdivision thereof other than the District. The agreement contains a provision that in an event of default, the Escrow Agent may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. The scheduled payment of principal and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company.

The 2017 Bond Series were issued at a premium of \$288,670. The premium represents interest paid in advance to the District by Bond holders who then receive a return of this premium in the form of larger periodic interest payments. The bond premium will be amortized using the straight-line method (approximates the effective interest method) over the life of the 2017 Bond Series.

The 2017 Bond Series stated interest rate ranges between 3% and 4% based upon maturity date of each obligation. Interest on the Bonds will be paid on December 15, 2017 and semiannually thereafter on June 15 and December 15 each year to the maturity or earlier redemption of the Bonds. Principal on the Bonds will be paid on June 15, 2018 and annually thereafter on June 15 of each year to the maturity or earlier redemption of the bonds (matures in 2037).

The 2017 Bond Series maturing in years 2018 through 2026, inclusive, are not subject to optional prepayment prior to maturity. The bonds maturing on June 15, 2029 and on any date thereafter are subject to prepayment at the option of the District prior to their stated maturity dates at any time on or after June 15, 2027, as a whole or in part, and if in part, with maturities to be selected by the District at a price of par, plus accrued interest, if any, to the date of prepayment.

Fiscal Year Ending June 30,	Principal	Interest	Premium/ (Discount)	Total
2021	\$ 160,000	\$ 142,450	\$ 14,434	\$ 316,884
2022	165,000	137,650	14,434	317,084
2023	170,000	132,700	14,434	317,134
2024	175,000	127,600	14,434	317,034
2025	180,000	120,600	14,434	315,034
2026-2030	1,020,000	488,400	72,170	1,580,570
2031-2035	1,245,000	267,200	72,170	1,584,370
2036-2037	570,000	34,400	25,251	629,651
<b>Total</b>	<b>\$ 3,685,000</b>	<b>\$ 1,451,000</b>	<b>\$ 241,761</b>	<b>\$ 5,377,761</b>

During the year ended June 30, 2020, \$146,909 and \$14,434 of interest and amortization, respectively, were charged to expense.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES (continued)**

**Bank Qualified Tax-Exempt Obligation**

On November 15, 2019, the District entered into a Master Tax-Exempt Installment Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. in the amount of \$668,253. The issuance is designated as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The agreement contains a provision that in an event of default, the lender may exercise any remedy available at law or in equity and the payments are subject to acceleration with a rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less.

The proceeds were used by the District to purchase six buses and carry an interest rate of 2.278%. The obligation will be repaid over 5 years with 10 equal installment payments of \$70,282 with the initial payment commencing November 15, 2019.

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 129,120	\$ 11,444	\$ 140,564
2022	132,078	8,486	140,564
2023	135,103	5,461	140,564
2024	138,199	2,365	140,564
Total	<u>\$ 534,500</u>	<u>\$ 27,756</u>	<u>\$ 562,256</u>

During the year ended June 30, 2020, \$8,333 of interest was charged to expense.

Changes in long term debt in the government-wide financial statements for the fiscal year ended June 30, 2020 are as follows:

	Beginning Balance	Additions	Reductions	Balance 6/30/2020	Due in One Year
QSCB, Series 2010 (direct placement)	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -
DEQ Note Payable (direct borrowing)	1,165,946	-	(101,386)	1,064,560	101,386
State Energy Loan Program (direct borrowing)	1,075,727	-	(125,371)	950,356	118,700
QSCB, Series 2012B (direct placement)	2,412,000	-	-	2,412,000	-
Series 2013 GO Bonds	27,130,000	-	(965,000)	26,165,000	1,070,000
Series 2014 Bonds	2,930,000	-	(570,000)	2,360,000	125,000
Series 2017 Bonds	3,840,000	-	(155,000)	3,685,000	160,000
Installment Loan 2019 (direct borrowing)	-	668,253	(133,753)	534,500	129,120
Total Long Term Debt	<u>\$ 40,553,673</u>	<u>\$ 668,253</u>	<u>\$ (2,050,510)</u>	<u>\$ 39,171,416</u>	<u>\$ 1,704,206</u>
Unamortized discount and premium, net				<u>1,771,161</u>	<u>129,448</u>
Total Debt, net of unamortized premium and discount				<u>\$ 40,942,577</u>	<u>\$ 1,833,654</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8 – OPERATING LEASE COMMITMENTS**

The District has noncancelable operating leases for equipment used in its operations. Total operating lease expenditures for the fiscal year ending June 30, 2020 were \$145,141.

The following is a schedule of future minimum lease payments required under operating leases that have a remaining non-cancellable lease term in excess of one year as of June 30, 2020:

Fiscal Year Ending June 30,		
2021	\$	114,305
2022		83,667
2023		82,027
2024		71,666
2025		<u>33,999</u>
Total	\$	<u>385,664</u>

**NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Single-Employer Defined Benefit Health Care Plan (Medical Subsidy)**

**Plan Description** – The District maintains a single-employer defined benefit OPEB plan that provides post-employment health benefits to eligible employees and their spouses, domestic partners, and children of Classified participants. This program covers Administrative personnel who retire with 10 years of service, Classified personnel who retire with 20 years of service, Confidential personnel with 15 years of service, and Certified with 15 years of service who retired after July 1, 2006.

The program provides employees who have qualified for early retirement to receive health insurance benefits for three to seven years (depending on class of employee), until they reach age sixty-five, or until death, whichever comes first. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

In addition, the District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees are allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The requirement to make available to retirees (at the retiree's own cost) access into the healthcare plan has an implicit cost to the district.

**Funding Policy** – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)**

**Employees Covered by Benefit Terms** – As of June 30, 2020, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	43
Active plan members	848
	891

**Total OPEB Liability** – The districts total OPEB liability of \$14,372,962 was measured as of June 30, 2020, and was determined by an actuarial valuation date as of July 1, 2018.

**Actuarial Assumptions and Other Inputs -**

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	3.5% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 5% and 6.5% annually (district portion was assumed 2.5% annually)
Mortality Rates	RP 2014 male and female tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

**Changes in the Total OPEB Liability -**

OPEB Liability as of June 30, 2019	\$	12,919,116
Changes for the year:		
Service cost		651,123
Interest		591,759
Difference between expected and actual experience		-
Changes in assumptions		1,051,037
Benefit payments		(840,073)
OPEB Liability as of June 30, 2020	\$	14,372,962



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)**

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate -***

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

District's Net OPEB Asset/(Liability)	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	\$ 15,373,901	\$ 14,372,962	\$ 13,420,325

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates -***

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

District's Net OPEB Asset/(Liability)	1% Decrease 6.0% Graded Down to 4.0%	Current Trend Rate 7.0% Graded Down to 5.0% Trend Rates	1% Increase 8.0% Graded Down to 6.0%
Total OPEB Liability	\$ 12,679,508	\$ 14,372,962	\$ 16,382,425

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources -***

For the year ended June 30, 2020, the District recognized a reduction of expense related to OPEB of \$2,743,288.

As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred &lt;Inflows&gt; of Resources</u>
Difference between expected and actual experience	\$ -	\$ (1,408,833)
Changes of assumptions or other inputs	900,889	(2,232,612)
<b>Total</b>	<b>\$ 900,889</b>	<b>\$ (3,641,445)</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (Medical Subsidy) (continued)**

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

Year Ended June 30,	Deferred Outflow/ <Inflow> of Resources (prior to post-measurement date)
2021	\$ (578,141)
2022	(578,141)
2023	(578,141)
2024	(578,141)
2025	(578,141)
Thereafter	150,149
Total	\$ (2,740,556)

**Retirement Health Insurance Account (RHIA)**

**Plan Description** - As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003.

**OPEB Benefits** - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**Contributions** - Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The District currently contributes 0.07% of PERS-covered salaries for Tier 1 and Tier 2 members to fund the normal cost portion of RHIA benefits and 0.43% of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The District contributed \$50,005 for the year ended June 30, 2020. The contribution rates in effect for the period July 1, 2019 through June 30, 2020 for the OPEB program were: Tier1/Tier 2 – 0.00%, and OPSRP general service – 0.06%.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Retirement Health Insurance Account (RHIA) (continued)**

***Oregon PERS Comprehensive Annual Financial Report (CAFR)***

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

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

***Actuarial Valuation***

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 10 – Defined Benefit Pension Plan* except the table listed below:

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable

The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, Investment Rate of Return, and Mortality Tables.

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2020, the District reported \$664,226 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019 the District's proportion was approximately 0.34373813 percent.

For the year ended June 30, 2020, the District recognized a reduction of OPEB expense related to RHIA of \$138,373. The \$138,373 was treated as a reduction of payroll related expense in the Statement of Activities.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred &lt;Inflows&gt; of Resources</u>
Difference between expected and actual experience	\$ -	\$ (87,592)
Changes of assumptions	-	(688)
Net difference between projected and actual earnings on investments	-	(40,999)
Changes in proportionate share	164	(2,469)
District's contributions subsequent to the measurement date	50,005	-
Total	<u>\$ 50,169</u>	<u>\$ (131,748)</u>

\$50,005 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2021.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Retirement Health Insurance Account (RHIA) (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflow/Inflow of Resources
2021	\$ (68,264)
2022	(59,964)
2023	(7,578)
2024	4,222
2025	-
Thereafter	-
Total	\$ (131,584)

***Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate***

The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

District's Net OPEB Asset/(Liability)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Retirement Health Insurance Account	\$ 514,947	\$ 664,226	\$ 791,423

The RHIA OPEB is unaffected by healthcare cost trends due to the benefit being limited to \$60 monthly payments toward Medicare companion insurance premiums.

***Changes in Assumptions***

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS Plan disclosed in *Note 10 – Defined Benefit Pension Plan*.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS**

**Early Retirement Stipend Pension Plan –**

**Plan Description** - The District provides a single-employer defined benefit early retirement supplemental plan for eligible Administrative, Licensed, Supervisory, and Confidential employees who retire with 15 years of service with the District, and Classified employees hired before July 1, 2006 who retire on or after age 55 with 20 years of District service. Generally, the program covers all who meet Oregon PERS retirement eligibility and are receiving benefits from Oregon PERS. For Tier 1 or Tier 2 members they may retire earlier of age 55, or any age with 30 years of service. OPSRP members must be age 55 or older with five years of service.

Administrative, Licensed, Supervisory, and Confidential employees are entitled to a monthly stipend equal to 1/84th of the employee's annual salary at retirement, which continues until (1) death, (2) reaching the age of 65, or (3) the receipt of 84 payments, whichever occurs first. Classified employees are eligible for a monthly stipend, based on a sliding scale rate depending on years of service, plus \$100 per month until (1) the employee becomes eligible for full Social Security benefits, (2) reaching the age of 65, or (3) the receipt of 60 months of payments, whichever occurs first.

**Funding Policy** - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. The District funds this benefit as it comes due and the estimated amount to be paid by the District for the benefit for the period ended June 30, 2020 was \$233,349. There are no assets accumulated in a trust.

**Employees Covered by Benefit Terms** – As of June 30, 2020, the following employees were covered by the stipend benefit terms:

Inactive participants in the OPEB plan	22
Active plan members	838
	860

**Total Stipend Pension Liability** - The districts total stipend pension liability of \$3,843,123 was measured as of June 30, 2020, and was determined by an actuarial valuation date as of July 1, 2018.

**Actuarial Assumptions and Other Inputs** - The total stipend pension liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	3.5% per year, based on all years discounted at municipal bond rate
General Inflation	2.5% per year
Salary Scale	3.5% per year
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table
Annual Premium Increase Rate	Between 5% and 6.5% annually (district portion was assumed 2.5% annually)
Mortality Rates	RP 2014 male and female tables
Turnover Rates	As developed for the valuation of benefits under Oregon PERS, depending on YOS
Disability Rates	As developed for the valuation of benefits under Oregon PERS, age dependent
Retirement Rates	As developed for the valuation of benefits under Oregon PERS
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**Early Retirement Stipend Pension Plan – (continued)**

***Changes in the Stipend Pension Liability -***

Stipend Pension Liability as of June 30, 2019	\$	3,516,753
Changes for the year:		
Service cost		175,805
Interest		125,156
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions or other input		258,758
Benefit payments		<u>(233,349)</u>
 Stipend Pension Liability as of June 30, 2020	 \$	 <u>3,843,123</u>

***Sensitivity of the Total Stipend Pension Liability to Changes in the Discount Rate*** - The following presents the total stipend pension liability of the District, as well as what the District's total pension stipend liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

District's Net Pension Asset/(Liability)	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total Stipend Pension Liability	\$ 4,068,093	\$ 3,843,123	\$ 3,624,947

***Stipend Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources*** - For the year ended June 30, 2020, the District recognized stipend pension expense of \$378,621.

As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to stipend pension from the following sources:

	Deferred Outflows of Resources	Deferred <Inflows> of Resources
Difference between expected and actual experience	\$ -	\$ (126,800)
Changes of assumptions or other inputs	<u>230,007</u>	<u>(11,456)</u>
<b>Total</b>	<b>\$ <u>230,007</u></b>	<b>\$ <u>(138,256)</u></b>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**Early Retirement Stipend Pension Plan – (continued)**

***Stipend Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)***

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

Year Ended June 30,	Deferred Outflow/<Inflow> of Resources (prior to post-measurement date)
2021	\$ 9,001
2022	9,001
2023	9,001
2024	9,001
2025	9,001
Thereafter	46,746
Total	\$ 91,751

**OPERS Plan –**

***Plan Description*** - Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 23A, and Internal Revenue Service Code Section 401(a).

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The ORS Chapter 238 Defined Benefit Plan was closed to new members hired on or after August 29, 2003. In 1995, the Oregon Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, PERS active Tier One or Tier Two members became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan – (continued)**

**Tier One/Tier Two Retirement Benefit (Chapter 238) –**

***Pension Benefits*** - The OPERS 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 (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 a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan was closed to new members hired on or after August 29, 2003.

***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 an OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in an OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-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 non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

***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 the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan – (continued)**

**OPSRP Pension Program (Chapter 238A) –**

***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:

*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 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.

***Benefit Changes After Retirement*** - Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustment (COLA). The COLA is capped at 2.0 percent.

***Funding Policy*** - OPERS 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.

***Contributions*** - OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

The District's employer contributions for the year ended June 30, 2020 were \$9,257,925 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the the period July 1, 2019 through June 30, 2020 for each pension program were: Tier1/Tier 2 – 32.03%, and OPSRP General Service – 26.58%.

***Oregon PERS Comprehensive Annual Financial Report (CAFR)*** - OPERS prepares their financial statements in accordance with GAAP as set forth in GASB pronouncements that apply to fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Revenues are recognized when earned. Contributions recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plans. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction in between market participants at the measurement date. OPERS produces an independently audited CAFR which can be found at:  
<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan – (continued)**

**Actuarial Valuation** - The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability -**

Valuation date	December 31, 2017
Measurement date	June 30, 2019
Experience study	2016, published July 26, 2018
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return <sup>1</sup>	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy 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>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 based on the 2018 Experience Study, which reviewed experience for the four-year period ending on December 31, 2018.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. 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 pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan – (continued)**

***Assumed Asset Allocation -***

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	37.50%
Private equity	17.50%
Real estate	12.50%
Alternative equity	12.50%
Opportunity portfolio	0.00%
<b>Total</b>	<b>100.00%</b>

***Investment Rate of Return*** - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the OPERS 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.

