



**KLAMATH COUNTY  
SCHOOL DISTRICT**

**Klamath Falls, Oregon**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Year Ended June 30, 2023**



Prepared by:  
Business Services Department

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Dennis Clague  
Director of Business Services

Paula Pierce  
District Accountant

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YEAR ENDED JUNE 30, 2023

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**INTRODUCTORY SECTION**

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*Inspiring Today's Students To Meet Tomorrow's Challenges*

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December 19, 2023

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 Annual Comprehensive Financial Report (ACFR) of Klamath County School District (the District) for the fiscal year ended June 30, 2023, 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, 2023, 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

Bonanza Schools/Brixner Junior High/Chiloquin Elementary/Chiloquin Jr.-Sr. High/Falcon Heights/Ferguson Elementary/Gearhart Elementary/Gilchrist Schools/Great Basin Homeschool Center/Henley Elementary/Henley Middle/Henley High/Keno Elementary/Klamath County Transition Program/Lost River Jr.-Sr. High/Malin Elementary/Mazama High/Merrill Elementary/Peterson Elementary/Shasta Elementary/Stearns Elementary



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 7,039 students as of May 31, 2023. 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 coterminous 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.

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 School Improvement and Secondary Curriculum; Director of Special Services; Director of Operations, 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.

Bonanza Schools/Brixner Junior High/Chiloquin Elementary/Chiloquin Jr.-Sr. High/Falcon Heights/Ferguson Elementary/Gearhart Elementary/Gilchrist Schools/Great Basin Homeschool Center/Henley Elementary/Henley Middle/Henley High/Keno Elementary/Klamath County Transition Program/Lost River Jr.-Sr. High/Malin Elementary/Mazama High/Merrill Elementary/Peterson Elementary/Shasta Elementary/Stearns Elementary

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 eight 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, and Trust Funds. 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 in the 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 (17.29%), Health Care and Social Assistance (16.91%), and Retail Trade (10.22%). Of the approximately 5,367 jobs in Government, (12.25%), 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

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county. Agricultural producers in Klamath County are primarily family-owned enterprises. Sales of these commodities equated to over \$186 million in 2022 (the most current data available) per the U. S. Department of Commerce’s Bureau of Economic Analysis.

### Employment Outlook for Klamath County

The impact of Covid-19 on the local economy continues to lessen as pandemic related restriction are becoming less stringent or remove entirely. Retail business are seeing a return to pre-COVID-19 economic levels but are facing continuing labor force shortages. Many businesses are operating on reduced schedules while striving to meet their customer’s needs. 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 a total of six Seismic Grants that are also supporting local construction jobs. Additionally, the District is allocating Elementary and Secondary School Emergency Relief (ESSER) funds to improvement projects that help stimulate the local economy.

Two local firehouses have been or are being renovated in Klamath Falls using Seismic Rehabilitation Grants. The Klamath Community College and Oregon Institute of Technology have continued on campus expansion and upgrade projects. The District purchased property on Washburn Way to create the Crater Lake Learning Center to provide classroom, training and office spaces for the District.

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 2,335 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

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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 2021-23 biennium in the amount of \$9.3 billion for the state school fund, which represented a 3.23% increase over the 2019-21 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 1st and continues through June 30th 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, 2023, the District's net bonded debt was \$30.25 million, 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

Bonanza Schools/Brixner Junior High/Chiloquin Elementary/Chiloquin Jr.-Sr. High/Falcon Heights/Ferguson Elementary/Gearhart Elementary/Gilchrist Schools/Great Basin Homeschool Center/Henley Elementary/Henley Middle/Henley High/Keno Elementary/Klamath County Transition Program/Lost River Jr.-Sr. High/Malin Elementary/Mazama High/Merrill Elementary/Peterson Elementary/Shasta Elementary/Stearns Elementary



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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the ninth 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. Aubreanna Powers, 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 ninth Annual Comprehensive 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,



Janet Melsness

Director of Business Services

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Klamath County School District  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Klamath County School District

Klamath Falls, Oregon

For the Year Ended June 30, 2023

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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	BROOKE KLIEWER 927 Old Midland Road Klamath Falls, Oregon 97603	June 30, 2025
3	MARC STAUNTON 25010 Old Malin Hwy Merrill, Oregon 97633	June 30, 2025
4	STEVE LOWELL 1420 McClellan Avenue Klamath Falls, Oregon 97603	June 30, 2023
5	JILL O'DONNELL 1821 Joe Wright Road Klamath Falls, Oregon 97603	June 30, 2025

## ADMINISTRATION

Glen Szymoniak, Superintendent  
Dennis J. Clague, Director of Business Services  
Doris Ellison, Director of Elementary Curriculum/Instruction  
Jeff Bullock, Director of Secondary Curriculum  
Jennifer Sedlock, Director of Special Services  
Heather Harper, Director of Human Resources  
Jamie Ongman, Director of Operations

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Klamath Falls, Oregon 97601  
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[www.kcsd.k12.or.us](http://www.kcsd.k12.or.us)

**Klamath County School District**  
Administrators for Fiscal Year 2022 - 2023

TITLE	LOCATION	NAME
Superintendent	District Office	Glen Szymoniak
Director of Business Services	District Office	Dennis J. Clague
Director of Elementary Curriculum	District Office	Doris Ellison
Director of Secondary Curriculum	District Office	Jeff Bullock
Director of Operations	District Office	Jamie Ongman
Director of Special Services	District Office	Jennifer Sedlock
Director of Human Resources	District Office	Heather Harper
Principal	Bonanza Elementary	Jennifer Hayes
Principal	Bonanza Jr/Sr High	Jordan Osborn
Vice Principal /Athletic Director	Bonanza Jr/Sr High	Josh Crawford
Principal	Brixner Jr. High	Ruben Paschal
Vice Principal/Athletic Director	Brixner Jr. High	Tom Loney
Principal	Chiloquin Elementary	Rita Hepper
Vice Principal	Chiloquin Elementary	Janelle Emard
Principal	Chiloquin Jr./Sr. High	Scott Preston
Vice Principal	Chiloquin Jr./Sr. High	Jennifer Dunham
Principal	Falcon Heights/Great Basin	Joe Tacchini
Vice Principal	Falcon Heights/Great Basin	Andy Bracco
Principal	Ferguson Elementary	Sid Hobgood
Vice Principal	Ferguson Elementary	Jana Dunlea
Principal	Gearhart Elementary	Margaret McCadden
Vice Principal	Gearhart Elementary	Heidi Friend
Principal	Gilchrist Schools	Melanie Mobley
Vice Principal	Gilchrist Schools	Sean Bedell
Principal	Henley Elementary	Janell Preston
Vice Principal	Henley Elementary	Christopher Rose
Principal	Henley High School	Jesse Hamilton
Vice Principal/Athletic Director	Henley High School	Luke Hammond
Vice Principal/Curriculum	Henley High School	Kathleen Todd
Principal	Henley Middle	Kristine Creed
Vice Principal	Henley Middle	Mike Kappas
Principal	Keno Elementary	Sarah Shively
Principal	Lost River Jr./Sr. High	Angela Wallin
Vice Principal	Lost River Jr./Sr. High	Mike Ross
Principal	Malin Elementary	Margaret McCadden
Vice Principal	Malin Elementary	Heidi Friend
Principal	Mazama High School	Jennifer Hawkins
Vice Principal/Athletic Director	Mazama High School	Vic Lease
Vice Principal/Curriculum	Mazama High School	Sergio Cisneros
Principal	Merrill Elementary	Margaret McCadden
Vice Principal	Merrill Elementary	Heidi Friend
Principal	Peterson Elementary	Travis Fast
Vice Principal	Peterson Elementary	Renee Criss
Principal	Shasta Elementary	Randy Rose
Vice Principal	Shasta Elementary	Jennifer Witt
Principal	Stearns Elementary	Elizabeth Clark
Vice Principal	Stearns Elementary	Leighanna Rickman
Principal	Special Services	Robin DeLong





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**FINANCIAL SECTION**



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**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Klamath County School District  
Klamath Falls, Oregon

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Klamath County School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Klamath County School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Correction of Error and Change in Accounting Principle*

As discussed in Note 1 to the financial statements, the District corrected accounting errors and has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* issued by Governmental Accounting Standards Board (GASB). Our opinions are not modified with respect to these matters.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefits schedules, pension schedules, and the general fund and major special revenue funds budgetary comparison schedules as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, certain pension schedules and certain other post-employment benefit schedule in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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.

### ***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 other supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not required as part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information Included in the Annual Comprehensive Financial Report***

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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 27, 2023 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 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.

A handwritten signature in black ink that reads "Donald Ewalt". The signature is written in a cursive style with a long horizontal stroke at the end.

Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 27, 2023

A decorative border of colorful crayons surrounds the central text. The crayons are in various colors including red, yellow, blue, green, purple, pink, and orange, and are arranged in a roughly rectangular shape around the text.

**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, 2023**

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, 2023. 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 assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2023 by \$15.2 million. Of this amount, \$55 million represents the District's net investment in capital assets.
- \$3.9 million is restricted for debt service, \$3.6 million is restricted for special purposes, \$185 thousand is restricted for capital projects, \$1.2 million is restricted for OPEBs (RHIA) and the remaining deficit of \$48.6 million is considered unrestricted.
- For the fiscal year ended June 30, 2023, the District's total net position increased by \$17.8 million. In the prior year, the District's total net position increased by \$21.1 million. The increase in the net position can be attributed to an increase in operating grants and contributions and State School Fund revenues of \$10.3M and \$5.9M, respectively. This was offset by an increase in instruction and support services expenses of \$9.3 million and \$5.2 million, respectively, and a decrease in capital grants and contributions of \$5.1 million as operating grants were priority for the current year.
- The District's governmental funds report a combined ending fund balance of \$34.1 million, an increase of \$5.6 million from the prior year. This change is primarily due to an increase in intergovernmental revenues of \$11.8 million offset by an increase in instruction expenditures of \$9 million.
- The District's total long-term debt decreased by \$3.2 million during the 2022-23 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, 2023, District assets/deferred outflows exceeded liabilities/deferred inflows by \$15.2 million. As of June 30, 2022, District liabilities/deferred inflows were greater than assets/deferred outflows by \$3.3 million.



	<b>Net Position</b>		<b>Increase (Decrease) From June 30, 2022</b>
	<b>6/30/2023 (as restated)</b>	<b>June 30, 2022</b>	
<b>Assets:</b>			
Current assets	\$ 37,316,602	\$ 31,418,851	\$ 5,897,751
Assets restricted under bond agreements	182,919	177,677	5,242
Assets held in trust (sinking fund)	2,813,978	2,714,966	99,012
Other post employment benefit (RHIA)	1,242,311	2,636,598	(1,394,287)
Capital assets	90,907,120	84,095,371	6,811,749
<b>Total Assets</b>	<u>132,462,930</u>	<u>121,043,463</u>	<u>11,419,467</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to OPERS and RHIA	34,063,550	35,453,585	(1,390,035)
<b>Total Assets and Deferred Outflows</b>	<u>166,526,480</u>	<u>156,497,048</u>	<u>10,029,432</u>
<b>Liabilities:</b>			
Current liabilities	5,181,781	4,511,356	670,425
Pension liabilities (OPERS & stipend)	69,386,052	54,178,221	15,207,831
Other post employment benefit obligation (medical)	14,996,139	13,451,819	1,544,320
Long debt (including current portion)	36,706,059	38,558,187	(1,852,128)
<b>Total Liabilities</b>	<u>126,270,031</u>	<u>110,699,583</u>	<u>15,570,448</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pension	25,036,503	49,067,849	(24,031,346)
<b>Total Liabilities and Deferred Inflows</b>	<u>151,306,534</u>	<u>159,767,432</u>	<u>(8,460,898)</u>
<b>Net Position:</b>			
Net investments in capital assets	54,953,664	46,728,281	8,225,383
Restricted	8,870,481	6,863,613	2,006,868
Unrestricted	(48,604,199)	(56,862,278)	8,258,079
<b>Total Net Position</b>	<u>\$ 15,219,946</u>	<u>\$ (3,270,384)</u>	<u>\$ 18,490,330</u>

As noted previously, net position may serve over time as a useful indicator of government's financial position. After restatement, net position increased by \$17.8 million from the prior year.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent approximately 69% 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. The District refunded the \$31 million General Obligation Bonded debt issued in August 2013 on July 1, 2021 in the amount of \$24.9 million. In addition, the District issued \$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.** For the fiscal year ended June 30, 2023, the District's total net position increased by \$17.8 million. In the prior year, the District's total net position increased by \$21.1 million. The increase in the net position can be attributed to an increase in operating grants and contributions and State School Fund revenues of \$10.3M and \$5.9M, respectively. This was offset by an increase in instruction and support services expenses of \$9.3 million and \$5.2 million, respectively, and a decrease in capital grants and contributions of \$5.1 million as operating grants were a priority for the current year.

The following charts and table show details of this information:

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

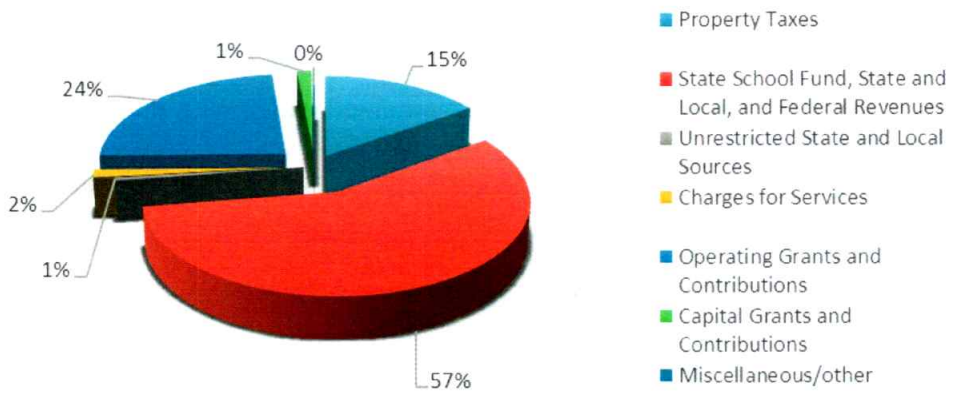
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease) From June 30, 2022</u>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,018,887	\$ 1,830,607	\$ 188,280
Operating grants	31,173,513	20,314,899	10,858,614
Capital grants and contributions	1,750,683	7,383,084	(5,632,401)
General revenues:			
Property and construction excise tax	20,045,626	20,107,202	(61,576)
State school fund	70,534,717	64,620,190	5,914,527
Federal forest fees	989,427	1,041,437	(52,010)
Other state and local sources	3,603,418	2,936,728	666,690
Earnings on investments	656,717	214,169	442,548
Interest subsidy	156,648	209,450	(52,802)
Gain (loss) on sale of assets	-	(317,322)	317,322
Miscellaneous/ other	230,493	642,789	(412,296)
<b>Total Revenues</b>	<u>131,160,129</u>	<u>118,983,233</u>	<u>12,176,896</u>

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

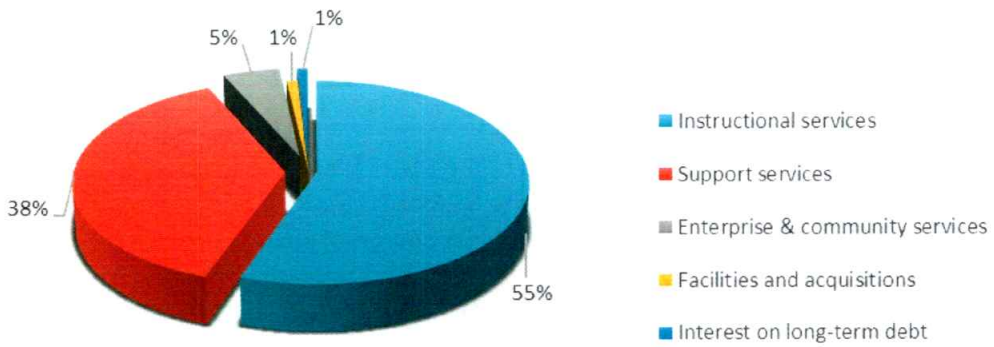
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease) From June 30, 2022</u>
<b>Expenses</b>			
Instructional services	62,780,732	53,504,031	9,276,701
Support services	43,045,234	37,866,282	5,178,952
Enterprise & community services	5,481,371	4,417,642	1,063,729
Facilities and acquisitions	1,038,787	407,861	630,926
Interest on long-term debt	1,006,547	1,664,707	(658,160)
<b>Total Expenses</b>	<u>113,352,671</u>	<u>97,860,523</u>	<u>15,492,148</u>
<b>Change in Net Position</b>	17,807,458	21,122,710	(3,315,252)
<b>Net Position - Beginning of Year*</b>	<u>(2,587,512)</u>	<u>(24,393,094)</u>	<u>21,805,582</u>
<b>Net Position - End of Year</b>	<u>\$ 15,219,946</u>	<u>\$ (3,270,384)</u>	<u>\$ 18,490,330</u>

\*Beginning net position for the fiscal year ended June 30, 2023 was restated for correction of accounting errors and implementation of GASB No. 96; comparative prior year information was not adjusted in relation to these restatements.

### Revenue by Source - Governmental Activities



### Expenses by Source - Governmental Activities





## 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, 2023, the District's governmental funds reported combined ending fund balance of \$34.1 million, an increase of \$5.6 million (16%) in comparison with the prior year. Approximately \$22.0 million (64%) 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, 2023, the fund balance was \$25.1 million, including balances in Reserve Funds. This is an increase of \$ 5.1 million (19.7%) as compared to FY 2021-22 and is attributable to an increase in revenues as result of additional COVID-19 funding and increased student enrollment. The General Fund unassigned balance represents 24.3% of total general fund expenditures. This is an increase of 16.6% when compared to the FY 2021-22 rate of 20.8%. 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
2021-23	2023	\$ 4,555
	2022	4,740
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

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 (\$1.5 million in the 2021-22 biennium as compared to \$4.0 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 \$4.0 million per biennium and are prorated if 8% of the eligible costs exceed \$4.0 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 2022-23, Klamath County had an estimated 14 students fitting into this category. This number will be finalized in May 2023 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 \$5.08 million is for associated student body programs and activities and grant related activities. This is an increase of about \$547 thousand (11%) 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. The \$31 million 2013 general obligations bonds that were approved by the voters in May 2013 and sold in August 2013 were refunded in July of 2021 in the amount of \$24.9 million. Interest is payable semi-annually each December 15<sup>th</sup> and June 15<sup>th</sup> beginning December 15, 2021. 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 \$749 thousand of which the entire \$749 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 \$1.35 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 \$1.62 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, Henley Middle School, and Stearns Elementary. The Capital Projects Fund has a total fund balance of \$196 thousand.

**General Fund Budgetary Highlights**

There were three Board Resolutions that modified the budget for Fiscal Year 2022-23. 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 with exception to facilities acquisition and construction:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Instruction	\$ 51,891,054	\$ 46,768,224	\$ 5,122,830
Support services	39,204,520	37,020,516	2,184,004
Enterprise and community services	850,000	1,004	848,996
Debt service	1,525,873	1,482,056	43,817
Facilities acquisition and construction	-	442,050	(442,050)
Contingency	11,928,516	-	11,928,516
<b>Total Expenditures</b>	<u>\$ 105,399,963</u>	<u>\$ 85,713,850</u>	<u>\$ 19,686,113</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, 2023, the District had invested \$90.9 million in capital assets, net of accumulated depreciation, as shown in the following table:

	<b>Capital Assets for the Fiscal Years:</b>		
	<b>FY 2022-23 (as restated)</b>	<b>FY 2021-22</b>	<b>Increase (Decrease) From June 30, 2022</b>
Land	\$ 3,957,830	\$ 3,957,830	\$ -
Construction in Progress	4,812,671	1,965,946	2,846,725
Buildings and improvements, net	70,591,007	69,389,490	1,201,517
Vehicles and equipment, net	10,218,795	8,445,123	1,773,672
Subscription assets, net	1,107,968	-	1,107,968
Right-of-use asset - equipment	218,849	336,982	(118,133)
Total	<u>\$ 90,907,120</u>	<u>\$ 84,095,371</u>	<u>\$ 6,811,749</u>

During Fiscal Year 2022-23, the District’s investment in net capital assets increased by \$4.61 million after restatement.

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

- Completion of the:
  - Ferguson Elementary HVAC Controls Upgrade
  - Shasta Elementary New Classroom Building
  - Brixner Junior High School CTE Renovation
  
- Initial or on-going work of the:
  - Brixner Junior High School Seismic Rehabilitation Project
  - Malin Elementary HVAC Controls Upgrade
  - Henley High HVAC/Air Conditioning
  - Crater Lake Center renovation
  - Henley Middle School CTE Renovation
  - Bonanza Junior/Senior High School New Gym
  - Chiloquin Junior/Senior High School New Gym
  - Henley High School Greenhouse Project

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 \$36.4 million versus \$38.2 million in Fiscal Year 2021-22. 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 that was refunded in July of 2021 for \$24.9 million, and Full Faith and Credit Obligations (Series 2014 and 2017).

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

	<u>FY 2022-23 (as restated)</u>	<u>FY 2021-22</u>	<u>Increase (Decrease) From June 30, 2022</u>
<b>Debt obligations:</b>			
General obligation bonds	\$ 23,475,000	\$ 25,500,000	\$ (2,025,000)
Other obligations	12,661,925	12,346,206	315,719
Unamortized discount and premium, net	<u>345,522</u>	<u>371,241</u>	<u>(25,719)</u>
Total	<u>\$ 36,482,447</u>	<u>\$ 38,217,447</u>	<u>\$ (1,735,000)</u>

During the current fiscal year, the District’s total debt decreased by \$3.3 million after restatement. 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 June 8, 2021. This analysis was in conjunction with the refunding of the 2013 General Obligation bond in July of 2021. The District was assigned its ‘AA+’ 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 remains to be the adequacy of Oregon’s State School Fund appropriated by the Oregon Legislature biennially. For the year ended June 30, 2023, the State School Fund basic support provided approximately 64% of the General Fund program revenue. This is a 4% increase from the prior year. When combined with local property taxes, which are included in the school fund formula, these two sources provided about 81% of the resources for General Fund and is comparable to the prior year.

