



**Klamath Community  
College District  
Klamath Falls, Oregon  
Annual Comprehensive  
Financial Report**

*For the Year Ended  
June 30, 2023*

**Prepared by:  
Administrative Services Department**



**Geoffrey LaHaie  
Vice President of Administrative Services**



# KLAMATH COMMUNITY COLLEGE

KLAMATH FALLS, OREGON

June 30, 2023

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## **INTRODUCTORY SECTION**

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# KLAMATH COMMUNITY COLLEGE

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Klamath Community College provides accessible, quality education and services in response to the diverse needs of the student, business, and community. The College supports student success in workforce training, academic transfer, foundational skills development, and community education.

November 10, 2023

To the Board of Education and Citizens of Klamath Community College District:

We are pleased to submit this Annual Comprehensive Financial Report (ACFR) of Klamath Community College District (the College) 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 College. 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 College.

Provisions of Oregon Revised Statutes 297.405 to 297.555 and 297.990 (known as “Municipal Audit Law”), in addition to ORS 341.709, require that an independent audit be conducted annually of all College funds and account groups within six months following the close of each fiscal year.

The College’s financial statements have been audited by the firm of Kenneth Kuhns & Co. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Klamath Community College District’s financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with generally accepted accounting principles. The independent auditor’s report is presented as the first component of the financial section of this report.

For purposes of clarification - an unmodified opinion is an independent auditor's declaration that he or she has no reservation in certifying that the audited firm's financial statements (1) adequately disclose material information, (2) present fairly its financial position, and (3) show results of its operations in conformity with the provisions of GAAP. This is also called “clean opinion”.<sup>1</sup>

The College’s management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the College are protected from loss, theft, or misuse and to ensure adequate accounting information is available for the preparation of the financial statements in conformity with generally accepted accounting principles (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 benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative, overview, and analysis to accompany the basic financial statements in the form of

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<sup>1</sup> BusinessDictionary.com

Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Klamath Community College District's MD&A can be found immediately following the report of the independent auditors.

### **PROFILE OF THE COLLEGE**

Klamath Community College District, the newest community college in the State of Oregon, began operations on July 1, 1996. The College was accepted as a Candidate for Accreditation effective November, 1999. In addition, the Federal Department of Education granted the College authority to award federal financial aid in April, 2000. The District was subsequently notified on January 21, 2005, that the Commission granted it initial accreditation at the associate degree level effective September 1, 2004. Accreditation was reaffirmed in 2009 and in 2018.

Located in Klamath Falls, Oregon, the College serves the majority of Klamath County and the northern quarter of Lake County, a district area of nearly 7,450 square miles in size. The College's boundaries are contiguous with the boundaries of Klamath County, with the exception of a minor portion of the northern section of the county that includes the towns of Crescent and Gilchrist. Additionally, the northern section of Lake County is also in the boundaries. The legal description of the College's District is all of Klamath County, Oregon excepting that portion of Klamath County, Oregon lying north of the North Line of Township 27 South. The Lake County portion include in the boundary is all of Lake County, Oregon, lying north of the North Line of Township 28 South. Klamath County and Lake County are in the southern portion of the state of Oregon, bordered by Jackson, Lane, Harney, Douglas and Deschutes Counties, and the state of California.

An elected seven-member Board of Education established and maintains the policies of the College. Each member serves a term of four years and represents a specific zone within Klamath County. Dr. Roberto Gutierrez became President effective July 1, 2012. The management staff includes the president, four vice presidents, one executive director, three deans, 18 directors, 35 full-time faculty, and 38 other exempt positions. The college also employs 56 positions that are non-exempt and full-time employees for various support roles. During most academic terms the college employs about 130 part-time employees composed of adjunct instructors, tutors, and library and student support. The President is the Clerk of the District, while the Vice President of Administrative Services is the Deputy Clerk.

The College offers two-year associate degrees, one-year certificates, less than one year certificates of completion, lower division college transfer courses, Adult Basic Education, a General Education Diploma, English as a Second Language, and High School Completion programs. Additionally, the College offers non-credit courses as part of life-long learning and professional development, and employment and skills training programs.

Although our Full Time Equivalent (FTE) enrollment experienced a temporary recession-fueled increase of approximately 21% from 2009-10 through 2011-12, several factors including mandatory student orientation and advising and tighter Federal financial aid eligibility requirements combined to cause a 17.6% decline in FTE to 1,650.05 for the 2012-13 academic year. The college managed to reverse that trend over the next eight years through this year. From 2012-13 to 2022-23 KCC has experienced a 25.2% increase in FTE while the State total FTE for

all colleges has decreased by 45%. In that time period, KCC is the only college to have a greater FTE in 2022-23 than in 2012-13. In the past year statewide FTE is up 1.1% and KCC saw 15.7% increase due to successful retention strategies and the addition of new programs.

Major contributing factors to the stabilization of FTE are the expansion of career technical education (CTE) degrees such as computer engineering, emergency response, manufacturing, health informatics, media design and cosmetology. In addition, the expansion of online learning opportunities, General Education Development (GED) learning options, non-credit workforce training, and additional virtual classrooms for dual-credit in rural high schools have contributed to stabilized college side enrollment. With the help of strong partnerships the college has expanded its dual-credit and dual enrollment offerings not only virtually, but in our local high schools as well. Students have access to increased course options via more modalities, and as a result this enrollment stream continues to steadily increase.

The budget process complies with Oregon Budget Law. All funding sources, expenditures, financial aid and grant funds are budgeted using this process. The College budget uses a strongly participative budget process where funding requests, including rationale, originate from faculty, staff, department heads, and directors. These participants submit their budget proposals to the Controller who assimilates the requests prior to their in-person presentation by each respective faculty member or, in the case of administration, cost center manager to our President, Vice President of Administrative Services, and respective area vice president for review and discussion.

Concurrently, the Financial Aid office provides input regarding the impact of potential tuition changes (if applicable that year) as revenue sources are finalized. A proposed budget document is then prepared by the College's Budget Officer (Vice President of Administrative Services), which is presented to the Budget Committee for approval. The District Board of Education adopts the final budget, which is published by the College.

## **FACTORS AFFECTING ECONOMIC CONDITION**

### **Local and State Economy**

The base employment elements of this area are federal, state and local government; education and health services; manufacturing; wholesale and retail trade; and agriculture. According to the United States Census Bureau, Klamath County's largest category of non-farm employment is government.

Another large portion of government employment are tied to state government employees, including Oregon Institute of Technology. The classification of trade, transportation, and utilities is the largest private category employer for this region. This sector includes wholesale trade; retail trade including food and beverage stores and gasoline stations; utilities; truck transportation; airlines; and warehousing.

Klamath County's unemployment rate is currently at 4.7%. Job gains in the past year have been strong in the private-sector, with manufacturing, leisure and hospitality leading the way.

## **Long-Term Financial and Facility Planning**

Klamath Community College District continues to maintain a financial forecast model that projects out a minimum of 5 years. This model is relied upon to make financial decisions for the College, particularly as the College expands both physically and in its variety of program offerings. The Board of Education depends on the financial forecast model as they make decisions regarding campus expansion, new programs, and budget adoption.

The College has been proactive in adding square footage and instructional space that matches community need by leveraging State capital improvement grants in conjunction with federal grants and private donations. Since 2012, \$46 million in capital improvements have been completed without a local construction levy. The College is completed the Apprenticeship and Industrial Trades Center in April of 2023. Also, the college is working on securing funds for the Childcare Center to start construction in 2025.

The Phase One construction project, completed June 15, 2012, contributed 55,500 square feet to our overall facilities footprint, at a total cost of \$16.5 million. The Phase Two construction added 42,000 square feet with a cost of \$16,285,000. The Apprenticeship and Industrial Trades Center added 30,000 square feet with a cost of \$9,430,000.

## **Financial Policies Impacting the Financial Statements**

Prior to the issuance of Full Faith and Credit Obligations, Series 2009, the College obtained its first bond rating. Standard and Poor's assigned an "AA-" rating to the College's 2009 debt issuance, indicating that an investment in these bonds is a safe investment with low risk of failure. In September 2018, Standard and Poor's affirmed the College's "AA-" rating.

Contributing to this rating is the District's formal policy 610.0130 requiring that the District budget shall reflect sufficient resources to meet all planned expenditures including 90 days cash within the General Fund, and policy 600.0100 which requires that the Administration shall develop and annually update a multi-year financial projection for use in resource allocation decisions by the Board.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Klamath Community College District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 23<sup>rd</sup> consecutive year that the College has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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.

### **Acknowledgments**

I wish to recognize Denise Reid Director of Business Services/Controller for her preparation of the ACFR, but also for her day-to-day efforts necessary for maintaining the integrity of our financial system results and coordination of this year's audit completion.

I want to thank all employees of the Business Office for their hard work and attention to details and policy – Nicole Baker, Diane Ackley, Emily Ketcham, Betsy Felsing, Joy Paul, Joanna Bruner and Errane Baker.

Additionally, I would like to thank our audit firm, Kenneth Kuhns & Co. for their diligent efforts in reviewing our work.

Finally, I would like to thank the members of the Board of Education and President Dr. Gutierrez as well as all College employees for their combined support and dedication to the financial operations of the College.