The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset was used to map the target allocation to the asset classes shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return</u>
Core fixed income	8.00%	3.49%
Short-term bonds	8.00%	3.38%
Bank/leveraged loans	3.00%	5.09%
High yield bonds	1.00%	6.45%
Large/Mid cap US equities	15.75%	6.30%
Small cap US equities	1.31%	6.69%
Micro cap US equities	1.31%	6.80%
Developed foreign equities	13.13%	6.71%
Emerging market equities	4.12%	7.45%
Non-US small cap equities	1.88%	7.01%
Private equities	17.50%	7.82%
Real estate (property)	10.00%	5.51%
Real estate (REITS)	2.50%	6.37%
Hedge fund of funds - diversified	2.50%	4.09%
Hedge fund - event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.86%	3.84%
<b>Total</b>	<b>100.00%</b>	
Assumed inflation - mean		2.50%

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan – (continued)**

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

At June 30, 2020, the District reported a liability of \$81,649,154 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The District's proportion of the net pension liability was based on the District's long-term contribution effort to the pension plan compared with the total projected long-term contribution effort of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was approximately 0.47202577 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$11,063,887. The \$11,063,887 was treated as an increase of payroll related expense in the Statement of Activities and allocated to the instruction, support services, and community services expenses using allocation percentages of 64%, 33%, and 3%, respectively.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred <Inflows> of Resources
Difference between expected and actual experience	\$ 4,502,710	\$ -
Changes of assumptions	11,076,639	-
Net difference between projected and actual earnings on investments	-	(2,314,671)
Changes in proportionate share	1,688,452	(4,467,147)
Differences between employer contributions and employer's proportionate share of system contributions	2,691,604	(18,961)
District's contributions subsequent to the measurement date	9,257,925	-
Total	\$ 29,217,330	\$ (6,800,779)

\$9,257,925 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease 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 (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30,	Deferred Outflow/<Inflow> of Resources (prior to post-measurement date)
2021	\$ 7,485,903
2022	962,827
2023	2,331,461
2024	2,168,568
2025	209,867
Thereafter	-
Total	\$ 13,158,626

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**OPERS Plan – (continued)**

**Sensitivity for the District’s Proportionate Share of the Net Pension Liability to Changes in Discount Rate –**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate:

District’s Net Pension Asset/(Liability)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Defined Benefit Pension	\$ 40,555,267	\$ 81,649,154	\$ 130,753,875

**Changes in Assumptions and Methods –**

A summary of key changes implemented since the December 31, 2017 valuation are noted below. Additional detail and list of changes can be found in the 2018 Experience Study for the System, which can be found at: [https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

- Assumed administrative expenses were updated for both Tier 1/Tier 2 and OPSRP.
- Mortality assumptions were changed to reflect recently published base mortality tables and mortality improvement projection scales for all groups.
- Termination, disability and retirement rates were updated for some groups to more closely match observed experience.
- Assumptions for merit increases, unused sick leave, and vacation pay were updated.
- The assumed healthcare cost trend rates for RHIPA program as well as the participation assumptions for both RHIA and RHIPA were updated.
- Senate Bill 1049 was signed into law June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.
- The percentages used for allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple PERS employers were updated

**Defined Contribution Plan – Individual Account Program (IAP) –**

**Pension Benefits** - Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. 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 Individual Account Program (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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

**Defined Contribution Plan – Individual Account Program (IAP) – (continued)**

**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** – During 2019, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2020 were \$2,346,976.

**NOTE 11 – RESTRICTED FUND BALANCE AND NET POSITION**

As noted on the Balance Sheet and Statement of Net Position, there are various restrictions. On the Governmental Funds Balance Sheet, amounts are restricted to debt service and capital projects as stated. The amount restricted for capital projects is the result of unspent debt proceeds. As a result, this amount is netted with the associated debt on the Statement of Net Position. The amount restricted for special projects consist of the following:

Special Revenue Fund	Amount
Gear Up	\$ 238,731
Peterson Fish and Wildlife Tag	597
Greg Lane	14,199
KCSD Administator Scholarship	53,192
CHS Avid Nike Grant	2,750
Aspire	6,316
ORRTI Project	26,234
Miscellaneous	27,473
Special Project Budget Authority	9,057
Student Body Funds	1,064,269
Facilities Improvement	617,576
OCF Chiloquin JRHS	9,138
OCF Gilchrist	33,957
Gilchrist R James Discretionary	6,135
Food Services	125,096
Total Restricted Funds	\$ 2,234,720

**NOTE 12 - CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 13 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The District's operations are concentrated within Klamath County. In addition, substantially all the District's revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 14 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation claims; and natural disasters, for which the District carries commercial insurance. The amount of settlements paid by the District, if any, has not exceeded insurance coverage for each of the past four years.

**NOTE 15 – CONSTRUCTION AND OTHER COMMITMENTS**

The District has active construction projects as of June 30, 2020. The projects include various improvements to selected schools and seismic upgrades funded by the State of Oregon. At year end, the District's commitments with contractors are as follows:

Project	Contract Amount	Completed to Date	Remaining Commitment
Bonanza Schools Drainage Project	\$ 134,625	\$ 24,167	\$ 110,458
Chiloquin Elementary School Re-Pipe Project	116,229	3,301	112,928
Henley High School Seismic Upgrade Project	2,418,695	1,131,688	1,287,007
Stearns New Classroom Project	452,186	183,787	268,399
Total	<u>\$ 3,121,735</u>	<u>\$ 1,342,943</u>	<u>\$ 1,778,792</u>

As discussed earlier in *Note 1* under Budget, appropriations lapse at the end of year, but are re-appropriated in the next fiscal year and become part of the subsequent year's budget.

**NOTE 16 – TAX ABATEMENTS**

As of June 30, 2020, Klamath County School District provides tax abatement through the following three programs:

**Non-Profit Low Income Rental Housing (ORS 307.515):**

In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing. The qualifying property must be located within the County.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as a 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 16 – TAX ABATEMENTS (continued)**

**Non-Profit Low Income Rental Housing (ORS 307.515): (continued)**

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.515.

**Enterprise Zone (ORS 285.597):**

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving a property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

**Vertical Housing Tax Credit Program (ORS 307.864):**

The Vertical Housing Development is a State of Oregon economic development program, that allows for property tax exemptions for up to ten years. In exchange for receiving a property tax exemption, participating developers are required to meet the program requirements set by state statute and the local sponsor.

Developments received up to a 10-year partial tax exemption on increased improvement values for new construction or rehabilitation. Each residential floor above a commercial ground floor receives up to a 20% property tax reduction (each building/project can include no more than four residential floors, or 80% property tax reduction) based on the participation of all tax districts. Projects must be located within the City's Vertical Housing Development Zone, and meet the necessary specifications.

For the fiscal year ended June 30, 2020, Klamath County School District abated property taxes totaling \$1,833,157 under these programs:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated during the Fiscal Year</b>
Non-Profit Low Income Rental Housing	\$ 975,574
Enterprise Zone	852,938
Vertical Housing	4,645
	\$ 1,833,157



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 17 – UNCERTAINTIES**

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel, business operations as well as public education and advising or requiring individuals to limit or forgo their time outside of their homes. Temporary closures of businesses and schools have been ordered and numerous other businesses have temporarily closed voluntarily or restricted access to their premises. The District, along with Districts across the country, have had to make significant changes to accommodate distance learning for teachers and students during stay-at-home orders. A significant portion of the District's funding is derived from the attendance of students in its schools. It is unclear at this point, as a result of government impositions, how federal funding will be allocated in the coming year. Given the uncertainty regarding the spread of the coronavirus, the related financial and operational impact cannot be reasonably predicted or estimated at this time.

**NOTE 18 – SUBSEQUENT EVENTS**

Management of the District has evaluated events and transactions occurring after June 30, 2020 through December 17, 2020, the date the financial statements were available to be issued, for recognition and/or disclosure in the financial statements.

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A decorative border surrounds the page, featuring a repeating pattern of school-related icons such as a soccer ball, a star, a lightbulb, a clock, a pencil, a book, a globe, a magnifying glass, a pair of scissors, a paint palette, a funnel, a calculator, and a pencil sharpener. The icons are rendered in a simple, hand-drawn style with orange and blue outlines on a light gray grid background.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 15,669,755	\$ 15,669,755	\$ 16,057,763	\$ 388,008
Intergovernmental	177,967	195,267	174,866	(20,401)
Charges for services	267,500	306,960	240,439	(66,521)
Donations	20,000	55,652	81,513	25,861
Interest on investments	305,000	329,753	341,343	11,590
Miscellaneous	710,936	777,229	694,985	(82,244)
Intermediate sources:				
Intergovernmental	2,385,212	2,385,212	2,294,881	(90,331)
State sources:				
Intergovernmental	56,211,668	56,264,415	55,955,958	(308,457)
Federal sources:				
Intergovernmental	357,631	1,185,616	1,172,071	(13,545)
<b>TOTAL REVENUES</b>	<b>76,105,669</b>	<b>77,169,859</b>	<b>77,013,819</b>	<b>(156,040)</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	45,389,218	45,600,616	43,148,456	2,452,160
Support services	31,649,313	32,973,510	30,671,269	2,302,241
Debt service	1,240,707	1,240,707	1,381,271	(140,564)
Contingency	618,026	1,238,238	-	1,238,238
<b>TOTAL EXPENDITURES</b>	<b>78,897,264</b>	<b>81,053,071</b>	<b>75,200,996</b>	<b>5,852,075</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,791,595)</b>	<b>(3,883,212)</b>	<b>1,812,823</b>	<b>5,696,035</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Debt financing sources (uses)	-	-	668,253	668,253
Proceeds from the sale of capital assets	35,000	35,000	11,225	(23,775)
Transfers in	644,920	644,920	624,892	(20,028)
Transfers out	(838,325)	(1,214,962)	(924,241)	290,721
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(158,405)</b>	<b>(535,042)</b>	<b>380,129</b>	<b>915,171</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,950,000)</b>	<b>(4,418,254)</b>	<b>2,192,952</b>	<b>6,611,206</b>
<b>FUND BALANCE - JULY 1, 2019</b>	<b>2,950,000</b>	<b>4,418,254</b>	<b>4,007,847</b>	<b>(410,407)</b>
<b>FUND BALANCE - JUNE 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,200,799</b>	<b>\$ 6,200,799</b>

**Note to Schedule -**

The General Fund combines with the Reserve Fund for financial reporting purposes. See combining schedule which reconciles the General Fund to the generally accepted accounting principles presentations (page 52).

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
RESERVE FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Interest on investments	750	750	206	(544)
<b>EXPENDITURES:</b>				
Current:				
Instruction	81,500	85,137	13,917	71,220
<b>TOTAL EXPENDITURES</b>	<b>81,500</b>	<b>85,137</b>	<b>13,917</b>	<b>71,220</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(80,750)</b>	<b>(84,387)</b>	<b>(13,711)</b>	<b>(71,764)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	53,637	53,637	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>50,000</b>	<b>53,637</b>	<b>53,637</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(30,750)</b>	<b>(30,750)</b>	<b>39,926</b>	<b>(71,764)</b>
<b>FUND BALANCE - JULY 1, 2019</b>	<b>30,750</b>	<b>30,750</b>	<b>16,434</b>	<b>(14,316)</b>
<b>FUND BALANCE - JUNE 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,360</b>	<b>\$ (86,080)</b>

**Note to Schedule -**

The Reserve Fund combines with the General Fund for financial reporting purposes. See combining schedule which reconciles the General Fund to the generally accepted accounting principles presentations (page 52).

**KLAMATH COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Reserve Fund	Eliminations	Total General Fund
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 16,057,763	\$ -	\$ -	\$ 16,057,763
Intergovernmental	174,866	-	-	174,866
Charges for services	240,439	-	-	240,439
Donations	81,513	-	-	81,513
Interest on investments	341,343	206	-	341,549
Miscellaneous	694,985	-	-	694,985
Intermediate sources:				
Intergovernmental	2,294,881	-	-	2,294,881
State sources:				
Intergovernmental	55,955,958	-	-	55,955,958
Federal sources:				
Intergovernmental	1,172,071	-	-	1,172,071
<b>TOTAL REVENUES</b>	<b>77,013,819</b>	<b>206</b>	<b>-</b>	<b>77,014,025</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	43,148,456	13,917	-	43,162,373
Support services	30,671,269	-	-	30,671,269
Debt service	1,381,271	-	-	1,381,271
<b>TOTAL EXPENDITURES</b>	<b>75,200,996</b>	<b>13,917</b>	<b>-</b>	<b>75,214,913</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,812,823</b>	<b>(13,711)</b>	<b>-</b>	<b>1,799,112</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Debt financing sources (uses)	668,253	-	-	668,253
Proceeds from the sale of capital assets	11,225	-	-	11,225
Transfers in	624,892	53,637	(53,637)	624,892
Transfers out	(924,241)	-	53,637	(870,604)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>380,129</b>	<b>53,637</b>	<b>-</b>	<b>433,766</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,192,952</b>	<b>39,926</b>	<b>-</b>	<b>2,232,878</b>
<b>FUND BALANCE - JULY 1, 2019</b>	<b>4,007,847</b>	<b>16,434</b>	<b>-</b>	<b>4,024,281</b>
<b>FUND BALANCE - JUNE 30, 2020</b>	<b>\$ 6,200,799</b>	<b>\$ 56,360</b>	<b>\$ -</b>	<b>\$ 6,257,159</b>

**Note to Schedule -**

The Funds listed above are maintained separately by the District. However, the combined Funds are considered to be the General Fund in accordance with Generally Accepted Accounting Principles (GAAP). As such, the combined information above is presented as the General Fund (a Major Fund) in the District's audited financial statements.

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Excise taxes	\$ 345,000	\$ 345,000	\$ 378,100	\$ 33,100
Intergovernmental	150,000	245,507	198,206	(47,301)
Charges for services	2,053,000	2,053,000	1,472,190	(580,810)
Donations	189,948	189,948	283,828	93,880
Interest on investments	6,400	6,400	10,109	3,709
Miscellaneous	99,603	99,603	62,015	(37,588)
Intermediate sources:				
Intergovernmental	500,000	500,000	23,986	(476,014)
State sources:				
Intergovernmental	6,995,158	7,244,956	5,445,994	(1,798,962)
Federal sources:				
Intergovernmental	7,152,981	8,414,264	7,271,750	(1,142,514)
<b>TOTAL REVENUES</b>	<b>17,492,090</b>	<b>19,098,678</b>	<b>15,146,178</b>	<b>(3,952,500)</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	7,273,979	8,141,273	5,291,880	2,849,393
Support services	2,659,942	3,403,092	1,992,578	1,410,514
Enterprise and community services	3,689,169	3,958,861	3,465,809	493,052
Facilities acquisition and construction	5,295,829	5,366,157	3,436,031	1,930,126
<b>TOTAL EXPENDITURES</b>	<b>18,918,919</b>	<b>20,869,383</b>	<b>14,186,298</b>	<b>6,683,085</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,426,829)</b>	<b>(1,770,705)</b>	<b>959,880</b>	<b>2,730,585</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	331,914	591,700	284,444	(307,256)
Transfers out	(644,920)	(644,920)	(624,892)	20,028
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(313,006)</b>	<b>(53,220)</b>	<b>(340,448)</b>	<b>(287,228)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,739,835)</b>	<b>(1,823,925)</b>	<b>619,432</b>	<b>2,443,357</b>
<b>FUND BALANCE - JULY 1, 2019</b>	<b>1,739,835</b>	<b>1,823,925</b>	<b>1,868,456</b>	<b>44,531</b>
<b>FUND BALANCE - JUNE 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,487,888</b>	<b>\$ 2,487,888</b>



**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Klamath County School District Proportionate Share of Net Pension Asset / (Liability)**

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.47202577%	0.46377971%	0.51193830%	0.48785596%	0.5760106%	0.55604662%	0.55604662%
District's proportion of the net pension asset/(liability)	\$ (81,649,154)	\$ (70,256,517)	\$ (69,009,476)	\$ (73,238,507)	\$ (33,071,425)	\$ 12,603,990	\$ (28,375,874)
District's covered payroll	\$ 37,369,458	\$ 36,102,778	\$ 33,922,326	\$ 31,904,930	\$ 29,705,924	\$ 26,799,323	\$ 27,509,955
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	218.49%	194.60%	203.43%	229.55%	111.33%	47.03%	103.15%
Plan fiduciary net position as a percentage of the total pension liability	80.20%	82.06%	83.12%	80.53%	91.88%	103.59%	91.97%

**Klamath County School District Pension Contributions**

	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 9,257,925	\$ 8,709,564	\$ 8,215,327	\$ 6,509,261	\$ 6,571,825	\$ 6,224,077	\$ 5,879,733
Contribution in relation to the contractually required	\$ (9,257,925)	\$ (8,709,564)	\$ (8,215,327)	\$ (6,509,261)	\$ (6,571,825)	\$ (6,224,077)	\$ (5,879,733)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 39,456,672	\$ 37,369,458	\$ 38,102,778	\$ 33,922,326	\$ 31,904,930	\$ 29,705,924	\$ 26,799,323
Contributions as a percentage of covered payroll	23.46%	23.31%	22.76%	19.19%	20.60%	20.95%	21.94%

**Notes to Schedule -**

A summary of key changes implemented since the December 31, 2017 valuation are described in *Note 10* in the Notes to the Basic Financial Statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published in July 24, 2019, and can be found at:

<https://www.oregon.gov/pers/Documents/Exp-Study-2018.pdf>

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 68 during fiscal 2014, as a result, only seven years of information is presented.