As the budgeting period for the FY 2022-23 year began, projections of the impact of COVID-19 lessened for the previous fiscal year. Based on economic outlook reports, Corporate Activities Tax activity, and state revenue estimates, the Oregon’s Governor’s office and the Oregon Department of Education (ODE) saw a return to previous funding levels of the State School Fund and other state funded programs, like the Student Investment Account (SIA). SIA funding returned to pre-COVID-19 levels as there was favorable estimates for the Corporate Activities Tax. The Oregon Legislature increased state funding for 2021-23 biennium by almost \$300 million. The District continued with a conservative approach to the 2022-23 budget with a focus on student achievement and employee satisfaction. Some restrictions in areas of travel, training, supplies and other professional services



were lessened but with continual review. The FY 2022-23 budget was approved by the Budget Committee and adopted by the Board of Directors.

The increasing cost of OPERS rates continues to impact the District’s budget. The OPERS rates for the 2021-2023 biennium are 26.83%for Tier 1/Tier 2 employees and 23.72% for OPSRP employees. The projected decrease in Tier 1/Tier 2 and a nominal increase in OPSRP indicate a stabilizing of the OPERS fund.

As the effects of COVID-19 lessened and the District partnered with Klamath County Health Department to prevent the spread of the virus, the learning model for students started to return to in-person education. With reductions in social distancing requirements, classrooms were able to better serve students and educators in a way that was close to “normal”. Sanitizing, the wearing of masks, ad social distancing remained the most effective methods of reducing the spread of the virus. By March of 2022, the District was back to a full in-person model, while continuing to offer online and home school models for those that chose those options.

The District continued to allocate Elementary and Secondary School Emergency Relief (ESSER) fund to reduce the impact of COVID-19. The District allocations of ESSER funds is as follows.

Type	Allocation Date	Amount (in millions)	Spend Through Date	District Fund Number
ESSER I	June 23, 2020	\$ 1.38	September 30, 2022	223
ESSER II	March 23, 2021	\$ 7.19	September 30, 2023	254
ESSER III	July 21, 2021	\$ 16.16	September 30, 2024	256

ESSER I was primarily used to purchase for one-to-one student devices, hotspots and increased connectivity access to support comprehensive distance learning.

ESSER II has been used for increasing classroom space and building renovations to promote social distancing and school safety.

ESSER III is going toward learning loss recovery, mechanical system upgrades to reduce the impact of COVID-19, campus improvements to allow for outdoor P.E. and educational activities, and development of facilities to encourage community participation.

The District faced staffing trials during the FY 2022-23 year in all areas due to COVID-19 restrictions and relief programs as well as a lack of potential successful candidate. Eighty one new teachers, counselors, the expansion of Social Emotional Learning programs, and nurses were hired by the District to replace teachers that were leaving the District, to increase capacity of the health services programs to address COVID-19, and the development of the KCSD programs. The District was diligent in meeting the needs of its students while maintaining fiscal control. Similar staffing challenges are anticipated for the FY 2023-24 year, in particular in the classified ranks.

District enrollment reflected an increase of 130 students for FY 2022-23 as compared to an decrease of 13 students the prior year. Enrollment numbers have stabilized as in-person learning became the

education model for the District. It is anticipated that for FY 2023-24 that enrollment will continue to increase as economic development in the District continues and education models stabilize.

The District actively seeks Seismic Rehabilitation Grants to continue to upgrade the safety of its buildings. A grant was received for Brixner Junior High School with preliminary work beginning in June of FY 2020-21 and anticipated completion in the Fall of FY 2022-23. The District received a Seismic Rehabilitation Grant for Keno Elementary. The design work will begin in 2022-23 with a completion date of the Fall of 2023-24. 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's impact continues decline. Stable funding sources will allow the District to continue to offer and expand educational opportunities. 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 sixth year. Graduation rates were increasing while chronic absenteeism was declining. COVID-19 impacted the graduation rates as students struggle with hybrid or comprehensive distance learning models but rates are anticipated to return to pre-COVID-19 levels. The positive relationship the District has with our parents and community was strained as COVID-19 effected learning models but is returning to prior levels of communication and cooperation. 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.

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**BASIC FINANCIAL STATEMENTS**

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# **GOVERNMENT – WIDE FINANCIAL STATEMENTS**



**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	
<b>ASSETS:</b>	
Cash and investments	\$ 20,772,394
Receivables	15,453,648
Prepaid expenses	648,744
Inventories	441,816
Assets held in trust (sinking fund)	2,813,978
Assets restricted under bond agreements	182,919
Capital assets, net:	90,907,120
Net OPEB asset (RHIA)	1,242,311
<b>TOTAL ASSETS</b>	<b>132,462,930</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pension related deferrals - Stipend	652,090
Pension related deferrals - PERS	29,582,872
OPEB related deferrals - Medical Benefits	2,606,613
OPEB related deferrals - RHIA	652,291
Deferred loss on refunding	569,684
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>34,063,550</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>166,526,480</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	
<b>LIABILITIES:</b>	
Accounts payable	1,546,016
Accrued salaries and benefits	2,588,050
Unearned revenue	528,574
Accrued interest payable	66,579
Accrued compensated absences payable	452,562
Total pension liability (Stipend) (due in more than one year)	4,294,281
Total OPEB liability (Medical Benefits) (due in more than one year)	14,996,139
Net pension liability (OPERS) (due in more than one year)	65,091,771
Leases payable	
Due within one year	109,262
Due in more than one year	114,350
Debt, net of unamortized discount/premium:	
Due within one year	3,425,892
Due in more than one year	33,056,555
<b>TOTAL LIABILITIES</b>	<b>126,270,031</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Pension related deferrals - Stipend	304,013
Pension related deferrals - PERS	20,847,141
OPEB related deferrals - Medical Benefits	3,681,416
OPEB related deferrals - RHIA	203,933
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>25,036,503</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>151,306,534</b>
<b>NET POSITION:</b>	
Net investment in capital assets	54,953,664
Restricted:	
Debt service	3,867,590
Special purposes	3,575,630
Capital projects	184,950
OPEBs (RHIA)	1,242,311
Unrestricted	(48,604,199)
<b>TOTAL NET POSITION/(DEFICIT)</b>	<b>\$ 15,219,946</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2023**

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	\$ 62,780,732	\$ 897,870	\$ 13,144,540	\$ -
Supporting services	43,045,234	572,862	8,027,438	-
Enterprise & community services	5,481,371	548,155	10,001,535	-
Facilities and acquisitions	1,038,787	-	-	1,750,683
Interest on long-term debt	1,006,547	-	-	-
<b>Total governmental activities</b>	<b>\$ 113,352,671</b>	<b>\$ 2,018,887</b>	<b>\$ 31,173,513</b>	<b>\$ 1,750,683</b>
General revenues:				
				17,132,962
				2,430,645
				482,019
				70,534,717
				924,782
				367,547
				989,427
				2,311,089
				656,717
				156,648
				11,376
				219,117
				<u>96,217,046</u>
				<b>CHANGE IN NET POSITION</b>
				17,807,458
				<b>BEGINNING NET POSITION/(DEFICIT) - JULY 1, 2022 (as restated)</b>
				<u>(2,587,512)</u>
				<b>ENDING NET POSITION/(DEFICIT) - JUNE 30, 2023</b>
				<u>\$ 15,219,946</u>

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# **FUND FINANCIAL STATEMENTS**

**KLAMATH COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>ASSETS:</b>		
Equity in pooled cash and investments	\$ 19,798,527	\$ 94,392
Receivables	3,081,197	12,185,083
Due from other funds	5,837,430	-
Prepaid items	648,744	-
Assets held in trust (sinking fund)	-	-
Assets restricted under bond agreements	-	-
<b>TOTAL ASSETS</b>	<b>\$ 29,365,898</b>	<b>\$ 12,279,475</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 713,109	\$ 832,907
Accrued salaries and benefits	2,588,050	-
Due to other funds	-	5,837,430
Unearned revenue	-	528,574
<b>TOTAL LIABILITIES</b>	<b>3,301,159</b>	<b>7,198,911</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Unavailable revenue - property taxes	1,010,974	-
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	<b>4,312,133</b>	<b>7,198,911</b>
<b>FUND BALANCES:</b>		
Non-spendable:		
Prepays	648,744	-
Restricted for:		
Debt service	-	-
Special purposes	-	3,575,630
Capital projects	-	-
Committed to:		
Professional development	-	66,448
Capital projects	-	-
Assigned to:		
Basin Partner Internship	-	7,906
Furniture reserve	94,489	-
Textbook reserve	2,133,373	-
Equipment reserve	404,105	-
Technology reserve	125,439	-
Student body and athletics	-	1,430,580
Unassigned	21,647,615	-
<b>TOTAL FUND BALANCES</b>	<b>25,053,765</b>	<b>5,080,564</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 29,365,898</b>	<b>\$ 12,279,475</b>

**KLAMATH COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

Debt Service Fund	2010 Sinking Fund	2012 Sinking Fund	Capital Projects Fund	Total
\$ 699,882	\$ 147,474	\$ 18,888	\$ 13,231	\$ 20,772,394
187,368	-	-	-	15,453,648
-	-	-	-	5,837,430
-	-	-	-	648,744
-	1,206,403	1,607,575	-	2,813,978
-	-	-	182,919	182,919
<u>\$ 887,250</u>	<u>\$ 1,353,877</u>	<u>\$ 1,626,463</u>	<u>\$ 196,150</u>	<u>\$ 45,709,113</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,546,016
-	-	-	-	2,588,050
-	-	-	-	5,837,430
-	-	-	-	528,574
-	-	-	-	10,500,070
138,653	-	-	-	1,149,627
138,653	-	-	-	11,649,697
-	-	-	-	648,744
748,597	1,353,877	1,626,463	-	3,728,937
-	-	-	-	3,575,630
-	-	-	184,950	184,950
-	-	-	-	66,448
-	-	-	11,200	11,200
-	-	-	-	7,906
-	-	-	-	94,489
-	-	-	-	2,133,373
-	-	-	-	404,105
-	-	-	-	125,439
-	-	-	-	1,430,580
-	-	-	-	21,647,615
<u>748,597</u>	<u>1,353,877</u>	<u>1,626,463</u>	<u>196,150</u>	<u>34,059,416</u>
<u>\$ 887,250</u>	<u>\$ 1,353,877</u>	<u>\$ 1,626,463</u>	<u>\$ 196,150</u>	<u>\$ 45,709,113</u>

See notes to basic financial statements



**KLAMATH COUNTY SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

**TOTAL FUND BALANCES** \$ 34,059,416

Amounts reported for governmental activities in the Statement of Net Position are different because:

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. 1,149,627

Inventory is not reported as a governmental fund asset under the purchase method of accounting for inventory. 441,816

Capital assets including intangible subscription asset an right-of-use lease assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 138,436,097	
Accumulated depreciation and amortization	<u>(47,528,977)</u>	
		90,907,120

Deferred outflows of resources and deferred inflows of resources associated with pensions and OPEBS are not reported in the governmental fund statements. This is the net impact of these amounts. 8,457,363

Deferred outflows of resources associated with loss on refundings are not reported in the governmental fund statements. 569,684

Net OPEB assets are not financial resources and therefor are not reported in the governmental funds:

Net OPEB asset (RHIA)	1,242,311
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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:

Long term debt (net of premium)	\$ (36,482,447)	
Leases payable	(223,612)	
Accrued interest payable	(66,579)	
Accrued compensated absences payable	(452,562)	
Net pension liability (OPERS)	(65,091,771)	
Total OPEB liability (Medical Benefits)	(14,996,139)	
Total pension liability (Stipend)	<u>(4,294,281)</u>	
		<u>(121,607,391)</u>

**TOTAL NET POSITION** **\$ 15,219,946**

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**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund
<b>REVENUES:</b>		
Taxes	\$ 17,132,962	\$ 482,019
Intergovernmental	76,197,438	31,685,243
Charges for services	364,874	1,654,013
Donations	3,312	332,373
Investment income (loss)	540,134	33,347
Miscellaneous	201,427	17,691
	<b>94,440,147</b>	<b>34,204,686</b>
<b>TOTAL REVENUES</b>		
<b>EXPENDITURES:</b>		
Current:		
Instruction	49,833,114	14,037,816
Support services	37,240,796	8,494,578
Enterprise and community services	1,004	5,622,259
Debt service	1,605,993	-
Facilities acquisition and construction	442,050	5,490,483
	<b>89,122,957</b>	<b>33,645,136</b>
<b>TOTAL EXPENDITURES</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>5,317,190</b>	<b>559,550</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds from the sale of assets	86,978	-
Transfers in	112,191	100,000
Transfers out	(451,215)	(112,191)
	<b>(252,046)</b>	<b>(12,191)</b>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		
<b>NET CHANGE IN FUND BALANCE</b>	<b>5,065,144</b>	<b>547,359</b>
<b>FUND BALANCE - JULY 1, 2022</b>	<b>19,988,621</b>	<b>4,533,205</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 25,053,765</b>	<b>\$ 5,080,564</b>



**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2023**

Debt Service Fund	2010 Sinking Fund	2012 Sinking Fund	Capital Projects Fund	Total
\$ 2,432,066	\$ -	\$ -	\$ -	\$ 20,047,047
-	-	-	-	107,882,681
-	-	-	-	2,018,887
-	-	-	-	335,685
62,466	(1,707)	17,236	5,241	656,717
-	-	-	-	219,118
<u>2,494,532</u>	<u>(1,707)</u>	<u>17,236</u>	<u>5,241</u>	<u>131,160,135</u>
-	-	-	-	63,870,930
-	-	-	-	45,735,374
-	-	-	-	5,623,263
2,455,347	115,000	111,555	-	4,287,895
-	-	-	180,000	6,112,533
<u>2,455,347</u>	<u>115,000</u>	<u>111,555</u>	<u>180,000</u>	<u>125,629,995</u>
<u>39,185</u>	<u>(116,707)</u>	<u>(94,319)</u>	<u>(174,759)</u>	<u>5,530,140</u>
-	-	-	-	86,978
-	210,856	140,359	-	563,406
-	-	-	-	(563,406)
<u>-</u>	<u>210,856</u>	<u>140,359</u>	<u>-</u>	<u>86,978</u>
39,185	94,149	46,040	(174,759)	5,617,118
709,412	1,259,728	1,580,423	370,909	28,442,298
<u>\$ 748,597</u>	<u>\$ 1,353,877</u>	<u>\$ 1,626,463</u>	<u>\$ 196,150</u>	<u>\$ 34,059,416</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, 2023**

<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ 5,617,118</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</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.		19,789
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	\$ 8,912,572	
Less: current year depreciation and amortization	<u>(4,135,435)</u>	4,777,137
Governmental funds report proceeds from sale of capital assets while in the Statement of Activities a gain or loss is reported. This is the amount of that difference.		(167,606)
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.		
Interest expense, net of premium and deferred loss on refunding amortizations	\$ (1,006,547)	
Interest paid	<u>935,558</u>	(70,989)
The issuance of long-term debt (e.g. bonds, leases, SBITAs) 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.		3,345,756
Government funds report pension and OPEB contributions as expenditures. However, in the Statement of Activities, the (cost)/reduction of pension and OPEB benefits earned, net of employee contributions is reported as an (expense)/reduction.		
Pension - OPERS	\$ 4,323,356	
Pension - Stipend	<u>(60,321)</u>	4,263,035
OPEB - RHIA	\$ (12,232)	
OPEB - Medical Benefits	<u>347,065</u>	334,833
Compensated absences do not require the use of current financial resources and are not reported by government funds. This is the change in accrued compensated absences.		(280,686)
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.		<u>(30,929)</u>
<b>CHANGE IN NET POSITION</b>		<b><u>\$ 17,807,458</u></b>

**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023**

	<u>Scholarship Fund</u>
<b>ASSETS:</b>	
Cash and investments	\$ 325,058
<b>TOTAL ASSETS</b>	<u>\$ 325,058</u>
<b>NET POSITION:</b>	
Restricted for scholarships	\$ 325,058
<b>TOTAL NET POSITION</b>	<u>\$ 325,058</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Scholarship Fund</b>
<b>ADDITIONS:</b>	
Investment earnings	\$ 6,115
<b>TOTAL ADDITIONS</b>	<b>6,115</b>
<b>DEDUCTIONS:</b>	
Community services	4,500
<b>TOTAL DEDUCTIONS</b>	<b>4,500</b>
<b>CHANGE IN NET POSITION</b>	1,615
<b>NET POSITION - JULY 1, 2022</b>	<b>323,443</b>
<b>NET POSITION - JUNE 30, 2023</b>	<b>\$ 325,058</b>



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**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

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**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**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 and contributions restricted for specific educational and related purposes. Principal revenue sources are federal and state grants.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the 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 leases are reported as other financing sources.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**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 Treasurer 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 in Trust (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 earnings for the sinking fund are not to exceed 4.3% annually. As of June 30, 2023, the balance of the sinking fund for the Series 2010 Obligations was \$1,206,403.

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, 2023, the balance of the sinking fund for the Full Faith and Credit Obligations, Series 2012B was \$1,607,575.

**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 THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**Receivables**

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.

Due to the nature of the receivables and likelihood of collection, no provision for uncollectible receivables has been made.

**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  
Vehicles and equipment - 5 to 15 years  
Right-of-use asset – Depends on life of the lease or subscription

**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. The General Fund and Special Revenue Fund are typically used to liquidate this liability.

**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, 2023.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**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 payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and Special Revenue Fund are typically used to liquidate this liability.

Additionally, the District offers eligible employees who elect early retirement a monthly stipend. Such costs are recorded as expense in the General Fund and funded as stipend benefits become due.

**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 an asset and liability for OPEB plans consistent with established generally accepted accounting principles and to reflect an actuarially determined asset and liability for the present value of projected future benefits for retired and active employees. The General Fund and Special Revenue Fund are typically used to liquidate this liability.

**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.

**Leases**

Leases are recognized in accordance with GASB Statement No. 87, *Leases*.

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments and is adjusted over time by interest and payments. Future lease payments include fixed payments. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement and is subsequently amortized over the life of the lease.

In the government-wide financial statements, deferred inflows related to leases and any respective right-to-use assets are reported in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources. Under modified accrual accounting, lease payments are considered support services and proceeds of lease contracts, and thereafter are recorded as principal and interest payments.

The District has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the District will report inflows of cash for lessor leases and outflows of cash for lessee leases.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**Subscription-based IT Arrangements**

The District leases various subscription-based IT arrangement (SBITA) assets requiring recognition. A right-to-use subscription asset is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract, with a noncancelable term greater than one year in an exchange or exchange-like transaction.

At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any lease incentives). The subscription liability is reduced by the principal portion of payments made. The right-to-use subscription asset is measured at the initial subscription liability amount payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right-to-use subscription asset is amortized on a straight-line basis over the course of the subscription term.

*Key Estimates and Judgments*

Subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate stated in the subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the District uses its estimated incremental borrowing rate as the discount rate for the subscriptions.
- The lease term includes the noncancellable period of the subscription, the option renewal periods if government is reasonably expected to exercise, certain periods covered by options to extend or terminate to reflect how long the subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as capitalizable implementation costs and certain other payments less subscription incentives are included in the measurement of the subscription liability and asset.

The District monitors changes in circumstances that would require a remeasurement or modification of its subscription liabilities. The District will remeasure the subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. The District will also update the discount rate as part of the remeasurement if there is a change in the subscription term and that change is expected to significantly affect the amount of the subscription liability.

The District has chosen not to implement GASB 96 for the budgetary basis of accounting. For both the budgetary basis of accounting and for SBITAs that do not meet the criteria for valuation under GASB 96, the District will report inflows of cash for lessor leases and outflows of cash for subscription payments.

**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 a deferred loss on refunding and pension costs and OPEB costs reported on the Statement of Net Position.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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.

*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 positions 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 an 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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

*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.

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 three supplemental budgets revising appropriations. Appropriations lapse at the end of each fiscal year.

During the fiscal year ended June 30, 2023, the District was in compliance with Local Budget Law, except for the following:

- Expenditures and other financing uses in excess of appropriations as follows:

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
General Fund			
Facilities acquisition and construction	\$ -	\$ 442,050	\$ (442,050)
Reserve Fund			
Instruction	3,024,200	3,188,827	(164,627)
Special Revenue Fund			
Instruction	13,908,434	14,037,816	(129,382)
Enterprise and community services	5,002,395	5,622,259	(619,864)



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**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.

**Adoption of New GASB Pronouncements**

During the year ended June 30, 2023, the District implemented the following GASB Pronouncements:

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. There is no effect on the District's financial statements as a result of this statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The District implemented this Statement for the fiscal year ended June 30, 2023, as reflected in Note 9 and is included in the restatements discussed below.

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences. The District early-implemented this Statement for the fiscal year ended June 30, 2023, as reflected in Note 6.

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2023:

GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. Issued in June 2022, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective in fiscal year 2024.

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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**Restatements Due to Correction of Errors and Change in Accounting Principles**

For the year ended June 30, 2023, restatements of previously reported balances were identified as follows:

Governmental activities net position was restated due to non-recognition of long-term debt associated with loans payable for buses purchased during fiscal year 2022. Additionally, disposal of buses and addition of buses purchased with the long-term debt adjustment were not recorded.

Governmental activities net position was also restated due to a change in accounting principles on implementation of GASB Statement No. 96 discussed on page 19.