Respectfully submitted,



Geoffrey LaHaie

Vice President of Administrative Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Klamath Community College District  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**Klamath Community College District**  
Klamath Falls, Oregon

For the Year Ended June 30, 2023

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<u>ZONE</u>	<u>BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
1	KATE MARQUEZ 2034 Fremont St Klamath Falls, OR 97601	June 30, 2025
2	KENNETH DECRANS 6519 Valhalla Ave. Klamath Fall, OR 97603	June 30, 2023
3	RHODA KEOWN 4134 Monrovia Way Klamath Falls, OR 97603	June 30, 2025
4	DAVE JENSEN 11030 Highway 39 Klamath Falls, OR 97603	June 30, 2023
5	LINDA DILL 5222 Valleyview Lane Klamath Falls, OR 97601	June 30, 2025
6	HELEN PETERSEN 23402 Sprague River Road Sprague River, OR 97630	June 30, 2023
7	JASON FLOWERS PO Box 978 Midland, OR 97634	June 30, 2025
Non-voting	Carissa Catterall -ASKCC President 7390 S. 6 <sup>th</sup> Street Klamath Falls, OR 97603	June 30, 2023

**ADMINISTRATION**

Dr. Roberto Gutierrez, President

Geoffrey LaHaie, Vice President of Administrative Services

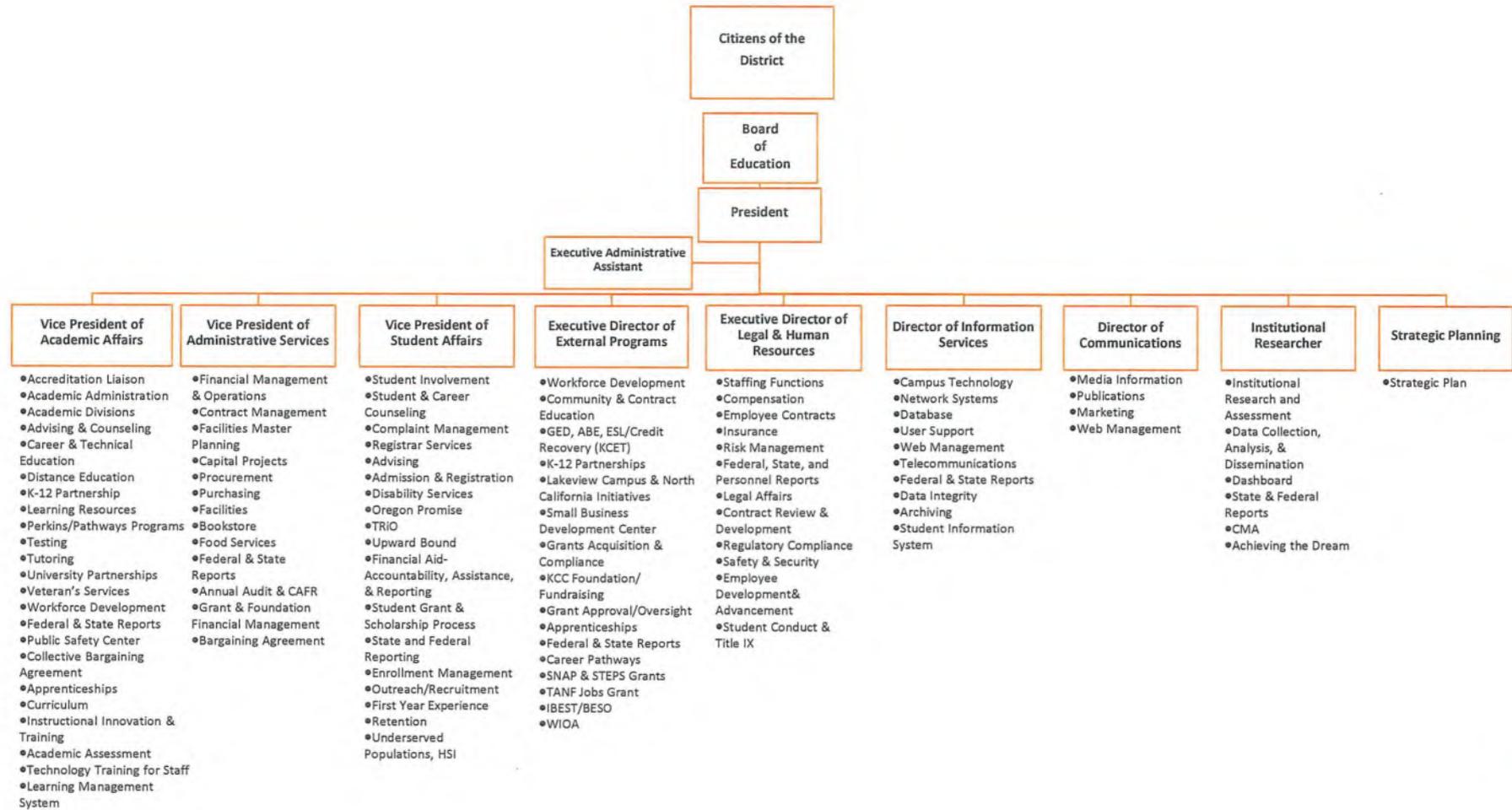
7390 South 6th Street  
Klamath Falls, Oregon 97603  
(541) 882-3521  
Fax (541) 885-7758  
[www.klamathcc.edu](http://www.klamathcc.edu)

**Klamath Community College District**  
Klamath Falls, Oregon

LISTING OF ADMINISTRATORS  
June 30, 2023

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<u>TITLE</u>	<u>NAME</u>
President	Dr. Roberto Gutierrez
Vice President of Administrative Services	Geoffrey LaHaie
Vice President of Academic Affairs	Jamie Jennings
Vice President of Student Services	Gail Schull
Vice President of External Programs	Charles Massie
Executive Director of HR and General Counsel	Joshua Guest
Dean for Career and Technical Education	Christopher Stickles
Dean of Instruction	Vacant
Dean of Nursing, Health, and & Science	Allison Samson
Director of Information Services	Paul Breedlove
Director of Facilities	Michael Homfeldt



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## **FINANCIAL SECTION**

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**REPORT OF THE INDEPENDENT AUDITOR**

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KENNETH KUHNS & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
570 LIBERTY STREET S.E., SUITE 210  
SALEM OREGON 97301-3594  
TELEPHONE (503) 585-2550

## INDEPENDENT AUDITOR'S REPORT

November 10, 2023

Board of Education  
Klamath Community College District  
Klamath Falls, Oregon

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of Klamath Community College District and Klamath Community College Foundation, Inc., its discretely presented component unit, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Klamath Community College District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Klamath Community College District and Klamath Community College Foundation, Inc. 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 Klamath Community College 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. The financial statements of Klamath Community College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

## ***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 Klamath Community College District's ability to continue as a going concern for twelve 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 Klamath Community College 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 Klamath Community College 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 management's discussion and analysis and the required supplementary information 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Klamath Community College District's basic financial statements. The other supplementary information listed in the table of contents and schedule of expenditures of federal awards required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are 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 other 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***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section 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.

## **Reports on Other Legal and Regulatory Requirements**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023 on our consideration of Klamath Community College 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 entity'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 Klamath Community College District's internal control over financial reporting and compliance.

### ***Other Reporting Required by Oregon State Regulations***

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 10, 2023 on our consideration of Klamath Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is 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 entity's internal control over financial reporting or on compliance.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Klamath Community College District's (the College) Annual Comprehensive Financial Report (ACFR) presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the Transmittal Letter and the financial statements that follow. Management assumes full responsibility for the completeness and reliability of all the information reported in this discussion and analysis, which focuses on current activities, resulting changes and currently known facts.

### Financial Highlights

The major events for the fiscal year ended June 30, 2023 that impacted the Klamath Community College District are as follows:

- \* At the end of the 2022-23 fiscal year, the assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources by \$34.8 million. Accounting for pension obligations takes the amount that may be used to meet the College's ongoing obligations to citizens and creditors, referred to as unrestricted net position, positive by \$894 thousand.
- \* The College's total net position increased by \$3.2 million, or 10.2%. Major offsetting, contributing factors to this increase in the College's total net position are the following:
  - Legislated fluctuation in Oregon State Aid for community colleges, initiated in 2003. (See "State Aid" major event highlight, below). This results in a 4<sup>th</sup> quarter 2022-23 Oregon State Aid payment of \$3.62 million being deferred to 2023-24.
  - A \$1.35 million increase in tuition and fees.
  - A \$2.66 million increase in personnel expenses.
  - A \$1.34 million increase in personnel expense pension actuarial adjustment.
  - A \$1.67 million decrease in student financial aid and grants.
- \* Student tuition and fees increased by \$1.35 million, (20.6%), primarily due to increased enrollment.
- \* Measured by Full-Time Equivalent Students, the College's enrollment increased by 15.7% to 2,100 FTE.
- \* State Aid (FTE reimbursement) decreased \$4.79 million or 30.5%. The decrease was caused by the Oregon Legislature's deferral of its eighth quarter payment from April 2023 to July 2023. The deferrals were enacted in 2003 and are scheduled to occur on alternate years so that the State can balance its biennial budget. Notwithstanding this timing adjustment, State Aid decreased by \$1.16 million (24%).
- \* Current assets include a significant amount of cash and equivalents due to contributions to Reserve Funds. Additionally, Board Policy requires a minimum of 90 days operating cash for the Ending Fund Balance.