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF CHANGE IN THE DISTRICT'S NET PENSION  
LIABILITY (STIPEND) AND RELATED RATIOS  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

	2020	2019	2018	2017
<b>Total Pension Liability (Stipend):</b>				
Service cost	\$ 175,805	\$ 170,575	\$ 165,607	\$ 165,607
Interest	125,156	109,544	106,905	109,030
Changes of benefit terms	-	49,579	-	-
Differences between expected and actual experience	-	(163,028)	-	-
Changes of assumptions of other inputs	258,758	(14,728)	-	-
Benefit payments	<u>(233,349)</u>	<u>(232,190)</u>	<u>(312,385)</u>	<u>(378,557)</u>
<b>Net change in total pension liability (Stipend)</b>	326,370	(80,248)	(39,873)	(103,920)
<b>Total Pension Liability (Stipend) - Beginning</b>	<u>3,516,753</u>	<u>3,597,001</u>	<u>3,636,874</u>	<u>3,740,794</u>
<b>Total Pension Liability (Stipend) - Ending</b>	<u>\$ 3,843,123</u>	<u>\$ 3,516,753</u>	<u>\$ 3,597,001</u>	<u>\$ 3,636,874</u>
Estimated covered payroll	\$ 37,353,301	\$ 36,090,146	\$ 34,642,318	\$ 33,633,318
Total pension Liability (Stipend) as a percentage of estimated covered payroll	10.29%	9.74%	10.38%	10.81%

**Notes to Schedule -**

***Significant methods and assumptions used in calculating the actuarially determined contributions:***

Significant methods and assumptions used in calculating the actuarially determined contributions are described in Note 10 to the financial statements. No assets are accumulated in a trust to pay related benefits.

***Changes in benefit terms:***

None noted.

***Other information:***

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 73 during fiscal 2017, as a result, only four years of information is presented.

**KLAMATH COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF CHANGE IN THE DISTRICT'S NET OTHER POST-EMPLOYMENT**  
**BENEFIT (MEDICAL SUBSIDY) LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability (Medical Subsidy):</b>				
Service cost	\$ 651,123	\$ 880,611	\$ 854,962	\$ 854,962
Interest	591,759	537,908	517,195	518,931
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(1,972,365)	-	-
Changes of assumptions of other inputs	1,051,037	(3,125,658)	-	-
Benefit payments	(840,073)	(902,091)	(1,367,576)	(1,495,935)
<b>Net change in total OPEB liability (Medical Subsidy)</b>	<b>1,453,846</b>	<b>(4,581,595)</b>	<b>4,581</b>	<b>(122,042)</b>
<b>Total OPEB liability - Beginning</b>	<b>\$ 12,919,116</b>	<b>\$ 17,500,711</b>	<b>\$ 17,496,130</b>	<b>\$ 17,618,172</b>
<b>Total OPEB liability - Ending</b>	<b>\$ 14,372,962</b>	<b>\$ 12,919,116</b>	<b>\$ 17,500,711</b>	<b>\$ 17,496,130</b>
Estimated covered payroll	\$ 37,353,301	\$ 36,090,146	\$ 34,642,318	\$ 33,633,318
Total OPEB liability as a percentage of estimated covered payroll	38.48%	35.80%	50.52%	52.02%

**Notes to Schedule -**

***Significant methods and assumptions used in calculating the actuarially determined contributions:***

Significant methods and assumptions used in calculating the actuarially determined contributions are described in Note 9 to the financial statements. No assets are accumulated in a trust to pay related benefits.

***Changes in benefit terms:***

None noted.

***Other information:***

The District adopted GASB 75 during fiscal 2017, as a result, only four years of information is presented. This schedule is presented to illustrate required supplementary information for a 10 year period.

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB  
ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS -  
OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Klamath County School District Proportionate Share of Net OPEB Asset (RHIA)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District proportion of the net pension asset/(liability)	0.34373813%	0.34400073%	0.31602022%
District's proportion of the net pension asset/(liability)	\$ 664,226	\$ 383,998	\$ 131,888
District's covered payroll	\$ 37,369,458	\$ 36,102,778	\$ 31,904,930
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	-1.78%	-1.06%	-0.41%
Plan fiduciary net position as a percentage of the total pension liability	144.40%	123.99%	108.88%

**Klamath County School District Contributions**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 50,005	\$ 170,364	\$ 166,566
Contribution in relation to the contractually required	<u>(50,005)</u>	<u>(170,364)</u>	<u>(166,566)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 39,456,672	\$ 37,369,458	\$ 36,102,778
Contributions as a percentage of covered payroll	0.13%	0.46%	0.46%

**Notes to Schedule -**

A summary of key changes implemented since the December 31, 2017 valuation are described in *Note 9* in the Notes to the Basic Financial Statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published in July 24, 2019, and can be found at:

<https://www.oregon.gov/pers/Documents/Exp-Study-2018.pdf>

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The City adopted GASB 75 for RHIA during fiscal 2018, as a result, only three years of information is presented.



**OTHER  
SUPPLEMENTARY INFORMATION**

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**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 2,225,775	\$ 2,225,775	\$ 2,253,949	\$ 28,174
Interest on investments	26,500	26,500	25,866	(634)
<b>TOTAL REVENUES</b>	<u>2,252,275</u>	<u>2,252,275</u>	<u>2,279,815</u>	<u>27,540</u>
<b>EXPENDITURES:</b>				
Debt service	<u>2,252,275</u>	<u>2,252,275</u>	<u>2,252,275</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	27,540	27,540
<b>FUND BALANCE - JULY 1, 2019</b>	<u>-</u>	<u>-</u>	<u>822,560</u>	<u>822,560</u>
<b>FUND BALANCE - JUNE 30, 2020</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850,100</u>	<u>\$ 850,100</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND - QSCB 2010  
FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Interest on investments	\$ 20,000	\$ 20,000	\$ 16,025	\$ (3,975)
<b>EXPENDITURES:</b>				
Debt service	115,000	115,000	115,000	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(95,000)</u>	<u>(95,000)</u>	<u>(98,975)</u>	<u>(3,975)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	210,856	210,856	210,856	-
<b>NET CHANGE IN FUND BALANCE</b>	115,856	115,856	111,881	(3,975)
<b>FUND BALANCE - JULY 1, 2019</b>	<u>940,000</u>	<u>940,000</u>	<u>969,969</u>	<u>29,969</u>
<b>FUND BALANCE - JUNE 30, 2020</b>	<u><u>\$ 1,055,856</u></u>	<u><u>\$ 1,055,856</u></u>	<u><u>\$ 1,081,850</u></u>	<u><u>\$ 25,994</u></u>



**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND - QSCB 2012  
FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Interest on investments	\$ 10,000	\$ 10,000	\$ 126,352	\$ 116,352
<b>EXPENDITURES:</b>				
Debt service	111,555	111,555	111,555	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(101,555)</u>	<u>(101,555)</u>	<u>14,797</u>	<u>116,352</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	245,555	245,555	252,304	6,749
<b>NET CHANGE IN FUND BALANCE</b>	144,000	144,000	267,101	123,101
<b>FUND BALANCE - JULY 1, 2019</b>	<u>980,500</u>	<u>980,500</u>	<u>1,035,620</u>	<u>55,120</u>
<b>FUND BALANCE - JUNE 30, 2020</b>	<u><u>\$ 1,124,500</u></u>	<u><u>\$ 1,124,500</u></u>	<u><u>\$ 1,302,721</u></u>	<u><u>\$ 178,221</u></u>

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Donations	\$ 97,500	\$ 100,500	\$ 20,166	\$ (80,334)
Interest on investments	63,000	63,000	45,408	(17,592)
Miscellaneous	-	57,934	52,738	(5,196)
<b>TOTAL REVENUES</b>	<u>160,500</u>	<u>221,434</u>	<u>118,312</u>	<u>(103,122)</u>
<b>EXPENDITURES:</b>				
Facilities acquisition and construction	<u>3,848,688</u>	<u>4,032,622</u>	<u>1,760,638</u>	<u>2,271,984</u>
<b>TOTAL EXPENDITURES</b>	<u>3,848,688</u>	<u>4,032,622</u>	<u>1,760,638</u>	<u>2,271,984</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,688,188)</u>	<u>(3,811,188)</u>	<u>(1,642,326)</u>	<u>2,168,862</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>-</u>	<u>123,000</u>	<u>123,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(3,688,188)</u>	<u>(3,688,188)</u>	<u>(1,519,326)</u>	<u>2,168,862</u>
<b>FUND BALANCE - JULY 1, 2019</b>	<u>3,688,188</u>	<u>3,688,188</u>	<u>3,327,109</u>	<u>(361,079)</u>
<b>FUND BALANCE - JUNE 30, 2020</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,807,783</u>	<u>\$ 1,807,783</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FIDUCIARY FUND  
FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>ADDITIONS:</b>				
Local sources:				
Contributions	\$ -	\$ 170,000	\$ 145,659	\$ (24,341)
Interest	4,200	4,200	4,307	107
<b>TOTAL REVENUES</b>	<u>4,200</u>	<u>174,200</u>	<u>149,966</u>	<u>(24,234)</u>
<b>EXPENDITURES:</b>				
Current:				
Enterprise and community services	14,000	184,000	5,160	178,840
<b>NET CHANGE IN FUND BALANCE</b>	(9,800)	(9,800)	144,806	154,606
<b>FUND BALANCE - JUNE 30, 2019</b>	<u>166,800</u>	<u>166,800</u>	<u>166,869</u>	<u>(69)</u>
<b>FUND BALANCE - JUNE 30, 2020</b>	<u>\$ 157,000</u>	<u>\$ 157,000</u>	<u>\$ 311,675</u>	<u>\$ 154,537</u>

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**OTHER FINANCIAL SCHEDULES**

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**SCHOOL DISTRICT FINANCIAL  
ACCOUNTING SUMMARIES**

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**KLAMATH COUNTY SCHOOL DISTRICT  
2019-20 DISTRICT AUDIT ALL FUND REVENUE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

**Revenue from Local Sources**

1110 Ad Valorem Taxes Levied by District
1120 Local Option Ad Valorem Taxes Levied by District
1130 Construction Excise tax (Not Tax Revenue)
1190 Penalties and Interest on Taxes
1200 Revenue from Local Gov't Units Other than Districts
1310 Regular Day School Tuition
1330 Summer School Tuition
1400 Transportation Fees
1500 Earnings on Investments
1600 Food Service
1700 Extra Curricular Activities
1800 Community Service Activities
1910 Rentals
1920 Contributions and Donations from Private Sources
1930 Rental and Lease Payments from Private Contractors
1940 Services Provided Other Local Education Agencies
1950 Textbook Sales and Rentals
1960 Recovery of Prior Years' Expenditures
1970 Services Provided Other Funds
1980 Fees Charged to Grants
1990 Miscellaneous
<b>Total Revenue from Local Sources</b>

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	16,057,763	-	2,253,949	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise tax (Not Tax Revenue)	-	378,100	-	-	-	-	-
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-
1200 Revenue from Local Gov't Units Other than Districts	-	-	-	-	-	-	-
1310 Regular Day School Tuition	299	198,205	-	-	-	-	-
1330 Summer School Tuition	1,615	-	-	-	-	-	-
1400 Transportation Fees	41,934	-	-	-	-	-	-
1500 Earnings on Investments	341,343	10,109	166,243	45,408	-	206	4,307
1600 Food Service	-	165,586	-	-	-	-	-
1700 Extra Curricular Activities	170,668	1,306,604	-	-	-	-	-
1800 Community Service Activities	20,661	-	-	-	-	-	-
1910 Rentals	25,924	-	-	-	-	-	-
1920 Contributions and Donations from Private Sources	81,513	283,829	-	20,186	-	-	145,659
1930 Rental and Lease Payments from Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	18,480	22,800	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditures	90,045	-	-	52,738	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-
1980 Fees Charged to Grants	154,205	-	-	-	-	-	-
1990 Miscellaneous	586,459	39,215	-	-	-	-	-
<b>Total Revenue from Local Sources</b>	<b>17,690,909</b>	<b>2,404,448</b>	<b>2,422,192</b>	<b>118,312</b>	<b>-</b>	<b>206</b>	<b>149,966</b>

**Revenue from Intermediate Sources**

2101 County School Fund
2102 Education Service District Apportionment
2105 Natural Gas, Oil, and Mineral Receipts
2199 Other Intermediate Sources
2200 Restricted Revenue
2800 Revenue In Lieu of Taxes
2900 Revenue for/on behalf of the District
<b>Total Revenue from Intermediate Sources</b>

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Fund	212,701	-	-	-	-	-	-
2102 Education Service District Apportionment	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-
2200 Restricted Revenue	-	23,986	-	-	-	-	-
2800 Revenue In Lieu of Taxes	8,411	-	-	-	-	-	-
2900 Revenue for/on behalf of the District	2,073,769	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>2,294,881</b>	<b>23,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from State Sources**

3101 State School Fund General Support
3102 State School Fund - School Lunch Match
3103 Common School Fund
3104 State Managed County Timber
3199 Other Unrestricted Grants- In - Aid
3204 Driver Education
3222 State School Fund (SSF) Transportation Equipment
3299 Other Restricted Grants-in-Aid
3900 Revenue in Lieu of Taxes
3900 Revenue for/on Behalf of the District
<b>Total Revenue from State Sources</b>

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund General Support	54,815,141	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	33,701	-	-	-	-	-
3103 Common School Fund	586,179	-	-	-	-	-	-
3104 State Managed County Timber	433,211	-	-	-	-	-	-
3199 Other Unrestricted Grants- In - Aid	121,427	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	475,000	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	4,881,608	-	-	-	-	-
3900 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	55,885	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>65,965,968</b>	<b>6,445,994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from Federal Sources**

4100 Unrestricted Revenue Direct from the Federal Gov't
4200 Unrest. Rev from the Federal Gov't Through the State
4300 Restricted Revenue from the Federal Government
4500 Restricted Rev from the Fed Gov't through the State
4700 Grants in Aid from the Fed Gov't Through Intermediate
4801 Federal Forest Fees
4802 Impact Aid to School Districts for Operation (PL 874)
4803 Coos Bay Wagon Road Funds
4899 Other Revenue in Lieu of Taxes
4900 Revenue for/on Behalf of the District
<b>Total Revenue from Federal Sources</b>

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct from the Federal Gov't	27,333	-	-	-	-	-	-
4200 Unrest. Rev from the Federal Gov't Through the State	15,424	-	-	-	-	-	-
4300 Restricted Revenue from the Federal Government	-	113,525	-	-	-	-	-
4500 Restricted Rev from the Fed Gov't through the State	211,994	6,848,754	-	-	-	-	-
4700 Grants in Aid from the Fed Gov't Through Intermediate	-	-	-	-	-	-	-
4801 Federal Forest Fees	917,320	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	309,471	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>1,172,071</b>	<b>7,271,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from Other Sources**

5100 Long Term Debt Financing Sources
5200 Interfund Transfers
5300 Sale of or Compensation for Loss of Fixed Assets
5400 Resources - Beginning Fund Balance
<b>Total Revenue from Other Sources</b>

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	668,253	-	-	-	-	-	-
5200 Interfund Transfers	624,892	284,444	463,160	123,000	-	53,637	-
5300 Sale of or Compensation for Loss of Fixed Assets	11,225	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	4,007,847	1,868,456	2,828,149	3,327,109	-	16,434	166,869
<b>Total Revenue from Other Sources</b>	<b>6,312,217</b>	<b>2,152,900</b>	<b>3,291,309</b>	<b>3,450,109</b>	<b>-</b>	<b>70,071</b>	<b>166,869</b>

**Grand Totals**

<b>\$ 82,326,036</b>	<b>\$ 17,299,078</b>	<b>\$ 6,713,501</b>	<b>\$ 3,668,421</b>	<b>\$ -</b>	<b>\$ 70,277</b>	<b>\$ 316,836</b>
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**KLAMATH COUNTY SCHOOL DISTRICT  
2019-20 DISTRICT AUDIT GENERAL FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