The effect of these corrections and change in accounting principle follows:

	Governmental Activities			
	Net Position	Vehicles and Equipment (net)	Subscription Assets	Long-term Debt
Beginning of year, as previously stated:	\$ (3,270,384)	\$ 8,445,123	\$ -	\$ 38,217,447
Correction of errors				
Long-term debt	(1,519,347)	-	-	1,519,347
Vehicles and equipment, net	1,406,893	1,406,893	-	-
Change in accounting principal	795,326	-	795,326	-
Beginning of year, as restated:	<u>\$ (2,587,512)</u>	<u>\$ 9,852,016</u>	<u>\$ 795,326</u>	<u>\$ 39,736,794</u>

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

Cash and investments are comprised of the following as June 30, 2023:

Petty cash	\$ 300
Carrying amount of cash and cash equivalents	10,647,038
Carrying amount of investments	<u>13,447,011</u>
 Total cash and investments	 <u>\$ 24,094,349</u>

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

Statement of Net Position:	
Cash and investments	\$ 20,772,394
Assets held in trust (sinking fund)	2,813,978
Assets restricted under bond agreement	182,919
Fiduciary Fund	<u>325,058</u>
 Total cash and investments	 <u>\$ 24,094,349</u>

As of June 30, 2023 the District's net carrying amount of deposits was \$10,647,038 and the bank balance was \$12,418,978. Of these deposits, \$11,668,938 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.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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.

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 2022-2023. 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, 2023, 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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

*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.

**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 6/30/2023	Level One	Level Two	Level Three	Not Measured at Fair Value
Investments:					
Local Government					
Investment Pool	\$ 10,348,888	\$ -	\$ -	\$ -	\$ 10,348,888
Certificates of Deposit	43,499	-	-	-	43,499
U.S. Treasuries	117,878	117,878	-	-	-
Corporate Bonds	1,607,575	-	1,607,575	-	-
Money Market Fund	1,329,171	1,329,171	-	-	-
	<u>\$ 13,447,011</u>	<u>\$ 1,447,049</u>	<u>\$ 1,607,575</u>	<u>\$ -</u>	<u>\$ 10,392,387</u>
Total					

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

As of June 30, 2023, 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	\$ 10,348,888	\$ 10,348,888	\$ -	\$ -
Certificates of Deposit	43,499	43,499	-	-
U.S. Treasuries	117,878	-	117,878	-
Corporate Bonds	1,607,575	-	1,607,575	-
Money Market Fund	1,329,171	1,329,171	-	-
<b>Total Investments</b>	<b>\$ 13,447,011</b>	<b>\$ 11,721,558</b>	<b>\$ 1,725,453</b>	<b>\$ -</b>

	Standard & Poor's Rating	Percentage of Total Investments
Local Government		
Investment Pool	N/R	76.98%
Certificates of Deposit	N/R	0.32%
U.S. Treasuries	N/R	0.88%
Corporate Bonds	A- / BBB-	11.93%
Money Market Fund	N/R	9.89%
<b>Total Investments</b>		<b>100.00%</b>

N/R = Not Rated

**NOTE 3 – RECEIVABLES**

Receivables are comprised of the following as of June 30, 2023:

	Taxes	Grants	Other	Total
General Fund	\$ 1,357,914	\$ 1,717,347	\$ 5,936	\$ 3,081,197
Special Revenue Fund	102,317	12,081,505	1,261	12,185,083
Debt Service Fund	187,368	-	-	187,368
<b>Total</b>	<b>\$ 1,647,599</b>	<b>\$ 13,798,852</b>	<b>\$ 7,197</b>	<b>\$ 15,453,648</b>



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 – CAPITAL ASSETS**

The changes in capital assets for the fiscal year ended June 30, 2023, are as follows:

	Balance July 1, 2022 as restated	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated or amortized:					
Land	\$ 3,957,830	\$ -	\$ -	\$ -	\$ 3,957,830
Construction in progress	1,965,946	4,350,034	-	(1,503,309)	4,812,671
<b>Total capital assets not being depreciated or amortized</b>	<b>5,923,776</b>	<b>4,350,034</b>	<b>-</b>	<b>(1,503,309)</b>	<b>8,770,501</b>
Capital assets being depreciated or amortized:					
Buildings and improvements	107,569,201	2,954,361	(126,548)	1,305,143	111,702,157
Vehicles and equipment	15,421,663	1,099,667	(511,438)	198,166	16,208,058
Intangible assets					
Subscription assets	795,326	508,510	-	-	1,303,836
Lease assets (right-of-use)					
Equipment	451,545	-	-	-	451,545
<b>Total capital assets being depreciated or amortized</b>	<b>124,237,735</b>	<b>4,562,538</b>	<b>(637,986)</b>	<b>1,503,309</b>	<b>129,665,596</b>
Less accumulated depreciation or amortization for:					
Buildings and improvements	(38,179,711)	(3,030,262)	94,359	4,464	(41,111,150)
Vehicles and equipment	(5,569,648)	(791,172)	376,021	(4,464)	(5,989,263)
Intangible assets					
Subscription assets	-	(195,868)	-	-	(195,868)
Lease assets (right-of-use)					
Equipment	(114,563)	(118,133)	-	-	(232,696)
<b>Total accumulated depreciation or amortization</b>	<b>(43,863,922)</b>	<b>(4,135,435)</b>	<b>470,380</b>	<b>-</b>	<b>(47,528,977)</b>
<b>Total capital assets being depreciated, net</b>	<b>80,373,813</b>	<b>427,103</b>	<b>(167,606)</b>	<b>1,503,309</b>	<b>82,136,619</b>
<b>Total capital assets, net</b>	<b>\$ 86,297,589</b>	<b>\$ 4,777,137</b>	<b>\$ (167,606)</b>	<b>\$ -</b>	<b>\$ 90,907,120</b>

Depreciation or amortization expense for the fiscal year ended June 30, 2023 was charged to the following programs:

Instruction	\$ 2,292,243
Support services	1,641,381
Enterprise and community services	201,811
<b>Total depreciation expense</b>	<b>\$ 4,135,435</b>



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 – INTERFUND TRANSACTIONS**

The District made transfers from the General Fund to the Special Revenue Fund to supplement professional development initiatives. 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.

	Transfers In	Transfers Out	
General Fund	\$ 112,191	\$ 451,215	
Special Revenue Fund	100,000	112,191	
2010 Sinking Fund	210,856	-	
2012 Sinking Fund	140,359	-	
Total	\$ 563,406	\$ 563,406	

The amounts due to other funds between the General Fund and Special Revenue Fund is the result of a cash deficiency due to the timing of grant expenditures and collection of related receivables as of June 30, 2023.

**NOTE 6 – COMPENSATED ABSENCES**

The changes in compensated absences for the year ended June 30, 2023 are as follows:

	June 30, 2022	Net Change	June 30, 2023	Due Within One Year
Governmental				
Activities	\$ 171,876	\$ 280,686	\$ 452,562	\$ 452,562

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.

**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). U.S. treasury subsidy payments of \$104,050 were received.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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 balance of the sinking account as of June 30, 2023 is \$1,206,403 (restricted).

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service	Sinking Fund Deposit
2024	\$ -	\$ 115,000	\$ 115,000	\$ 95,856
2025	-	115,000	115,000	95,856
2026	-	115,000	115,000	95,856
2027	2,000,000	115,000	2,115,000	95,856
Total	<u>\$ 2,000,000</u>	<u>\$ 460,000</u>	<u>\$ 2,460,000</u>	<u>\$ 383,424</u>

During the year ended June 30, 2023, \$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 THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2024	\$ 101,386
2025	101,386
2026	101,386
2027	101,386
2028	101,386
2029-2031	<u>253,472</u>
Total	<u>\$ 760,402</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>
2024	\$ 143,598	\$ 17,334	\$ 160,932
2025	148,751	12,181	160,932
2026	154,041	6,891	160,932
2027	<u>100,669</u>	<u>1,567</u>	<u>102,236</u>
Total	<u>\$ 547,059</u>	<u>\$ 37,973</u>	<u>\$ 585,032</u>

During the year ended June 30, 2023, \$21,906 of interest was charged to expense.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**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 Chilouquin 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 \$52,598 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 balance of the sinking account as of June 30, 2023 is \$1,607,575 (restricted).

The repayment schedule is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Premium/ (Discount)	Total	Sinking Fund Deposit
2024	\$ -	\$ 111,555	\$ (2,328)	\$ 109,227	\$ 134,000
2025	-	111,555	(2,328)	109,227	134,000
2026	-	111,555	(2,328)	109,227	134,000
2027	-	111,555	(2,328)	109,227	134,000
2028	-	111,555	(2,328)	109,227	134,000
2029-2030	<u>2,412,000</u>	<u>223,110</u>	<u>(4,656)</u>	<u>2,630,454</u>	<u>268,000</u>
Total	<u>\$ 2,412,000</u>	<u>\$ 780,885</u>	<u>\$ (16,296)</u>	<u>\$ 3,176,589</u>	<u>\$ 938,000</u>

During the year ended June 30, 2023, \$111,555 and \$2,328 of interest and amortization, respectively, were charged to expense.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**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. This optional redemption was elected resulting in a refund of maturities from June 15, 2024 through 2033 and funded through issuance of the General Obligation Refunding Bonds Series 2021, discussed below. Following the refunding, the unamortized bond premium was written off in the gain or loss calculation, as reported on the Statement of Net Position.

The G.O. Bonds are payable from property taxes levied in the District's Debt Service Fund. During the year ended June 30, 2023, the bonds fully matured and were paid in full and \$69,311 of interest was charged to expense.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**General Obligation Refunding Bonds Series 2021**

On July 1, 2021, the District issued 2021 General Obligation Refunding Bonds (2021 G.O. Bonds) in the amount of \$24,910,000. Under and in accordance with State laws and provisions, specifically Oregon Revised Statutes (“ORS”) Chapter 287A, the Bonds are being issued pursuant to Resolution No. 21-08 (the “Resolution”) adopted by the District’s Board of Directors (the “Board”) on March 11, 2021. The Bonds may be issued without voter approval.

The District previously issued its General Obligation Bonds, Series 2013, dated August 15, 2013, in the original aggregate principal amount of \$31,000,000 (the “Series 2013 Bonds”) pursuant to a resolution adopted by the District’s Board on June 25, 2013. The Series 2013 Bonds were issued to finance capital project costs. A portion of the proceeds of the Bonds will be used to refund all or a portion of the outstanding Series 2013 Bonds (the “Refunded Bonds”) and to pay the costs of issuance of the Bonds.

The advance refunding of the Series 2013 Bonds is subject to market conditions and contingent upon the advance refunding plan approval by the State Treasurer.

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 2021 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 2021 G.O. Bonds stated interest rate ranges between 0.22% and 1.30% based upon maturity date of each obligation. Interest on the Bonds will be paid on December 15, 2021 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, 2022 and annually thereafter on June 15 of each year to the maturity or earlier redemption of the bonds (mature in 2033).

The 2021 G.O. Bonds maturing in years 2022 through 2031, inclusive, are not subject to optional redemption prior to maturity. The bonds maturing on June 15, 2032 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, 2031, 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.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

The repayment schedule is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Loss on Refunding	Total
2024	\$ 2,175,000	\$ 355,822	\$ 99,973	\$ 2,630,795
2025	2,265,000	344,076	90,710	2,609,076
2026	2,360,000	324,597	81,064	2,684,597
2027	2,050,000	300,289	71,014	2,350,289
2028	2,150,000	300,289	62,283	2,450,289
2029-2033	12,475,000	986,096	164,640	13,461,096
Total	<u>\$ 23,475,000</u>	<u>\$ 2,611,169</u>	<u>\$ 569,684</u>	<u>\$ 26,186,142</u>

The G.O. Bonds are payable from property taxes levied in the District's Debt Service Fund. During the year ended June 30, 2023, \$357,930 and \$102,996 of interest and loss on refunding, respectively, were charged to expense.

**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).



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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
2024	\$ 135,000	\$ 73,463	\$ 13,613	\$ 222,076
2025	135,000	69,413	13,613	218,026
2026	140,000	64,013	13,613	217,626
2027	150,000	58,413	13,613	222,026
2028	155,000	52,413	13,613	221,026
2029-2033	680,000	145,450	54,452	879,902
2034-2035	585,000	64,563	40,840	690,403
Total	<u>\$ 1,980,000</u>	<u>\$ 527,728</u>	<u>\$ 163,357</u>	<u>\$2,671,085</u>

During the year June 30, 2023, \$75,826 and \$13,613 of interest and amortization, respectively, were charged to expense.

**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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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.

The repayment schedule is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Premium/ (Discount)	Total
2024	\$ 175,000	\$ 127,600	\$ 14,434	\$ 317,034
2025	180,000	120,600	14,434	315,034
2026	190,000	113,400	14,434	317,834
2027	195,000	105,800	14,434	315,234
2028	205,000	98,000	14,434	317,434
2029-2033	1,150,000	361,000	72,170	1,583,170
2034-2037	1,095,000	111,800	54,121	1,260,921
Total	<u>\$ 3,190,000</u>	<u>\$ 1,038,200</u>	<u>\$ 198,461</u>	<u>\$ 4,426,661</u>

During the year ended June 30, 2023, \$132,286 and \$14,434 of interest and amortization, respectively, were charged to expense.

**Bank Qualified Tax-Exempt Obligation**

***First Installment Note 2019***

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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

The repayment schedule is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 138,198	\$ 2,365	\$ 140,563
Total	<u>\$ 138,198</u>	<u>\$ 2,365</u>	<u>\$ 140,563</u>

During the year ended June 30, 2023, \$5,077 of interest was charged to expense.

***Second Installment Note 2021***

On January 29, 2021, the District entered into an amendment to the Master Tax-Exempt Installment Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. in the amount of \$798,907.

The proceeds were used by the District to purchase seven buses and carry an interest rate of 1.204%. The obligation will be repaid over 5 years with 10 equal installment payments of \$82,559 with the initial payment commencing July 29, 2021.

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 159,758	\$ 5,360	\$ 165,118
2025	161,687	3,431	165,118
2026	163,641	1,480	165,121
Total	<u>\$ 485,086</u>	<u>\$ 10,271</u>	<u>\$ 495,357</u>

During the year ended June 30, 2023, \$6,039 of interest was charged to expense.

***Third Installment Note 2022***

On June 15, 2021, the District entered into an amendment to the Master Tax-Exempt Installment Purchase Agreement with U.S. Bancorp Government Leasing and Finance, Inc. in the amount of \$1,861,518.

The proceeds were used by the District to purchase 15 buses and carry an interest rate of 1.375%. The obligation will be repaid over 5 years with 10 equal installment payments of \$193,263 with the initial payment commencing December 15, 2021.

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 372,233	\$ 14,293	\$ 386,526
2025	377,369	9,157	386,526
2026	399,578	3,950	403,528
Total	<u>\$ 1,149,180</u>	<u>\$ 27,400</u>	<u>\$ 1,176,580</u>



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

Changes in long term debt in the government-wide financial statements for the fiscal year ended June 30, 2023 are as follows:

	Balance 7/1/2022 (as restated)	Additions	Reductions	Balance 6/30/2023	Due in One Year
QSCB, Series 2010 (direct placement)	\$2,000,000	\$ -	\$ -	\$2,000,000	\$ -
DEQ Note Payable (direct borrowing)	861,788	-	(101,386)	760,402	101,386
State Energy Loan Program (direct borrowing)	686,178	-	(139,119)	547,059	143,598
QSCB, Series 2012B (direct placement)	2,412,000	-	-	2,412,000	-
Series 2013 GO Bonds	1,315,000	-	(1,315,000)	-	-
Series 2014 Bonds	2,110,000	-	(130,000)	1,980,000	135,000
Series 2017 Bonds	3,360,000	-	(170,000)	3,190,000	175,000
Installment Loan 2019 (direct borrowing)	273,302	-	(135,104)	138,198	138,198
Installment Loan 2021 (direct borrowing)	642,938	-	(157,852)	485,086	159,758
Installment Loan 2022 (direct borrowing)	1,519,347	-	(370,167)	1,149,180	372,233
Series 2021 GO Refunding Bonds	<u>24,185,000</u>	<u>-</u>	<u>(710,000)</u>	<u>23,475,000</u>	<u>2,175,000</u>
Total Long Term Debt	<u>\$ 39,365,553</u>	<u>\$ -</u>	<u>\$ (3,228,628)</u>	<u>\$ 36,136,925</u>	<u>\$ 3,400,173</u>
Unamortized discount and premium, net				<u>345,522</u>	<u>25,719</u>
Total Debt, net of unamortized premium and discount				<u>\$ 36,482,447</u>	<u>\$ 3,425,892</u>

**NOTE 8 – LEASES PAYABLE**

The District is the lessee under 24 non-cancellable lease agreements related to copiers which are qualified leases under GASB Statement No. 87 with periods covering various ranges and the latest expiring in May 2027. Monthly payments for the current year range from \$85 to \$5,364, with an interest rate of 2.46%. The General Fund is typically used to liquidate this liability.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 8 – LEASES PAYABLE (continued)**

During the year ended June 30, 2023, lease principal and interest payments of \$117,128 and \$6,809 were made, respectively. Leases payable maturities at June 30, 2023 consisted of the following:

Fiscal Year Ending June 30,

		Principal	Interest		Total
2024	\$	109,262	\$ 4,012	\$	113,274
2025		73,977	1,624		75,601
2026		34,632	476		35,108
2027		5,741	39		5,780
Total	\$	223,612	\$ 6,151	\$	229,763

Changes in leases payable in the government-wide financial statements for the fiscal year ended June 30, 2023 are as follows:

	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Due in One Year
Leases payable	\$ 340,740	\$ -	\$ (117,128)	\$ 223,612	\$ 109,262

**NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The District is the lessee under 12 non-cancellable lease agreements related to software licenses. The agreements are qualified as a subscription-based information technology agreement under GASB Statement No. 96 covering periods ranging from July 1, 2022, to June 30, 2029. Payments made for the current year totaled \$302,194. As all subscription assets are paid for no interest rate was applicable. See Note 4 for note disclosures on subscription asset and subscription asset accumulated amortization information.

**NOTE 10 – PENSION AND RETIREMENT PLANS**

**Early Retirement Stipend Pension Plan –**

***Stipend Benefit Plan Description*** - The District provides a single-employer defined benefit early retirement supplemental plan for eligible Administrative, Certified and Confidential employees. Administrative employees must have 10 years of service with the District as an administrator or teacher. Certified and Confidential employees must have at least 15 years of service with the District; however, Certified employees must retire after July 1, 2006 and Confidential employees years of service must be consecutive. 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 employees are entitled to a monthly stipend equal to 1/48th 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 eligible payments, whichever occurs first. Certified employees are entitled to \$350 per month paid for 48 to 84 months depending on years of service prior to retirement and Confidential employees are entitled to \$350 per month paid for 60 months, payment of both continues as outlined above for Administrative employees.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**Stipend Benefit One Time Payment** – This District also provides a one time payment option for Administrative, Certified and Classified, Confidential and Superintendent employees. Eligibility for Administrative staff (excluding Superintendent) is identical to the stipend benefit eligibility outlined above. Certified and classified employees must retire with at least 20 years of service with the District. Confidential employees must retire with at least 15 years of service with the District. Superintendent must be employed by the District as superintendent for at least six years.

Lump sum payments to all eligible employee classes (excluding Superintendent) of 1/12<sup>th</sup> of annual pay prior to retirement plus \$25 per year of employment with the District. Classified retirees with more than 25 years of service on retirement will receive an additional \$500. Superintendent is paid \$9,000 for each year of service with the district, which is paid in two equal annual installments.

**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, 2023 was \$341,752. There are no assets accumulated in a trust.

**Employees Covered by Benefit Terms** – As of June 30, 2023, the following employees were covered by the stipend benefit terms:

Inactive participants in the pension plan	41
Active plan members	896
	937

**Total Stipend Pension Liability** - The districts total stipend pension liability of \$4,294,281 was measured as of June 30, 2023, and was determined by an actuarial valuation date as of July 1, 2022.

**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	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	3.75% 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 4% and 6% annually
Mortality Rates	PUB 2010 employee and retiree 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, depending on YOS
Participation	85% active employees currently enrolled in a medical plan (100% if eligible for District paid benefits)
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	50% of classified and 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
Health Care Claims Cost	Based on MODA Medical Plans for 2022-23 claims costs for ag age 64 retiree or spouse
Aging Factors	Used to adjust the age 64 per capital claims cost
Dental and Vision Costs	We have assumed no implicit subsidy due to dental or vision costs
Service	Active participants are assumed to be continuously employed and accrue service at a full-time equivalent rate from their reported date of hire to the valuation date
Employee Classification	Employee classification is assumed to remain constant from date of hire to the valuation date. Employee classification to determine eligibility for explicit and One-Time Payment benefits is based on the most recent census data provided.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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

Stipend Pension Liability as of June 30, 2022	\$	3,928,531
Changes for the year:		
Service cost		187,196
Interest		138,070
Changes of benefit terms		27,303
Differences between expected and actual experience		326,035
Changes of assumptions or other input		28,898
Benefit payments		<u>(341,752)</u>
Stipend Pension Liability as of June 30, 2023	\$	<u>4,294,281</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:

	<u>1% Decrease (2.75%)</u>	<u>Current Discount Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Total Stipend Pension Liability	<u>\$ (4,555,934)</u>	<u>\$ (4,294,281)</u>	<u>\$ (4,043,068)</u>

***Stipend Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources -***

For the year ended June 30, 2023, the District recognized stipend pension expense of \$60,321. The \$60,321 was treated as an increase of payroll related expense in the Statement of Activities and allocated to the Instruction, Supporting Services, and Enterprise and Community Services expenses using allocation percentages of 59%, 38%, and 3%, respectively.