The College's largest component of net position at \$34.0 million is the net investment in capital assets, e.g. land, buildings, library holdings, machinery and equipment. The College uses these capital assets to provide services to students; therefore, these assets are not available for future spending. Although the College'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 since the capital assets themselves cannot be used to liquidate liabilities. The majority of the debts used to acquire the capital assets will be paid off over the next one to ten years by the College's General Fund. A schedule of these payments may be found in the Long Term Debt, Note 5 to the financial statements.

### **Overview of the Financial Statements**

This discussion and analysis is designated as an introduction to Klamath Community College District's basic financial statements, which consist of entity-wide financial statements prepared in accordance with generally accepted accounting principles using the accrual basis of accounting and notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

The entity-wide financial statements are intended to provide readers with a broad perspective of the College's finances, as would be prepared for a private-sector business. These entity-wide statements consist of (1) Statement of Net Position; (2) Statement of Revenues, Expenses, and Changes in Net Position; (3) Statement of Cash Flows; and (4) Notes to the Basic Financial Statements, which are described and analyzed below.

- \* The Statement of Net Position: This financial statement presents information on all of the College's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as "Net Position". Over time, increases or decreases in net position are indications of either the improvement or erosion of the College's financial well-being when considered along with non-financial factors such as enrollment levels and the condition of the facilities.
- \* The Statement of Revenues, Expenses, and Changes in Net Position: This financial statement presents the revenue earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when the cash is received or disbursed. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in the following fiscal year. The utilization of long-lived assets is shown in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues are reported as either operating or non-operating. Operating revenues primarily consist of tuition, fees, federal and state grants, auxiliary enterprise revenue, and contracts inherent in providing educational services. State Aid appropriations, property taxes, investment income and other miscellaneous revenues are classified as non-operating revenues.
- \* The Statement of Cash Flows: This financial statement presents information on cash flows from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It reflects the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists in determining financial viability and the College's ability to meet financial obligations as

they become due.

- \* Notes to the Basic Financial Statements: These notes provide the reader with additional information that is necessary for a full understanding of the data provided in the entity-wide financial statements. They are an integral part of the financial statements and they help to present the whole picture from a financial perspective.

**Analysis of the Statement of Net Position  
June 30, 2023**

	2023	2022	Increase (Decrease) 2023-22
<b>Assets</b>			
Current Assets	\$ 17,019,324	\$ 18,000,734	\$ (981,410)
Capital Assets, net	37,956,204	33,274,522	4,681,682
Other Noncurrent Assets	587,402	845,316	(257,914)
Total Assets	<u>55,562,930</u>	<u>52,120,572</u>	<u>3,442,358</u>
<b>Deferred Outflows of Resources</b>	<u>6,678,050</u>	<u>7,932,411</u>	<u>(1,254,361)</u>
<b>Liabilities</b>			
Current Liabilities	4,173,101	4,241,994	(68,893)
Noncurrent Liabilities	19,573,173	17,611,605	1,961,568
Total Liabilities	<u>23,746,274</u>	<u>21,853,599</u>	<u>1,892,675</u>
<b>Deferred Inflows of Resources</b>	<u>3,645,322</u>	<u>6,589,602</u>	<u>(2,944,280)</u>
<b>Net Position</b>			
Net invested in Capital Assets	33,955,072	28,685,483	5,269,589
Unrestricted	894,312	2,924,299	(2,029,987)
Total Net Position	<u>\$ 34,849,384</u>	<u>\$ 31,609,782</u>	<u>\$ 3,239,602</u>

The Statement of Net Position includes all assets, deferred outflows, liabilities, and deferred inflows of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. Net Position is the difference between total assets, and deferred outflows, and liabilities, and deferred inflows and is one measure of the financial condition of the College.

**Fiscal year 2023 compared to 2022.** As of June 30, 2023, the College's assets were approximately \$55.6 million. The College's current assets of \$17.0 million were sufficient to cover current liabilities of \$4.2 million. This represents a current ratio of 4.08 as compared to 4.24 for the prior year. This decrease in the current ratio is primarily due to the delayed state aid payment. Receivables consist primarily of property taxes, student accounts, and

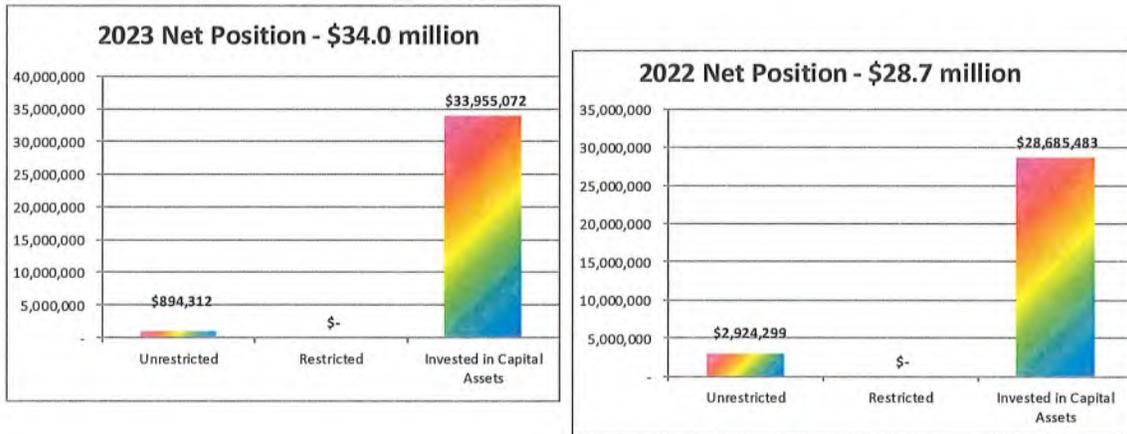
intergovernmental grants. The College’s investment in capital assets, net of accumulated depreciation increased \$4.7 million, reflecting new capital construction in excess of depreciation.

The College’s current liabilities are comprised primarily of payroll, accrued payables for operation and construction, interest payable, and the current portion of long-term debt. Noncurrent liabilities reflect the balance of long-term debt from 2009 Full Faith and Credit Obligations, and a 2015 private financing agreement. Debt instruments were used to purchase approximately 60 acres for the campus along with the improvements and construction of buildings.

Within net position, the “Net investment in capital assets” amount is \$34.0 million, an increase of \$5,269,589 compared to 2022, primarily due to the completion of capital construction on the Apprenticeship Center. In future years, the College’s capital assets are expected to grow with the expansion and further development of the campus.

The majority of the decrease in Unrestricted net position is associated with the 8<sup>th</sup> quarter State Aid payment.

The following graphs show the allocation of net position for the College for the past two years:



**Analysis of the Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2023**

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the College, as well as the non-operating revenues and expenses. Annual State Aid payments and property taxes, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles in the United States of America (GAAP).

The detailed categories of the College’s Revenues, Expenses, and Changes in Net Position are as

follows:

	2023	2022	Increase (Decrease) 2023-22
<b>Operating Revenues</b>			
Tuition and Fees	\$ 7,917,250	\$ 6,564,423	\$ 1,352,827
Federal Financial Aid and Grants	6,778,380	8,444,821	(1,666,441)
State Grants and Contracts	3,455,402	1,543,317	1,912,085
Out-of-District Contracts	772,498	685,022	87,476
Auxiliary Enterprises	422,058	306,190	115,868
Total Operating Revenues	<u>19,345,588</u>	<u>17,543,773</u>	<u>1,801,815</u>
	2023	2022	Increase (Decrease) 2023-22
<b>Operating Expenses</b>			
Educational and General:			
Instruction	11,913,104	9,450,017	2,463,087
Instructional Support	3,534,172	2,518,838	1,015,334
Student Services	4,506,599	4,003,372	503,227
College Support	5,743,221	4,677,966	1,065,255
Plant Operations	1,415,365	1,210,026	205,339
Financial Aid	5,087,199	5,728,359	(641,160)
Auxiliary Enterprises	512,299	378,431	133,868
Depreciation	2,421,752	1,902,077	519,675
Total Operating Expenses	<u>35,133,711</u>	<u>29,869,086</u>	<u>5,264,625</u>
Operating Loss	<u>(15,788,123)</u>	<u>(12,325,313)</u>	<u>(3,462,810)</u>

	2023	2022	Increase (Decrease) 2023-22
<b>Non-Operating Revenues (Expenses)</b>			
State Support	\$ 10,899,785	\$ 15,687,390	\$ (4,787,605)
Investment Income	383,740	94,708	289,032
Property Taxes	2,609,639	2,464,613	145,026
Debt Premium Amortization	3,246	3,246	-
Loss on disposal of Capital Assets	-	(3,336)	3,336
Interest Expense	(131,011)	(147,992)	16,981
Net Nonoperating Revenues	<u>13,765,399</u>	<u>18,098,629</u>	<u>(4,333,230)</u>
Total Increase - (Decrease) in Net Position before Capital Contributions	(2,022,724)	5,773,316	(7,796,040)
Capital Contributions	<u>5,262,326</u>	<u>4,069,720</u>	<u>1,192,606</u>
Change in Net Position	<u>3,239,602</u>	<u>9,843,036</u>	<u>(6,603,434)</u>
Net Position, Beginning of Year	<u>31,609,782</u>	<u>21,766,746</u>	<u>9,843,036</u>
Net Position, End of Year	<u>\$34,849,384</u>	<u>\$31,609,782</u>	<u>\$ 3,239,602</u>