Code	Expenditure Description	Total	100 Salaries	200 P/R Cost	300 Purchased Ser	400 Materials	500 Capital Outlay	600 Other Objects	700 Transfers & Balances
1111	Primary, K-3	18,418,785	11,043,129	6,916,946	81,020	377,599	-	121	-
1112	Intermedale Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	71,261	43,967	18,444	4,400	4,450	-	-	-
1121	Middle/Junior High Programs	4,424,839	2,686,010	1,876,165	15,024	47,640	-	-	-
1122	Middle/Junior High Extracurricular	174,462	109,806	34,746	24,837	5,073	-	-	-
1131	High School Programs	10,249,893	6,164,469	3,824,405	119,469	137,140	-	7,200	-
1132	High School Extracurricular	1,332,838	761,401	226,585	177,891	104,623	38,652	23,684	-
1140	Pre-Kindergarten Programs	16,525	3,917	1,429	216	-	-	-	-
1210	Talented and Gifted	216,535	132,268	79,596	1,690	2,806	-	175	-
1220	Restrict Prog for Students w/ Disabilities	-	-	-	-	-	-	-	-
1221	RESTR STRC PROGRAMS	671,628	396,047	247,752	21,656	6,171	-	-	-
1229	RESTR OTHR PROGRAMS	1,959,744	1,170,644	704,016	13,774	56,924	11,200	3,184	-
1250	Less Restrict Prog Students w/ Disabilities	2,875,749	1,508,833	853,887	193,699	229,271	-	90,059	-
1260	Early Intervention	104,465	72,086	30,419	1,960	-	-	-	-
1271	Remediation	10,000	-	-	10,000	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1283	DIST ALT PROG	895,600	345,914	237,246	168,810	143,629	-	1	-
1285	DIST ALT PROG 5-8	8,285	5,691	2,604	-	-	-	-	-
1289	CHARTER SCHOOLS	216,843	-	-	216,843	-	-	-	-
1291	English as a Second Language	1,263,761	779,426	477,372	307	6,656	-	-	-
1292	Teen Parent Program	208,502	109,628	83,358	3,048	8,278	-	4,190	-
1293	Migrant Education	594	-	-	-	594	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
1460	SUMMER SPED INSTR	8,538	5,955	2,426	-	157	-	-	-
1490	SUMMER OTHR INSTR	19,821	13,807	6,014	-	-	-	-	-
	<b>Total Instruction</b>	<b>43,148,456</b>	<b>25,352,989</b>	<b>15,423,412</b>	<b>1,051,646</b>	<b>1,141,944</b>	<b>49,852</b>	<b>128,814</b>	<b>-</b>
2110	Attendance & Social Work Services	41,662	-	-	40,094	1,568	-	-	-
2114	STUDENT ACCOUNTING	150,994	61,743	42,175	47,078	-	-	-	-
2115	STUDENT SAFETY	207,701	-	-	207,701	-	-	-	-
2120	Guidance Services	740,817	321,805	182,060	235,315	1,601	-	36	-
2130	Health Services	419,888	247,490	146,613	13,844	11,383	-	558	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	925,676	533,076	344,827	34,540	8,466	-	4,769	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	959,071	568,905	363,765	19,475	6,926	-	-	-
2210	Improvement of Instruction	3,783	-	-	1,847	2,136	-	-	-
2211	CURR DIRECTION	746,078	392,495	244,355	52,536	51,566	-	5,126	-
2213	CURR DEVL P	9,205	6,488	2,717	-	-	-	-	-
2220	Educational Media Services	454,058	241,160	190,252	-	22,646	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	95,446	49,937	14,828	24,781	5,899	-	-	-
2310	Board of Education Services	223,463	-	-	125,326	6,080	-	92,057	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2321	OFFICE SUPERINTENDENT	351,668	220,360	120,673	6,407	4,028	-	-	-
2410	Office of the Principal Services	7,991,175	4,469,782	3,123,872	226,512	140,633	-	30,376	-
2490	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	1,100,534	571,962	322,068	176,871	15,156	-	13,877	-
2528	RISK MANAGEMENT	286,250	124,167	79,567	15,537	65,519	1,460	-	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2542	CARE/KEEP BLDGS	4,793,512	1,738,408	1,302,471	1,493,645	194,373	63,528	1,086	-
2543	CARE/KEEP GRNDS	179,166	-	-	47,329	52,864	74,434	4,509	-
2544	MAINTENANCE	2,592,130	871,601	658,873	206,740	320,822	314,256	219,858	-
2546	CONSTRUCTION SECURITY	-	-	-	-	-	-	-	-
2550	Support Transportation Services	4,084,107	1,466,247	855,930	156,599	575,498	668,253	361,580	-
2558	SPED TRANSP	802,506	485,299	301,773	14,470	964	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2572	PURCHASING	-	-	-	-	-	-	-	-
2573	WAREHOUSE	284,265	112,024	86,535	938	84,598	-	170	-
2574	PRINTING/DUPLICATING	313,610	92,488	66,614	84,855	68,888	-	765	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Develop, Evaluation	-	-	-	-	-	-	-	-
2628	GRANT WRITING	105,403	64,196	40,796	135	276	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2641	PERSONNEL	448,895	250,022	150,733	36,963	12,177	-	-	-
2642	RECRUITMENT/PLACEMENT	29,750	-	-	29,282	468	-	-	-
2649	OTHER STAFF SERVICES	9,638	-	-	-	9,638	-	-	-
2660	Technology Services	1,518,210	280,425	205,406	458,031	314,300	259,935	113	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	801,560	271,867	515,666	14,047	-	-	-	-
	<b>Total Support Services</b>	<b>30,671,269</b>	<b>13,441,947</b>	<b>9,363,370</b>	<b>3,770,706</b>	<b>1,976,519</b>	<b>1,381,647</b>	<b>734,880</b>	<b>-</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5100	Debt Services	-	-	-	-	-	-	-	-
5111	LT DEBT COOL SCHOOLS	160,932	-	-	-	-	-	160,932	-
5112	LT DEBT QSCB 2012	140,564	-	-	-	-	-	140,564	-
5114	LT DEBT DEQ	106,962	-	-	-	-	-	106,962	-
5115	LT DEBT FF&C BUS OBL 2014	670,713	-	-	-	-	-	670,713	-
5117	LT DEBT FF&C BUS OBL 2017	302,100	-	-	-	-	-	302,100	-
5200	Transfers to Other Funds	924,241	-	-	-	-	-	-	924,241
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	6,200,799	-	-	-	-	-	-	6,200,799
	<b>Total Requirements and Balances</b>	<b>8,508,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,381,271</b>	<b>7,125,040</b>
<b>Grand Totals</b>		<b>\$ 82,326,036</b>	<b>\$ 38,794,935</b>	<b>\$ 24,786,782</b>	<b>\$ 4,622,352</b>	<b>\$ 3,120,463</b>	<b>\$ 1,431,699</b>	<b>\$ 2,244,765</b>	<b>\$ 7,125,040</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
2019-20 DISTRICT AUDIT SPECIAL REVENUE FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

Code	Expenditure Description	Total	100 Salaries	200 P/R Cost	300 Purchased Ser	400 Materials	500 Capital Outlay	600 Other Objects	700 Transfers & Balances
1111	Primary, K-3	310,250	5,744	1,745	96,713	205,688	-	360	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	222,487	78,378	44,538	10,989	88,584	-	-	-
1122	Middle / Junior High Extracurricular	50	-	-	-	50	-	-	-
1131	High School Programs	1,395,096	301,004	179,933	63,672	619,098	30,231	1,158	-
1132	High School Extracurricular	221,410	-	-	-	221,410	-	-	-
1140	Pre-Kindergarten Programs	30,600	-	-	-	30,600	-	-	-
1210	Talented and Gifted	6,930	-	-	6,930	-	-	-	-
1220	Restrict Prog for Students w/ Disabilities	-	-	-	-	-	-	-	-
1221	RESTR STRC PROGRAMS	-	-	-	-	-	-	-	-
1229	RESTR OTHR PROGRAMS	2,811	1,161	8	300	1,342	-	-	-
1250	Less Restrict Prog Students w/ Disabilities	1,151,227	706,669	434,568	9,723	287	-	-	-
1260	Early Intervention	13,007	9,225	3,782	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	1,463,940	850,780	494,106	7,844	111,210	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1283	DIST ALT PROG	215,564	136,748	78,816	-	-	-	-	-
1284	CHILLOQUIN GED Program	82,204	43,476	38,728	-	-	-	-	-
1291	English as a Second Language	15,107	-	-	141	14,966	-	-	-
1292	Teen Parent Program	2,068	-	-	-	2,068	-	-	-
1293	Migrant Education	39,233	12,519	5,289	19,567	1,858	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
1460	SUMMER SPEED INSTR	110,348	76,309	31,695	500	1,844	-	-	-
1490	SUMMER OTHR INSTR	9,556	6,065	2,514	739	238	-	-	-
	<b>Total Instruction</b>	<b>5,291,880</b>	<b>2,228,078</b>	<b>1,315,720</b>	<b>217,118</b>	<b>1,499,215</b>	<b>30,231</b>	<b>1,518</b>	<b>-</b>
2110	Attendance & Social Work Services	57,987	-	-	57,738	249	-	-	-
2120	Guidance Services	172,655	105,977	66,052	-	626	-	-	-
2130	Health Services	46,478	22,681	17,960	3,392	2,445	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	223,497	133,658	78,290	9,007	2,542	-	-	-
2210	Improvement of Instruction	-	-	-	-	-	-	-	-
2211	CURR DIRECTION	116,644	41,486	20,810	28,096	6,593	19,659	-	-
2213	CURR DEVELOPMENT	-	-	-	-	-	-	-	-
2220	Educational Media Services	519	-	-	-	519	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	878,417	417,910	182,036	266,304	12,167	-	-	-
2310	Board of Education Services	3,500	-	-	3,500	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2321	OFFICE SUPERINTENDENT	3,897	2,423	1,120	-	354	-	-	-
2410	Office of the Principal Services	42,014	27,186	14,343	14	471	-	-	-
2490	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	178,691	2,355	958	-	152	-	175,228	-
2528	Risk Management	32,495	-	-	18	32,477	-	-	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2542	CARE/UPKEEP BLDGS	22,824	15,503	6,902	205	214	-	-	-
2543	CARE/UPKEEP GRNDS	103,958	-	-	-	250	103,708	-	-
2544	MAINTENANCE	19,869	460	438	2,050	54	16,745	122	-
2550	Support Transportation Services	14,088	8,928	3,498	1,662	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2572	PURCHASING	10,647	-	-	-	10,647	-	-	-
2573	WAREHOUSE	60,527	1,511	642	-	58,374	-	-	-
2574	PRINTING/DUPLICATING	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Develop, Evaluation	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2641	PERSONNEL	2,450	1,741	709	-	-	-	-	-
2660	Technology Services	1,421	-	-	-	1,421	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Total Support Services</b>	<b>1,992,578</b>	<b>781,819</b>	<b>393,756</b>	<b>371,986</b>	<b>129,555</b>	<b>140,112</b>	<b>175,350</b>	<b>-</b>
3100	Food Services	3,430,861	1,038,788	673,473	76,740	1,575,473	65,908	479	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	791	430	176	-	185	-	-	-
3390	PARENT INVOLV	34,157	-	-	28,150	6,007	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	<b>3,465,809</b>	<b>1,039,218</b>	<b>673,649</b>	<b>104,890</b>	<b>1,581,665</b>	<b>65,908</b>	<b>479</b>	<b>-</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	3,436,031	-	-	409,664	-	3,018,757	7,710	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	<b>3,436,031</b>	<b>-</b>	<b>-</b>	<b>409,664</b>	<b>-</b>	<b>3,018,757</b>	<b>7,710</b>	<b>-</b>
5100	Debt Services	-	-	-	-	-	-	-	-
5200	Transfers to Other Funds	624,892	-	-	-	-	-	-	624,892
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	2,487,888	-	-	-	-	-	-	2,487,888
	<b>Total Requirements and Balances</b>	<b>3,112,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,112,780</b>
	<b>Grand Totals</b>	<b>\$ 17,289,078</b>	<b>\$ 4,049,115</b>	<b>\$ 2,283,126</b>	<b>\$ 1,103,559</b>	<b>\$ 3,210,435</b>	<b>\$ 3,265,008</b>	<b>\$ 186,057</b>	<b>\$ 3,112,780</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
2019-20 DISTRICT AUDIT DEBT SERVICE FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

Code	Expenditure Description	Total	100 Salaries	200 P/R Cost	300 Purchased Ser	400 Materials	500 Capital Outlay	600 Other Objects	700 Transfers & Balances
1111	Primary, K-3	-	-	-	-	-	-	-	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle / Junior High Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restricl Prog for Students w Disabilities	-	-	-	-	-	-	-	-
1250	Less Restric Prog Students w Disabilities	-	-	-	-	-	-	-	-
1260	Early Intervention	-	-	-	-	-	-	-	-
1271	Remedialion	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English as a Second Language	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Conneclions Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
	<b>Total Instruction</b>	-	-	-	-	-	-	-	-
2110	Attendance & Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Director, Student Support	-	-	-	-	-	-	-	-
2210	Improvement of Instruction	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550	Support Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Develop, Evaluation	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2650	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Total Support Services</b>	-	-	-	-	-	-	-	-
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	-	-	-	-	-	-	-	-
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100	Debt Services	2,478,830	-	-	-	-	-	2,478,830	-
5200	Transfers to Other Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESO	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	3,234,671	-	-	-	-	-	-	3,234,671
	<b>Total Requirements and Balances</b>	<b>5,713,501</b>	-	-	-	-	-	<b>2,478,830</b>	<b>3,234,671</b>
	<b>Grand Totals</b>	<b>\$ 5,713,501</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,478,830</b>	<b>\$ 3,234,671</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
2019-20 DISTRICT AUDIT CAPITAL PROJECTS FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

Code	Expenditure Description	Total	100 Salaries	200 P/R Cost	300 Purchased Ser	400 Materials	500 Capital Outlay	600 Other Objects	700 Transfers & Balances
1111	Primary, K-3	-	-	-	-	-	-	-	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle / Junior High Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrict Prog for Students w/ Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrict Prog Students w/ Disabilities	-	-	-	-	-	-	-	-
1260	Early Intervention	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English as a Second Language	-	-	-	-	-	-	-	-
1282	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
	<b>Total Instruction</b>	-	-	-	-	-	-	-	-
2110	Attendance & Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	-	-	-	-	-	-	-	-
2210	Improvement of Instruction	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550	Support Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Develop, Evaluation	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Total Support Services</b>	-	-	-	-	-	-	-	-
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	-	-	-	-	-	-	-	-
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	1,760,638	122,688	65,362	121,761	65,070	1,376,916	8,841	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	<b>1,760,638</b>	<b>122,688</b>	<b>65,362</b>	<b>121,761</b>	<b>65,070</b>	<b>1,376,916</b>	<b>8,841</b>	<b>-</b>
5100	Debt Services	-	-	-	-	-	-	-	-
5200	Transfers to Other Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	1,807,783	-	-	-	-	-	-	1,807,783
	<b>Total Requirements and Balances</b>	<b>1,807,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,807,783</b>
	<b>Grand Totals</b>	<b>\$ 3,568,421</b>	<b>\$ 122,688</b>	<b>\$ 65,362</b>	<b>\$ 121,761</b>	<b>\$ 65,070</b>	<b>\$ 1,376,916</b>	<b>\$ 8,841</b>	<b>\$ 1,807,783</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
2019-20 DISTRICT AUDIT RESERVE FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

Code	Expenditure Description	Total	100 Salaries	200 P/R Cost	300 Purchased Ser	400 Materials	600 Capital Outlay	600 Other Objects	700 Transfers & Balances
1111	Primary, K-3	5,595	-	-	-	5,595	-	-	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	2,529	-	-	-	2,529	-	-	-
1122	Middle / Junior High Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	5,793	-	-	-	5,793	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrict Prog for Students w/ Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrict Prog Students w/ Disabilities	-	-	-	-	-	-	-	-
1260	Early Intervention	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English as a Second Language	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
	<b>Total Instruction</b>	<b>13,917</b>	-	-	-	<b>13,917</b>	-	-	-
2110	Attendance & Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	-	-	-	-	-	-	-	-
2210	Improvement of Instruction	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550	Support Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Develop, Evaluation	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Total Support Services</b>	-	-	-	-	-	-	-	-
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	-	-	-	-	-	-	-	-
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100	Debt Services	-	-	-	-	-	-	-	-
5200	Transfers to Other Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	56,360	-	-	-	-	-	-	56,360
	<b>Total Requirements and Balances</b>	<b>56,360</b>	-	-	-	-	-	-	<b>56,360</b>
	<b>Grand Totals</b>	<b>\$ 70,277</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,917</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,360</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
2019-20 DISTRICT AUDIT FIDUCIARY FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

Code	Expenditure Description	Total	100 Salaries	200 P/R Cost	300 Purchased Ser	400 Materials	500 Capital Outlay	600 Other Objects	700 Transfers & Balances
1111	Primary, K-3	-	-	-	-	-	-	-	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle / Junior High Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrict Prog for Students w/ Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrict Prog Students w/ Disabilities	-	-	-	-	-	-	-	-
1260	Early Intervention	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English as a Second Language	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
	<b>Total Instruction</b>	-	-	-	-	-	-	-	-
2110	Attendance & Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	-	-	-	-	-	-	-	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	-	-	-	-	-	-	-	-
2210	Improvement of Instruction	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2550	Support Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Develop, Evaluation	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Total Support Services</b>	-	-	-	-	-	-	-	-
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	5,160	-	-	5,160	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	5,160	-	-	5,160	-	-	-	-
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	-	-	-	-	-	-	-	-
5100	Debt Services	-	-	-	-	-	-	-	-
5200	Transfers to Other Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	311,675	-	-	-	-	-	-	311,675
	<b>Total Requirements and Balances</b>	311,675	-	-	-	-	-	-	311,675
	<b>Grand Totals</b>	\$ 316,835	\$ -	\$ -	\$ 5,160	\$ -	\$ -	\$ -	\$ 311,675

**SUPPLEMENTAL INFORMATION**

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included. Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

**A. Energy Bill for Heating - All Funds:**

Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 1,258,600.26
Function 2550	\$ 22,461.33

**B. Replacement of Equipment – General Fund:**

Include all General Fund expenditures in object 542, except for the following exclusions:

Exclude these functions:

\$	63,949.63
----	-----------

- 1113 Elementary Co-curricular Activities
- 1122 Middle School Co-curricular Activities
- 1132 High School Co-curricular Activities
- 1140 Pre-Kindergarten
- 1300 Continuing Education
- 1400 Summer School
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services
- 4150 Construction

*\*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*





**STATISTICAL SECTION**

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## **Statistical Section Contents**

This part of the Klamath County School District's comprehensive annual financial report provides additional history, context, and background information to assist you in analyzing the preceding financial statements, note disclosures, and required supplementary information, to better understand the overall financial health of Klamath County School District.