As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to stipend pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between expected and actual experience	\$ 457,407	\$ (72,458)
Changes of assumptions or other inputs	<u>194,683</u>	<u>(231,555)</u>
Total	<u>\$ 652,090</u>	<u>\$ (304,013)</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10 – PENSION AND RETIREMENT PLANS (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 Outflows/ (Inflows) of Resources
2024	\$ 49,504
2025	49,504
2026	49,504
2027	49,498
2028	69,258
Thereafter	80,809
Total	\$ 348,077

**Changes in Assumptions** - A summary of key changes implemented since the July 1, 2020 valuation are noted below:

- Premium increase rates were modified to better reflect anticipated experience and current Oregon law.
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.
- The interest rate for discounting future liabilities was changed to reflect current municipal bond rates.
- Inflation and payroll growth assumptions were increased to better reflect current and anticipated experience.

**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.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

**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. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$210,582 as in 2022, and it is indexed with inflation every year.

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 THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10 – PENSION AND RETIREMENT PLANS (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.

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$210,582 in 2022, and it is indexed with inflation every year.

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. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.

***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.

***Contributions*** -OPERS funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set by statute. The rates established for member and employer contributions were approved based on the recommended OPERS third-party actuary.

*Member Contributions* – Beginning January 1, 2004, all the member contributions, except for contributions by judge members, were placed in the IAP. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set aside by statute at 6.0 to 7.0 percent of salary and are remitted by participating employers.

*Employer Contributions* – 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. This funding policy applies to the OPERS Defined Benefit Plan and OPEB plans.

The District's employer contributions for the year ended June 30, 2023 were \$12,409,525 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the the period July 1, 2021 through June 30, 2023 for each pension program were: Tier1/Tier 2 – 26.83%, and OPSRP General Service – 23.72%.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

**Oregon PERS Annual Comprehensive Financial Report (ACFR)** - 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 ACFR which includes pension and OPEB plans and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

**Actuarial Valuation** - The employer contribution rates effective July 1, 2021, through June 30, 2023, 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, 2020
Measurement date	June 30, 2022
Experience study	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return <sup>1</sup>	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 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	<b>Healthy retirees and beneficiaries:</b> PUB-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Active members:</b> PUB-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> PUB-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

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 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020.

**Discount Rate** - The discount rate used to measure the total pension liability was 6.90 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.

**Assumed Asset Allocation –**

Asset Class	Target Allocation
Cash	0.00%
Debt Securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversity strategies	7.50%
Risk parity	2.50%
Total	100.00%

**Long-term Expected Rate of Return** - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 – PENSION AND RETIREMENT PLANS (continued)**

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>20-Year Annualized Geometric Mean</u>
Global equity	30.62%	5.85%
Private equity	25.50%	7.71%
Core fixed income	23.75%	2.73%
Real estate	12.25%	5.66%
Master limited partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge fund of funds - multistrategy	1.25%	5.11%
Hedge fund equity - hedge	0.63%	5.31%
Hedge fund - macro	5.62%	5.06%
US cash	-2.50% *	1.76%
Total	<u>100%</u>	

Assumed inflation - mean 2.40%

\*Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

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

At June 30, 2023, the District reported a liability of \$65,091,771 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. 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, 2022 (measurement date), the District's proportion was approximately 0.42510282 percent.

For the year ended June 30, 2023, the District recognized a reduction of pension expense of \$4,323,356. The \$4,323,356 was treated as an decrease of payroll related expense in the Statement of Activities and allocated to the Instruction, Supporting Services, and Enterprise & Community Services expenses using allocation percentages of 59%, 38%, and 3%, respectively.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

As of June 30, 2023, 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	\$ 3,159,680	\$ (405,924)
Changes of assumptions	10,213,251	(93,308)
Net difference between projected and actual earnings on investments	-	(11,637,149)
Changes in proportionate share	934,088	(3,707,230)
Differences between employer contributions and employer's proportionate share of system contributions	2,866,328	(5,003,530)
District's contributions subsequent to the measurement date	12,409,525	-
Total	\$ 29,582,872	\$ (20,847,141)

\$12,409,525 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, 2024.

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 Outflows/ (Inflows) of Resources
2024	\$ (676,688)
2025	(2,453,855)
2026	(5,281,883)
2027	5,034,593
2028	(295,961)
Thereafter	-
Total	\$ (3,673,794)

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10 – PENSION AND RETIREMENT PLANS (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 6.90 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 (5.90 percent) or one percent higher (7.90 percent) than the current rate:

District's Net Pension Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension	<u>\$ (115,434,625)</u>	<u>\$ (65,091,771)</u>	<u>\$ (22,957,126)</u>

***Changes in Assumptions and Methods –***

A summary of key changes implemented since the December 31, 2020 valuation are noted below. Additional detail and list of changes can be found in the 2020 Experience Study for the System, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/Actuarial-Valuation-Results.pdf>

***Assumption Changes***

- There were no changes to actuarial assumptions since the December 31, 2020 actuarial valuation.

***Actuarial Methods***

- There were no changes to actuarial methods since the December 31, 2020 actuarial valuation.

***Plan Changes***

- There were no changes to plan provisions valued since the December 31, 2020 actuarial valuation. The provisions of Senate Bill 111 and House Bill 2906, both enacted in June 2021, were reflected in the December 31, 2020 actuarial valuation.

**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 THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10 – PENSION AND RETIREMENT PLANS (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.

**Member Contributions** - Beginning January 1, 2004, all the member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf.

**Contributions** - Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$3,333 per month in 2022) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index (All Urban Consumers, West Region).

During 2023, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2023 were \$2,954,335, of which \$2,427,367 was deposited into the individual members' accounts.

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

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

**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 four 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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**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.

**Employees Covered by Benefit Terms** – As of the measurement date, the following employees were covered by the explicit benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	52
Active plan members	896
	948

**Total OPEB Liability** – The District’s total OPEB liability of \$14,996,139 was measured as of June 30, 2023 and was determined by an actuarial valuation date as of July 1, 2022.

**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	Early age normal, level percent of salary
Interest Rate Utilized for Discounting	3.75% 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 4% and 6% annually
Mortality Rates	PUB 2010 employee and retiree 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, depending on YOS
Participation	85% active employees currently enrolled in a medical plan (100% if eligible for District paid benefits)
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which currently enrolled
Marital Status	50% of classified and 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
Health Care Claims Cost	Based on MODA Medical Plans for 2022-23 claims costs for age 64 retiree or spouse
Aging Factors	Used to adjust the age 64 per capital claims cost
Dental and Vision Costs	We have assumed no implicit subsidy due to dental or vision costs
Service	Active participants are assumed to be continuously employed and accrue service at a full-time equivalent rate from their reported date of hire to the valuation date
Employee Classification	Employee classification is assumed to remain constant from date of hire to the valuation date. Employee classification to determine eligibility for explicit and One-Time Payment benefits is based on the most recent census data provided.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

***Changes in the Total OPEB Liability -***

OPEB Liability as of June 30, 2022	\$ 13,451,819
Changes for the year:	
Service cost	674,160
Interest	479,426
Difference between expected and actual experience	2,204,169
Changes in assumptions	(957,236)
Benefit payments	<u>(856,199)</u>
 OPEB Liability as of June 30, 2023	 <u><u>\$ 14,996,139</u></u>

***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:

	<u>1% Decrease (2.75%)</u>	<u>Current Discount Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Total OPEB Liability	<u>\$ 16,037,380</u>	<u>\$ 14,996,139</u>	<u>\$ 14,012,717</u>

***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:

	<u>1% Decrease 3.0%, trending up to 5.0%, then back down to 3.5%</u>	<u>Current Trend Rate 4.0%, trending up to 6.0%, then back down to 4.5%</u>	<u>1% Increase 5.0%, trending up to 7.0%, then back down to 5.5%</u>
Total OPEB Liability	<u>\$ 13,415,419</u>	<u>\$ 14,996,139</u>	<u>\$ 16,859,412</u>

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

For the year ended June 30, 2023, the District recognized a reduction of expense related to OPEB of \$347,065. The \$347,065 was treated as a decrease of payroll related expense in the Statement of Activities and allocated to the Instruction, Supporting Services, and Enterprise & Community Services expenses using allocation percentages of 59%, 38%, and 3%, respectively.



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ 2,156,168	\$ (563,535)
Changes of assumptions or other inputs	450,445	(3,117,881)
Total	\$ 2,606,613	\$ (3,681,416)

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 Outflows/ (Inflows) of Resources
2024	\$ (644,452)
2025	(644,452)
2026	83,838
2027	(66,311)
2028	(66,311)
Thereafter	262,885
Total	\$ (1,074,803)

**Changes in Assumptions** – A summary of key changes implemented since the July 1, 2020 valuation are noted at the end of Note 10.

**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.

OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO box 23700, Tigard, OR 97281-3700.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**Funding Policy** – 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS 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 OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the fiscal year ended June 30, 2023 for the OPEB program were: Tier1/Tier 2 – 0.05%, and OPSRP general service – 0.00%. The District contributed \$5,556 for the year ended June 30, 2023.

**Actuarial Valuation**

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 9 Pension and Retirement Plans* (excluding the Actuarial Methods and Assumptions cost of living adjustment assumption, which has been removed, and a retiree healthcare participation assumption of 27.5% for healthy retirees and 15.0% for disabled retirees has been used). The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, and the Investment Rate of Return.

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

At June 30, 2023, the District reported \$1,242,311 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. 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, 2022 (measurement date) the District's proportion was approximately 0.34961654 percent.

For the year ended June 30, 2023, the District recognized an increase of OPEB expense related to RHIA of \$12,232. The \$12,232 was treated as an increase of payroll related expense in the Statement of Activities and allocated to the Instruction, Supporting Services, and Enterprise & Community Services expenses using allocation percentages of 59%, 38%, and 3%, respectively.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ (33,666)
Changes of assumptions	9,727	(41,410)
Net difference between projected and actual earnings on investments	-	(94,742)
Changes in proportionate share	637,008	(34,115)
District's contributions subsequent to the measurement date	5,556	-
Total	\$ 652,291	\$ (203,933)

\$5,556 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, 2024.

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 Outflows/ (Inflows) of Resources
2024	\$ 317,587
2025	154,659
2026	(59,787)
2027	30,343
Total	\$ 442,802

***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 6.90 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 (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

District's Net OPEB Asset/(Liability)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Retiree Health Insurance Account	\$ 1,119,672	\$ 1,242,311	\$ 1,347,440



**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

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*.

**NOTE 12 – 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	\$ 153,740
Greg Lane	14,604
KCSD Administator Scholarship	54,772
CHS Avid Nike Grant	30,410
Aspire	7,424
ORRTI Project	26,234
Miscellaneous	94,696
Seismic Rehabilitation	25,001
Alternative Education	504,416
Facilities Improvement	1,893,641
Senate Bill 1149	181,912
OCF Chiloquin JRHS	3,877
OCF Gilchrist	60,727
Gilchrist R James Discretionary	4,157
Food Services	520,019
Total Restricted Funds	\$ 3,575,630

**NOTE 13 – 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.

**NOTE 14 – 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.

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 15 – 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 16 – CONSTRUCTION AND OTHER COMMITMENTS**

The District has active construction projects as of June 30, 2023. 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	Amount Paid	Remaining Commitment
Brixner Seismic Rehabilitation	\$ 2,096,372	\$ 1,648,638	\$ 447,734
Gilchrist Grounds Improvement	97,285	43,812	53,473
Henley Middle School CTE	1,156,708	763,543	393,165
Bonanza and Chiquin HS New Gymnasium	801,140	448,261	352,879
Keno Seismic Rehabilitation	342,100	29,043	313,057
Crater lake Center Roofing/HVAC	1,047,810	-	1,047,810
Starns Elementary Parking Lot	404,765	249,080	155,685
Lost River Community Center	860,000	-	860,000
Gilchrist Roof Replacement	475,265	-	475,265

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 17 – TAX ABATEMENTS**

As of June 30, 2023, 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.

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

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 17 – TAX ABATEMENTS (continued)**

**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 District's Vertical Housing Development Zone, and meet the necessary specifications.

For the fiscal year ended June 30, 2023, Klamath County School District abated property taxes totaling \$19,195 under the following programs:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated during the Fiscal Year</b>
Non-Profit Low Income Rental Housing	\$ 15,865
Enterprise Zone	3,330
	\$ 19,195



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**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, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 16,238,524	\$ 16,363,524	\$ 17,132,962	\$ 769,438
Intergovernmental	1,241,316	1,241,316	609,678	(631,638)
Charges for services	215,500	215,500	364,874	149,374
Donations	15,000	15,000	3,312	(11,688)
Interest on investments	282,118	282,118	540,134	258,016
Miscellaneous	470,000	470,000	201,427	(268,573)
Intermediate sources:				
Intergovernmental	2,097,115	2,097,115	2,353,842	256,727
State sources:				
Intergovernmental	68,669,280	71,561,801	72,068,743	506,942
Federal sources:				
Intergovernmental	698,415	698,415	1,165,175	466,760
<b>TOTAL REVENUES</b>	<u>89,927,268</u>	<u>92,944,789</u>	<u>94,440,147</u>	<u>1,495,358</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	48,395,679	51,891,054	46,768,224	5,122,830
Support services	36,187,652	39,204,520	37,020,516	2,184,004
Enterprise and community services	-	850,000	1,004	848,996
Debt service	1,468,873	1,525,873	1,482,056	43,817
Facilities acquisition and construction	-	-	442,050	(442,050)
Contingency	6,092,384	11,928,516	-	11,928,516
<b>TOTAL EXPENDITURES</b>	<u>92,144,588</u>	<u>105,399,963</u>	<u>85,713,850</u>	<u>19,686,113</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,217,320)</u>	<u>(12,455,174)</u>	<u>8,726,297</u>	<u>21,181,471</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the sale of capital assets	25,000	25,000	86,978	61,978
Transfers in	632,500	632,500	112,191	(520,309)
Transfers out	(1,624,434)	(4,899,434)	(4,326,215)	573,219
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(966,934)</u>	<u>(4,241,934)</u>	<u>(4,127,046)</u>	<u>114,888</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(3,184,254)</u>	<u>(16,697,108)</u>	<u>4,599,251</u>	<u>21,296,359</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>4,184,254</u>	<u>17,697,108</u>	<u>17,697,108</u>	<u>-</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 22,296,359</u>	<u>\$ 21,296,359</u>

**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 63).

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local sources:				
Excise taxes	\$ 300,000	\$ 300,000	\$ 482,019	\$ 182,019
Intergovernmental	238,431	238,431	48,754	(189,677)
Charges for services	1,050,550	1,050,550	1,654,013	603,463
Donations	157,000	160,000	332,373	172,373
Interest on investments	6,050	6,050	33,347	27,297
Miscellaneous	51,100	51,100	17,691	(33,409)
Intermediate sources:				
Intergovernmental	500,000	500,000	-	(500,000)
State sources:				
Intergovernmental	13,122,494	13,305,713	13,493,176	187,463
Federal sources:				
Intergovernmental	27,011,211	27,011,211	18,143,313	(8,867,898)
<b>TOTAL REVENUES</b>	<b>42,436,836</b>	<b>42,623,055</b>	<b>34,204,686</b>	<b>(8,418,369)</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	12,939,974	13,908,434	14,037,816	(129,382)
Support services	12,268,457	11,806,787	8,494,578	3,312,209
Enterprise and community services	4,408,739	5,002,395	5,622,259	(619,864)
Facilities acquisition and construction	15,684,894	15,414,323	5,490,483	9,923,840
<b>TOTAL EXPENDITURES</b>	<b>45,302,064</b>	<b>46,131,939</b>	<b>33,645,136</b>	<b>12,486,803</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,865,228)</b>	<b>(3,508,884)</b>	<b>559,550</b>	<b>4,068,434</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	100,000	100,000	-
Transfers out	(632,500)	(632,500)	(112,191)	520,309
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(582,500)</b>	<b>(532,500)</b>	<b>(12,191)</b>	<b>520,309</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,447,728)</b>	<b>(4,041,384)</b>	<b>547,359</b>	<b>4,588,743</b>
<b>FUND BALANCE - JULY 1, 2022</b>	<b>3,447,728</b>	<b>4,041,384</b>	<b>4,533,205</b>	<b>491,821</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,080,564</b>	<b>\$ 5,080,564</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**

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

	2023	2022	2021	2020	2019
District's proportion of the net pension asset/(liability)	0.42510282%	0.41992040%	0.42526887%	0.47202577%	0.46377971%
District's proportion of the net pension asset/(liability)	\$ (65,091,771)	\$ (50,249,690)	\$ (92,808,295)	\$ (81,649,154)	\$ (70,256,517)
District's covered payroll	\$ 44,283,281	\$ 40,550,061	\$ 39,456,672	\$ 37,369,458	\$ 36,102,778
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	146.99%	123.92%	235.22%	218.49%	194.60%
Plan fiduciary net position as a percentage of the total pension liability	84.55%	87.57%	75.79%	80.20%	82.06%
	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.51193830%	0.48785596%	0.5760106%	0.55604662%	0.55604662%
District's proportion of the net pension asset/(liability)	\$ (69,009,476)	\$ (73,238,507)	\$ (33,071,425)	\$ 12,603,990	\$ (28,375,874)
District's covered payroll	\$ 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	203.43%	229.55%	111.33%	47.03%	103.15%
Plan fiduciary net position as a percentage of the total pension liability	83.12%	80.53%	91.88%	103.59%	91.97%

**Klamath County School District Pension Contributions**

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 12,409,525	\$ 11,484,579	\$ 12,998,195	\$ 9,257,925	\$ 8,709,564
Contribution in relation to the contractually required	\$ (12,409,525)	\$ (11,484,579)	\$ (12,998,195)	\$ (9,257,925)	\$ (8,709,564)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 51,775,414	\$ 44,283,281	\$ 40,550,061	\$ 39,456,672	\$ 37,369,458
Contributions as a percentage of covered payroll	23.97%	25.93%	32.05%	23.46%	23.31%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 8,215,327	\$ 6,509,261	\$ 6,571,825	\$ 6,224,077	\$ 5,879,733
Contribution in relation to the contractually required	\$ (8,215,327)	\$ (6,509,261)	\$ (6,571,825)	\$ (6,224,077)	\$ (5,879,733)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 36,102,778	\$ 33,922,326	\$ 31,904,930	\$ 29,705,924	\$ 26,799,323
Contributions as a percentage of covered payroll	22.76%	19.19%	20.60%	20.95%	21.94%

**Notes to Schedule -**

A summary of key changes implemented since the December 31, 2022 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 2022 Experience Study for the system, which was published July 2021, and can be found at :

[https://www.oregon.gov/pers/Documents/Financials/Actuarial/2023/2022\\_Exp\\_Study.pdf](https://www.oregon.gov/pers/Documents/Financials/Actuarial/2023/2022_Exp_Study.pdf)



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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total Pension Liability (Stipend):</b>				
Service cost	\$ 187,196	\$ 222,146	\$ 222,500	\$ 175,805
Interest	138,070	96,304	88,588	125,156
Changes of benefit terms	27,303	-	-	-
Differences between expected and actual experience	326,035	-	268,155	-
Changes of assumptions of other inputs	28,898	(300,009)	40,386	258,758
Benefit payments	<u>(341,752)</u>	<u>(295,864)</u>	<u>(256,798)</u>	<u>(233,349)</u>
<b>Net change in total pension liability (Stipend)</b>	365,750	(277,423)	362,831	326,370
<b>Total Pension Liability (Stipend) - Beginning</b>	<u>3,928,531</u>	<u>4,205,954</u>	<u>3,843,123</u>	<u>3,516,753</u>
<b>Total Pension Liability (Stipend) - Ending</b>	<u>\$ 4,294,281</u>	<u>\$ 3,928,531</u>	<u>\$ 4,205,954</u>	<u>\$ 3,843,123</u>
Estimated covered payroll	\$ 48,442,530	\$ 40,216,199	\$ 39,044,853	\$ 37,353,301
Total pension Liability (Stipend) as a percentage of estimated covered payroll	8.86%	9.77%	10.77%	10.29%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
<b>Total Pension Liability (Stipend):</b>				
Service cost	\$ 170,575	\$ 165,607	\$ 165,607	
Interest	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	(14,728)	-	-	
Benefit payments	<u>(232,190)</u>	<u>(312,385)</u>	<u>(378,557)</u>	
<b>Net change in total pension liability (Stipend)</b>	(80,248)	(39,873)	(103,920)	
<b>Total Pension Liability (Stipend) - Beginning</b>	<u>3,597,001</u>	<u>3,636,874</u>	<u>3,740,794</u>	
<b>Total Pension Liability (Stipend) - Ending</b>	<u>\$ 3,516,753</u>	<u>\$ 3,597,001</u>	<u>\$ 3,636,874</u>	
Estimated covered payroll	\$ 36,090,146	\$ 34,642,318	\$ 33,633,318	
Total pension Liability (Stipend) as a percentage of estimated covered payroll	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 seven years of information is presented.

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB  
ASSET/(LIABILITY) AND RELATED RATIOS (RHIA)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

<u>Klamath County School District Proportionate Share of Net OPEB Asset (RHIA)</u>			
	<u>2023</u>	<u>2022</u>	<u>2021</u>
District proportion of the net OPEB asset/(liability)	0.34961654%	0.76779093%	0.70022875%
District's proportion of the net OPEB asset/(liability)	\$ 1,242,311	\$ 2,636,598	\$ 1,426,788
District's covered payroll	\$ 44,283,281	\$ 40,550,061	\$ 39,456,672
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered payroll	-2.81%	-6.50%	-3.62%
Plan fiduciary net position as a percentage of the total OPEB liability	194.60%	183.90%	150.10%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
District proportion of the net OPEB asset/(liability)	0.34373813%	0.34400073%	0.31602022%
District's proportion of the net OPEB 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 OPEB 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 OPEB liability	144.40%	123.99%	108.88%

<u>Klamath County School District Contributions</u>			
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 5,556	\$ 8,617	\$ 20,543
Contribution in relation to the contractually required	(5,556)	(8,617)	(20,543)
Contributions deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	\$ 51,775,414	\$ 44,283,281	\$ 40,550,061
Contributions as a percentage of covered payroll	0.01%	0.02%	0.05%
	<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	(50,005)	(170,364)	(166,566)
Contributions deficiency (excess)	\$ -	\$ -	\$ -
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, 2020 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 2020 Experience Study for the system, which was published in July 20, 2022, and can be found at:

[https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/2023\\_Exp\\_Study.pdf](https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/2023_Exp_Study.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 six years of information is presented.