## Revenues

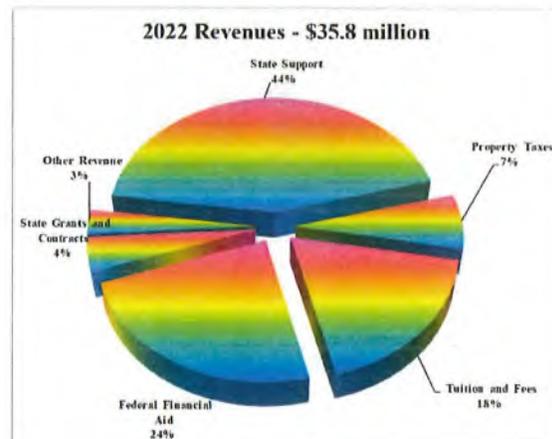
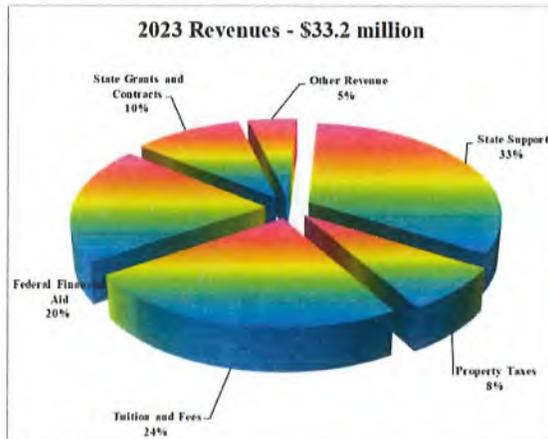
**Fiscal year 2023 compared to 2022.** The most significant sources of operating revenue for the College are tuition and fees along with Federal financial aid and grants. Tuition and fees includes all amounts paid for educational purposes, which totaled approximately \$7.9 million, an increase of \$1.35 million, or 20.6% over 2021/22. Enrollment FTE increased by 15.7% to 2,100 FTE. Federal financial aid, grants, and contracts totaled approximately \$6.78 million, a decrease of \$1.67 million, or -19.7% when compared to the previous year. This decrease is spread among multiple grants, including a U.S. Dept. of Labor Workforce Innovation and Opportunity Act Grant “WIOA” and the U.S. Dept. of Education Cares Grant. The College also facilitated \$2.7 million in Direct Loans for students that are not reflected in our Statement of Revenues, Expenses, and Changes in Net Position.

Revenue from state grants and contracts totaled \$3.46 million, an increase of \$1.91 million. This 123.9% increase was a combination of many state grants. Out-of-District contracts increased \$87 thousand, or 12.8%. Auxiliary enterprises consisting of catered food service and bookstore revenue increased \$116 thousand, or 37.8%, due to an increase in enrollment resulting in more sales at our bookstore.

The largest non-operating revenue is from the State of Oregon. Annually, the State of Oregon appropriates funding for all 17 Oregon community colleges. State Support (FTE reimbursement) decreased \$4.79 million or -30.5%. The decrease was caused by the Oregon Legislature’s

deferral of its eighth quarter reimbursement for the biennium from April 2023 to July 2023. When compensating for this timing adjustment, State Aid increased by \$1.53 million, or 10% to \$14.5 million. Additional non-operating revenues included \$2.6 million received from property taxes and investment income of \$383 thousand.

The following graphs illustrate the allocation of College revenues for Fiscal Years 2022-23 and 2021-22:



## Expenses

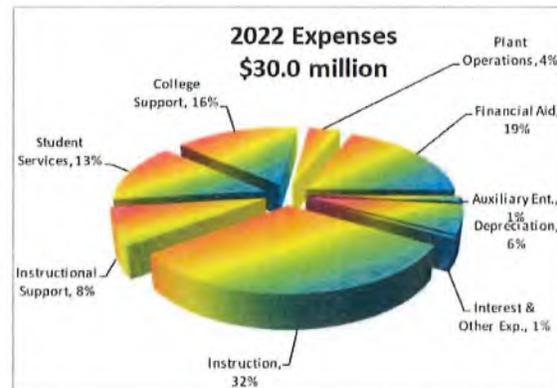
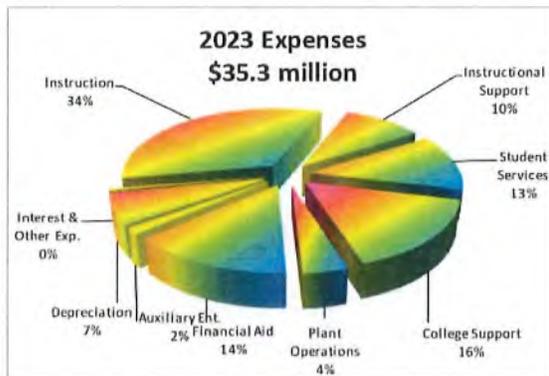
**Fiscal year 2023 compared to 2022.** Operating expenses totaled \$35.1 million, a 17.6% increase when compared to last year's total of \$29.9 million, and are comprised of salaries and benefits, materials and services, utilities, financial aid and grants, cost of goods sold, and depreciation. Last year's report included a GASB 68 adjustment of \$217 thousand, compared to this year's adjustment of \$1.34 million (please see below.) Including these adjustments, Instruction expense increased by 26.1%, or \$2.5 million. Instruction Expense includes all instructional expenses for both credit and non-credit instruction. Student Services increased by \$503 thousand, or 12.6%, primarily due to increased spending among several grants. College support includes the Board of Education, President's Office, Administrative Services, Business Office, Institutional Research, Human Resources, Staff Development – Non-Instructional, Information Services (IT), Communications, Administrative Support, and District (for all expense not allocated to any one specific department, such as liability insurance). College Support increased \$1.0 million, or 22.8%, due primarily to increased personnel expenses. Instructional Support increased by \$1.0 million, or 40.3%, due to several factors including the GASB 68 adjustment and several small grants. Depreciation increased by \$520 thousand, or 27.3%. Auxiliary Enterprises increased by \$133 thousand, or 35.4% due to an increase of student enrollment.

Instruction expense is the largest category at \$11.9 million followed by College Support at \$5.7 million, and Financial Aid at \$5.1 million, representing 33.9%, 16.8%, and 14.5% of total

operating expenses.

Fiscal year 2023 non-operating expenses totaling \$131 thousand is comprised of interest expense.

The following graphs show the allocation of expenses for the College for the past two years:



The College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in 2016, and GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which significantly impact 2022 and 2023 expenses. The chart below shows an expense comparison without including the pension adjustments to allow comparison with 2022 expenses.

**Expense Comparison without GASB 68 & 75**

	2023	2022	Increase (Decrease) 2023-22
<b>Operating Expenses</b>			
Educational and General:			
Instruction	11,352,251	9,360,519	1,991,732
Instructional Support	3,366,779	2,494,739	872,040
Student Services	4,296,570	3,965,204	331,366
College Support	5,430,691	4,627,636	803,055
Plant Operations	1,348,317	1,198,606	149,711
Financial Aid	5,087,199	5,728,359	(641,160)
Auxiliary Enterprises	488,142	374,846	113,296
Depreciation	2,421,752	1,902,077	519,675
<b>Total Operating Expenses</b>	<u>33,791,701</u>	<u>29,651,986</u>	<u>4,139,715</u>

**Analysis of the Statement of Cash Flows  
For the Year Ended June 30, 2023**

This statement provides an appraisal of the financial health of the College. Its principal purpose is to provide relevant information regarding the cash receipts and cash payments of the College during a period. The Statement of Cash Flows also helps users assess the ability of the College to meet obligations as they become due, and any need for external financing.

	2023	2022	Increase (Decrease) 2023-22
<b>Cash Provided by (Used in):</b>			
Operating Activities	\$ (11,880,522)	\$ (9,813,918)	\$ (2,066,604)
Noncapital Financing Activities	13,497,065	18,163,491	(4,666,426)
Capital and Related Financing Activities	(3,757,307)	(1,842,951)	(1,914,356)
Investing Activities	383,740	94,708	289,032
Net Increase (Decrease) in Cash	(1,757,024)	6,601,330	(8,358,354)
Cash - Beginning of year	15,390,151	8,788,821	6,601,330
Cash - End of year	\$ 13,633,127	\$ 15,390,151	\$ (1,757,024)

**Fiscal year 2023 compared to 2022.** The major sources of funds in operating activities include tuition and fees, federal financial aid and grants, state grants and contracts, out-of-district contracts, and auxiliary enterprises. Major uses include payments made to employees and suppliers, pass-through grants and contracts, and student financial aid and other scholarships. The College state support FTE reimbursements and property taxes are the primary sources of noncapital financing activities.