### **Financial Trends**

These schedules allow you to compare financial information over several years, and analyze the District's financial performance and well-being over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue sources.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to assist you in understanding the services the District provides, and the activities we perform.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Klamath County School District**

Klamath Falls, Oregon

**STATEMENT of NET POSITION**

Last Ten Fiscal Years  
(accrual basis of accounting)

<b>Governmental Activities</b>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-18</u>
<b>Assets and Deferred Outflows</b>			
<b>Assets</b>			
Cash and Investments	\$ 11,727,993	\$ 9,089,644	\$ 8,102,571
Receivables	4,835,365	5,812,402	5,497,657
Prepaid Expenses	221,687	80,999	79,093
Inventories	459,627	160,512	168,088
Assets Restricted Under Bond Agreement	1,540,881	2,459,476	3,780,516
Assets Held in Trust (Sinking Fund)	2,258,930	1,940,053	1,662,741
Other Postemployment Benefit Asset	664,226	383,998	131,888
Net Pension Asset	-	-	-
Capital Assets, Net			
Land	3,746,260	3,746,260	3,746,260
Construction in Progress	1,872,588	2,800,972	1,754,934
Buildings and Improvements	64,976,876	60,819,977	60,853,926
Vehicles and Equipment	7,203,906	6,652,565	6,887,772
	<u>\$ 99,508,339</u>	<u>\$ 93,946,858</u>	<u>\$ 92,665,446</u>
<b>Total Assets</b>			
	<u>\$ 99,508,339</u>	<u>\$ 93,946,858</u>	<u>\$ 92,665,446</u>
<b>Deferred Outflows of Resources</b>			
Deferred Amounts Related to Pensions	30,398,395	32,053,717	29,137,945
	<u>30,398,395</u>	<u>32,053,717</u>	<u>29,137,945</u>
<b>Total Assets and Deferred Outflows</b>			
	<u>\$ 129,906,734</u>	<u>\$ 126,000,575</u>	<u>\$ 121,803,391</u>
<b>Liabilities and Deferred Inflows</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 1,275,140	\$ 1,614,041	\$ 980,015
Accrued Salaries and Benefits	4,151,421	4,367,878	4,195,975
Accrued Interest Payable	106,479	114,552	124,055
Other Accrued Liability	-	-	-
Unearned Revenue	-	-	-
Tax Anticipation Note	-	-	-
Accrued Compensated Absences Payable	176,406	110,722	108,402
Pension Liability (Stipend) (due in more than one year)	3,843,123	3,516,753	3,597,001
Other Postemployment Benefit Obligation	14,372,962	12,919,116	17,500,711
Net Pension Liability	81,649,154	70,256,517	69,009,476
Capital Lease Payable	-	-	-
Debt, Net of Unamortized Discount/Premium			
Due within one year	1,833,654	2,045,569	1,896,448
Due in more than one year	39,108,923	40,408,713	42,465,245
	<u>\$146,517,262</u>	<u>\$135,353,861</u>	<u>\$139,877,328</u>
<b>Total Liabilities</b>			
	<u>\$146,517,262</u>	<u>\$135,353,861</u>	<u>\$139,877,328</u>
<b>Deferred Inflows of Resources</b>			
Deferred Amounts Related to Pensions	10,712,238	14,433,380	4,059,308
	<u>10,712,238</u>	<u>14,433,380</u>	<u>4,059,308</u>
<b>Total Liabilities and Deferred Inflows</b>			
	<u>\$ 157,229,500</u>	<u>\$ 149,787,241</u>	<u>\$ 143,936,636</u>
<b>Net Position</b>			
Net Investment in Capital Assets	38,397,934	34,024,968	32,661,758
Restricted	5,635,918	3,738,320	3,344,180
Unrestricted	(71,356,618)	(61,549,954)	(58,139,183)
	<u>(27,322,766)</u>	<u>(23,786,666)</u>	<u>(22,133,245)</u>
<b>Total Net Position</b>			
	<u>\$ (27,322,766)</u>	<u>\$ (23,786,666)</u>	<u>\$ (22,133,245)</u>

Source: Klamath County School District Financial Statements and Supplementary Information

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$	8,269,525	\$ 8,274,835	\$ 10,474,015	\$ 7,886,597	\$ 8,142,984	\$ 7,772,684	\$ 8,350,937
	4,024,723	3,409,605	2,892,615	3,119,460	2,632,050	4,578,457	5,413,165
	32,108	30,834	21,587	26,713	14,086	416,265	383,307
	116,498	106,870	104,685	114,803	107,625	140,271	135,338
	5,273,597	2,974,466	15,009,093	30,428,729	-	-	-
	1,442,563	1,111,410	881,298	-	-	-	-
	-	180,674	302,255	-	-	-	-
	-	-	12,648,361	-	-	-	-
	3,751,860	3,752,884	3,752,884	3,099,113	3,100,587	3,101,294	3,110,356
	451,478	5,501,314	16,424,002	4,084,829	-	-	-
	60,512,943	53,289,413	29,971,751	25,227,954	25,822,592	24,748,185	23,339,708
	6,800,233	7,103,652	7,006,370	5,426,506	5,692,206	5,426,097	5,452,789
\$	<u>90,675,528</u>	<u>\$ 85,735,957</u>	<u>\$ 99,488,916</u>	<u>\$ 79,414,704</u>	<u>\$ 45,512,130</u>	<u>\$ 46,183,253</u>	<u>\$ 46,185,600</u>
	40,822,021	8,697,969	6,837,043	-	-	-	-
\$	<u>131,497,549</u>	<u>\$ 94,433,926</u>	<u>\$ 106,325,959</u>	<u>\$ 79,414,704</u>	<u>\$ 45,512,130</u>	<u>\$ 46,183,253</u>	<u>\$ 46,185,600</u>
\$	1,415,419	\$ 1,524,201	\$ 2,607,047	\$ 2,125,052	\$ 543,615	\$ 1,472,601	\$ 327,686
	3,692,294	2,534,444	1,833,519	1,615,435	1,854,937	1,800,947	1,800,591
	127,972	108,236	152,755	94,128	37,139	96,612	64,021
	635,207	-	-	-	-	-	-
	220,298	-	303,307	2,354	7,995	639	508,085
	-	-	-	2,500,000	-	-	4,000,000
	111,016	110,595	95,885	153,371	124,948	124,477	130,485
	3,636,874	-	-	-	-	-	-
	17,496,130	2,112,664	1,999,378	1,549,043	1,305,975	1,206,507	936,040
	73,238,507	33,071,425	-	-	-	-	-
	-	-	-	223,615	-	-	-
	1,747,633	1,480,265	1,330,904	1,008,804	2,861,153	842,549	921,127
	44,371,851	41,743,320	43,232,193	38,049,895	6,900,118	7,769,642	4,393,233
\$	<u>146,693,201</u>	<u>\$82,685,150</u>	<u>\$ 51,554,988</u>	<u>\$ 47,321,697</u>	<u>\$ 13,635,880</u>	<u>\$ 13,313,974</u>	<u>\$ 13,081,268</u>
	5,300,904	7,686,617	24,320,596	-	-	-	-
\$	<u>151,994,105</u>	<u>\$ 90,371,767</u>	<u>\$ 75,875,584</u>	<u>\$ 47,321,697</u>	<u>\$ 13,635,880</u>	<u>\$ 13,313,974</u>	<u>\$ 13,081,268</u>
	30,670,627	30,509,554	27,601,003	28,984,817	24,854,114	24,663,385	26,588,493
	2,819,314	1,174,277	1,516,037	-	-	-	-
	(53,986,497)	(27,621,672)	1,333,335	3,108,190	7,022,136	8,205,894	6,515,839
\$	<u>(20,496,556)</u>	<u>\$ 4,062,159</u>	<u>\$ 30,450,375</u>	<u>\$ 32,093,007</u>	<u>\$ 31,876,250</u>	<u>\$ 32,869,279</u>	<u>\$ 33,104,332</u>

**Klamath County School District**

Klamath Falls, Oregon

**CHANGES in NET POSITION**

Last Ten Fiscal Years

*(accrual basis of accounting)*

<b>Governmental Activities</b>	<u><b>2019-20</b></u>	<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>
<b>Expenses</b>				
Instruction	\$ 57,049,121	\$ 50,468,815	\$ 50,995,401	\$ 47,551,029
Support Services	36,073,485	32,059,205	32,448,212	30,747,036
Enterprise & Community Services	3,477,066	3,503,260	3,559,130	3,426,106
Loss on Disposal of Capital Assets			-	108,671
Facilities and Acquisitions			524	259,910
Interest on Long-Term Debt	1,666,494	1,725,798	1,827,344	1,716,972
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Expense</b>	<b>\$ 98,266,166</b>	<b>\$ 87,757,078</b>	<b>\$ 88,830,611</b>	<b>\$ 83,809,725</b>
<b>Program Revenues</b>				
Charges for Services				
Instruction	\$ 1,624,789	\$ 1,898,146	\$ 1,976,182	\$ 1,818,465
Support Services	141,333	124,486	122,265	114,928
Enterprise & Community Services	165,374	240,769	238,075	227,173
Operating Grants and Contributions				
Instruction	4,285,195	3,796,898	3,929,089	3,826,149
Support Services	1,741,671	2,064,162	1,918,697	2,813,185
Enterprise & Community Services	3,257,303	2,932,592	2,836,255	2,867,162
Facilities Acquisition and Construction	3,911,031	1,609,724	1,399,388	466,598
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Program Revenues</b>	<b>\$ 15,126,696</b>	<b>\$ 12,666,777</b>	<b>\$ 12,419,951</b>	<b>\$ 12,133,660</b>
<b>Total Governmental Activities</b>				
<b>Government Activities</b>	<u><b>\$ (83,139,470)</b></u>	<u><b>\$ (75,090,301)</b></u>	<u><b>\$ (76,410,660)</b></u>	<u><b>\$ (71,676,065)</b></u>
<b>General Revenues</b>				
Property Taxes Levied for General Purposes	\$ 16,075,955	\$ 15,527,003	\$ 15,423,046	\$ 14,550,880
Property Taxes Levied for Debt Purposes	2,253,891	2,169,158	2,306,112	2,260,148
Construction Excise Tax	378,100	385,882	301,976	256,087
State School Fund- General Support	54,815,141	48,799,129	49,631,431	45,725,576
Common School Fund	586,179	642,535	619,627	736,385
County Timber Payments	433,211	598,396	990,600	299,265
Federal Forest Fees	917,320	946,426	1,047,060	89,238
Unrestricted State and Local Sources	2,073,769	1,967,192	1,649,193	1,476,423
Earnings on Investments	565,309	573,430	321,380	254,743
Interest Subsidy	208,238	207,766	206,746	206,082
Revenue in lieu of taxes	8,411	183,603	173,630	
Miscellaneous	891,114	905,503	1,023,447	681,632
Contributions	385,507	526,478	463,516	7,867
Gain on Disposal of Capital Assets	11,225	4,379	616,207	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total General Revenues</b>	<b>\$ 79,603,370</b>	<b>\$ 73,436,880</b>	<b>\$ 74,773,971</b>	<b>\$ 66,544,326</b>
<b>Change in Net Position</b>	<u><b>\$ (3,536,100)</b></u>	<u><b>\$ (1,653,421)</b></u>	<u><b>\$ (1,636,689)</b></u>	<u><b>\$ (5,131,739)</b></u>
Net Position - July 1	(23,786,666)	(22,133,245)	(20,496,556)	4,062,159
Prior Period Adjustment	-	-	-	(19,426,976)
Net Position - Beginning, as Restated	<u>(23,786,666)</u>	<u>(22,133,245)</u>	<u>(20,496,556)</u>	<u>(15,364,817)</u>
Net Position - June 30	<u><b>\$ (27,322,766)</b></u>	<u><b>\$ (23,786,666)</b></u>	<u><b>\$ (22,133,245)</b></u>	<u><b>\$ (20,496,556)</b></u>

Source: Klamath County School District Financial Statements and Supplementary Information

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$ 56,775,845	\$ 28,718,796	\$ 35,784,344	\$ 34,320,781	\$ 33,616,966	\$ 33,309,874
37,794,725	19,089,519	24,355,668	24,113,606	24,269,482	23,739,998
4,302,635	2,168,621	2,953,993	3,098,574	3,026,212	2,855,426
58,620	1,159	24,256	1,895,494	-	-
1,000	-	202,711	-	21,751	2,617
1,735,802	1,668,889	1,472,326	334,575	242,359	219,178
<u>\$ 100,668,628</u>	<u>\$ 51,646,984</u>	<u>\$ 64,793,298</u>	<u>\$ 63,763,030</u>	<u>\$ 61,176,770</u>	<u>\$ 60,127,093</u>
\$ 1,902,862	\$ 1,578,586	\$ 1,595,280	\$ 1,446,758	\$ 2,044,118	\$ 1,714,282
55,235	75,076	114,313	108,667	126,249	428,889
226,478	329,845	485,914	486,451	538,963	556,796
4,280,024	4,511,618	3,359,446	3,725,883	3,910,425	6,236,821
1,920,738	1,660,043	1,763,496	4,052,629	3,365,675	4,349,296
2,711,806	2,573,152	2,182,384	2,091,472	2,159,884	2,757,217
26,153	-	-	-	-	-
<u>\$ 11,123,296</u>	<u>\$ 10,728,320</u>	<u>\$ 9,500,833</u>	<u>\$ 11,911,860</u>	<u>\$ 12,145,314</u>	<u>\$ 16,043,301</u>
<u>\$ (89,545,332)</u>	<u>\$ (40,918,664)</u>	<u>\$ (55,292,465)</u>	<u>\$ (51,851,170)</u>	<u>\$ (49,031,456)</u>	<u>\$ (44,083,792)</u>
\$ 13,990,163	\$ 13,653,441	\$ 13,510,851	\$ 13,396,581	\$ 12,966,645	\$ 12,137,734
2,247,971	2,026,014	1,755,934	-	-	-
231,514	214,202	-	130,234	124,509	138,179
41,557,455	41,169,435	36,479,589	32,953,884	31,824,449	31,840,923
796,136	589,122	556,428	594,103	541,213	569,036
681,935	852,949	568,897	1,333,938	698,709	513,249
1,065,964	1,082,123	1,202,401	1,237,903	1,264,284	1,750,659
1,483,313	1,423,784	-	-	-	-
434,626	508,234	334,802	244,668	84,327	304,422
-	-	-	-	-	-
668,039	623,317	571,874	546,844	616,872	575,704
-	-	528,446	419,986	669,746	522,280
-	-	-	-	5,649	-
<u>\$ 63,157,116</u>	<u>\$ 62,142,621</u>	<u>\$ 55,509,222</u>	<u>\$ 50,858,141</u>	<u>\$ 48,796,403</u>	<u>\$ 48,352,186</u>
<u>\$ (26,388,216)</u>	<u>\$ 21,223,957</u>	<u>\$ 216,757</u>	<u>\$ (993,029)</u>	<u>\$ (235,053)</u>	<u>\$ 4,268,394</u>
30,450,375	32,093,007	31,876,250	32,869,279	33,104,332	28,835,938
-	(22,866,589)	-	-	-	-
30,450,375	9,226,418	-	-	-	-
<u>\$ 4,062,159</u>	<u>\$ 30,450,375</u>	<u>\$ 32,093,007</u>	<u>\$ 31,876,250</u>	<u>\$ 32,869,279</u>	<u>\$ 33,104,332</u>