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS (MEDICAL BENEFITS)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB Liability (Medical Benefits):</b>				
Service cost	\$ 674,160	\$ 812,392	\$ 837,221	\$ 651,123
Interest	479,426	331,480	333,045	591,759
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	2,204,169	-	315,050	-
Changes of assumptions of other inputs	(957,236)	(1,222,094)	(731,826)	1,051,037
Benefit payments	(856,199)	(780,019)	(816,392)	(840,073)
<b>Net change in total OPEB liability (Medical Benefits)</b>	<b>1,544,320</b>	<b>(858,241)</b>	<b>(62,902)</b>	<b>1,453,846</b>
<b>Total OPEB liability - Beginning</b>	<b>\$ 13,451,819</b>	<b>\$ 14,310,060</b>	<b>\$ 14,372,962</b>	<b>\$ 12,919,116</b>
<b>Total OPEB liability - Ending</b>	<b>\$ 14,996,139</b>	<b>\$ 13,451,819</b>	<b>\$ 14,310,060</b>	<b>\$ 14,372,962</b>
Estimated covered payroll	\$ 48,442,530	\$ 40,216,199	\$ 39,044,853	\$ 37,353,301
Total OPEB liability as a percentage of estimated covered payroll	30.96%	33.45%	36.65%	38.48%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
<b>Total OPEB Liability (Medical Benefits):</b>				
Service cost	\$ 880,611	\$ 854,962	\$ 854,962	
Interest	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	(3,125,658)	-	-	
Benefit payments	(902,091)	(1,367,576)	(1,495,935)	
<b>Net change in total OPEB liability (Medical Benefits)</b>	<b>(4,581,595)</b>	<b>4,581</b>	<b>(122,042)</b>	
<b>Total OPEB liability - Beginning</b>	<b>\$ 17,500,711</b>	<b>\$ 17,496,130</b>	<b>\$ 17,618,172</b>	
<b>Total OPEB liability - Ending</b>	<b>\$ 12,919,116</b>	<b>\$ 17,500,711</b>	<b>\$ 17,496,130</b>	
Estimated covered payroll	\$ 36,090,146	\$ 34,642,318	\$ 33,633,318	
Total OPEB liability as a percentage of estimated covered payroll	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 six years of information is presented. This schedule is presented to illustrate required supplementary information for a 10 year period.



A decorative border of colorful crayons surrounds the text. The crayons are in various colors including red, orange, yellow, green, light blue, dark blue, purple, pink, and magenta. They are arranged in a roughly rectangular shape, with some overlapping and some pointing in different directions.

**OTHER  
SUPPLEMENTARY INFORMATION**

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**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
RESERVE FUND  
FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources:				
Interest on investments	\$ 200	\$ 200	\$ -	\$ (200)
<b>TOTAL REVENUES</b>	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,549,200	3,024,200	3,188,827	(164,627)
Support services	450,000	1,950,000	220,280	1,729,720
Facilities acquisition and construction	-	1,575,000	-	1,575,000
<b>TOTAL EXPENDITURES</b>	<u>1,999,200</u>	<u>6,549,200</u>	<u>3,409,107</u>	<u>3,140,093</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,999,000)</u>	<u>(6,549,000)</u>	<u>(3,409,107)</u>	<u>3,139,893</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	4,600,000	3,875,000	(725,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>50,000</u>	<u>4,600,000</u>	<u>3,875,000</u>	<u>(725,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,949,000)	(1,949,000)	465,893	2,414,893
<b>FUND BALANCE - JULY 1, 2022</b>	<u>1,949,000</u>	<u>1,949,000</u>	<u>2,291,513</u>	<u>342,513</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,757,406</u>	<u>\$ 2,757,406</u>

**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 63).



**KLAMATH COUNTY SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	Reserve Fund	Eliminations	Total General Fund
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 17,132,962	\$ -	\$ -	\$ 17,132,962
Intergovernmental	609,678	-	-	609,678
Charges for services	364,874	-	-	364,874
Donations	3,312	-	-	3,312
Interest on investments	540,134	-	-	540,134
Miscellaneous	201,427	-	-	201,427
Intermediate sources:				
Intergovernmental	2,353,842	-	-	2,353,842
State sources:				
Intergovernmental	72,068,743	-	-	72,068,743
Federal sources:				
Intergovernmental	1,165,175	-	-	1,165,175
<b>TOTAL REVENUES</b>	<b>94,440,147</b>	<b>-</b>	<b>-</b>	<b>94,440,147</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	46,768,224	3,188,827	-	49,957,051
Support services	37,020,516	220,280	-	37,240,796
Enterprise and community services	1,004	-	-	1,004
Debt service	1,482,056	-	-	1,482,056
Facilities acquisition and construction	442,050	-	-	442,050
<b>TOTAL EXPENDITURES</b>	<b>85,713,850</b>	<b>3,409,107</b>	<b>-</b>	<b>89,122,957</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,726,297</b>	<b>(3,409,107)</b>	<b>-</b>	<b>5,317,190</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the sale of capital assets	86,978	-	-	86,978
Transfers in	112,191	3,875,000	(3,875,000)	112,191
Transfers out	(4,326,215)	-	3,875,000	(451,215)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,127,046)</b>	<b>3,875,000</b>	<b>-</b>	<b>(252,046)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>4,599,251</b>	<b>465,893</b>	<b>-</b>	<b>5,065,144</b>
<b>FUND BALANCE - JULY 1, 2022</b>	<b>17,697,108</b>	<b>2,291,513</b>	<b>-</b>	<b>19,988,621</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 22,296,359</b>	<b>\$ 2,757,406</b>	<b>\$ -</b>	<b>\$ 25,053,765</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  
DEBT SERVICE FUND  
FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 2,454,775	\$ 2,454,775	\$ 2,430,650	\$ (24,125)
Interest on investments	-	-	62,466	62,466
Intermediate sources:				
Taxes	1,200	1,200	1,416	216
<b>TOTAL REVENUES</b>	<u>2,455,975</u>	<u>2,455,975</u>	<u>2,494,532</u>	<u>38,557</u>
<b>EXPENDITURES:</b>				
Debt service	<u>2,455,347</u>	<u>2,455,347</u>	<u>2,455,347</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>2,455,347</u>	<u>2,455,347</u>	<u>2,455,347</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>628</u>	<u>628</u>	<u>39,185</u>	<u>38,557</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>1,068,022</u>	<u>1,068,022</u>	<u>-</u>	<u>(1,068,022)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,068,022</u>	<u>1,068,022</u>	<u>-</u>	<u>(1,068,022)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>1,068,650</u>	<u>1,068,650</u>	<u>39,185</u>	<u>(1,029,465)</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>-</u>	<u>-</u>	<u>709,412</u>	<u>709,412</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 1,068,650</u>	<u>\$ 1,068,650</u>	<u>\$ 748,597</u>	<u>\$ (320,053)</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, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources:				
Interest on investments	\$ 10,000	\$ 10,000	\$ (1,707)	\$ (11,707)
<b>EXPENDITURES:</b>				
Debt service	115,000	115,000	115,000	-
<b>TOTAL EXPENDITURES</b>	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(105,000)</u>	<u>(105,000)</u>	<u>(116,707)</u>	<u>(11,707)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	210,856	210,856	210,856	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>210,856</u>	<u>210,856</u>	<u>210,856</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	105,856	105,856	94,149	(11,707)
<b>FUND BALANCE - JULY 1, 2022</b>	<u>1,093,000</u>	<u>1,093,000</u>	<u>1,259,728</u>	<u>166,728</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 1,198,856</u>	<u>\$ 1,198,856</u>	<u>\$ 1,353,877</u>	<u>\$ 155,021</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, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources:				
Interest on investments	\$ 10,000	\$ 10,000	\$ 17,236	\$ 7,236
<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>(94,319)</u>	<u>7,236</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	245,555	245,555	140,359	(105,196)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>245,555</u>	<u>245,555</u>	<u>140,359</u>	<u>(105,196)</u>
<b>NET CHANGE IN FUND BALANCE</b>	144,000	144,000	46,040	(97,960)
<b>FUND BALANCE - JULY 1, 2022</b>	<u>1,388,500</u>	<u>1,388,500</u>	<u>1,580,423</u>	<u>191,923</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 1,532,500</u>	<u>\$ 1,532,500</u>	<u>\$ 1,626,463</u>	<u>\$ 93,963</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, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local sources:				
Donations	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)
Interest on investments	500	500	5,241	4,741
<b>TOTAL REVENUES</b>	<u>70,500</u>	<u>70,500</u>	<u>5,241</u>	<u>(65,259)</u>
<b>EXPENDITURES:</b>				
Facilities acquisition and construction	<u>426,590</u>	<u>426,590</u>	<u>180,000</u>	<u>246,590</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(356,090)</u>	<u>(356,090)</u>	<u>(174,759)</u>	<u>181,331</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(356,090)</u>	<u>(356,090)</u>	<u>(174,759)</u>	<u>181,331</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>356,090</u>	<u>356,090</u>	<u>370,909</u>	<u>14,819</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,150</u>	<u>\$ 196,150</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FIDUCIARY FUND  
FISCAL YEAR ENDED JUNE 30, 2023**

	<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:				
Interest	\$ 1,000	\$ 1,000	\$ 6,115	\$ 5,115
<b>TOTAL REVENUES</b>	<u>1,000</u>	<u>1,000</u>	<u>6,115</u>	<u>5,115</u>
<b>EXPENDITURES:</b>				
Current:				
Enterprise and community services	9,000	9,000	4,500	4,500
<b>TOTAL EXPENDITURES</b>	<u>9,000</u>	<u>9,000</u>	<u>4,500</u>	<u>4,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,000)	(8,000)	1,615	9,615
<b>FUND BALANCE - JUNE 30, 2022</b>	<u>322,000</u>	<u>322,000</u>	<u>323,443</u>	<u>(1,443)</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 314,000</u>	<u>\$ 314,000</u>	<u>\$ 325,058</u>	<u>\$ 8,172</u>



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**KLAMATH COUNTY SCHOOL DISTRICT  
2022-23 DISTRICT AUDIT ALL FUND REVENUE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2023**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
<b>Revenue from Local Sources</b>							
1110 Ad Valorem Taxes Levied by District	17,132,201	-	2,430,645	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise tax (Not Tax Revenue)	-	479,570	-	-	-	-	-
1190 Penalties and Interest on Taxes	762	2,449	5	-	-	-	-
1200 Revenue from Local Govt Units Other than Districts	-	-	-	-	-	-	-
1310 Regular Day School Tuition	-	-	-	-	-	-	-
1322 Tuition Othr Dist In Stat	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1400 Transportation Fees	16,354	-	-	-	-	-	-
1500 Earnings on Investments	540,134	33,347	77,995	5,241	-	-	6,115
1600 Food Service	-	24,396	-	-	-	-	-
1700 Extra Curricular Activities	326,617	1,629,617	-	-	-	-	-
1800 Community Service Activities	57,091	-	-	-	-	-	-
1900 Other Revenue Local Sources	3,083	-	-	-	-	-	-
1910 Rentals	21,903	-	-	-	-	-	-
1920 Contributions and Donations from Private Sources	3,312	332,373	-	-	-	-	-
1930 Rental and Lease Payments from Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	20,000	48,754	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditures	9,576	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-
1980 Fees Charged to Grants	529,504	-	-	-	-	-	-
1990 Miscellaneous	191,850	17,691	-	-	-	-	-
<b>Total Revenue from Local Sources</b>	<b>18,852,387</b>	<b>2,568,197</b>	<b>2,508,645</b>	<b>5,241</b>	<b>-</b>	<b>-</b>	<b>6,115</b>
<b>Revenue from Intermediate Sources</b>							
2101 County School Fund	210,514	-	-	-	-	-	-
2102 Education Service District Apportionment	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2199 Other Intermediate Sources	32,793	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue In Lieu of Taxes	9,960	-	1,416	-	-	-	-
2900 Revenue for/on behalf of the District	2,100,575	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>2,353,842</b>	<b>-</b>	<b>1,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from State Sources</b>							
3100 Food Services	-	604,533	-	-	-	-	-
3101 State School Fund General Support	70,534,716	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	33,005	-	-	-	-	-
3103 Common School Fund	924,783	-	-	-	-	-	-
3104 State Managed County Timber	367,547	-	-	-	-	-	-
3199 Other Unrestricted Grants-in - Aid	204,918	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	15,373	10,786,505	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	21,406	2,069,133	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>72,068,743</b>	<b>13,493,175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Federal Sources</b>							
4100 Unrestricted Revenue Direct from the Federal Govt	-	-	-	-	-	-	-
4200 Unrest. Rev from the Federal Govt Through the State	-	-	-	-	-	-	-
4300 Restricted Revenue from the Federal Government	-	107,635	-	-	-	-	-
4500 Restricted Rev from the Fed Govt through the State	175,748	17,645,167	-	-	-	-	-
4700 Grants in Aid from the Fed Govt Through Intermediate	-	-	-	-	-	-	-
4801 Federal Forest Fees	989,427	-	-	-	-	-	-
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	-	390,511	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>1,165,175</b>	<b>18,143,313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Other Sources</b>							
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-
5200 Interfund Transfers	112,191	100,000	351,215	-	-	3,875,000	-
5300 Sale of or Compensation for Loss of Fixed Assets	86,978	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	17,697,108	4,533,205	3,549,563	370,909	-	2,291,513	323,443
<b>Total Revenue from Other Sources</b>	<b>17,896,277</b>	<b>4,633,205</b>	<b>3,900,777</b>	<b>370,909</b>	<b>-</b>	<b>6,166,513</b>	<b>323,443</b>
<b>Grand Totals</b>	<b>112,336,424</b>	<b>38,837,891</b>	<b>6,410,838</b>	<b>376,150</b>	<b>-</b>	<b>6,166,513</b>	<b>329,558</b>

# KLAMATH COUNTY SCHOOL DISTRICT 2022-23 DISTRICT AUDIT GENERAL FUND EXPENDITURE SUMMARY FISCAL YEAR ENDED JUNE 30, 2023

Code	Expenditure Description	Total	100 Salaries	200 PFR Cost	300 Purchased Ser	400 Materials	500 Capital Outlay	600 Other Objects	700 Transfers & Balances
1111	Primary, K-3	19,786,837	11,919,944	6,789,805	739,426	390,075	-	2,567	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	82,540	45,626	16,714	-	-	-	-	-
1121	Middle/Junior High Programs	5,098,590	3,143,748	1,728,724	129,070	97,047	-	-	-
1122	Middle / Junior High Extracurricular	245,755	136,899	45,900	31,472	25,979	3,535	-	-
1131	High School Programs	10,818,877	6,544,256	3,806,018	530,315	126,041	-	12,247	-
1132	High School Extracurricular	1,576,887	907,091	247,336	307,707	79,558	3,535	-	31,670
1140	Pre-Kindergarten Programs	21,565	31	12	3,424	18,118	-	-	-
1210	Talented and Gifted	207,454	128,759	70,649	-	3,031	5,015	-	-
1220	Restrict Prog for Students w/ Disabilities	-	-	-	-	-	-	-	-
1221	RESTR STRC PROGRAMS	838,536	559,944	257,016	15,155	6,421	-	-	-
1229	RESTR OTHER PROGRAMS	2,259,310	1,416,200	745,965	33,348	59,565	-	4,212	-
1250	Less Restrict Prog Students w/ Disabilities	3,802,840	2,204,112	1,139,422	352,919	91,724	-	14,562	-
1260	Early Intervention	35,298	-	-	35,298	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	905	-	-	505	-	-	-	-
1290	Alternative Education	-	-	-	-	-	-	-	-
1283	DISTALT PROG	365,518	136,518	90,879	1,148	136,972	-	-	-
1285	KCSD Online Education	-	-	-	-	-	-	-	-
1291	English as a Second Language	1,235,918	756,288	461,048	18,209	375	-	-	-
1292	Teen Parent Program	302,481	179,696	115,214	2,854	4,715	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
1410	SUMMER K-8 INSTR	77,997	39,438	15,068	15,343	7,654	-	94	-
1420	SUMMER MI/JR 7-8 INSTR	8,617	2,093	815	43	3,573	-	94	-
1430	SUMMER H 9-12 INSTR	4,389	2,852	1,129	-	33	-	375	-
1460	SUMMER SPED INSTR	18,914	13,751	4,831	-	332	-	-	-
1490	SUMMER OTHER INSTR	-	-	-	-	-	-	-	-
	<b>Total Instruction</b>	<b>48,788,244</b>	<b>28,136,808</b>	<b>15,316,663</b>	<b>2,219,966</b>	<b>1,023,198</b>	<b>7,070</b>	<b>65,940</b>	<b>-</b>
2110	Attendance & Social Work Services	113,654	73,630	40,024	-	-	-	-	-
2114	Student Accounting	113,651	83,165	50,688	-	-	-	-	-
2115	STUDENT SAFETY	320,998	-	-	320,998	-	-	-	-
2119	OTHER - HOMELESS (Y'S)	-	-	-	-	-	-	-	-
2120	Guidance Services	3,003	-	-	2,996	407	-	-	-
2130	Health Services	838,602	366,056	228,692	16,079	29,055	-	520	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	1,075,781	551,963	311,360	202,262	8,947	-	1,210	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	1,013,447	627,937	348,408	13,119	22,753	-	229	-
2210	Improvement of Instruction	-	-	-	-	-	-	-	-
2211	CURR DIRECTION	810,806	407,960	221,628	63,091	118,129	-	-	-
2213	CURR DEVELOPMENT	34,422	26,032	8,365	-	-	-	-	-
2220	Educational Media Services	521,627	306,599	188,050	-	25,011	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	162,447	21,957	7,967	115,987	16,635	-	-	-
2310	Board of Education Services	267,543	4,158	1,563	134,198	5,338	-	122,287	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2321	OFFICE SUPERINTENDENT	557,785	351,136	192,029	8,452	5,753	-	395	-
2340	Office of the Principal Services	8,791,221	5,154,663	3,209,154	246,474	146,558	-	32,372	-
2480	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	1,903,178	706,705	975,804	185,782	25,214	-	9,687	-
2523	Risk Management	297,436	146,301	84,390	22,962	33,140	8,428	315	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2542	CARE/UPKEEP BUDGS	6,428,991	2,363,564	1,452,384	1,973,435	285,358	345,276	6,977	-
2543	CARE/UPKEEP GRNDS	298,912	133	11	72,248	53,277	171,627	1,615	-
2544	MAINTENANCE	2,836,930	925,546	670,878	175,812	366,587	318,349	379,758	-
2550	Support Transportation Services	5,796,645	2,566,892	1,252,858	174,898	919,919	399,780	562,226	-
2568	SPED Transportation	731,029	482,775	240,002	7,355	887	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2572	PURCHASING	-	-	-	-	-	-	-	-
2573	WAREHOUSE	436,934	179,656	131,331	2,942	122,715	-	91	-
2574	PRINTING/DUPLICATING	390,648	98,459	75,783	156,261	58,145	-	-	-
2610	Direction of Central Support Services	234,159	143,925	82,779	375	7,090	-	-	-
2628	Grant Writing	128,962	79,143	46,098	1,425	2,181	-	115	-
2633	Wolmaster	112,933	55,196	43,137	125	14,374	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2641	PERSONNEL	638,079	355,798	216,193	54,356	11,402	-	330	-
2642	Recruitment/Placement	86,709	-	60,225	8,484	-	-	-	-
2648	OTHER STAFF SERVICES/WELLNESS	4,478	-	150	4,328	-	-	-	-
2690	Technology Services	1,518,783	407,233	255,589	417,379	414,360	9,702	14,520	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	772,708	334,103	438,604	-	-	-	-	-
	<b>Total Support Services</b>	<b>37,020,616</b>	<b>16,804,957</b>	<b>10,772,922</b>	<b>4,432,806</b>	<b>2,604,043</b>	<b>1,283,141</b>	<b>1,162,948</b>	<b>-</b>
3100	Food Services	-	-	-	-	-	-	-	-
3203	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3370	NONPUBLIC SCHL SERVICES	-	-	-	-	-	-	-	-
3390	PARENT INVOLV	64	46	18	-	-	-	-	-
3500	Custody & Care of Children Services	940	-	-	-	940	-	-	-
	<b>Total Enterprise/Community Services</b>	<b>1,004</b>	<b>46</b>	<b>18</b>	<b>-</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	442,050	32,262	13,066	25,363	4,990	366,329	11	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	<b>442,050</b>	<b>32,262</b>	<b>13,066</b>	<b>25,363</b>	<b>4,990</b>	<b>366,329</b>	<b>11</b>	<b>-</b>
5100	Debt Services	-	-	-	-	-	-	-	-
5111	LT DEBT COOL SCHOOLS	174,343	-	-	-	-	-	174,343	-
5113	LT DEBT BUS OBL 2020	140,584	-	-	-	-	-	140,584	-
5114	LT DEBT DEG	105,441	-	-	-	-	-	105,441	-
5115	LT DEBT FF&C BUS OBL 2014	207,363	-	-	-	-	-	207,363	-
5116	LT DEBT BUS LOAN 2021 #1	165,119	-	-	-	-	-	165,119	-
5117	LT DEBT FF&C BUS OBL 2017	302,700	-	-	-	-	-	302,700	-
5118	US BANK BUS LOAN 2021 #2	386,527	-	-	-	-	-	386,527	-
5120	Short Term Debt	-	-	-	-	-	-	-	-
5200	Transfers to Other Funds	4,328,215	-	-	-	-	-	-	4,328,215
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	22,296,359	-	-	-	-	-	-	-
	<b>Total Requirements and Balances</b>	<b>28,104,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,482,066</b>	<b>4,328,215</b>
	<b>Grand Totals</b>	<b>112,336,444</b>	<b>44,973,873</b>	<b>26,102,989</b>	<b>6,677,183</b>	<b>3,633,171</b>	<b>1,628,540</b>	<b>2,700,566</b>	<b>4,328,215</b>