Another use of funds in the capital and related financing activities is principal and interest on debt issued by the College. Principal payments were made on our 2015 Private Financing Agreement, and 2009 Full Faith and Credit Obligations. Principal and interest payments were made on both debt issues. The principal investing activities reflect the interest on investments and include all earnings on bank accounts and the College's accounts with the Local Government Investment Pool, managed by the State of Oregon.

Ending cash decreased by \$1.8 million from Fiscal Year 2021-22 to 2022-23 to \$13.6 million, attributable primarily to the deferral of the 8<sup>th</sup> quarterly state aid payment for the 21-23 biennium.

## **Capital Assets and Debt Administration**

### **Capital Assets**

**Fiscal year 2023 compared to 2022.** The College's investment in capital assets as of June 30, 2023, equates to \$38.0 million, net of accumulated depreciation, a \$4.7 million increase from the prior year, primarily in buildings. Investment in capital assets includes land, buildings, improvements, machinery and equipment, library holdings, software, and infrastructure.

Additional information about the College's capital assets can be found in Note 4 of this report.

### **Long-Term Debt**

**Fiscal year 2023 compared to 2022.** At the conclusion of the current fiscal year, the College had total debt outstanding, net of premiums of \$20.5 million. Debt consists of Private debt issued, in December 2015, Full Faith and Credit Obligations issued in 2009, compensated absences, and pension/OPEB liabilities associated with GASB 68 and 75.

The College's long-term debts outstanding increased by \$2.1 million, the net of a \$2.7 million increase in Net Pension liability, a \$131 thousand decrease in Pension transition liability, net of \$585 thousand in annual debt principal payments, and other additions.

In January 2009, prior to issuing the 2009 Series debt, the College applied for a Standard & Poor's Bond Rating, and received an "AA-" rating, which was affirmed this past May 2022. This rating reflects Standard & Poor's view that an investment in the District's debt instruments is a safe investment with low risk of failure. Factors contributing to this rating included favorable financial performance, extremely strong available fund balances, good financial policies and practices, the use of multi-year financial forecasting to inform the budgeting process, revenue flexibility because of low tuition and fee levels, and a low debt burden.

State statutes limit the amount of general obligation debt the College may issue to 1.5% of Real Market Value properties within the College's district. The current legal debt limit for the College is approximately \$187.2 million. The College currently has no general obligation debt issued.

More information on the College's long-term debt can be found in Note 5 of this report.

### **Economic Factors and Next Year's Budget**

The Oregon Legislature has increased the appropriation for Oregon's 17 community colleges for the 2023-25 biennium. The pandemic has hurt the enrollment numbers at most of the community colleges and State funding may be effected negatively for the next biennium.

Our local economy has been growing, despite the pandemic, and the unemployment is approximately 5.6%, a 1.1% decrease over last year. Historically, enrollment has had an inverse relationship with local employment opportunities. This year is different with College enrollment stabilizing as we move forward after the pandemic. The College faces increasing costs in the coming year. Inflation is at its highest point in 40 years, which will drive up the cost of personnel, supplies and capital construction.

In past sessions, the legislature passed several bills for the State's Public Employees Retirement System (PERS) in order to mitigate future liabilities for governmental entities. This resulted in a third tier of benefits for employees hired after August 28, 2003, in addition to the employees' contributions being applied to a separate account. The new Oregon Public Service Retirement Plan (OPSRP), a partial defined contribution plan and a partial defined benefits plan, went into effect on August 29, 2003.

The College established a PERS Reserve Fund in order to pay down the College's Unfunded Actuarial Liability (UAL), and to offset projected rate increases. The College made a lump sum payment in the amount of \$500.0 thousand during Fiscal Year 2007-08, which continues to reduce its contribution rate by approximately 1%.

The College continues to manage its financial resources proactively and consequently relies heavily on its financial forecasting model. This model forecasts out five years and takes into consideration decisions made today on the financial health of the College five years later. The College is required by Oregon Budget Law to submit and adopt a balanced budget each year by July 1st. The financial forecast model is provided to the Budget Committee as part of the budget process.

### **Requests for Information**

This financial report is designed to provide a general overview of Klamath Community College's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to:

Geoff LaHaie  
Vice President of Administrative Services  
Klamath Community College  
7390 South Sixth Street  
Klamath Falls, OR 97603

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## **BASIC FINANCIAL STATEMENTS**

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**KLAMATH COMMUNITY COLLEGE DISTRICT**  
**KLAMATH FALLS, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

**ASSETS**

Current assets:	
Cash and investments	\$ 13,160,175
Receivables:	
Taxes	163,195
Tuition and fees	331,263
Grants & contracts	2,181,011
Other accounts	646,653
Prepaid items	375,080
Inventory	<u>161,947</u>
 Total current assets	 <u>17,019,324</u>
Noncurrent assets:	
Restricted cash and investments	472,952
OPEB asset	114,450
Non-depreciable capital assets	2,233,781
Depreciable capital assets, net	<u>35,722,423</u>
 Total noncurrent assets	 <u>38,543,606</u>
 Total assets	 <u>55,562,930</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Excess consideration provided for acquisition	600,000
Deferred outflows related to pensions and OPEB	<u>6,078,050</u>
 Total deferred outflows of resources	 <u>6,678,050</u>

**LIABILITIES**

Current liabilities:	
Accounts payable	599,330
Due to student organizations	40,871
Payroll and related liabilities	864,689
Accrued interest payable	29,491
Unearned revenue	1,671,310
Long-term liabilities - current portion	<u>967,410</u>
 Total current liabilities	 <u>4,173,101</u>
Noncurrent liabilities:	
Compensated absences	90,634
Full faith and credit obligations and private financing agreement	3,396,258
Net pension liability	15,479,073
Net OPEB liability	118,251
Pension transition liability	<u>488,957</u>
 Total noncurrent liabilities	 <u>19,573,173</u>
 Total liabilities	 <u>23,746,274</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pensions and OPEB	<u>3,645,322</u>
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**NET POSITION**

Net investment in capital assets	33,955,072
Unrestricted	<u>894,312</u>
Total net position	<u>\$ 34,849,384</u>

*The notes to the basic financial statements are an integral part of this statement.*

**KLAMATH COMMUNITY COLLEGE DISTRICT**  
**KLAMATH FALLS, OREGON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Year Ended June 30, 2023**

**REVENUES**

Operating revenues:	
Student tuition and fees	\$ 7,917,250
Federal student financial aid and grants	6,778,380
State grants and contracts	3,455,402
Out-of district contracts	772,498
Auxiliary enterprises	<u>422,058</u>
 Total operating revenues	 <u>19,345,588</u>

**EXPENSES**

Operating expenses:	
Educational and general:	
Instruction	11,913,104
Instructional support	3,534,172
Student services	4,506,599
College support	5,743,221
Plant operations	1,415,365
Financial Aid	5,087,199
Auxiliary enterprises	512,299
Depreciation	<u>2,421,752</u>
 Total operating expenses	 <u>35,133,711</u>
 Operating Loss	 <u>(15,788,123)</u>

**NONOPERATING REVENUES (EXPENSES)**

State support	10,899,785
Investment income	383,740
Property taxes and interest	2,609,639
Debt premium amortization	3,246
Interest expense	<u>(131,011)</u>
 Net nonoperating revenues (expenses)	 <u>13,765,399</u>
 Loss before capital contributions	 (2,022,724)
 Capital contributions	 <u>5,262,326</u>
 Change in net position	 <u>3,239,602</u>
 <b>NET POSITION</b>	
Net position - beginning of year	<u>31,609,782</u>
 Net position - end of year	 <u>\$ 34,849,384</u>

*The notes to the basic financial statements are an integral part of this statement.*

**KLAMATH COMMUNITY COLLEGE DISTRICT**  
**KLAMATH FALLS, OREGON**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Tuition and fees	\$ 7,824,129
Federal student financial aid and grants	6,138,167
State grants and contracts	4,274,331
Out-of district contracts	885,440
Payments to suppliers for goods and services	(7,905,677)
Payments to employees	(17,919,472)
Payments for financial aid and scholarships	(5,087,199)
Auxiliary enterprises:	
Cash received from customers	422,058
Paid to suppliers for resale materials	<u>(512,299)</u>
Net cash used	
by operating activities	<u>(11,880,522)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash received from state support	10,899,785
Cash received from property taxes	<u>2,597,280</u>
Net cash provided by	
noncapital financing activities	<u>13,497,065</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Cash received from capital grants	5,411,975
Construction and acquisition of capital assets	(7,849,283)
Acquisition of cosmetology program	(600,000)
Principal paid on capital debt	(584,661)
Interest paid on capital debt	<u>(135,338)</u>
Net cash used by capital and	
related financing activities	<u>(3,757,307)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on investments	<u>383,740</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS (1,757,024)

**CASH AND CASH EQUIVALENTS**

Beginning of the year	<u>15,390,151</u>
End of the year	<u>\$ 13,633,127</u>

*The notes to the basic financial statements are an integral part of this statement.*

**KLAMATH COMMUNITY COLLEGE DISTRICT**  
**KLAMATH FALLS, OREGON**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2023**

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED BY OPERATING ACTIVITIES:**