**Klamath County School District**  
Klamath Falls, Oregon

**FUND BALANCES of GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(modified accrual basis of accounting)

Fund Balances	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
<b>General Fund</b>				
Non-Spendable *	\$ 209,730	\$ 94,410	\$ 63,377	\$ 45,519
Restricted *				
<i>Debt Service</i>	-	-	-	-
Committed	-	-	-	-
Assigned	56,360	16,434	252,111	281,877
Unassigned *	5,991,069	3,919,441	4,408,216	2,772,282
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total General Fund</b>	<b><u>\$ 6,257,159</u></b>	<b><u>\$ 4,030,285</u></b>	<b><u>\$ 4,723,704</u></b>	<b><u>\$ 3,099,678</u></b>
<b>Other Governmental Funds</b>				
Non-Spendable:				
<i>Special Revenue Fund</i>	\$ -	\$ -	\$ -	\$ -
Restricted:				
<i>Special Revenue Fund</i>	2,234,720	743,624	698,930	617,513
<i>Debt Service Fund</i>	3,234,671	2,822,145	2,468,008	2,027,035
<i>Capital Projects Fund</i>	1,540,881	2,397,381	3,574,666	4,888,787
Committed:				
<i>Capital Projects Fund</i>	266,902	929,728	-	-
<i>Professional Development</i>	50,000	50,000	50,000	50,000
Assigned:				
<i>Student Body and Athletics Reserve Fund</i>	203,168	1,074,832	1,043,104	1,115,283
Unassigned:				
<i>Debt Service Fund</i>	-	-	-	4,316
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Other Governmental Funds</b>	<b><u>\$ 7,530,342</u></b>	<b><u>\$ 8,017,710</u></b>	<b><u>\$ 7,834,708</u></b>	<b><u>\$ 8,702,934</u></b>

Source: Klamath County School District Financial Statements and Supplementary Information

\* New Fund Balance Designations from GASB 54 beginning 2011



	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$	44,245	\$ 34,876	\$ 40,124	\$ 14,086	\$ 372,890	\$ 380,207
	-	881,298	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	4,600,716	7,712,644	6,147,765	5,690,631	3,393,037	7,956,921
	<u>4,644,961</u>	<u>8,628,818</u>	<u>6,187,889</u>	<u>5,704,717</u>	<u>3,765,927</u>	<u>8,337,128</u>
\$	-	\$ -	\$ -	\$ -	\$ 43,375	\$ 3,100
	832,919	549,872	282,157	172,867	3,198,447	569,179
	1,452,768	84,867	-	-	-	-
	2,243,760	13,024,239	28,837,340	-	-	-
	-	-	-	-	-	-
	50,000	40,000	40,000	40,000	50,000	50,000
	1,036,034	899,290	901,916	922,312	913,298	935,283
	93,844	-	-	-	-	-
	-	-	(7,423)	-	-	-
	<u>5,709,325</u>	<u>14,598,268</u>	<u>30,053,990</u>	<u>1,135,179</u>	<u>4,205,120</u>	<u>1,557,562</u>

**Klamath County School District**  
Klamath Falls, Oregon

**CHANGES in FUND BALANCES of GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
<b>Revenues</b>				
Property Taxes	\$ 18,689,812	\$ 18,117,559	\$ 18,019,644	\$ 17,078,647
Local Sources	3,846,255	4,321,445	4,104,395	3,920,778
Intermediate Sources	2,318,867	2,466,948	2,239,783	1,891,013
State Sources	61,401,952	53,350,934	54,708,347	48,936,638
Federal Sources	<u>8,443,821</u>	<u>7,877,908</u>	<u>7,494,057</u>	<u>6,813,042</u>
Total Revenues	<u>\$ 94,700,707</u>	<u>\$ 86,134,794</u>	<u>\$ 86,566,226</u>	<u>\$ 78,640,118</u>
<b>Expenditures</b>				
Current Operating:				
Instruction	\$ 48,454,253	\$ 46,510,228	\$ 45,635,504	\$ 43,222,701
Support Services	32,663,847	30,485,185	31,280,908	29,076,089
Enterprise and Community Services	3,465,809	3,285,460	3,433,784	3,128,764
Debt Service:				
Principal	2,050,510	1,777,963	1,628,343	1,374,149
Interest	1,804,015	1,864,748	1,954,120	1,808,761
Dues and Fees	5,576	6,082	6,590	7,097
Facilities Acquisition and Construction	<u>5,196,669</u>	<u>2,767,465</u>	<u>3,083,298</u>	<u>3,112,301</u>
Total Expenditures	<u>\$ 93,640,679</u>	<u>\$ 86,697,131</u>	<u>\$ 87,022,547</u>	<u>\$ 81,729,862</u>
Excess (Deficiency of Revenues over Expenditures)	<u>\$ 1,060,028</u>	<u>\$ (562,337)</u>	<u>\$ (456,321)</u>	<u>\$ (3,089,744)</u>
<b>Other Financing Sources (Uses)</b>				
Long Term Debt Financing Sources	\$ 668,253	\$ -	\$ -	\$ 4,388,670
Proceeds from the Sale of Fixed Assets	11,225	51,920	354,575	35,078
Insurance Proceeds	-	-	857,546	114,322
Transfers In	1,495,496	2,580,826	1,605,106	1,432,136
Transfers Out	<u>(1,495,496)</u>	<u>(2,580,826)</u>	<u>(1,605,106)</u>	<u>(1,432,136)</u>
Total Other Financing Sources (Uses)	<u>\$ 679,478</u>	<u>\$ 51,920</u>	<u>\$ 1,212,121</u>	<u>\$ 4,538,070</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,739,506</u>	<u>\$ (510,417)</u>	<u>\$ 755,800</u>	<u>\$ 1,448,326</u>
Non Capital Expenditures	\$88,444,010	\$83,929,666	\$83,939,249	\$78,617,561
Debt Services as a Percentage of Noncapital Expenditures	4.4%	4.3%	4.3%	4.1%

Source: Klamath County School District Financial Statements and Supplementary Information

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$ 16,365,409	\$ 15,863,882	\$ 15,189,539	\$ 13,376,548	\$ 13,054,821	\$ 11,977,027
3,883,680	3,953,822	3,875,612	3,451,099	3,867,739	3,784,493
1,625,442	1,609,245	899,466	2,810,504	1,001,923	2,147,136
44,834,234	43,633,824	37,921,832	35,499,553	35,018,912	33,495,500
7,491,078	7,825,925	7,204,517	7,612,263	8,080,847	12,302,592
<u>\$ 74,199,843</u>	<u>\$ 72,886,698</u>	<u>\$65,090,966</u>	<u>\$62,749,967</u>	<u>\$61,024,242</u>	<u>\$63,706,748</u>
\$ 40,149,509	\$ 37,820,907	\$ 34,909,374	\$ 33,583,845	\$ 32,865,514	\$ 32,532,664
28,176,500	27,547,568	24,180,906	27,381,455	26,075,850	24,414,985
3,152,645	2,939,285	2,900,687	3,045,696	2,965,762	2,803,657
1,224,498	3,411,949	3,451,852	852,967	4,940,176	4,780,620
1,887,731	1,703,552	1,499,310	392,002	215,527	243,464
7,604	8,111	4,309	-	44,231	-
12,499,118	18,562,214	4,410,062	635,028	237,699	3,324,991
<u>\$ 87,097,605</u>	<u>\$ 91,993,586</u>	<u>\$71,356,500</u>	<u>\$65,890,993</u>	<u>\$67,344,759</u>	<u>\$68,100,381</u>
<u>\$(12,897,762)</u>	<u>\$(19,106,888)</u>	<u>\$( 6,265,534)</u>	<u>\$( 3,141,026)</u>	<u>\$( 6,320,517)</u>	<u>\$( 4,393,633)</u>
\$ -	\$ 5,272,261	\$ 35,574,588	\$ 2,000,000	\$ 4,288,000	\$ 5,495,533
24,962	22,045	92,929	9,875	108,874	19,406
-	-	-	-	-	-
1,666,993	221,640	432,645	516,330	296,142	127,035
<u>(1,666,993)</u>	<u>(221,640)</u>	<u>(432,645)</u>	<u>(516,330)</u>	<u>(296,142)</u>	<u>(127,035)</u>
<u>\$ 24,962</u>	<u>\$ 5,294,306</u>	<u>\$35,667,517</u>	<u>\$ 2,009,875</u>	<u>\$ 4,396,874</u>	<u>\$ 5,514,939</u>
<u>\$ (12,872,800)</u>	<u>\$ (13,812,582)</u>	<u>\$ 29,401,983</u>	<u>\$ (1,131,151)</u>	<u>\$ (1,923,643)</u>	<u>\$ 1,121,306</u>
\$ 74,598,487	\$ 73,431,372	\$66,946,438	\$65,255,965	\$67,107,060	\$64,775,390
4.2%	7.0%	7.4%	1.9%	7.7%	7.8%

**Klamath County School District**  
Klamath Falls, Oregon

**ASSESSED AND REAL MARKET VALUE OF TAXABLE PROPERTY**  
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>ASSESSED VALUATION (1)</u>	<u>ASSESSED RATE (2)</u>	<u>PERCENTAGE INCREASED (DECREASED)</u>	<u>REAL MARKET VALUATION (3)</u>	<u>PERCENTAGE INCREASED (DECREASED)</u>	<u>RATIO OF ASSESSED VALUATION TO REAL MARKET VALUATION</u>
2019-20	\$ 4,009,092,400	\$ 4.0519	3.63%	\$ 5,708,236,654	7.49%	70.23%
2018-19	3,868,672,662	4.0519	1.62	5,310,498,528	-3.66	72.85
2017-18	3,806,910,729	4.0519	4.01	5,512,028,775	14.97	69.07
2016-17	3,660,161,909	4.0519	3.62	4,794,394,029	5.70	76.34
2015-16	3,532,416,785	4.0519	3.60	4,535,894,810	5.20	77.88
2014-15	3,409,769,917	4.0519	1.09	4,311,508,756	4.50	79.09
2013-14	3,373,077,429	4.0519	0.11	4,125,902,790	-3.17	81.75
2012-13	3,369,454,950	4.0519	3.77	4,260,872,599	-2.80	79.08
2011-12	3,246,887,427	4.0519	7.94	4,383,665,875	-5.43	74.07
2010-11	3,007,970,682	4.0519	1.51	4,635,264,163	-3.51	64.89

(1) Assessed values from Klamath County Assessor's Office.

(2) Tax Rate per \$1,000 of assessed value

(3) Real Market Value from Oregon Department of Revenue - Government & Researchers webpage

Source: Klamath County Tax Office  
Oregon Department of Revenue, Research Section

## Klamath County School District

Klamath Falls, Oregon

### DIRECT PROPERTY TAX RATES

Last Ten Fiscal Years

FISCAL YEAR	GENERAL TAX PERMANENT RATE (1)(2)	LOCAL OPTION	GAP BOND (PERS)	GENERAL OBLIGATION DEBT SERVICE BONDS (1)(2)	TOTAL DIRECT TAX RATE
2019-20	\$ 4.0519			\$ 0.5676	\$ 4.6195
2018-19	4.0519			0.5676	4.6195
2017-18	4.0519			0.6054	4.6573
2016-17	4.0519			0.6297	4.6816
2015-16	4.0519			0.6547	4.7066
2014-15	4.0519			0.6072	4.6591
2013-14	4.0519			0.5628	4.6147
2012-13	4.0519			-	4.0519
2011-12	4.0519			-	4.0519
2010-11	4.0519			-	4.0519

(1) Tax Rate per \$1,000 of assessed value

(2) The permanent and local option tax rates are determined by the State of Oregon. Existing districts cannot increase their permanent rate. Local option levies are limited to five years for operations and ten years for capital projects. General Obligation Bonds are approved by voters in the taxing district.

Source: Klamath County Tax Office

**Klamath County School District**  
Klamath Falls, Oregon

**PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS - LAST TEN YEARS**  
(Dollars per \$1,000 of assessed value)

TAXING DISTRICT	19-20	18-19	17-18	16-17	15-16	14-15	13-14	12-13	11-12	10-11
<b>KLAMATH COUNTY</b>										
County	1.7326	1.7326	1.7326	1.7326	1.7326	1.7326	1.733	1.733	1.733	1.7326
Courthouse Bond	-	-	-	-	-	-	-	-	-	0.3505
Fairground Bond	-	-	-	-	-	-	-	-	-	-
Museum Levy	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	-	-	-
Library	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	-	-	-
Klamath County Extension SD	0.1500	0.1500	0.1500	0.1500	-	-	-	-	-	-
Klamath County Predatory Control	0.0600	0.0600	0.0600	0.0600	-	-	-	-	-	-
<b>CITIES</b>										
Bonanza	1.7706	1.7706	1.7706	1.7706	1.7706	1.7706	1.771	-	-	-
Chiloquin	5.2766	5.2766	5.2766	5.2766	5.2766	5.2766	5.277	-	-	-
Klamath Falls	5.4423	5.4423	5.4423	5.4423	5.4423	5.4423	5.4423	-	-	-
Klamath Falls/Jeld Wen	-	-	-	-	-	-	-	-	-	-
Klamath Falls Annex	-	-	2.4000	2.4000	2.4000	1.6000	2.4000	-	-	-
Klamath Falls Annex-2013	-	-	-	-	-	-	0.8000	-	-	-
KF Police Dept.	.1478	0.1509	0.1356	0.1356	0.1340	0.1531	0.1621	-	-	-
Urban Ren Spec Levy	-	-	-	-	-	-	0.0694	-	-	-
Malin	5.064	5.064	5.064	5.064	5.064	5.0642	5.064	-	-	-
Merrill	3.1210	3.1210	3.1210	3.1210	3.1210	3.1210	3.1210	-	-	-
<b>SCHOOLS</b>										
Klamath City	3.113	3.113	3.113	3.113	3.113	3.1127	3.113	-	3.113	3.1127
Klamath City-Local Option	-	-	-	-	0.5000	0.5000	0.5000	-	-	-
Klamath City - Bond	1.5874	1.6075	1.5785	1.5993	1.0359	-	-	-	-	-
Klamath County	4.052	4.052	4.052	4.052	4.052	4.052	4.0519	4.052	-	-
Klamath County-Bond 2013	.5676	0.5659	0.6054	0.6297	0.6547	0.6072	0.5628	-	-	-
Central Oregon Ed	0.6204	0.6204	0.6204	0.7425	0.7376	0.7400	0.7463	-	-	-
Central Oregon Ed Outside M50	.1093	0.1114	-	-	-	-	-	-	-	-
So Ore Ed Ser Dist	0.3524	0.3524	0.3524	0.3524	0.3524	0.3524	0.352	0.352	0.352	0.3524
Klamath Community College	0.412	0.412	0.412	0.412	0.412	0.4117	0.412	0.412	0.412	0.4117
<b>CEMETERY DISTRICTS</b>										
Bonanza Cemetery	0.097	0.097	0.097	0.097	0.097	0.0968	0.097	0.097	0.097	0.0968
Malin Cemetery	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Merrill Cemetery	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
Mt. Laki Cemetery	0.104	0.104	0.104	0.104	0.104	0.1041	0.104	0.104	0.104	0.1041
<b>DRAINAGE DISTRICTS</b>										
Basin View Drainage	-	-	-	-	-	-	-	-	-	-
Klamath Co Drainage	-	-	-	-	-	-	-	-	-	-
<b>FIRE DISTRICTS</b>										
Bly Fire	2.826	2.826	2.826	2.826	2.826	2.8261	2.826	2.826	2.826	2.8261
Bonanza Fire	0.62	0.62	0.62	0.62	0.62	0.6202	0.62	0.62	0.62	0.6202
Chemult Fire	2.24	2.24	2.24	2.24	2.24	2.2397	2.24	2.24	2.24	2.2397
Chiloquin Fire	0.9040	0.9040	0.9040	0.9040	0.9040	0.9040	0.9040	0.9040	0.9040	0.9040
Crescent Fire	1.633	1.633	1.633	1.633	1.633	1.6326	1.633	1.633	1.633	1.6326
Crescent Fire Bond	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	-	-	-	-
Central Cascades	2.2470	2.2470	2.2470	2.2470	2.4086	2.4176	2.4209	2.4304	2.4300	2.4288
Central Cascades Fire & EMS	0.2600	0.2600	-	-	-	-	-	-	-	-
Keno Fire	1.615	1.615	1.615	1.615	1.615	1.6149	1.615	1.615	1.615	1.6149
Klam Co Fire No 1	2.882	2.882	2.882	2.882	2.882	2.8822	2.882	2.882	2.882	2.8822
Klam Co Fire No 3	0.987	0.987	0.987	0.987	0.987	0.9869	0.987	0.987	0.987	0.9869
Klam Co Fire No 4	1.101	1.101	1.101	1.101	1.101	1.1013	1.101	1.101	1.101	1.1013
Klam Co Fire No 5	1.958	1.958	1.958	1.958	1.958	1.9583	1.958	1.958	1.958	1.9583
La Pine Fire	1.5397	1.5397	1.5397	2.1797	2.1797	2.1797	2.3690	2.3677	2.3359	2.3325
La Pine Fire Operation Levy	0.6400	0.6400	-	-	-	-	-	-	-	-
La Pine Fire Capital Project	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	-	-	-	-
Malin Fire	0.395	0.395	0.395	0.395	0.395	0.3948	0.395	0.395	0.395	0.3948
Merrill Fire	0.395	0.395	0.395	0.5948	0.5948	0.5948	0.5948	0.5948	0.5948	1.0561
Merrill Fire- general Operations	0.5000	-	-	0.3453	0.3719	0.4097	0.4090	0.4315	0.4520	-
Oregon Outback Fire	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Rocky Point EMS & Fire	1.1866	1.1866	1.187	1.187	1.187	1.1866	1.187	1.187	1.187	1.1866