# KLAMATH COUNTY SCHOOL DISTRICT 2022-23 DISTRICT AUDIT SPECIAL REVENUE FUND EXPENDITURE SUMMARY FISCAL YEAR ENDED JUNE 30, 2023

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	3,310,677	1,417,701	729,344	440,626	715,379	-	7,428	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	2,143	850	1,293	-	-	-	-	-
1121	Middle/Junior High Programs	712,926	229,789	133,697	30,051	317,754	-	1,635	-
1122	Middle / Junior High Extracurricular	11,906	4,037	1,800	2,228	1,667	-	2,354	-
1131	High School Programs	3,180,493	714,265	420,131	138,311	1,811,889	91,815	4,282	-
1132	High School Extracurricular	373,448	5,719	2,153	5,549	357,595	2,354	80	-
1140	Pre-Kindergarten Programs	125,956	85,897	40,199	3,864	15,978	-	-	-
1210	Talented and Gifted	5,134	-	-	-	5,134	-	-	-
1220	Restrict Prog for Students w/ Disabilities	-	-	-	-	-	-	-	-
1221	RESTR STRC PROGRAMS	-	-	-	-	-	-	-	-
1229	RESTR OTHR PROGRAMS	810	-	-	-	810	-	-	-
1250	Less Restrict Prog Students w/ Disabilities	1,150,229	701,417	384,508	16,884	47,420	-	-	-
1260	Early Intervention	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	1,964,324	921,190	483,991	7,367	550,684	-	1,071	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1283	DIST ALT PROG	1,814,115	741,728	471,207	564,793	29,015	-	7,371	-
1285	KCSD Online Education	636,490	259,845	172,786	26,177	177,592	-	150	-
1291	English as a Second Language	128,435	42,223	27,054	8,965	50,172	-	-	-
1292	Teen Parent Program	3,920	-	-	-	3,920	-	-	-
1293	Migrant Education	55,170	20,375	7,834	-	27,161	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Program	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
1410	SUMMER K-8 INSTR	321,400	170,589	83,719	39,612	47,199	-	281	-
1420	SUMMER MIJR 7-8 INSTR	47,850	6,317	2,457	128	29,713	8,954	281	-
1430	SUMMER HI 9-12 INSTR	48,193	33,981	13,087	-	-	-	1,125	-
1460	SUMMER SPED INSTR	143,784	87,234	34,183	16,407	5,981	-	-	-
1490	SUMMER OTHR INSTR	413	300	112	-	-	-	-	-
	<b>Total Instruction</b>	<b>14,037,816.00</b>	<b>5,423,467</b>	<b>2,989,136</b>	<b>1,301,171</b>	<b>4,195,073</b>	<b>106,276</b>	<b>23,705</b>	<b>-</b>
2110	Attendance & Social Work Services	968,812	567,196	295,710	97,016	7,541	-	1,348	-
2114	Student Accounting	-	-	-	-	-	-	-	-
2115	STUDENT SAFETY	4,764	310	26	195	4,233	-	-	-
2119	OTHER - HOMELESS (IYS)	13,771	-	-	10,665	2,730	-	375	-
2120	Guidance Services	1,262,847	787,615	459,792	3,121	12,320	-	-	-
2130	Health Services	19,089	17,991	-	806	592	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology & Audiology	3,713	2,676	1,037	-	-	-	-	-
2160	Other Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support	451,734	247,582	132,060	-	72,092	-	-	-
2210	Improvement of Instruction	1,023	-	-	1,023	-	-	-	-
2211	CURR DIRECTION	801,074	276,021	156,638	15,521	352,893	-	-	-
2213	CURR DEVELOPMENT	-	-	-	-	-	-	-	-
2220	Educational Media Services	(136)	-	-	-	(136)	-	-	-
2230	Assessment and Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	1,420,366	413,050	187,143	786,110	20,024	-	12,040	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2321	OFFICE SUPERINTENDENT	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	726,713	452,621	272,727	63	12	-	1,290	-
2490	Other Support Serv-Sch Adm	-	-	-	-	-	-	-	-
2510	Direction of Business Support Serv	-	-	-	-	-	-	-	-
2520	Fiscal Services	559,639	-	-	-	-	-	559,639	-
2528	Risk Management	-	-	-	-	-	-	-	-
2540	Operation & Maint of Plant Services	-	-	-	-	-	-	-	-
2542	CARE/UPKEEP BLDGS	64,039	-	-	-	717	63,322	-	-
2543	CARE/UPKEEP GRNDS	1,060,207	-	-	-	-	1,059,952	256	-
2544	MAINTENANCE	-	-	-	-	-	-	-	-
2550	Support Transportation Services	36,686	16,460	5,824	14,404	-	-	-	-
2558	SPED Transportation	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2572	PURCHASING	-	-	-	-	-	-	-	-
2573	WAREHOUSE	-	-	-	-	-	-	-	-
2574	PRINTING/DUPLICATING	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2628	Grant Writing	-	-	-	-	-	-	-	-
2633	Webmaster	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2641	PERSONNEL	-	-	-	-	-	-	-	-
2642	Recruitment/Placement	-	-	-	-	-	-	-	-
2648	OTHER STAFF SERVICES/WELLNESS	763,778	555,667	208,090	-	-	-	-	-
2660	Technology Services	336,229	-	-	-	336,229	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Total Support Services</b>	<b>8,484,578</b>	<b>3,336,910</b>	<b>1,719,047</b>	<b>830,864</b>	<b>809,247</b>	<b>1,123,274</b>	<b>676,146</b>	<b>-</b>
3100	Food Services	5,545,415	1,625,519	916,412	123,424	2,644,056	211,658	24,347	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3370	NONPUBLIC SCHL SERVICES	-	-	-	-	-	-	-	-
3380	PARENT INVOLV	76,844	3,482	1,328	21,312	50,712	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	<b>5,622,259</b>	<b>1,629,011</b>	<b>917,740</b>	<b>144,736</b>	<b>2,694,767</b>	<b>211,658</b>	<b>24,347</b>	<b>-</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition & Development Serv	-	-	-	-	-	-	-	-
4150	Bldg Acquisition, Construction and Improv	5,490,483	300,868	127,744	799,338	128,088	4,121,355	13,090	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	<b>5,490,483</b>	<b>300,868</b>	<b>127,744</b>	<b>799,338</b>	<b>128,088</b>	<b>4,121,355</b>	<b>13,090</b>	<b>-</b>
5100	Debt Services	-	-	-	-	-	-	-	-
5110	Long Term Debt QSCB 2010	-	-	-	-	-	-	-	-
5120	Short Term Debt	-	-	-	-	-	-	-	-
5200	Transfers to Other Funds	112,191	-	-	-	-	-	-	112,191
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
8000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	5,060,564	-	-	-	-	-	-	-
	<b>Total Requirements and Balances</b>	<b>5,192,756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,191</b>
	<b>Grand Totals</b>	<b>38,837,891</b>	<b>10,690,245</b>	<b>5,753,667</b>	<b>3,176,199</b>	<b>7,827,176</b>	<b>5,661,561</b>	<b>636,288</b>	<b>112,191</b>



**KLAMATH COUNTY SCHOOL DISTRICT  
2022-23 DISTRICT AUDIT DEBT SERVICE FUNDS EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2023**

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	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
5110	Long Term Debt QSCB 2010	1,387,325	-	-	-	-	-	1,387,325	-
5115	LT Debt FF&C Bus Obl 2014	226,555	-	-	-	-	-	226,555	-
5119	Long Term Debt Bond Refinance	1,068,022	-	-	-	-	-	1,068,022	-
5200	Transfers to Other Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	3,728,936	-	-	-	-	-	-	-
	<b>Total Requirements and Balances</b>	6,410,838	-	-	-	-	-	2,681,902	-
	<b>Grand Totals</b>	6,410,838	-	-	-	-	-	2,681,902	-

**KLAMATH COUNTY SCHOOL DISTRICT  
2022-23 DISTRICT AUDIT CAPITAL PROJECTS FUND EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2023**

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	-	-	-	-	-	-	-	-
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	180,000	-	-	-	-	180,000	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
	<b>Total Facilities Acquisition and Construction</b>	<b>180,000</b>	-	-	-	-	<b>180,000</b>	-	-
5100	Debt Services	-	-	-	-	-	-	-	-
5200	Transfers to Other Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
6000	Contingencies	-	-	-	-	-	-	-	-
7000	Unappropriated Ending Fund Balances	196,150	-	-	-	-	-	-	-
	<b>Total Requirements and Balances</b>	<b>196,150</b>	-	-	-	-	-	-	-
<b>Grand Totals</b>		<b>376,150</b>	-	-	-	-	<b>180,000</b>	-	-



**KLAMATH COUNTY SCHOOL DISTRICT  
2022-23 DISTRICT AUDIT RESERVE FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2023**

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	2,425,893	-	-	-	2,425,893	-	-	-
1112	Intermediate Programs	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	335,534	-	-	-	335,534	-	-	-
1122	Middle / Junior High Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	406,506	-	-	-	406,506	-	-	-
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	-	-	-	-	-	-	-	-
1285	KCSD Online Education	20,893	-	-	-	20,893	-	-	-
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>3,188,826</b>	-	-	-	<b>3,188,826</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	-	-	-	-	-	-	-	-
2543	Care/Upkeep Grounds	10,415	-	-	-	-	10,415	-	-
2544	Maintenance	56,096	-	-	-	-	56,096	-	-
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	153,770	-	-	-	153,770	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
	<b>Total Support Services</b>	<b>220,280</b>	-	-	-	<b>153,770</b>	<b>66,511</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	2,757,407	-	-	-	-	-	-	-
	<b>Total Requirements and Balances</b>	<b>2,757,407</b>	-	-	-	-	-	-	-
<b>Total</b>		<b>6,166,514</b>	-	-	-	<b>3,342,596</b>	<b>66,511</b>	-	-



**KLAMATH COUNTY SCHOOL DISTRICT  
2022-23 DISTRICT AUDIT FIDUCIARY FUND EXPENDITURE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2023**

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	4,500	-	-	4,500	-	-	-	-
3500	Custody & Care of Children Services	-	-	-	-	-	-	-	-
	<b>Total Enterprise/Community Services</b>	<b>4,500</b>	-	-	<b>4,500</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	325,058	-	-	-	-	-	-	-
	<b>Total Requirements and Balances</b>	<b>325,058</b>	-	-	-	-	-	-	-
<b>Total</b>		<b>329,558</b>	-	-	<b>4,500</b>	-	-	-	-

**KLAMATH COUNTY SCHOOL DISTRICT  
2022-23 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.

	<b>Objects 325 &amp; 326 &amp; *327</b>
Function 2540	\$1,552,518.34
Function 2550	\$23,125.86

**B. Replacement of Equipment – General Fund:**  
Include all General Fund expenditures in object 542, except for the following exclusions:

Exclude these functions:

\$178,843.38
--------------

- 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.*

A decorative border of colorful crayons surrounds the text. The crayons are in various colors including red, orange, yellow, green, light blue, dark blue, purple, pink, and magenta. They are arranged in a roughly rectangular shape, with some overlapping and pointing in different directions. The background is plain white.

**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.

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Klamath County School District  
Klamath Falls, Oregon

STATEMENT OF NET POSITION

Last Ten Fiscal Years  
(accrual basis of accounting)

Governmental Activities	2022-23	2021-22	2020-2021	2019-2020	2018-2019	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Assets and Deferred Outflows</b>										
<b>Assets</b>										
Cash and Investments	\$ 20,772,394	\$ 22,489,519	\$ 14,219,058	\$ 11,727,993	\$ 9,089,644	\$ 8,102,571	\$ 8,299,525	\$ 8,274,835	\$ 10,474,015	\$ 7,886,597
Receivables	15,453,648	7,676,979	6,488,521	4,835,365	5,812,402	5,497,657	4,024,723	3,409,605	2,892,515	3,119,460
Prepaid Expenses	646,744	630,326	638,570	221,687	60,969	79,593	32,106	30,834	21,587	26,713
Inventories	441,816	422,027	502,508	456,627	160,512	168,368	116,466	109,870	104,685	114,823
Assets Restricted Under Bond Agreement	182,919	177,677	409,592	1,540,881	2,459,476	3,780,516	5,273,597	2,974,466	15,009,093	30,428,729
Assets Held in Trust (Sinking Fund)	2,813,978	2,714,966	2,556,923	2,256,930	1,940,253	1,662,741	1,442,563	1,111,410	881,298	881,298
Other Postemployment Benefit Asset	1,242,311	2,636,598	1,426,788	664,226	383,968	131,988	-	160,674	302,255	-
Net Pension Asset	-	-	-	-	-	-	-	-	12,648,361	-
Capital Assets, Net										
Land	3,957,830	3,957,830	3,746,260	3,746,260	3,746,260	3,746,260	3,751,860	3,752,884	3,752,884	3,099,113
Construction in Progress	4,812,671	1,985,946	1,946,482	1,872,588	2,800,672	1,754,934	451,478	5,501,314	16,424,002	4,084,829
Buildings and Improvements	70,591,007	69,320,550	65,610,256	64,976,876	60,619,977	60,653,626	60,612,943	53,286,413	29,971,751	25,227,954
Vehicles and Equipment	10,218,795	8,445,123	8,399,492	7,203,908	6,652,565	6,687,772	6,800,233	7,103,692	7,008,370	5,428,506
Subscription Assets*	1,107,968	336,982	-	-	-	-	-	-	-	-
*Right-of-use asset - equipment	718,849	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 132,462,930</b>	<b>\$ 120,974,532</b>	<b>\$ 105,944,450</b>	<b>\$ 99,508,339</b>	<b>\$ 93,946,858</b>	<b>\$ 92,985,446</b>	<b>\$ 90,675,528</b>	<b>\$ 85,735,957</b>	<b>\$ 99,488,916</b>	<b>\$ 79,414,704</b>
<b>Deferred Outflows of Resources</b>										
Deferred Amounts Related to Pensions and OPEBs	\$ 33,493,866	\$ 34,780,905	\$ 37,390,457	\$ 30,398,395	\$ 32,053,717	\$ 29,137,945	\$ 40,822,021	\$ 8,697,969	\$ 8,837,043	\$ -
Deferred Loss on Refunding	569,694	672,660	-	-	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows</b>	<b>\$ 166,526,480</b>	<b>\$ 156,428,117</b>	<b>\$ 143,294,907</b>	<b>\$ 129,906,734</b>	<b>\$ 126,000,575</b>	<b>\$ 121,803,391</b>	<b>\$ 131,497,549</b>	<b>\$ 94,433,926</b>	<b>\$ 99,488,916</b>	<b>\$ 79,414,704</b>
<b>Liabilities and Deferred Inflows</b>										
<b>Liabilities</b>										
Accounts Payable	\$ 1,548,016	\$ 1,512,711	\$ 1,034,178	\$ 1,275,140	\$ 1,614,041	\$ 980,015	\$ 1,415,419	\$ 1,524,201	\$ 2,607,047	\$ 2,125,052
Accrued Salaries and Benefits	2,588,050	2,292,798	2,187,920	4,151,421	4,967,678	4,196,976	3,892,294	2,534,444	1,833,519	1,615,426
Accrued Interest Payable	66,579	72,867	104,701	106,479	114,552	124,055	127,972	108,238	152,755	94,128
Other Accrued Liability	528,574	461,104	-	-	-	-	635,207	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	2,354
Tax Anticipation Note	452,562	171,876	177,179	176,406	110,722	108,402	111,016	110,595	95,885	2,500,000
Accrued Compensated Absences Payable	4,294,281	3,928,531	3,643,123	3,643,123	3,516,753	3,687,001	3,636,874	-	95,885	153,371
Pension Liability (Spend) (due in more than one year)	14,996,139	13,451,819	14,672,891	14,372,962	12,919,116	17,500,711	17,496,130	2,112,664	1,999,378	1,549,043
Other Postemployment Benefit Obligation	65,091,771	50,249,690	92,806,295	81,649,154	70,256,517	69,009,476	73,238,507	33,071,425	-	223,615
Capital Lease Payable	-	-	-	-	-	-	-	-	-	-
Due within one year	109,262	116,998	-	-	-	-	-	-	-	-
Due in more than one year	114,350	223,742	-	-	-	-	-	-	-	-
Debt, Net of Unamortized Discount/Premium										
Due within one year	3,425,892	2,883,770	2,111,809	1,833,654	2,045,569	1,896,448	1,747,833	1,460,265	1,330,904	1,008,804
Due in more than one year	33,056,555	35,333,677	37,785,495	39,108,923	40,408,713	42,495,245	44,371,851	41,743,320	43,232,193	38,049,895
<b>Total Liabilities</b>	<b>\$126,270,031</b>	<b>\$110,699,583</b>	<b>\$154,725,591</b>	<b>\$146,517,262</b>	<b>\$135,353,861</b>	<b>\$139,677,326</b>	<b>\$146,693,201</b>	<b>\$82,685,150</b>	<b>\$1,554,988</b>	<b>\$ 47,321,697</b>
<b>Deferred Inflows of Resources</b>										
Deferred Amounts Related to Pensions and OPEBs	25,036,503	49,067,849	12,967,410	10,712,238	14,433,380	4,059,308	5,300,904	7,686,617	24,320,596	-
<b>Total Liabilities and Deferred Inflows</b>	<b>\$151,306,534</b>	<b>\$159,787,432</b>	<b>\$167,692,001</b>	<b>\$157,229,500</b>	<b>\$149,787,241</b>	<b>\$143,936,634</b>	<b>\$151,994,105</b>	<b>\$90,371,767</b>	<b>\$1,554,988</b>	<b>\$ 47,321,697</b>
<b>Net Position</b>										
Invested in Capital Assets	54,953,664	46,728,281	40,214,778	38,397,934	34,024,968	32,861,756	30,670,627	30,509,554	27,601,003	28,984,817
Restricted	8,870,481	6,616,764	6,968,270	5,835,918	3,738,320	3,344,180	2,819,314	1,174,277	1,516,037	-
Unrestricted	(48,604,199)	(56,616,429)	(71,376,142)	(71,356,618)	(61,549,654)	(58,139,183)	(63,966,497)	(27,621,672)	1,333,335	3,106,190
<b>Total Net Position</b>	<b>\$ 15,219,946</b>	<b>\$ (3,270,384)</b>	<b>\$ (24,393,064)</b>	<b>\$ (27,323,786)</b>	<b>\$ (23,786,666)</b>	<b>\$ (23,133,245)</b>	<b>\$ (20,496,556)</b>	<b>\$ 4,062,159</b>	<b>\$ 30,450,375</b>	<b>\$ 32,093,007</b>

\*For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, Leases, which resulted in a new recording of right-of-use assets.

\*\*For the fiscal year ended June 30, 2023, the District implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which resulted in a new recording of subscription assets.