Operating Loss	\$ (15,788,123)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	2,421,752
Changes in assets, liabilities and deferred inflows/outflows:	
Receivables	(792,224)
Inventories	24,164
Prepaid items	(144,844)
OPEB asset	(114,450)
Deferred outflows related to pensions and OPEB	1,854,361
Unearned revenue	1,008,016
Operating accounts payable	(215,469)
Due to/from student organizations	(17,255)
Payroll and related liabilities	181,135
Net pension liability	2,670,917
Net OPEB liability	6,439
Pension transition liability	(130,977)
Deferred inflows related to pensions and OPEB	(2,944,280)
Compensated absences	100,316
Net cash used by operating activities	<u>\$ (11,880,522)</u>

**NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:**

Receivables	\$ 522,013
Capital contributions	(522,013)
Unamortized premium	(3,246)
Debt premium amortization	3,246
Total noncash investing, capital, and financing activities	<u>\$ -</u>

*The notes to the basic financial statements are an integral part of this statement.*

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2023

<u>Assets</u>	
Cash and cash equivalents	\$ 1,190,290
Investments	<u>210,000</u>
Total assets	<u><u>\$ 1,400,290</u></u>
 <u>Liabilities and Net Assets</u>  	
Liabilities:	
Due to Klamath Community College	<u>\$ 645,108</u>
Net assets:	
Without donor restrictions	26,012
With donor restrictions	<u>729,170</u>
Total net assets	<u>755,182</u>
Total liabilities and net assets	<u><u>\$ 1,400,290</u></u>

The accompanying notes are an integral part of this statement.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions of cash	\$ 3,003	\$ 380,015	\$ 383,018
Contributions of stock	-	22,935	22,935
Contributions of nonfinancial assets	10,000	-	10,000
Grants	1,000	744,998	745,998
Sponsorships	-	5,750	5,750
Other income	-	2,135	2,135
Donated services	187,587	-	187,587
Investment earnings	16	9,791	9,807
Net realized gains on investments	-	19,563	19,563
Special events	5,932	19,026	24,958
Donation fees	6,020	(6,020)	-
Net assets released from restrictions	1,852,911	(1,852,911)	-
	2,066,469	(654,718)	1,411,751
Total revenues, gains and other support			
Expenses and losses:			
Program services:			
Scholarships	101,330	-	101,330
Transfers to KCC for capital construction	1,548,311	-	1,548,311
Program support	83,280	-	83,280
Noncash college support	10,000	-	10,000
Student travel and support	33,534	-	33,534
Prizes and awards	3,959	-	3,959
Special events	5,932	-	5,932
Return of scholarship endowment corpus to donor	29,017	-	29,017
	1,815,363	-	1,815,363
Total program services			
Supporting services:			
General administration	59,018	-	59,018
Donated services	187,587	-	187,587
	246,605	-	246,605
Total supporting services			
Net unrealized losses on investments	-	10,599	10,599
	2,061,968	10,599	2,072,567
Total expenses and losses			
Change in net assets	4,501	(665,317)	(660,816)
Net assets, beginning of year	21,511	1,394,487	1,415,998
Net assets, end of year	\$ 26,012	\$ 729,170	\$ 755,182

The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC FINANCIAL  
STATEMENTS**

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## 1. Summary of Significant Accounting Policies

### A. REPORTING ENTITY

Klamath Community College District (District) is a municipal corporation governed by an elected seven-member board. The District is a primary government. A primary government is financially accountable for the organizations (component units) that are to be included in the reporting entity. The District has considered all organizations for which the District is financially accountable. The District has elected to treat Klamath Community College Foundation (Foundation) as a component unit as required by Governmental Accounting Standards Board (GASB) Statements No. 39 and 61.

Klamath Community College Foundation (Foundation) is an Oregon not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from Oregon excise taxes under applicable state law. The Foundation operates for the limited purpose of financially and otherwise supporting the mission of Klamath Community College District. The Foundation receives donated services from the District in the form of management and administrative personnel support. The Foundation is governed by a Board of Trustees. Financial statements and notes for the Foundation follow the College Basic financial statements in the report.

### B. BASIS OF PRESENTATION

The District's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities*. The District now follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the financial activities of the District.

### C. BASIS OF ACCOUNTING

The basic financial statements are accounted for on the flow of *economic resources measurement focus* and are prepared on the *accrual basis of accounting*, whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

### D. CASH AND INVESTMENTS

Investments included in cash and investments are reported at fair value. The District invests in the Oregon State Treasury's Local Government Investment Pool (LGIP). These investments are managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer, which may change from time to time. Eligible investments include U.S. Treasury obligations and

Agency securities, bankers' acceptances, high-grade commercial paper, and repurchase agreements, all subject to certain size and maturity limitations. The pool has the general characteristics of a demand deposit account in that investors may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty.

For purposes of the statement of cash flows, cash, demand deposits and the Local Government Investment Pool are considered to be cash and cash equivalents.

#### E. RECEIVABLES

All accounts, grants and property taxes receivable are shown net of an allowance for uncollectible accounts.

Property taxes are levied and become a lien on all taxable property as of July 1. Taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

For the current year, the District levied taxes at the rate of \$0.4117 per \$1,000 of assessed value of all taxable property within the District. Measure 50 establishes the permanent rate and allows for an increase of the assessed value of property of 3% per year.

Unreimbursed expenses from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenses are incurred.

#### F. INVENTORIES AND PREPAID ITEMS

Inventories held for resale are stated at the lower of cost or market. Cost is determined by the first-in/first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in statement of net position.

#### G. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation up to 1.5 times their annual award in addition to sick pay or a maximum of 240 hours. There is no liability for unpaid accumulated sick leave per Board policy. Unused vacation pay is recognized as an expense and accrued when earned.

#### H. CAPITAL ASSETS

Capital assets include land and land improvements; buildings and buildings improvements; infrastructure; equipment and machinery; computer equipment and software; furniture; library collections; and construction in progress, all having a useful life of more than one year. The District's capitalization threshold is \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and

capital assets received in a service concession arrangement are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the historical value of the assets or materially extend assets lives or productivity are not capitalized.

Buildings and buildings improvements, land improvements, infrastructure, furniture, equipment and vehicles, management information software, library collections and computer technology of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings & buildings improvements	30-40
Land improvements	10-25
Infrastructure	25-50
Furniture, equipment & vehicles	5
Management information software	7
Library collections	5
Computer equipment	3

#### I. EXCESS CONSIDERATION PROVIDED FOR ACQUISITION

Excess consideration provided for the acquisition of a cosmetology program is being amortized over a five-year life.

#### J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

#### K. LONG-TERM OBLIGATIONS

Debt premiums and loss on refundings are deferred and amortized over the life of the debt using the straight-line method, which approximates the effective interest method.

#### L. PENSION PLAN

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

## M. OTHER POSTEMPLOYMENT BENEFITS

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

## N. OPERATING AND NON-OPERATING REVENUES AND EXPENSES

Operating revenues and expenses generally result from providing services to students. Principal operating revenues include tuition, federal and state grants, charges for services and sales of educational material. Operating expenses include the cost of faculty, administration, sales and services for bookstore and food service operation, and depreciation. All other revenues, including state educational support and expenses not meeting this definition are reported as non-operating revenues and expenses.

## O. USE OF ESTIMATES

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

## P. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District participates in federal funded Pell Grants, SEOG Grants, Work-Study and the Direct Loan program. Federal programs are audited in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *OMB Compliance Supplement*. Cost principles as outlined in the Uniform Guidance are followed.

## **2. Stewardship, Compliance and Accountability**

### A. BUDGETARY COMPLIANCE

In accordance with Oregon Revised Statutes, budgets are prepared and adopted, and expenditures are appropriated on a fund basis, using the modified accrual or full accrual basis of accounting depending on the fund types. The District does not use encumbrance accounting. All annual appropriations lapse at fiscal year end.

On or before June 30 of each year, the District enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the Board of Education and a

like number of interested citizens. The budget committee approves the budget prior to the Board of Education's budget hearings. The Board of Education adopts the annual budget, enacting budget and tax resolutions.

The budget is prepared by fund, department, activity, and line, and includes information of the past two years, current year budget and year-to-date, and requested appropriations for the next fiscal year. Expenditures may not exceed legally budgeted appropriations at the level of personal services, materials and services, capital outlay, debt service and transfers for all budgeted funds. The Board of Education can, by resolution, transfer appropriations between existing appropriation categories and increase appropriations to allow expenditure of unexpected revenues during the year. Management may transfer appropriations within an appropriation category. Budget figures in the financial statements include the original budget and approved increases and transfers. During 2022-23, the District overexpended the capital outlay appropriation by \$5,503 in Student Course Fees Fund, the materials and services appropriation in the SNAP 50/50 Grant Fund by \$34,664, the transfers out appropriation in the SNAP 50/50 Grant fund by \$5,099, the transfers out appropriation in the Grow Your Own Grant Fund by \$9,537, the personnel services appropriation by \$3,665 in the DHS TANF Jobs Fund, the materials and services appropriation in the CARES Act Fund by \$266,374, the personnel services appropriation by \$3,500 in the DOL Strengthening Community Colleges Fund, the capital outlay appropriation in the FRO – Career Pathways Fund by \$32,412, the materials and services appropriation in the FRO – Credit for Prior Learning Fund by \$8,950 and the materials and services appropriation in the CCL Navigator Grant Fund by \$11,939.