	<u>19-20</u>	<u>18-19</u>	<u>17-18</u>	<u>16-17</u>	<u>15-16</u>	<u>14-15</u>	<u>13-14</u>	<u>12-13</u>	<u>11-12</u>	<u>10-11</u>
<b>PARK DISTRICTS</b>										
Bonanza Park	0.177	0.177	0.177	0.177	0.177	0.1769	0.177	0.177	0.177	0.1769
Malin Park	1.283	1.283	1.283	1.283	1.283	1.2834	1.283	1.283	1.283	1.2834
Merrill Park	0.82	0.82	0.82	0.82	0.82	0.8202	0.82	0.82	0.82	0.8202
Poe Valley Park	0.254	0.254	0.254	0.254	0.254	0.2544	0.254	0.254	0.254	0.2544
Wiard Park	0.216	0.216	0.216	0.216	0.216	0.2161	0.216	0.216	0.216	0.2161
<b>ROAD DISTRICTS</b>										
Antelope Meadows Rd	1.557	1.557	1.557	1.557	1.557	1.5571	1.557	1.557	1.557	1.5571
Cedar Trails Rd	1.121	1.121	1.121	1.121	1.121	1.1206	1.121	1.121	1.121	1.1206
Goldfinch Rd	2.795	2.795	2.795	2.795	2.795	2.7952	2.795	2.795	2.795	2.7952
Green Knoll Rd	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Jackpine Village Rd	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Keno Pines Rd	2.011	2.011	2.011	2.011	2.011	2.0114	2.011	2.011	2.011	2.0114
Klam River Acres Rd	1.562	1.562	1.562	1.562	1.562	1.5621	1.562	1.562	1.562	1.5621
Klam Forest Ests Rd #2	2.7820	2.7820	2.7820	2.7820	2.7820	2.7820	2.7820	2.7820	2.7820	2.7820
Klam Forest Ests Rd #1	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Pine Grove Highland Rd	0.824	0.824	0.824	0.824	0.824	0.8241	0.824	0.824	0.824	0.8241
Rainbow Park Rd	1.666	1.666	1.666	1.666	1.666	1.6658	1.666	1.666	1.666	1.6658
River Pines Ests Rd	1.428	1.428	1.428	1.428	1.428	1.4276	1.428	1.428	1.428	1.4276
Sun Forest Ests Rd	1.1280	1.1280	1.1280	1.1280	1.1280	1.1280	1.1280	1.1280	1.1280	1.1280
Two Rivers North Rd	0.9922	0.9922	0.9922	1.6940	1.6940	1.6940	1.6940	1.6940	1.6940	2.2346
Two Rivers N Rd Capital Project	.3413	0.3564	0.3381	0.4012	0.4290	0.4481	0.4710	0.5283	0.5354	-
Two Rivers N Rd Levy	0.7018	0.7018	-	-	-	-	-	-	-	-
Valley Acres Rd	1.7158	1.7158	1.7158	1.7158	1.7158	1.7158	1.716	1.716	1.716	1.7158
Woodland Park Rd	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654	2.565	2.5654
<b>SANITARY DISTRICTS</b>										
Bly Sanitary & Water	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	1.602	1.602	1.6015
Crescent Sanitary	1.032	1.032	1.032	1.032	1.032	1.0321	1.032	1.032	1.032	1.0321
Modoc Pt Sanitary	-	-	-	-	-	-	-	-	-	-
Suburban Sanitary	-	-	-	-	-	-	-	-	-	-
<b>TRANSIT DISTRICT</b>										
Basin Transit	0.482	0.482	0.482	0.482	0.482	0.4822	0.482	0.482	0.482	0.4822
<b>VECTOR DISTRICTS</b>										
Bly Vector	1.703	1.703	1.703	1.703	1.703	1.7031	1.703	1.703	1.703	1.7031
Bonanza Vector	0.88	0.88	0.88	0.88	0.88	0.8796	0.88	0.88	0.88	0.8796
Chiloquin Vector	0.1807	0.1807	0.1807	0.1800	0.181	0.1807	0.181	0.181	0.181	0.1807
Klamath Vector	0.181	0.181	0.181	0.181	0.181	0.1805	0.181	0.181	0.181	0.1805
Poe Valley Vector	1.873	1.873	1.873	1.873	1.873	1.8726	1.873	1.873	1.873	1.8726
<b>WATER DISTRICTS</b>										
Bly Water	-	-	-	-	-	-	-	1.463	1.463	1.4626
Pine Grove Water	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500
Falcon Heights Water	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
Moyina Water	-	-	-	-	-	-	-	-	-	-
<b>EMERGENCY SERVICES</b>										
Klamath 911 Emergency	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541
Klamath 911 Emergency - OP	0.0800	0.0800	0.0800	0.0800	0.0800	0.0008	-	-	-	-

Source: Klamath County Tax Office

**Klamath County School District**  
Klamath Falls, Oregon

**PRINCIPAL PROPERTY TAX PAYERS**  
Current and Ten Years Ago

TAXPAYER	2019-20			2009-2010		
	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
Jeld Wen, Inc	449,178	1	11.20%	121,163	4	4.09%
Avista Corp	222,400	2	5.55%	21,974	7	0.74%
Wal-Mart Real Estate Bus. Trust	185,941	3	4.64%	-	-	-
Charter Communications	204,302	4	5.10%	-	-	-
Fred Meyer Stores, Inc.	156,665	5	3.91%	-	-	-
CenturyLink	133,470	6	3.33%	-	-	-
Klamath Falls Msi., LLC	121,529	7	3.03%	-	-	-
Lithia Real Estate Inc	94,517	8	2.36%	-	-	-
Klamath-Jeferson LLC	83,436	9	2.08%	-	-	-
Pacificorp	91,220	10	2.28%	180,983	2	6.11%
Iberdrola Renewables Inc	-	-	-	302,940	1	10.22%
Gas Transmission Northwest	-	-	-	164,235	3	5.54%
Running Y Resort, Inc	-	-	-	37,120	5	1.25%
Union Pacific Railroad Co	-	-	-	26,653	6	0.90%
Qwest Corporation	-	-	-	18,523	8	0.63%
Interfor Pacific Inc	-	-	-	18,187	9	0.61%
BNSF Railway Company	-	-	-	17,479	10	0.59%
<b>Totals</b>	<b>\$ 269,173</b>		<b>6.71%</b>	<b>\$ 766,120</b>		<b>34.03%</b>

(1) Amounts expressed in thousands.

Source: Klamath County Tax Books 2019-20 and 2009-10.



**Klamath County School District**  
Klamath Falls, Oregon

**GENERAL FUND - PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$16,243,526	\$15,180,676	93.5%	\$ -	\$ 15,180,676	93.5%
2019	15,675,366	14,490,143	92.4%	445,646	14,935,789	95.3%
2018	15,385,264	14,260,940	92.7%	856,727	15,117,667	98.3%
2017	14,830,610	13,664,683	92.1%	889,002	14,553,685	98.1%
2016	14,311,108	13,118,937	91.7%	931,277	14,050,214	98.2%
2015	13,814,179	12,907,319	93.4%	838,358	13,745,677	99.5%
2014	13,665,539	12,626,361	92.4%	634,917	13,261,278	97.0%
2013	13,650,330	12,510,134	91.6%	668,375	13,178,509	96.5%
2012	13,154,291	11,952,336	90.9%	852,281	12,804,617	97.3%
2011	12,186,633	11,016,425	90.4%	841,759	11,858,184	97.3%

Sources: Klamath County Tax Office and Klamath County School District financial records

**Klamath County School District**  
Klamath Falls, Oregon

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE**  
Last Ten Fiscal Years

	DISTRICT POPULATION (1)	Assessed Valuation (2)	Net Bonded Debt (3)	DISTRICT PER CAPITA INCOME (4)	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2019-20	68,238	\$ 4,009,092,400	\$ 26,165,000	\$41,613	0.65%	\$ 383.44
2018-19	67,653	3,868,672,662	27,130,000	39,891	0.70%	401.02
2017-18	66,789	3,806,910,729	27,985,000	38,367	0.74%	419.01
2016-17	66,168	3,660,161,909	28,745,000	37,285	0.79%	434.42
2015-16	65,661	3,532,416,785	29,385,000	35,984	0.83%	447.53
2014-15	65,277	3,409,769,917	29,940,000	33,867	0.88%	458.66
2013-14	65,682	3,373,077,429	30,420,000	31,719	0.90%	463.14
2012-13	65,900	3,369,454,950	-	31,285	0.00%	-
2011-12	66,294	3,246,887,427	-	30,447	0.00%	-
2010-11	66,318	3,007,970,682	-	29,751	0.00%	-

(1) Information provided by the U. S. Department of Commerce, Bureau of Economic Analysis and includes all of Klamath County (<https://apps.bea.gov/itable>)  
Table CAINC1 "Personal Income Summary: Personal Income, Population, Per Capita Personal Income"

(2) Assessed values from Klamath County Assessor's Office.

(3) Net Bonded Debt is comprised of the 2013 General Obligation Bonds (excludes premium).

(4) Information provided by the U. S. Department of Commerce, Bureau of Economic Analysis and includes all of Klamath County (<https://apps.bea.gov/itable>)  
Table CAINC1 "Personal Income Summary: Personal Income, Population, Per Capita Personal Income"

**Klamath County School District**  
Klamath Falls, Oregon

**OVERLAPPING DEBT SCHEDULE**  
June 30, 2020

<u>Jurisdiction</u>	Real Market Valuation	Percent Overlapping (1)	Overlapping	
			Gross Property-Tax Backed Debt	Net Property-Tax Backed Debt
Bly RFPD	\$ 29,938,130	100.00	\$ 40,000	\$ 40,000
Central Oregon Community College	48,545,466,848	1.38	808,689	706,760
City of Chiloquin	30,050,841	100.00	196,780	196,780
City of Klamath Falls	2,553,354,840	20.25	1,376,246	1,376,246
City of Merrill	56,780,594	100.00	399,219	399,219
Klamath Community College	7,856,934,897	61.90	3,647,766	3,647,766
Klamath City RFPD 1	4,809,104,715	48.88	85,537	85,537
Klamath Falls Urban Renewal Area	2,553,354,840	20.25	553,603	553,603
Oregon Outback RFPD	68,668,110	100.00	40,000	40,000
Totals			<u>\$ 7,147,840</u>	<u>\$ 7,045,911</u>

(1) The denominator used in the percent overlapping calculation is revenue based.

Source: Oregon State Treasury, Debt Management Division

**Klamath County School District**  
Klamath Falls, Oregon

**COMPUTATION OF LEGAL DEBT MARGIN**  
Last Ten Fiscal Years

	LEGAL DEBT LIMITATION (1)	INDEBTEDNESS (2)	DEBT MARGIN
2019-20	\$ 453,804,814	\$ 27,513,483	\$ 426,291,331
2018-19	422,184,633	28,582,211	393,602,422
2017-18	438,206,288	27,985,000	410,221,288
2016-17	381,154,325	28,745,000	352,409,325
2015-16	360,603,637	29,385,000	331,218,637
2014-15	342,764,946	29,940,000	312,824,946
2013-14	328,009,272	30,420,000	297,589,272
2012-13	338,739,372	-	338,739,372
2011-12	348,501,437	-	348,501,437
2010-11	368,503,501	-	368,503,501

(1) The legal debt limitation for the gross bonded debt is calculated as 7.95% of the real market value of all taxable property within the district, per the following Oregon Revised Statute 328.245 calculation:

Kindergarten through Eighth Grade (9*.0055)	4.95%
Ninth through Twelfth Grade (4*.0075)	<u>3.00%</u>
Allowable Percent	7.95%

(2) Full Faith and Credit Obligations and Certificates of Participation do not meet the definition of gross bonded debt.

Sources: ORS 328.245, Klamath County School District records, and Klamath County.

**Klamath County School District**

Klamath Falls, Oregon

**RATIO OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

<u>General Bonded Debt</u>						
Fiscal Year	General Obligation Bonds	Premium on General Obligation Bonds	Less amount Available for Repayment	Net General Obligation Bonds Outstanding	Percentage of Actual Real Market Value of Property (1)	Per Student (2)
2019-20	\$ 26,165,000	\$ 1,348,483	\$ -	\$27,513,483	0.48%	\$ 4,097
2018-19	27,130,000	1,452,211	-	28,582,211	0.54%	4,337
2017-18	27,985,000	1,555,941	-	29,540,941	0.54%	4,521
2016-17	28,745,000	1,659,663	-	30,404,663	0.63%	4,689
2015-16	29,385,000	1,763,400	-	31,148,400	0.69%	4,899
2014-15	29,940,000	1,867,129	-	31,807,129	0.74%	5,264
2013-14	30,420,000	1,933,611	-	32,353,611	0.78%	5,457
2012-13	-	-	-	-	-	-
2011-12	-	-	-	-	-	-
2010-11	-	-	-	-	-	-

<u>Other Governmental Activities Debt</u>				<u>Total District Debt</u>			
Fiscal Year	Capital Leases	Certificates of Participation (3)	Notes and Loans Payable (4)	Total District (5)	Per Student (2)	Per Capita (6)	Percentage of Personal Income (7)
2019-20	\$ -	\$ 10,879,678	\$ 2,549,416	\$40,942,577	\$ 6,096	600	1.44%
2018-19	-	11,182,000	2,241,673	42,005,884	6,373	621	1.56%
2017-18	-	11,882,000	2,464,636	43,887,577	6,717	657	1.71%
2016-17	-	12,532,000	2,682,979	45,619,642	7,035	689	1.85%
2015-16	-	8,952,000	2,897,128	42,997,528	6,763	655	1.82%
2014-15	-	9,412,000	3,106,626	44,325,755	7,336	679	2.01%
2013-14	223,615	3,390,128	3,314,960	39,282,314	6,626	598	1.89%
2012-13	663,003	3,619,984	5,517,859	9,800,846	1,659	149	0.48%
2011-12	1,086,982	3,849,840	3,717,272	8,654,094	1,440	131	0.43%
2010-11	1,496,093	1,838,696	5,979,571	9,314,360	1,526	140	0.47%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) See Assessed and Real Market Value Of Taxable Property Schedule.

(2) See Operating Statistics for student enrollment.

(3) Certificates of Participation is comprised of Full Faith and Credit Obligations and Qualified School Construction Bonds.

(4) Notes and Loans Payable include Tax Anticipation Notes.

(5) Includes general bonded debt, unamortized premiums on bond issues and other governmental activities debt.

(6) See Schedule of Demographic Statistics for population data.

(7) See Schedule of Demographic Statistics for personal income data.