Source: Klamath County School District Financial Statements and Supplementary Information

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

**CHANGES in NET POSITION**  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Governmental Activities</b>										
<b>Expenses</b>										
Instruction	\$ 62,780,732	\$ 53,505,923	\$ 55,235,514	\$ 57,049,121	\$ 50,468,815	\$ 50,995,401	\$ 47,551,029	\$ 56,775,845	\$ 28,718,796	\$ 35,784,344
Support Services	43,045,234	37,832,334	37,221,408	36,073,485	32,059,205	32,448,212	30,747,038	37,784,725	19,089,519	24,355,668
Enterprise & Community Services	5,481,371	4,417,459	4,044,792	3,477,066	3,503,260	3,558,130	3,428,106	4,302,835	2,188,821	2,953,993
Loss on Disposal of Capital Assets	-	-	-	-	-	-	108,871	56,820	1,159	24,256
Facilities and Acquisitions	1,038,787	407,961	115,378	-	-	-	524	-	-	202,711
Interest on Long-Term Debt	1,006,547	1,696,348	1,613,217	1,686,484	1,725,798	1,827,344	1,716,972	1,735,802	1,668,889	1,472,326
<b>Total Expense</b>	<b>\$ 113,352,671</b>	<b>\$ 97,860,523</b>	<b>\$ 98,230,307</b>	<b>\$ 98,286,186</b>	<b>\$ 87,757,078</b>	<b>\$ 88,830,611</b>	<b>\$ 83,809,725</b>	<b>\$ 100,666,628</b>	<b>\$ 51,648,984</b>	<b>\$ 64,793,286</b>
<b>Program Revenues</b>										
Charges for Services										
Instruction	\$ 897,870	\$ 687,929	\$ 665,245	\$ 1,624,789	\$ 1,898,148	\$ 1,976,182	\$ 1,818,465	\$ 1,902,862	\$ 1,578,586	\$ 1,595,280
Support Services	572,862	652,155	81,035	141,333	124,486	122,265	114,928	55,235	75,076	114,313
Enterprise & Community Services	548,155	490,523	12,099	165,374	240,769	238,075	227,173	226,478	329,845	485,914
Operating Grants and Contributions	13,144,540	7,267,048	5,572,438	4,285,195	3,796,898	3,929,089	3,828,149	4,280,024	4,511,618	3,359,446
Instruction	8,027,438	7,103,787	5,114,232	1,741,671	2,064,162	1,916,667	2,813,185	1,920,738	1,960,043	1,783,496
Support Services	10,001,535	5,929,066	4,550,374	3,257,303	2,932,562	2,836,255	2,967,162	2,711,506	2,573,152	2,182,384
Enterprise & Community Services	1,750,683	7,388,084	1,818,893	3,911,031	1,809,724	1,398,388	466,598	26,153	-	-
Facilities Acquisition and Construction										
<b>Total Program Revenues</b>	<b>\$ 34,943,083</b>	<b>\$ 29,526,590</b>	<b>\$ 17,814,116</b>	<b>\$ 15,126,866</b>	<b>\$ 12,666,777</b>	<b>\$ 12,419,951</b>	<b>\$ 12,133,660</b>	<b>\$ 11,123,296</b>	<b>\$ 10,728,320</b>	<b>\$ 9,500,833</b>
<b>Total Governmental Activities</b>	<b>(78,409,588)</b>	<b>(68,333,933)</b>	<b>(80,416,191)</b>	<b>(83,159,470)</b>	<b>(75,090,301)</b>	<b>(76,410,660)</b>	<b>(71,676,065)</b>	<b>(89,543,332)</b>	<b>(40,918,664)</b>	<b>(55,292,453)</b>
<b>General Revenues</b>										
Property Taxes Levied for General Purposes	\$ 17,132,962	\$ 17,336,435	\$ 16,803,219	\$ 16,075,955	\$ 15,527,003	\$ 15,423,046	\$ 14,550,880	\$ 13,960,163	\$ 13,863,441	\$ 13,510,851
Property Taxes Levied for Debt Purposes	2,430,645	2,389,177	2,117,308	2,253,891	2,169,158	2,306,112	2,260,148	2,247,971	2,026,014	1,755,934
Construction Excise Tax	482,019	381,590	451,380	378,100	385,862	301,978	256,087	231,514	214,202	-
State School Fund- General Support	70,534,717	64,620,190	58,940,816	54,815,141	48,799,129	48,831,421	45,725,576	41,557,455	41,189,435	36,479,589
Common School Fund	524,752	786,759	820,905	586,179	842,535	819,827	736,385	796,136	589,122	556,428
County Timber Payments	387,547	283,670	820,890	433,211	598,396	990,600	299,285	681,935	852,949	568,897
Federal Forest Fees	989,427	1,041,437	828,509	917,320	846,426	1,047,060	89,238	1,065,964	1,082,123	1,202,401
Unrestricted State and Local Sources	2,311,089	1,886,299	2,116,873	2,073,769	1,967,192	1,849,193	1,476,423	1,483,313	1,423,784	-
Earnings on investments	656,717	214,169	200,471	565,309	573,430	321,390	254,743	434,626	508,234	334,802
Interest Subsidy	156,648	209,450	209,678	208,238	207,768	206,746	206,082	-	-	-
Revenue in lieu of taxes	11,376	22,023	17,055	8,411	183,603	173,630	-	-	-	-
Miscellaneous	219,117	620,786	475,899	891,114	905,503	1,023,447	681,632	668,039	823,317	571,874
Contributions	-	-	311,276	385,507	526,476	463,516	7,867	-	-	528,448
Gain (loss) on Disposal of Capital Assets	-	(317,322)	(66,217)	11,225	4,379	616,207	-	-	-	-
<b>Total General Revenues</b>	<b>\$ 96,217,046</b>	<b>\$ 89,454,643</b>	<b>\$ 83,345,864</b>	<b>\$ 79,903,370</b>	<b>\$ 73,436,880</b>	<b>\$ 74,773,971</b>	<b>\$ 66,544,326</b>	<b>\$ 63,157,116</b>	<b>\$ 62,142,821</b>	<b>\$ 55,509,222</b>
<b>Change in Net Position</b>	<b>\$ 17,807,458</b>	<b>\$ 21,122,710</b>	<b>\$ 2,929,673</b>	<b>\$ (3,536,100)</b>	<b>\$ (1,653,421)</b>	<b>\$ (1,636,689)</b>	<b>\$ (5,131,739)</b>	<b>\$ (26,388,216)</b>	<b>\$ 21,223,957</b>	<b>\$ 216,757</b>
Net Position - July 1	(3,270,383)	(24,393,093)	(27,322,766)	(23,786,666)	(22,133,245)	(20,496,556)	4,062,159	30,450,375	32,093,007	31,878,250
Prior Period Adjustment	682,871	-	-	-	-	-	(19,426,976)	-	(22,866,589)	-
Net Position - Beginning, as Restated	(2,587,512)	(24,393,093)	(27,322,766)	(23,786,666)	(22,133,245)	(20,496,556)	(15,364,817)	30,450,375	9,226,418	-
Net Position - June 30	\$ 15,219,946	\$ (3,270,383)	\$ (24,393,093)	\$ (27,322,766)	\$ (23,786,666)	\$ (22,133,245)	\$ (20,496,556)	\$ 4,062,159	\$ 30,450,375	\$ 32,093,007

Source: Klamath County School District Financial Statements and Supplementary Information

**Klamath County School District**  
 Klamath Falls, Oregon  
**FUND BALANCES of GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Fund Balances	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>General Fund</b>										
Non-Spendable *	\$ 648,744	\$ 735,596	\$ 498,987	\$ 209,730	\$ 94,410	\$ 63,377	\$ 45,519	\$ 44,245	\$ 34,876	\$ 40,124
Restricted *	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	881,298	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,757,406	2,291,513	1,008,784	56,360	16,434	252,111	281,877	-	-	-
Unassigned *	21,647,615	17,066,708	10,474,258	5,991,069	3,919,441	4,408,216	2,772,282	4,600,716	7,712,644	6,147,765
<b>Total General Fund</b>	<b>\$ 25,053,765</b>	<b>\$ 20,093,817</b>	<b>\$ 11,982,029</b>	<b>\$ 6,257,159</b>	<b>\$ 4,030,285</b>	<b>\$ 4,723,704</b>	<b>\$ 3,099,678</b>	<b>\$ 4,644,961</b>	<b>\$ 8,628,818</b>	<b>\$ 6,187,889</b>
<b>Other Governmental Funds</b>										
Restricted:										
Special Revenue Fund	3,575,630	2,989,438	2,536,993	2,234,720	743,624	698,930	617,513	832,919	549,872	282,157
Debt Service Fund	3,728,937	3,444,367	3,296,820	3,234,671	2,822,145	2,468,008	2,031,351	1,452,768	84,867	-
Capital Projects Fund	184,950	185,959	455,325	1,540,881	2,397,381	3,574,666	4,888,787	2,243,760	13,024,239	28,837,340
Committed:										
Capital Projects Fund	11,200	184,950	184,950	266,902	929,728	-	-	-	-	-
Professional Development	66,448	50,000	50,000	50,000	50,000	50,000	50,000	50,000	40,000	40,000
Assigned:										
Student Body and Athletics	1,430,580	1,376,614	1,178,030	203,168	1,074,832	1,043,104	1,115,283	1,036,034	899,290	901,916
Special Revenue Funds	7,906	117,153	12,606	-	-	-	-	-	-	-
Reserve Fund	-	-	-	-	-	-	-	93,844	-	-
Unassigned:										
Debt Service Fund	-	-	-	-	-	-	-	-	-	(7,423)
<b>Total Other Governmental Funds</b>	<b>\$ 9,005,651</b>	<b>\$ 8,348,481</b>	<b>\$ 7,714,724</b>	<b>\$ 7,530,342</b>	<b>\$ 8,017,710</b>	<b>\$ 7,834,708</b>	<b>\$ 8,702,934</b>	<b>\$ 5,709,325</b>	<b>\$ 14,598,268</b>	<b>\$ 30,053,990</b>

Source: Klamath County School District Financial Statements and Supplementary Information

\* New Fund Balance Designations from GASB 54 beginning 2011



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

**CHANGES in FUND BALANCES of GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-18	2014-15	2013-14
<b>Revenues</b>										
Property Taxes	\$ 20,045,631	\$ 20,336,414	\$ 19,048,888	\$ 18,689,812	\$ 18,117,559	\$ 18,019,644	\$ 17,078,647	\$ 16,365,409	\$ 15,863,882	\$ 15,189,539
Local Sources	3,888,839	4,503,925	2,086,241	3,846,255	4,321,445	4,104,395	3,920,778	3,883,680	3,953,822	3,875,612
Intermediate Sources	2,355,258	2,174,148	2,354,475	2,318,867	2,466,948	2,239,783	1,891,013	1,625,442	1,609,245	899,466
State Sources	85,581,919	75,015,531	66,431,291	61,401,952	53,350,934	54,708,347	48,936,638	44,834,234	43,633,824	37,921,832
Federal Sources	19,308,488	17,497,205	11,284,283	8,443,821	7,877,908	7,494,057	6,813,042	7,491,078	7,825,925	7,204,517
<b>Total Revenues</b>	<b>\$ 131,180,135</b>	<b>\$ 119,527,223</b>	<b>\$ 101,205,178</b>	<b>\$ 94,700,707</b>	<b>\$ 86,134,794</b>	<b>\$ 86,566,226</b>	<b>\$ 78,640,118</b>	<b>\$ 74,199,843</b>	<b>\$ 72,886,698</b>	<b>\$ 65,090,968</b>
<b>Expenditures</b>										
Current Operating:										
Instruction	\$ 63,870,930	\$ 54,904,481	\$ 49,971,544	\$ 48,454,253	\$ 46,510,228	\$ 45,635,504	\$ 43,222,701	\$ 40,149,509	\$ 37,820,907	\$ 34,909,374
Support Services	45,735,374	43,187,307	36,167,467	32,663,847	30,485,185	31,280,908	29,076,089	28,178,500	27,547,568	24,180,906
Enterprise and Community Services	5,623,263	4,630,696	3,808,724	3,465,809	3,285,460	3,433,784	3,128,784	3,152,645	2,939,285	2,900,667
Debt Service:										
Principal	3,345,756	3,342,874	1,714,774	2,050,510	1,777,963	1,628,343	1,374,149	1,224,498	3,411,949	3,451,852
Interest	938,084	1,081,149	1,744,400	1,804,015	1,864,748	1,954,120	1,808,761	1,887,731	1,703,552	1,499,310
Dues and Fees	4,055	4,562	5,069	5,578	6,082	6,590	7,097	7,604	8,111	4,309
Facilities Acquisition and Construction	6,112,533	3,943,217	2,813,871	5,196,669	2,767,465	3,083,298	3,112,301	12,499,118	18,562,214	4,410,062
<b>Total Expenditures</b>	<b>\$ 125,629,995</b>	<b>\$ 111,094,286</b>	<b>\$ 96,225,850</b>	<b>\$ 93,640,679</b>	<b>\$ 86,697,131</b>	<b>\$ 87,022,547</b>	<b>\$ 81,729,862</b>	<b>\$ 87,097,605</b>	<b>\$ 91,993,586</b>	<b>\$ 71,356,500</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 5,530,140	\$ 8,432,937	\$ 4,979,328	\$ 1,060,028	\$ (562,337)	\$ (456,321)	\$ (3,089,744)	\$ (12,897,762)	\$ (19,106,888)	\$ (6,265,534)
<b>Other Financing Sources (Uses)</b>										
Long Term Debt Financing Sources	\$ -	\$ 24,910,000	\$ 798,907	\$ 668,253	\$ -	\$ -	\$ 4,388,670	\$ -	\$ 5,272,261	\$ 35,574,588
Proceeds from Lease Issuance	-	59,531	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Account	-	(24,672,937)	-	-	-	-	-	-	-	-
Proceeds from the Sale of Fixed Assets	86,978	16,214	131,018	11,225	51,920	354,575	35,078	24,962	22,045	92,929
Insurance Proceeds	-	-	-	-	-	857,546	114,322	-	-	-
Transfers In	563,406	1,321,261	1,681,660	1,495,496	2,580,826	1,605,106	1,432,136	1,666,993	221,640	432,645
Transfers Out	(563,406)	(1,321,261)	(1,681,660)	(1,495,496)	(2,580,826)	(1,605,106)	(1,432,136)	(1,666,993)	(221,640)	(432,645)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 86,978</b>	<b>\$ 312,808</b>	<b>\$ 929,925</b>	<b>\$ 679,478</b>	<b>\$ 51,920</b>	<b>\$ 1,212,121</b>	<b>\$ 4,538,070</b>	<b>\$ 24,962</b>	<b>\$ 5,294,306</b>	<b>\$ 35,667,517</b>
<b>Net Change in Fund Balance</b>	<b>\$ 5,617,118</b>	<b>\$ 8,745,745</b>	<b>\$ 5,909,253</b>	<b>\$ 1,739,506</b>	<b>\$ (510,417)</b>	<b>\$ 755,800</b>	<b>\$ 1,448,326</b>	<b>\$ (12,872,800)</b>	<b>\$ (13,812,582)</b>	<b>\$ 29,401,983</b>
Non Capital Expenditures	\$ 116,717,423	\$ 107,151,069	\$ 93,411,979	\$ 88,444,010	\$ 83,929,666	\$ 83,939,249	\$ 78,617,561	\$ 74,598,487	\$ 73,431,372	\$ 66,946,438
Debt Services as a Percentage of Noncapital Expenditures	3.7%	4.1%	3.7%	4.4%	4.3%	4.3%	4.1%	4.2%	7.0%	7.4%

Source: Klamath County School District Financial Statements and Supplementary Information

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

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

FISCAL YEAR	ASSESSED VALUATION (1)	ASSESSED RATE (2)	PERCENTAGE INCREASED (DECREASED)	REAL MARKET VALUATION (3)	PERCENTAGE INCREASED (DECREASED)	RATIO OF ASSESSED VALUATION TO REAL MARKET VALUATION
2022-23	\$ 4,322,658,143	\$ 4.0519	0.00	\$ 8,136,710,768	0.20	53.13
2021-22	4,336,735,361	4.0519	0.04	6,758,701,867	0.12	64.17
2020-21	4,172,045,270	4.0519	0.04	6,044,267,369	0.06	69.02
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

\* Effective July 1, 2009 there was a boundary adjustment between Klamath County School District and Klamath Falls City School District.

(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

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

DIRECT PROPERTY TAX RATES  
 Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>GENERAL TAX PERMANENT RATE (1)(2)</u>	<u>LOCAL OPTION</u>	<u>GAP BOND (PERS)</u>	<u>GENERAL OBLIGATION DEBT SERVICE BONDS (1)(2)</u>	<u>TOTAL DIRECT TAX RATE</u>
2022-23	4.0519	-	-	0.5759	\$ 4.6278
2021-22	4.0519	-	-	0.5410	4.5929
2020-21	4.0519	-	-	0.5207	4.5726
2019-20	4.0519	-	-	0.5676	4.6195
2018-19	4.0519	-	-	0.6054	4.6195
2017-18	4.0519	-	-	0.6297	4.6573
2016-17	4.0519	-	-	0.6547	4.6816
2015-16	4.0519	-	-	0.6072	4.7066
2014-15	4.0519	-	-	0.5628	4.6591
2013-14	4.0519	-	-	-	4.6147

(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

	<u>22-23</u>	<u>21-22</u>	<u>20-21</u>	<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>
<b>TAXING DISTRICT</b>										
<b>KLAMATH COUNTY</b>										
County	1.7326	1.7326	1.7326	1.7326	1.7326	1.7326	1.7326	1.7326	1.7326	1.7326
Courthouse Bond	-	-	-	-	-	-	-	-	-	-
Fairground Bond	-	-	-	-	-	-	-	-	-	-
Museum Levy	0.0500	0.0500	0.0500	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	0.4900	0.4900	0.4900
Klamath County Extension SD	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	-	0.4900	0.4900
Klamath County Predatory Control	0.0800	0.0800	0.0800	0.0600	0.0600	0.0600	0.0600	-	-	-
<b>CITIES</b>										
Bonanza	1.7706	1.7706	1.7706	1.7706	1.7706	1.7706	1.7706	1.7706	1.7706	1.7706
Chiloquin	5.2766	5.2766	5.2766	5.2766	5.2766	5.2766	5.2766	5.2766	5.2766	5.2766
Klamath Falls	5.4423	5.4423	5.4423	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.	0.1372	0.1424	0.1428	0.1478	0.1509	0.1356	0.1356	0.1340	0.1531	0.1621
Urban Ren Spec Levy	-	-	-	-	-	-	-	-	-	0.0694
Malin	5.0642	5.0642	5.0642	5.0642	5.0642	5.0642	5.0642	5.0642	5.0642	5.0642
Merrill	3.1210	3.1210	3.1210	3.1210	3.1210	3.1210	3.1210	3.1210	3.1210	3.1210
<b>SCHOOLS</b>										
Klamath City	3.1127	3.1127	3.1127	3.1127	3.1127	3.1127	3.1127	3.1127	3.1127	3.1127
Klamath City-Local Option	-	-	-	-	-	-	-	0.5000	0.5000	0.5000
Klamath City - Bond	1.5399	1.3578	1.5289	1.5874	1.6075	1.5785	1.5993	1.0359	-	-
Klamath County	4.0519	4.0519	4.0519	4.0519	4.0519	4.0519	4.0519	4.0519	4.0519	4.0519
Klamath County-Bond 2013	0.5759	0.5410	0.5207	0.5676	0.5659	0.6054	0.6297	0.6547	0.6072	0.5628
Central Oregon Ed	0.6204	0.6204	0.6204	0.6204	0.6204	0.6204	0.7425	0.7376	0.7400	0.7463
Central Oregon Ed Outside M50	0.0767	0.1036	.1073	0.1093	0.1114	-	-	-	-	-
So Ore Ed Ser Dist	0.3524	0.3524	0.3524	0.3524	0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
Klamath Community College	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117
<b>CEMETERY DISTRICTS</b>										
Bonanza Cemetery	0.0968	0.0968	0.0968	0.0968	0.0968	0.0968	0.0968	0.0968	0.0968	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	0.1041	0.1041	0.1041	0.1041	0.1041	0.1041	0.1041	0.1041	0.1041	0.1041
<b>DRAINAGE DISTRICTS</b>										
Basin View Drainage	-	-	-	-	-	-	-	-	-	-
Klamath Co Drainage	-	-	-	-	-	-	-	-	-	-
<b>FIRE DISTRICTS</b>										
Bly Fire	2.8261	2.8261	2.8261	2.8261	2.8261	2.8261	2.8261	2.8261	2.8261	2.8261
Bonanza Fire	0.6202	0.6202	0.6202	0.6202	0.6202	0.6202	0.6202	0.6202	0.6202	0.6202
Chemult Fire	2.2397	2.2397	2.2397	2.2397	2.2397	2.2397	2.2397	2.2397	2.2397	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	1.6326	1.6326	1.6326	1.6326	1.6326	1.6326	1.6326	1.6326	1.6326	1.6326
Crescent Fire Bond	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	-
Central Cascades	2.2470	2.2470	2.2470	2.2470	2.2470	2.2470	2.2470	2.4086	2.4176	2.4209
Central Cascades Fire & EMS	0.2600	0.2600	0.2600	0.2600	0.2600	-	-	-	-	-
Keno Fire	1.6149	1.6149	1.6149	1.6149	1.6149	1.6149	1.6149	1.6149	1.6149	1.6149
Klam Co Fire No 1	2.8822	2.8822	2.8822	2.8822	2.8822	2.8822	2.8822	2.8822	2.8822	2.8822
Klam Co Fire No 3	0.9869	0.9869	0.9869	0.9869	0.9869	0.9869	0.9869	0.9869	0.9869	0.9869
Klam Co Fire No 4	1.1013	1.1013	1.1013	1.1013	1.1013	1.1013	1.1013	1.1013	1.1013	1.1013
Klam Co Fire No 5	1.9583	1.9583	1.9583	1.9583	1.9583	1.9583	1.9583	1.9583	1.9583	1.9583
La Pine Fire	1.5397	1.5397	1.5397	1.5397	1.5397	1.5397	2.1797	2.1797	2.1797	2.3690
La Pine Fire Operation Levy	0.6400	0.6400	0.6400	0.6400	0.6400	-	-	-	-	-
La Pine Fire Capital Project	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	-
Malin Fire	0.3948	0.3948	0.3948	0.3948	0.3948	0.3948	0.3948	0.3948	0.3948	0.3948
Merrill Fire	0.3948	0.3948	0.3948	0.3948	0.3948	0.3948	0.5948	0.5948	0.5948	0.5948
Merrill Fire- General Operations	0.5000	0.5000	0.5000	0.5000	-	-	0.3453	0.3719	0.4097	0.4090
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	1.1866	1.1866	1.1866	1.1866	1.1866	1.1866	1.1866	1.1866