### 3. Cash and Investments

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

Demand deposits with financial institutions	\$ 3,926,875
Local government investment pool	9,698,778
Cash on hand	<u>7,474</u>
Totals	<u>\$ 13,633,127</u>

#### DEPOSITS WITH FINANCIAL INSTITUTIONS

Deposits with financial institutions are comprised of bank demand deposits. Total bank balances, as shown on the banks' records at year-end were \$4,047,551; \$500,000 of which was covered by federal depository insurance.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of at least 10% of their public deposits unless otherwise directed by the Oregon State Treasurer. The Oregon State Treasurer may at any time require banks to pledge additional collateral

up to 110% of public funds on deposit depending primarily on the capitalization level of the depository bank.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy for custodial credit risk that diversifies the investment portfolio so that potential losses on individual securities will be minimized. Of the \$4,047,551 bank balance as of June 30, 2023, \$3,547,551 was subject to custodial risk because deposits in excess of FDIC coverage are collateralized, but not held by a third-party custodian bank in the name of the District. Deposits not insured by FDIC fall under (ORS) Chapter 295 as described above.

## INVESTMENTS

The District's investments consist of an investment in the LGIP, which is managed by the State Treasurer in accordance with the "prudent person rule" and administrative rules that may be subject to change. ORS and the Oregon Investment Council establish investment policies for the State Treasurer and Oregon Short Term Fund Board (OSTF). In addition, the OSTF establishes portfolio guidelines. Members of the Investment Council and the Oregon Short-Term Fund Board are appointed by the governor. The investments that make up the State Local Government Pool are those allowed by ORS. The State Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. Participants' account balances in the pool are determined by the amount of participants' deposits, adjusted for withdrawals and distributed interest. Interest is calculated and accrued daily on each participant's account based on the ending account balance and a variable interest rate determined periodically by the Oregon Short-Term Fund.

*Credit risk:* State law limits investments to general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements and the State Treasurer's Local Government Investment Pool, along with certain commercial paper and corporate bonds which have the top two ratings issued by nationally recognized statistical rating organizations. The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company and has no credit rating. Board Policy further requires adequate diversification, active monitoring of the funds, and holding primarily short term investments.

*Interest rate risk:* The District has a formal investment policy that limits investment maturities as a means of managing its exposures to fair value losses arising from increasing interest rates. Throughout the year, all investments were in the State Treasurer's LGIP. The Oregon Short-Term Fund manages the risk in the LGIP by limiting the maturity of the investments held by the fund. Maturities of investments in the Oregon Short-Term fund at June 30, 2023 were 87.5% 1 year or less and 12.5% over 1 year. Of the 87.5%, 71.4% was 93 days or less. The weighted average maturity is 152 days for the Oregon Short Term fund.

## RESTRICTED CASH AND INVESTMENTS

At June 30, 2023, the District had \$472,952 in cash and investments that is restricted for capital improvements.

#### 4. Capital Assets

Capital asset activities for the year ended June 30, 2023 were as follows:

	<u>Balance</u> <u>06/30/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>06/30/23</u>
<b><u>Capital Assets, not being depreciated:</u></b>				
Land	\$ 2,177,959	\$ -	\$ -	\$ 2,177,959
Construction in progress	4,633,658	5,689,756	10,267,592	55,822
Total Not being Depreciated	<u>6,811,617</u>	<u>5,689,756</u>	<u>10,267,592</u>	<u>2,233,781</u>
<b><u>Capital Assets, being depreciated:</u></b>				
Buildings & improvements	33,779,343	10,298,365	-	44,077,708
Land improvements	5,043,359	20,280	-	5,063,639
Equipment	3,241,421	812,660	-	4,054,081
Computers and peripherals	4,095,241	532,826	42,809	4,585,258
Library collections	48,031	17,139	-	65,170
	<u>46,207,395</u>	<u>11,681,270</u>	<u>42,809</u>	<u>57,845,856</u>
<b><u>Less accumulated depreciation:</u></b>				
Buildings & improvements	10,639,297	1,606,322	-	12,245,619
Land improvements	2,891,925	71,049	-	2,962,974
Equipment	2,646,683	330,423	-	2,977,106
Computers and peripherals	3,542,238	406,381	42,809	3,905,810
Library collections	24,347	7,577	-	31,924
	<u>19,744,490</u>	<u>2,421,752</u>	<u>42,809</u>	<u>22,123,433</u>
<b><u>Net being depreciated:</u></b>				
Buildings & improvements	23,140,046	8,692,043	-	31,832,089
Land improvements	2,151,434	(50,769)	-	2,100,665
Equipment	594,738	482,237	-	1,076,975
Computers and peripherals	553,003	126,445	-	679,448
Library collections	23,684	9,562	-	33,246
<b>Net being depreciated:</b>	<u>26,462,905</u>	<u>9,259,518</u>	<u>-</u>	<u>35,722,423</u>
<b><u>Capital assets, net</u></b>	<u>\$ 33,274,522</u>	<u>\$ 14,949,274</u>	<u>\$ 10,267,592</u>	<u>\$ 37,956,204</u>

#### 5. Long Term Debt

The District issues full faith and credit obligations and certificates of participation, as well as private financing agreements, to provide funds for the acquisition and construction of land, onsite improvements, construction of, or remodeling of facilities, and to pay issuance costs.

The debts are direct obligations and pledge the full faith and credit of the District. These obligations generally are issued as 20-year serial obligations with principal maturing each year.

In February 2009, the District issued \$4,150,000 of Full Faith and Credit Obligations Series 2009 to provide funds to construct, furnish and equip instructional facilities. These Obligations carry interest rates between 3% and 4.25%. Principal is payable annually over twenty years beginning June 2010.

In December 2015, the District issued \$4,699,500 in private debt to construct, furnish and equip additional instructional and administrative facilities. This debt carries an interest rate of 2.19%, with semi-annual principal and interest payments beginning July 2016, and continuing for fifteen years.

The debts currently outstanding are as follows:

<u>Issue</u>	<u>Issued</u>	<u>Interest Rates</u>	<u>Payments Annually</u>	<u>Amount</u>
Series 2009 Full Faith and Credit Obligations	2/10/2009	3.00 ~ 4.25%	12/1 & 6/1	\$ 1,595,000
Series 2015 Private Financing Agreement	12/15/2015	2.19%	7/15 & 1/15	<u>2,389,910</u>
Total				<u>\$3,984,910</u>

Annual debt service requirements to maturity are as follows:

<u>Year end</u>	<u>Series 2009</u>		<u>Series 2015</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 240,000	\$ 66,032	\$ 361,628	\$ 52,339
2025	250,000	56,431	369,148	44,419
2026	260,000	46,432	377,233	36,335
2027	270,000	35,641	386,284	28,074
2028	280,000	24,437	395,948	19,614
2029-30	<u>295,000</u>	<u>12,537</u>	<u>499,669</u>	<u>13,092</u>
	<u>\$ 1,595,000</u>	<u>\$ 241,510</u>	<u>\$ 2,389,910</u>	<u>\$ 193,873</u>

## CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Interest Matured and Paid</u>
FFCO's, COP's, and Private Deb	\$ 4,569,571	\$ -	\$ 584,661	\$ 3,984,910	\$ 601,628	\$ 135,338
Unamortized Premium - 2009	19,468	-	3,246	16,222	3,246	-
Compensated Absences	352,854	453,170	352,854	453,170	362,536	-
Net pension liability	12,808,156	2,670,917	-	15,479,073	-	-
Net OPEB Liability	111,812	6,439	-	118,251	-	-
Pension transition liability	619,934	-	130,977	488,957	-	-
Total Long-Term Liabilities	<u>\$ 18,481,795</u>	<u>\$ 3,130,526</u>	<u>\$ 1,071,738</u>	<u>\$ 20,540,583</u>	<u>\$ 967,410</u>	<u>\$ 135,338</u>

## 6. Net Position

GASB Statement No. 34 required reporting equity as “net assets” rather than “fund balance”. Net assets were classified according to availability of assets for satisfaction of the District obligations. It is the policy of the District to first use restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

Effective for the fiscal year ended June 30, 2013, GASB Statement No. 63 changed the title from Net Assets to Net Position.

For the District, net investment in capital assets is comprised as follows:

	<u>2023</u>
Capital assets,	
net of accumulated depreciation	\$ 37,956,204
Less capital-related debt:	(3,984,910)
Unamortized premium - Series 2009	<u>(16,222)</u>
	<u>\$ 33,955,072</u>

## 7. Pension Plan

### Plan Description

The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District’s contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan which applies to qualifying District employees hired on or after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) The Individual Account Program (IAP), the defined contribution portion of the plan. Effective January 1, 2004, all PERS member contributions began going into the IAP, but effective July 1, 2020 a portion of member contributions were redirected to help fund the defined benefits provided under OPERF Tier One/Tier Two and OPSRP. PERS members retain their existing PERS accounts, but the IAP portion of any future member contributions are deposited into the member’s IAP, not the member’s PERS account.

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at:

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

## Benefits provided

### A. Tier One/Tier Two Retirement Benefit ORS Chapter 238

#### Pension Benefits

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

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 is 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:

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

#### Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-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 equity investments.