## Klamath County School District

Klamath Falls, Oregon

### DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

	DISTRICT POPULATION (1)	DISTRICT PERSONAL INCOME (2)	DISTRICT PER CAPITA INCOME (3)	KLAMATH COUNTY UNEMPLOYMENT RATE (4)	ADMw (5)
2019-20	68,238	\$ 2,839,572	\$ 41,613	7.86%	8,453.65 (6)
2018-19	67,653	2,698,725	38,446	6.69	8,297.70
2017-18	66,789	2,562,516	38,446	6.05	8,164.60
2016-17	66,168	2,467,097	37,111	6.14	8,189.91
2015-16	65,661	2,362,754	35,794	7.39	8,119.00
2014-15	65,277	2,210,741	33,687	8.47	7,693.00
2013-14	65,682	2,083,378	31,650	10.08	7,576.13
2012-13	65,900	2,061,696	31,225	11.35	7,643.46
2011-12	66,294	2,018,468	30,398	12.03	7,756.32
2010-11	66,318	1,973,038	29,700	12.33	7,790.17

(1) Information provided by the U. S. Department of Commerce, Bureau of Economic Analysis and includes all of Klamath County (<https://apps.bea.gov/itable>)  
Table CAINC1 "Personal Income Summary: Personal Income, Population, Per Capita Personal Income"

(2) Information provided by the U. S. Department of Commerce, Bureau of Economic Analysis and includes all of Klamath County (<https://apps.bea.gov/itable>)  
Table CAINC1 "Personal Income Summary: Personal Income, Population, Per Capita Personal Income"

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Table CAINC1 "Personal Income Summary: Personal Income, Population, Per Capita Personal Income"

(4) Information provided by the State of Oregon Employment Department  
The percentage reflected is the average for the fiscal year.  
(<https://www.qualityinfo.org>) Economic Data, Unemployment Rates, Klamath County (Seasonally Adjusted)

(5) ADM or Average Daily Membership means the aggregate days membership of a school during a certain period divided by the number of days the school was actually in session during the same period. ADMw is comprised of ADM plus an additional amount for each student 1) eligible for special education as a child with a disability; 2) enrolled in an English as a second language program; 3) who is considered in a poverty family; 4) is pregnant or parenting; 5) in foster homes; and 6) in state-recognized facilities for neglected and delinquent children. Weighting is also provided for remote schools and small high schools.

(6) Estimated. Number will finalized in May 2021.

Sources: As outlined above.

**Klamath County School District**  
Klamath Falls, Oregon

**TEN LARGEST EMPLOYERS**  
Current Year and Ten Years Prior

<u>Employer</u>	<u>2020 (1)(2)</u>			<u>2010 (3)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment (4)</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment (4)</u>
Sky Lakes Medical Center	1,482	1	5.6%	1,040	2	4.7%
Jeld-Wen, Inc	1,195	2	4.5%	1,200	1	5.5%
Kingsley Field Air National Guard Base	1,156	3	4.4%	1,019	3	4.6%
Klamath County School District	1,096	4	4.1%	800	4	3.6%
Klamath Falls City School District	568	5	2.1%	440	7	2.0%
Oregon Institute of Technology	470	6	1.8%	575	6	2.6%
Klamath County	466	7	1.8%	387	9	1.8%
Wal-Mart	385	8	1.5%	400	8	1.8%
Asurion Customer Service Companies	316	9	1.2%	-	-	n/a
Fred Meyer	292	10	1.1%	-	-	n/a
N.E.W. Corporation	-	-	n/a	700	5	3.2%
City of Klamath Falls	-	-	n/a	175	10	0.8%

Sources:

- (1) Hoover's Business Database; December 2019 and modified after confirmation/corrections by Employers.
- (2) Information provided by Klamath County School District - entered into <https://cesdata.bls.gov> (July 2019)
- (3) Klamath County Economic Development Association's Community Profile, and OLMIS Website: <http://www.qualityinfo.org/olmisj/CES>
- (4) Bureau of Economic Analysis Table CA25N "Total Full-Time and Part-Time Employment by NAICS Industry1" ([http://www.bea.gov/itable/index\\_regional.cfm](http://www.bea.gov/itable/index_regional.cfm)). This information includes farm employment also.

**Klamath County School District**  
Klamath Falls, Oregon

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY ASSIGNMENT / FUNCTION**  
Last Ten Fiscal Years

Function	2019-20	2018-19 (1)	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
1000 Instruction	480.49	473.20	471.49	451.52	430.25	412.40	385.35	382.00	419.10	467.60
2000 Support Services	327.01	320.65	348.00	340.18	333.43	338.63	229.13	230.72	233.52	296.06
3000 Enterprise & Community Service	42.75	42.75	40.66	42.47	40.13	35.90	39.90	45.21	44.22	58.33
4000 Facility Acquisition & Construction	3.07	3.32	3.75	3.75	3.50	2.00	-	-	-	-
<b>Total</b>	<b>853.32</b>	<b>839.92</b>	<b>863.90</b>	<b>837.92</b>	<b>807.31</b>	<b>788.93</b>	<b>654.38</b>	<b>657.93</b>	<b>696.84</b>	<b>821.99</b>

(1) Source: FTE for this Fiscal Year is based on the Adopted Budget.

Source: Klamath County School District's annual Notice of Budget Hearing - "Form ED-1"



**Klamath County School District**

Klamath Falls, Oregon

**OPERATING STATISTICS**

Last Ten Years

	<u>ENROLLMENT ADMr (1)(2)</u>		<u>GENERAL FUND EXPENDITURES AND TRANSFERS OUT</u>	<u>GENERAL FUND COST PER PUPIL</u>	<u>STATEMENT OF ACTIVITIES EXPENSES</u>	<u>COST PER PUPIL</u>	<u>LICENSED STAFF (FTE) (1)(4)</u>	<u>STUDENT TO LICENSED STAFF RATIO</u>
2019-20	6,715.87 (3)	\$	76,085,517	\$ 11,329	\$ 98,266,166	\$ 14,632	390.9	1:17
2018-19	6,590.89		72,265,079	10,964	87,757,078	13,315	382.2	1:17
2017-18	6,533.47		70,882,155	10,849	88,830,611	13,596	373.3	1:18
2016-17	6,484.74		67,229,442	10,367	83,701,053	12,907	362.7	1:18
2015-16	6,357.63		65,471,969	10,298	100,668,628	15,834	348.2	1:18
2014-15	6,042.50		64,891,667	10,739	51,646,984	8,547	330.3	1:18
2013-14	5,928.71		56,927,219	9,602	64,796,042	10,929	314.4	1:19
2012-13	5,906.56		54,095,916	9,159	61,867,536	10,474	304.8	1:19
2011-12	6,011.60		56,140,324	9,339	61,176,770	10,176	300.9	1:20
2010-11	6,103.17		54,832,603	8,984	60,127,093	9,852	316.2	1:19
2009-10	6,151.20		64,334,828	10,459	61,356,241	9,975	324.0	1:19

(1) Source: Klamath County School District records

(2) Includes ADMr from Sage Community School, a charter school sponsored by Klamath County School District. Sage Community School is not considered a component unit of Klamath County School District.

(3) Estimated. Will be finalized in May 2020.

(4) Official Statement for Klamath County School District Full Faith and Credit Obligations, Series 2010.

Sources: As outlined above.

## Klamath County School District

Klamath Falls, Oregon

### CAPITAL ASSET INFORMATION - ENROLLMENT AND BUILDING INFORMATION

June 30, 2020

**DATE OF CREATION:** May 22, 1922

**CENTRAL MAILING ADDRESS:** Klamath County School District  
2845 Greensprings Drive  
Klamath Falls, OR 97601

FACILITIES:	Enrollment (1)	Square Footage	Year of Building Construction (2)
<b>Elementary Schools (K - 6)</b>			
Bonanza Elementary	238	48,293	1944
Chiloquin Elementary	193	39,764	1955
Ferguson Elementary	549	41,535	1954
Gearhart Elementary	9	15,600	1962
Gilchrist Elementary	124	38,808	1980
Henley Elementary	559	60,270	2016
Keno Elementary	222	40,600	1976
Malin Elementary	122	35,272	1971
Merrill Elementary	152	30,360	1950
Peterson Elementary	623	68,013	1965
Shasta Elementary	610	60,488	1966
Stearns Elementary	329	30,660	1958
<b>Middle Schools (7 - 8)</b>			
Brixner Jr. High School	388	64,587	1972
Henley Middle School	365	67,119	1949
<b>Jr. / Sr. High Schools (7 - 12)</b>			
Bonanza Jr/Sr High School	188	43,214	1968
Chiloquin Jr/Sr High School	127	84,395	1937
Gilchrist Jr/Sr High School	88	38,944	1938
Lost River Jr/Sr High School	225	65,090	1970
<b>High Schools (9 - 12)</b>			
Henley High School	647	124,956	1968
Mazama High School	693	153,428	1965
<b>Alternative Schools (K - 12)</b>			
Falcon Heights Academy	152	11,544	2006
Great Basin Home School	182	1,764	1990
Klamath County Transitions Program	19	2,200	1968
<b>Other District Facilities</b>			
District Office - Building #1 - Admin, Food Services, Warehouse		36,708	2006
District Office - Building #2 - Bus, Maintenance, Technology		26,437	2006
Bus Shop - vacated (storage)		7,440	1955
Warehouse - storage		14,025	1950

Notes: (1) Enrollment is as of March 31, 2020 due to COVID

(2) Year buildings were originally constructed and many buildings have since undergone remodeling. Also includes modular classrooms.

Sources: Klamath County School District's Student Enrollment and Capital Asset Records  
Klamath County School District's Insurance Binder 2018 - 2019  
Klamath County School District's Maintenance Department Records



**COMPLIANCE SECTION**

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

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Medford, OR 97504

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

Board of Directors  
Klamath County School District  
Klamath Falls, Oregon

We have audited the basic financial statements of Klamath County School District (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 17, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the District'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 162-10-0000 through 162-10-0320 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 the 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 but were not limited to the following:

- Deposit of public funds with financial institutions under ORS Chapter 295.
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required under ORS Chapter 294.
- Insurance and fidelity under bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.
- State school fund factors and calculation.

In connection with our audit, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in *Note 1* of the financial statements (certain expenditures above appropriation authority).

**OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

**Restrictions on Use**

This report is intended solely for the information and use of the Board of Directors, Management of the District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Mark Damon, CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2020



A decorative border surrounds the page, featuring a repeating pattern of school-related icons such as a soccer ball, a star, a speech bubble, a pencil, a clock, a book, a pair of scissors, a paint palette, a funnel, a calculator, and a pencil sharpener. The icons are rendered in orange and blue outlines on a light gray grid background.

**ITEMS REQUIRED BY THE  
UNIFORM GUIDANCE**

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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 Directors  
Klamath County School District  
Klamath Falls, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Klamath County School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2020.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

**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 District'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.



Mark E. Damon CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2020





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM  
GUIDANCE**

Board of Directors  
Klamath County School District  
Klamath Falls, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited Klamath County School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal program is identified in the summary of auditor's results section in the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Program***

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

## Report on Internal Control over Compliance

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

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

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

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



Mark E. Damon CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 17, 2020

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's #	Expenditures
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<b>Direct Federal Award:</b>			
Title VII Indian ED 16-17	84.060A	N/A	\$ 91,624
Total CFDA 84.060			<u>91,624</u>
<b>Passed through Oregon Department of Education &amp; Southern Oregon ESD:</b>			
Title 1 A/D - Grants to LEAs 18-19	84.010	50416	105,191
Title 1 A/D - Grants to LEAs 19-20	84.010	53298	1,504,596
ESSA District & School Improvement 18-19 phase III	84.010	51416	98,301
ESSA District & School Improvement 18-19 phase II	84.010	54303	129,550
Total CFDA 84.010			<u>1,837,638</u>
IDEA Part B 17-18	84.027	45197	1,422
IDEA Part B 18-19	84.027	49899	11,591
IDEA Part B 19-20	84.027	53790	1,290,336
Extended Assessment 19-20	84.027	54731	1,099
IDEA Enhancement 18-19	84.027	51289	12,731
IDEA Enhancement 19-20	84.027	56678	7,929
Post School Outcomes	84.027	57388	465
Autism Grant	84.027	N/A	38,720
IDEA Part B, Sec 619 18-19	84.173	50107	4,351
IDEA Part B, Sec 619 19-20	84.173	53997	10,334
Total Special Education Cluster (IDEA)			<u>1,378,978</u>
McKinney Homeless 19-20	84.196	54905	33,598
Total CFDA 84.196			<u>33,598</u>
Title VI Rural & Low Income Schools 19-20	84.358	-	59,142
Total CFDA 84.358			<u>59,142</u>
Title III Lang Inst 18-19	84.365	50256	3,646
Title III Lang Inst 19-20	84.365	53428	31,485
Total CFDA 84.365			<u>35,131</u>
Title IIA Qlty Teacher 18-19	84.367	49335	24,628
Title IIA Qlty Teacher 19-20	84.367	53558	208,921
Total CFDA 84.367			<u>233,549</u>
Title IV Student Support & Academic Enrichment 18-19	84.424	50751	122,406
Title IV Student Support & Academic Enrichment 19-20	84.424	54548	39,285
Total CFDA 84.424			<u>161,691</u>
<b>Passed Through Oregon University System:</b>			
Gear Up Chiliquin HS 18-19	84.334s	N/A	14,390
Gear Up Chiliquin HS 19-20	84.334s	N/A	23,937
Total CFDA 84.334			<u>38,327</u>
<b>Passed Through Southern Oregon Education Service District:</b>			
SOESD Title 1C Migrant Afterschool 17-18	84.011	SOESD	20,977
SOESD Migrant Summer School 18-19	84.011	SOESD	136,057
Total CFDA 84.011			<u>157,034</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u><u>4,026,712</u></u>

continued on next page

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued  
FISCAL YEAR ENDED JUNE 30, 2020**

<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<b>Passed through Oregon Employment Department:</b>			
Mazama Teen Child Care Program	93.575	9797 14-026	<u>3,756</u>
Total Child Care and Development Block Grant			<u>3,756</u>
 Foster Care Transportation Grant	 93.658	 57185	 <u>15,424</u>
Total CFDA 93.658			<u>15,424</u>
 <b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			 <u><b>19,180</b></u>
 <b>U.S. DEPARTMENT OF INTERIOR FISH &amp; WILDLIFE:</b>			
<b>Direct Federal Award:</b>			
Refuge Sharing Revenue	15.659	KI Cty	<u>27,333</u>
Total CFDA 15.659			<u>27,333</u>
 <b>TOTAL U.S. DEPARTMENT OF INTERIOR FISH &amp; WILDLIFE</b>			 <u><b>27,333</b></u>
 <b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
<b>Direct Federal Award:</b>			
Farm to School Grant Program	10.575	-	<u>21,901</u>
Total CFDA 10.575			<u>21,901</u>
 <b>Passed through Oregon State Department of Education:</b>			
Food Distribution Program fmv com	10.555	N/A	308,769
Food Distribution Program fmv com	10.559	N/A	702
Summer Food SVC Reimb	10.559	N/A	1,071,392
School Breakfast Program	10.553	N/A	440,928
National School Lunch Program/snk	10.555	N/A	<u>1,326,060</u>
Total Child Nutrition Cluster			<u>3,147,851</u>
 Child Care Food	 10.558	 N/A	 7,992
Child Care Food	10.558	N/A	<u>2,405</u>
Total CFDA 10.558			<u>10,397</u>
 Equipment Grants - Ferguson	 10.579	 51409	 20,141
Equipment Grants - Shasta	10.579	51410	21,266
Equipment Grants - Henley Middle School	10.579	52158	<u>23,482</u>
Total CFDA 10.579			<u>64,889</u>
 <b>Passed through Southern Oregon ESD:</b>			
School and Roads - Grants to States	10.665	N/A	<u>917,320</u>
Total CFDA 10.665			<u>917,320</u>
 <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			 <u><b>4,162,358</b></u>
 <b>TOTAL FEDERAL EXPENDITURES</b>			 <u><b>\$ 8,235,583</b></u>



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED JUNE 30, 2020**

**Note A - Basis of Presentation**

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Klamath County School District No. 9 (the District) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in fund balance of the District.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or Circular 87, wherein certain types of expenditures are recognized following the cost principles contained in the Uniform Guidance and/or Circular 87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C - Food Distribution**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**Note D - Indirect Cost Rate**

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note E - Interest Subsidy Payment Received**

During 2009-10 fiscal year, the District received a Qualified School Construction Bond for \$2,000,000. During the fiscal year ended June 30, 2020, the District received \$103,264 in an interest subsidy from the U.S. Treasury, which was paid directly to US Bank to be used to reduce future interest payments made by the District. During the 2011-12 fiscal year, the District received a Qualified School Construction Bond for \$2,412,000. During the fiscal year ended June 30, 2020, the District received \$104,974 in an interest subsidy from the U.S. Treasury, which was paid directly to the Bank of New York Mellon Trust Company to be used to reduce future interest payments made by the District.

**Note F - Schools and Roads - Grants to Counties**

The District includes Schools and Roads - Grants to Counties in the schedule due to requirements of the Oregon Department of Education. These expenditures are not subject to the Uniform guidance audit due to the treatment based on guidance provided by both the Oregon Department of Education and the United States Department of Agriculture.

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FISCAL YEAR ENDED JUNE 30, 2020**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the District.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the basic financial statements of the District were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
5. The Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance for the major federal award programs for the District expressed an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance reported in this schedule.
7. The program tested as major was:
  - US Department of Education:
    - Title I Grants to Local Educational Agencies      CFDA # 84.010
8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. The District qualified as a low-risk auditee under the criteria specified in the Uniform Guidance.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None