	<u>22-23</u>	<u>21-22</u>	<u>20-21</u>	<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>
<b>PARK DISTRICTS</b>										
Bonanza Park	0.1769	0.1769	0.1769	0.1769	0.1769	0.1769	0.1769	0.1769	0.1769	0.1769
Malin Park	1.2834	1.2834	1.2834	1.2834	1.2834	1.2834	1.2834	1.2834	1.2834	1.2834
Merrill Park	0.8202	0.8202	0.8202	0.8202	0.8202	0.8202	0.8202	0.8202	0.8202	0.8202
Poe Valley Park	0.2544	0.2544	0.2544	0.2544	0.2544	0.2544	0.2544	0.2544	0.2544	0.2544
Wiard Park	0.2161	0.2161	0.2161	0.2161	0.2161	0.2161	0.2161	0.2161	0.2161	0.2161
<b>ROAD DISTRICTS</b>										
Antelope Meadows Rd	1.5571	1.5571	1.5571	1.5571	1.5571	1.5571	1.5571	1.5571	1.5571	1.5571
Cedar Trails Rd	1.1206	1.1206	1.1206	1.1206	1.1206	1.1206	1.1206	1.1206	1.1206	1.1206
Goldfinch Rd	2.7952	2.7952	2.7952	2.7952	2.7952	2.7952	2.7952	2.7952	2.7952	2.7952
Green Knoll Rd	1.0000	0.2500	0.2500	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	2.0114	2.0114	2.0114	2.0114	2.0114	2.0114	2.0114	2.0114	2.0114	2.0114
Klam River Acres Rd	1.5621	1.5621	1.5621	1.5621	1.5621	1.5621	1.5621	1.5621	1.5621	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	1.6482	1.3185	1.3185	0.8241	0.8241	0.8241	0.8241	0.8241	0.8241	0.8241
Rainbow Park Rd	1.6658	1.6658	1.6658	1.6658	1.6658	1.6658	1.6658	1.6658	1.6658	1.6658
River Pines Ests Rd	1.4276	1.4276	1.4276	1.4276	1.4276	1.4276	1.4276	1.4276	1.4276	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	0.9922	0.9922	0.9922	1.6940	1.6940	1.6940	1.6940
Two Rivers N Rd Capital Project	0.2848	0.3024	0.3208	0.3413	0.3564	0.3381	0.4012	0.4290	0.4481	0.4710
Two Rivers N Rd Levy	0.7018	0.7018	0.7018	0.7018	0.7018	-	-	-	-	-
Valley Acres Rd	1.7158	1.7158	1.7158	1.7158	1.7158	1.7158	1.7158	1.7158	1.7158	1.7158
Woodland Park Rd	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654	1.0654
<b>SANITARY DISTRICTS</b>										
Bly Sanitary & Water	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641
Crescent Sanitary	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321
Modoc Pt Sanitary	-	-	-	-	-	-	-	-	-	-
Suburban Sanitary	-	-	-	-	-	-	-	-	-	-
<b>TRANSIT DISTRICT</b>										
Basin Transit	0.4822	0.4822	0.4822	0.4822	0.4822	0.4822	0.4822	0.4822	0.4822	0.4822
<b>VECTOR DISTRICTS</b>										
Bly Vector	1.7031	1.7031	1.7031	1.7031	1.7031	1.7031	1.7031	1.7031	1.7031	1.7031
Bonanza Vector	0.8796	0.8796	0.8796	0.8796	0.8796	0.8796	0.8796	0.8796	0.8796	0.8796
Chiloquin Vector	0.1807	0.1807	0.1807	0.1807	0.1807	0.1807	0.1800	0.1807	0.1807	0.1807
Klamath Vector	0.1805	0.1805	0.1805	0.1805	0.1805	0.1805	0.1805	0.1805	0.1805	0.1805
Poe Valley Vector	1.7628	1.7628	1.7628	1.8726	1.8726	1.8726	1.8726	1.8726	1.8726	1.8726
<b>WATER DISTRICTS</b>										
Bly Water	-	-	-	-	-	-	-	-	-	-
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	0.0800	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	2022-23			2012-13		
	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
Pacificcorp	\$ 210,979	1	4.86%	\$ 184,929	3	5.49%
Avangrid Renewables LLC	236,049	2	5.44%			0.00%
Gas Transmission Northwest	186,345	3	4.30%	164,257	4	4.87%
Green Diamond Resource Co	41,677	4	0.96%	-		0.00%
Avista Corp	69,981	5	1.61%	22,150	8	0.66%
Lumen Technologies	75,688	6	1.75%	-		0.00%
Jeld Wen, Inc	47,297	7	1.09%	97,522	5	2.89%
Ruby Pipeline Co	50,850	8	1.17%	218,499	2	6.48%
Union Pacific Railroad Co	52,795	9	1.22%	27,392	7	0.81%
Charter Communications	33,250	10	0.77%	16,607	10	0.49%
Iberdrola Renewables Inc.	-	-	0.00%	308,115	1	9.14%
Running Y Resort	-	-	0.00%	34,095	6	1.01%
Quest Corp	-	-	0.00%	18,097	9	0.54%
<b>Totals</b>	<b>\$ 1,004,911</b>		<b>26.40%</b>	<b>\$ 1,091,663</b>		<b>48.50%</b>

(1) Amounts expressed in thousands.

Source: Klamath County Tax Books 2022-23 and 2012-13

**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
2023	\$17,692,677	\$16,561,431	93.6%	\$ -	\$ 16,561,431	93.6%
2022	\$17,751,604	\$16,690,612	94.0%	\$ 84,404.04	\$ 16,775,016	94.5%
2021	\$17,093,574	\$15,609,345	91.3%	\$ 478,907	\$ 16,088,252	94.1%
2020	\$16,243,526	\$15,180,676	93.5%	\$ 632,807	\$ 15,813,483	97.4%
2019	\$15,675,366	\$14,490,143	92.4%	\$ 777,624	\$ 15,267,767	97.4%
2018	\$15,385,264	\$14,260,940	92.7%	\$ 1,033,940	\$ 15,294,880	99.4%
2017	\$14,830,610	\$13,664,683	92.1%	\$ 965,501	\$ 14,630,184	98.6%
2016	\$14,311,108	\$13,118,937	91.7%	\$ 949,801	\$ 14,068,738	98.3%
2015	\$13,814,179	\$12,907,319	93.4%	\$ 844,452	\$ 13,751,771	99.5%
2014	\$13,665,539	\$12,626,361	92.4%	\$ 638,931	\$ 13,265,292	97.1%

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

	<u>DISTRICT POPULATION (1)</u>	<u>Assessed Valuation (2)</u>	<u>Net Bonded Debt (3)</u>	<u>DISTRICT PER CAPITA INCOME (4)</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
2022-23	70,212	\$4,322,658,143	\$ 24,044,684	\$47,244	56%	\$ 342.46
2021-22	70,164	4,336,735,361	26,172,680	48,050	60%	\$ 373.02
2020-21	68,739	4,172,045,270	26,339,754	44,513	63%	\$ 383.19
2019-20	68,238	4,009,092,400	27,513,482	41,613	69%	\$ 403.20
2018-19	67,653	3,868,672,662	28,582,211	39,891	74%	\$ 422.48
2017-18	66,789	3,806,910,729	27,985,000	38,367	74%	\$ 419.01
2016-17	66,168	3,660,161,909	28,745,000	37,285	79%	434.42
2015-16	65,661	3,532,416,785	29,385,000	35,984	83%	447.53
2014-15	65,277	3,409,769,917	29,940,000	33,867	88%	458.66
2013-14	65,682	3,373,077,429	30,420,000	31,719	90%	463.14

(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 reported by Oregon State Treasury on the Overlapping Debt Report as of 06/30/2023

(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, 2023

<u>Jurisdiction</u>	Real Market Valuation	Percent Overlapping (1)	Overlapping	
			Gross Property-Tax Backed Debt	Net Property-Tax Backed Debt
Bly RFPD	\$33,644,339	100.00	\$25,000	\$25,000
Central Oregon Community College	65,710,001,434	1.36	619,995	532,077
City of Chiloquin	31,162,940	100.00	137,241	137,241
City of Klamath Falls	2,548,918,227	16.23	874,666	874,666
City of Merrill	63,320,150	100.00	2,573,730	2,573,730
Klamath Community College	9,108,592,491	64.36	2,564,864	2,564,864
Klamath Cty Emergency Comm	1,004,914,426	67.55	483,010	483,010
Klamath City RFPD 1	5,474,043,503	51.39	673,209	673,209
Klamath Falls Urban Renewal Area	2,548,918,227	16.23	365,003	365,003
Oregon Outback RFPD	88,007,206	100.00	10,000	10,000
<b>Totals</b>			<b>\$8,326,718</b>	<b>\$8,238,800</b>

(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
2022-2023	\$646,868,506	\$24,044,684	\$622,823,822
2021-2022	\$537,316,798	\$26,172,680	\$511,144,118
2020-2021	\$480,519,256	\$26,339,754	\$454,179,502
2019-2020	\$453,804,814	\$27,513,482	\$426,291,332
2018-2019	\$422,184,633	\$28,582,211	\$393,602,422
2017-2018	\$438,206,288	\$27,985,000	\$410,221,288
2016-2017	\$381,154,325	\$28,745,000	\$352,409,325
2015-2016	\$360,603,637	\$29,385,000	\$331,218,637
2014-2015	\$342,764,946	\$29,940,000	\$312,824,946
2013-2014	\$328,009,272	\$30,420,000	\$297,589,272

(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)	3.00%
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

<b>General Bonded Debt</b>						
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)
2022-23	\$ 23,475,000	\$ -	\$ -	\$23,475,000	0.29%	3,326
2021-22	25,500,000	-	-	25,500,000	0.38%	3,667
2020-21	25,095,000	1,244,754	-	25,095,000	0.42%	3,715
2019-20	26,165,000	1,348,482	-	26,165,000	0.46%	3,896
2018-19	27,130,000	1,452,211	-	27,130,000	0.51%	4,093
2017-18	27,985,000	1,555,941	-	27,985,000	0.51%	4,283
2016-17	28,745,000	1,659,663	-	28,745,000	0.60%	4,433
2015-16	29,385,000	1,763,400	-	29,385,000	0.65%	4,622
2014-15	29,940,000	1,867,129	-	29,940,000	0.69%	4,955
2013-14	30,420,000	1,933,611	-	30,420,000	0.74%	5,131

<b>Other Governmental Activities Debt</b>				<b>Total District Debt</b>			
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)
2022-23	223,612	9,927,522	3,079,925	36,706,059	5,201	523	1.09%
2021-22	340,740	10,253,242	3,983,553	40,077,535	5,763	571	1.19%
2020-21	-	10,197,719	3,155,129	39,692,602	5,875	577	1.30%
2019-20	-	10,879,678	2,549,416	40,942,576	6,096	600	1.44%
2018-19	-	11,182,000	2,241,673	42,005,884	6,337	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%

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

	<u>DISTRICT POPULATION (1)</u>	<u>DISTRICT PERSONAL INCOME (2)</u>	<u>DISTRICT PER CAPITA INCOME (3)</u>	<u>KLAMATH COUNTY UNEMPLOYMENT RATE (4)</u>	<u>ADMw (5)</u>
2022-23	70,212	\$3,371,067	\$47,244	5.70%	8,818.84 (6)
2021-22	70,164	\$3,371,349	\$48,050	5.70%	8,640.16
2020-21	68,739	\$3,059,781	\$44,513	6.60%	8,514.34
2019-20	68,238	\$2,839,572	\$41,613	7.86%	8,407.80
2018-19	67,653	\$2,698,725	\$38,446	6.69%	8,261.13
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

(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"

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(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 2024

Sources: As outlined above.

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

Ten Largest Employers

Current Year and Ten Years Prior

<u>Employer</u>	<u>2023 (1)(2)</u>			<u>2013(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	1454	1	5%	1200	1	4%
Kingsley Field Air National Guard Base	1200	4	4%	1000	3	3%
Klamath County School District	992	3	3%	650	5	2%
Jeld-Wen, Inc	900	2	3%	1100	2	4%
Klamath County	480	6	2%	475	6	2%
Klamath Falls City School District	448	5	1%	440	7	1%
Oregon Institute of Technology	361	8	1%	385	8	1%
Wal-Mart	300	7	1%	350	9	1%
Columbia Forest Products	250	9	1%	0	0	0%
Collins Products LLC	235	10	1%	700	4	2%
N.E.W. Corporation	0	0	0%	700	4	2%
City of Klamath Falls	0	0	0%	175	10	1%

Sources:

- (1) Klamath County Economic Development December 2022 Estimates; modified after confirmation/corrections by Employers.
- (2) Information provided by Klamath County School District - reported employees on 2nd Qtr 2022 Form 941
- (3) Klamath County Economic Development Association's Community Profile, and OLMIS Website: <http://www.qualityinfo.org/olmisj/CES>

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

Full-Time Equivalent District Employees by Assignment/Function  
 Last Ten Fiscal Years

<b>Function</b>	<b>2022-23</b> (1)	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018 - 19</b>	<b>2017 - 18</b>	<b>2016 - 17</b>	<b>2015 - 16</b>	<b>2014 - 15</b>	<b>2013 - 14</b>
1000 Instruction	524.38	497.91	489.95	480.49	473.20	471.49	451.52	430.25	412.40	385.35
2000 Support Services	351.77	357.14	318.13	327.01	320.65	348.00	340.18	333.43	338.63	229.13
3000 Enterprise & Community Service	51.86	46.40	43.08	42.75	42.75	40.66	42.47	40.13	35.90	39.90
4000 Facility Acquisition & Construction	0.25	1	1	3	3.32	3.75	3.75	3.50	2.00	-
<b>Total</b>	<b>928.26</b>	<b>902.45</b>	<b>851.66</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>

(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>
2022-23	7,057.89 (3)	\$	89,574,172	\$ 12,691	\$ 1,113,352,671	\$ 157,746	405.0	1:18
2021-22	6,954.42		83,417,632	11,995	97,860,523	14,072	405.0	1:18
2020-21	6,755.82		77,895,596	11,530	98,230,307	14,540	399.3	1:17
2019-20	6,715.87		76,085,217	11,329	98,266,166	14,632	390.9	1:17
2018-19	6,628.88		72,265,079	10,902	87,757,078	13,239	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

(1) Source: Klamath County School District records. Used 5/2022 Live employee list

(2) ADMr prior to January of 2020 includes Sage Community School, a charter school sponsored by Klamath County School District which closed January of 2020. Sage Community School is not considered a component unit of Klamath County School District.

(3) Estimated

(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, 2023

**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	227	48,293	1944
Chiloquin Elementary	236	39,764	1955
Ferguson Elementary	527	41,535	1954
Gearhart Elementary	26	15,600	1962
Gilchrist Elementary	125	38,808	1980
Henley Elementary	510	60,270	2016
Keno Elementary	197	40,600	1976
Malin Elementary	129	35,272	1971
Merrill Elementary	167	30,360	1950
Peterson Elementary	598	68,013	1965
Shasta Elementary	522	69,288	1966
Stearns Elementary	336	39,092	1958
<b>Middle Schools (7 - 8)</b>			
Brixner Jr. High School	374	64,587	1972
Henley Middle School	402	60,716	1949
<b>Jr. / Sr. High Schools (7 - 12)</b>			
Bonanza Jr/Sr High School	213	43,214	1968
Chiloquin Jr/Sr High School	161	84,395	1937
Gilchrist Jr/Sr High School	106	38,944	1938
Lost River Jr/Sr High School	230	65,090	1970
<b>High Schools (9 - 12)</b>			
Henley High School	654	124,956	1968
Mazama High School	640	153,428	1965
<b>Alternative Schools (K - 12)</b>			
Falcon Heights Academy	429	11,544	2006
Great Basin Home School	210	1,764	1990
Klamath County Transitions Program	20	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 May 31, 2023

(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 2022 - 2023  
Klamath County School District's Maintenance Department Records

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**COMPLIANCE SECTION**

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

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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, 2023 and have issued our report thereon dated December 27, 2023. 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.

### 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 grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not 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 under 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 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in *Note 1* of the financial statements.

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

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

Our consideration of internal control was for the limited purpose described in the preceding first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned as item 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

### **Restrictions on Use**

This report is intended solely for the information and use of the District's Board of Directors and 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.



Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 27, 2023



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**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 Klamath County School District, which comprise the governmental activities, each major fund, and the aggregate remaining fund information of Klamath County School District (the District), as of and for the year ended June 30, 2023, 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 27, 2023.

### Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned as item 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

## Report on Compliance and Other Matters

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

## District's Response to Findings

*Government Audit Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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.



Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 27, 2023





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Klamath County School District  
Klamath Falls, Oregon

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

***Opinion on Each Major Federal Program***

We have audited Klamath County School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal controls 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.

A handwritten signature in black ink that reads "Donald F. Ewalt". The signature is written in a cursive, slightly slanted style.

Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 27, 2023



**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass Through Grantor/ Program Title	Federal AL Number	Grant/Contract Number	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
<b>Passed through Oregon Department of Education:</b>			
School Breakfast Program (SBP)	10.553	N/A	\$ 964,959
COVID-19 National School Lunch Program (SNLP) Supply Chain	10.555	N/A	124,690
National School Lunch Program (SNLP)	10.555	N/A	2,561,235
National School Lunch Program (SNLP) - commodities	10.555	N/A	390,511
Summer Food Service Program for Children Sponsor Admin	10.599	N/A	6,685
Summer Food Health Inspections	10.559	N/A	410
Summer Food Service Program for Children (SFSP)	10.559	N/A	64,388
Total Child Nutrition Cluster			<u>4,112,878</u>
COVID-19 Child and Adult Care Food Program	10.558	N/A	1,036
Child and Adult Care Food Program	10.558	N/A	12,239
Total AL 10.558			<u>13,275</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>\$ 4,126,153</b>
<b>U.S. DEPARTMENT OF THE TREASURY:</b>			
<b>Passed through Klamath County:</b>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 4,764
Total AL 21.027			<u>4,764</u>
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			<b>\$ 4,764</b>
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<b>Passed through Oregon Department of Education:</b>			
Title I Grants to Local Educational Agencies	84.010	67001	\$ 686,465
Title I Grants to Local Educational Agencies	84.010	72541	1,650,175
Title I Grants to Local Educational Agencies	84.010	58292	272,149
Title I Grants to Local Educational Agencies	84.010	67978	51,046
Total AL 84.010			<u>2,659,835</u>
<b>Passed through Southern Oregon Education School District:</b>			
Migrant Education- State Grant Program	84.011	SOESD	53,882
Migrant Education- State Grant Program	84.011	SOESD	170,987
Total AL 84.011			<u>224,869</u>
<b>Passed through Oregon Department of Education:</b>			
Special Education - Grants to States	84.027	74053	1,217,588
Special Education - Grants to States	84.027	75333	96,116
COVID-19 Special Education - Grants to States	84.027	68408	206,182
Total Special Education Cluster (IDEA)			<u>1,519,885</u>
<b>Direct Federal Award:</b>			
Indian Education Grants to Local Educational Agencies	84.060A	N/A	107,635
Total AL 84.060			<u>107,635</u>
<b>Passed through Oregon Department of Education:</b>			
Education for Homeless Children and Youths	84.196	65237	10,197
Education for Homeless Children and Youths	84.196	74844	78,425
Education for Homeless Children and Youths	84.196	66232	13,671
Total AL 84.196			<u>102,293</u>
<b>Passed through Oregon University System:</b>			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334s	ED185C-C	148
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334s	ED185C-A	48,916
Total AL 84.334			<u>49,064</u>



**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass Through Grantor/ Program Title	Federal AL Number	Grant/Contract Number	Expenditures
<b>U.S. DEPARTMENT OF EDUCATION (CONTINUED)</b>			
<b>Passed through Oregon Department of Education:</b>			
Rural Education	84.358	67327	124,332
Total AL 84.358			<u>124,332</u>
English Language Acquisition State Grants	84.365	58479	10,441
English Language Acquisition State Grants	84.365	67140	5,237
English Language Acquisition State Grants	84.365	73099	27,171
Total AL 84.365			<u>42,849</u>
Supporting Effective Instruction State Grants	84.367	72738	312,489
Total AL 84.367			<u>312,489</u>
Student Support and Academic Enrichment Program	84.424	58600	25,224
Student Support and Academic Enrichment Program	84.424	66970	82,071
Student Support and Academic Enrichment Program	84.424	72935	93,044
Total AL 84.424			<u>200,339</u>
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	64609	3,970,877
COVID-19 Education Stabilization Fund (ARP ESSER III)	84.425U	64914	4,674,471
COVID-19 Education Stabilization Fund (ARP ESSER III)	84.425U	74696	19,154
COVID-19 Education Stabilization Fund (ARP HCY I)	84.425W	69293	2,833
COVID-19 Education Stabilization Fund (ARP HCY II)	84.425W	69359	1,471
Total AL 84.425			<u>8,668,806</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>\$ 14,012,396</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<b>Passed through Oregon Employment Department:</b>			
Child Care and Development Block Grant	93.575	9797 14-026	\$ 19,100
Total Child Care and Development Fund Cluster			<u>19,100</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 19,100</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 18,162,413</b>
<b>Passed through Klamath County:</b>			
Schools and Roads - Grants to Counties	10.665	N/A	\$ 989,427
Total Forest Service Schools and Roads Cluster			<u>\$ 989,427</u>

**KLAMATH COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2023. 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, 2023, the District received \$104,050 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, 2023, the District received \$52,598 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, 2023**

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

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
#84.010	Title I Grants to Local Education Agencies
#84.425	Education Stabilization Fund

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

Auditee qualified as a low-risk auditee?  Yes  No

**KLAMATH COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FISCAL YEAR ENDED JUNE 30, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

2023-001: Financial Reporting: Year-End Close – Material Weakness

*Criteria* – Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly recording assets and liabilities and the associated revenue and expense is a key component of effective internal control over financial reporting.

*Condition* – Cash, accounts receivable and related revenue and liabilities and related expenses were not properly recorded at June 30, 2023.

*Cause* – Internal controls in place did not ensure that cash, accounts receivable and associated revenue, and accrued liabilities and associated expenses were calculated and reported accurately.

*Effect or potential effect* – Prior to adjustments, various asset, liability, revenue and expense accounts were not properly recorded at year end by material amounts.

*Recommendations* – We highly recommend that the District enhance internal controls to ensure that all accounts are reconciled timely and all necessary year end calculations are completed, and that work is reviewed on a regular basis.

*Views of Responsible Officials and Planned Corrective Actions* – Management agrees with this finding. Management will properly apply internal controls to the financial statement close process to ensure the District's financial statements are correctly reported.

2023-002: Financial Reporting: Correction of Errors – Significant Deficiency

*Criteria* – Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly recording assets and liabilities is a key component of effective internal control over financial reporting.

*Condition* – Long-term debt and vehicles and equipment were not properly recorded at June 30, 2022.

*Cause* – Internal controls in place did not ensure that long-term debt and vehicles and equipment were recorded and reported accurately.

*Effect or potential effect* – Prior to adjustments, opening balances in long-term debt and vehicles and equipment were off by material amounts.

*Recommendations* – We highly recommend that the District enhance internal controls to ensure that all debt issuances and capital asset acquisitions and disposals are recorded and reported in the year in which transactions occur.

*Views of Responsible Officials and Planned Corrective Actions* – Management agrees with this finding. Management will properly apply internal controls to ensure timely recording to ensure the District's financial statements are correctly reported.

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

None Reported