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

#### B. OPSRP Pension Program (OPSRP DB)

##### Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP 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. Senate Bill 111, enacted in June 2021, increased this benefit from 50% to 100%.

##### 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 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

#### C. OPSRP Individual Account Program (OPSRP IAP)

##### Pension Benefits

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

Upon retirement, a member of the OPSRP 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.

#### 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.

#### Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

#### Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2023 were \$2,232,338, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2023 were 26.97 percent for Tier One/Tier Two General Service Members and 23.33 percent for OPSRP Pension Program General Service Members, net of 0.42 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program, of which a portion is used to help fund the defined benefits provided under OPERF Tier One/Tier Two and OPSRP.

#### Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2023 the District reported a liability of \$15,479,073 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 rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2022, the District's proportion was 0.06804653%.

For the year ended June 30, 2023, the District recognized pension expense of approximately \$3,703,000. At 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
Differences between expected and actual experience	\$ 505,771	\$ 64,976
Change in assumptions	1,634,841	14,936
Net difference between projected and actual earning on investments	-	1,862,768
Changes in proportionate share	1,377,089	985,941
Changes in proportion and differences between employer contributions and proportionate share of contributions	272,809	597,906
College's Contributions subsequent to the measurement date	2,232,338	-
Deferred outflows/inflows at June 30, 2023	<u>\$ 6,022,848</u>	<u>\$ 3,526,527</u>

Contributions subsequent to the measurement date of \$2,232,338 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other deferred outflows of resources totaling \$3,790,510 less deferred inflows of resources of \$3,526,527 related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 441,330
2025	(12,642)
2026	(707,771)
2027	695,943
2028	(152,877)
Total	<u>\$ 263,983</u>

#### Actuarial assumptions

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. However, Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liability over a 22 year period in the December 31, 2019 actuarial valuation. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020 rolled forward to June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization basis over a closed period. Tier One / Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years. However, Senate Bill 1049 signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two UAL over a closed 22 year period in the December 31, 2019 actuarial valuation.
Assessment Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Investment Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy Retirees and Beneficiaries:</b> 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.</p> <p><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.</p> <p><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.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

#### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
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 - Multi-strategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
U.S. Cash	-2.50%	1.76%
Total	100.00%	
Assumed Inflation - Mean		2.40%

#### 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.

#### Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, 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 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease (5.9%)</u>	<u>Discount Rate (6.9%)</u>	<u>1% Increase (7.9%)</u>
College's proportionate share of the net pension liability	\$ 23,537,478	\$ 15,479,073	\$ 8,734,569

#### Change of plan provisions

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program was redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount was updated to 2.5% of salary, and for OPSRP members, the amount was updated to 0.75% of salary. The redirection only applies to members earning \$2,500 per month (\$3,333 per month beginning in 2022) or more (indexed for inflation). The prospectively redirected amount was updated to 2.40% of salary for Tier One/TierTwo members and 0.65% of salary for OPSRP members beginning with the December 31, 2020 actuarial valuations.

Senate Bill 111, enacted in June 2021, increased the optional death benefit available to a surviving spouse when a retirement-eligible member dies. Previously, this benefit was based on 50% of the actuarial equivalent value of the member's retirement benefit, but this was increased to 100% of the actuarial equivalent value.

#### Changes in actuarial assumptions

Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liability over a closed 22 year period in the December 31, 2019 actuarial valuation.

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.9% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 measurement date.

#### Pension plan fiduciary net position

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

#### Transition Liability

The District reports a separate liability to the plan with a balance of \$488,957 at June 30, 2023. The liability represents the District's allocated share of the pre-SLGRP pooled liability. The District is being assessed an employer contribution rate of 1.52 percent of covered payroll for payment of this

transition liability.

## **8. Postemployment Healthcare Benefits**

### Public Employees Retirement System

#### Plan Description

The District contributes to an OPEB plan administered by the Oregon Public Employees Retirement System (PERS). The Retiree Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit plan established under Oregon Revised Statute 238.420, which grants the authority to manage the plan to the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at

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

#### Benefits Provided

Eligible PERS members can receive a payment of up to \$60 from RHIA toward the monthly cost of health insurance. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The plan was closed to new entrants hired on or after August 29, 2003.

#### Contributions

PERS funding policy provides for monthly employer contributions at an actuarially determined rate. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2023 were \$265. The rates in effect for the fiscal year ended June 30, 2023 were 0.05 percent for Tier One/Tier Two General Service Members and 0.00 percent for OPSRP Pension Program General Service Members. Employees are not required to contribute to the RHIA Program.

#### OPEB Assets, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2023, the District reported an asset of \$114,450 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022 and the total OPEB asset used

to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. 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 entities actuarially determined. On June 30, 2022, the District's proportion was 0.03220915%.

For the year ended June 30, 2023, the District recognized OPEB expense of approximately \$3 thousand. 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
Differences between expected and actual experience	\$ -	\$ 3,102
Changes in assumptions	896	3,815
Net difference between projected and actual earning on investments	-	8,728
Changes in proportionate share	38,087	49,064
College's Contributions subsequent to the measurement date	265	-
Deferred outflows/inflows at June 30, 2023	<u>\$ 39,248</u>	<u>\$ 64,709</u>

Contributions subsequent to the measurement date of \$265 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other deferred outflows of resources totaling \$38,983 less deferred inflows of resources of \$64,709 related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2024	\$ (1,344)
2025	(21,669)
2026	(5,508)
2027	2,795
2028	-
Total	<u>\$ (25,726)</u>

Actuarial assumptions

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new

unfunded actuarial accrued liabilities being amortized over 10 years.

The total OPEB asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020 rolled forward to June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization basis over a closed 10-year period.
Assessment Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Investment Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Retiree Healthcare Participation	Healthy retirees: 27.5%; disabled retirees: 15%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p><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.</p> <p><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.</p> <p><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.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

#### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
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 - Multi-strategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
U.S. Cash	-2.50%	1.76%
Total	100.00%	
Assumed Inflation - Mean		2.40%

#### Discount rate

The discount rate used to measure the total OPEB asset was 6.90 percent for the OPEB 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 OPEB 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 OPEB plan investments for the OPEB Plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

#### Sensitivity of the District's proportionate share of the net OPEB asset to changes in the discount rate and healthcare cost trend rate

The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 6.90%, 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%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease (5.9%)</u>	<u>Discount Rate (6.9%)</u>	<u>1% Increase (7.9%)</u>
College's proportionate share of the net OPEB liability-(asset)	\$ (103,152)	\$ (114,450)	\$ (124,136)

Since the monthly benefit is capped at \$60, the healthcare cost trend rate has no effect on the District's proportionate share of the net OPEB asset.

#### Changes in actuarial assumptions

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.9% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.4% and 3.4%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 measurement date.

#### OPEB plan fiduciary net position

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

#### Postemployment Health and Dental Plan

##### Plan Description

The District operates a single-employer retiree defined benefit plan that provides postemployment health and dental coverage benefits to eligible employees and their eligible dependents. The District is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Although the District does not pay any portion of the plan premiums for retirees, there is an implicit benefit because (a) the greater claims associated with retirees are reflected in the plan rates and (b) those who opt to be covered by the District pay lesser premiums than they would had they bought coverage elsewhere. Eligible employees are those retiring from active service with at least 5 years of salaried employment with the District and a pension benefit payable under Oregon PERS. Retirees and their dependents under age 65 are allowed to receive the same health care coverage as offered to active employees, however, the retiree is required to pay the full premiums. This OPEB is not a stand-alone plan and therefore does not issue its own financial statements.

##### Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

Active employees	136
Retirees	<u>1</u>
Total Participants	<u><u>137</u></u>

Contributions and Funding

The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. For the year ended June 30, 2023, changes in the postemployment healthcare benefits liability are as follows:

Total OPEB liability - July 1, 2022	\$ 111,812
Service Cost	12,038
Interest on total OPEB liability	3,792
Change in assumptions	-
Experience (gain)/loss	-
Benefit Payments	(9,391)
Total OPEB liability - Jun 30, 2023	<u>\$ 118,251</u>

For the year ended June 30, 2023, the District recognized OPEB expense of \$8,820. 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
Differences between expected and actual experiences	\$ 15,954	\$ 23,617
Changes of assumptions or other inputs		30,469
Deferred Outflows/inflows at June 30, 2023	<u>\$ 15,954</u>	<u>\$ 54,086</u>

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

Year Ending June 30	Amount
2024	\$ (7,010)
2025	(7,010)
2026	(7,010)
2027	(7,010)
2028	(7,010)
Thereafter	<u>(3,082)</u>
Total	<u>\$ (38,132)</u>

### Actuarial Valuation

The actuarial information is from a valuation dated June 30, 2022, rolled forward to June 30, 2023. The actuarial funding method used to determine the plan cost is the entry age normal actuarial cost method. In applying this method, projected benefit payments are determined for each active employee and retiree. The actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the service cost for that active employee. The sum of these individual service costs is the plan's service cost for the valuation year. The actuarial assumptions included (a) a discount rate of 3.54%, (b) an assumed inflation rate of 2.5% for all future years, (c) 3.5% salary increases per annum for all future years; and (d) healthcare cost trend rates of 3.4% for medical dental, and vision for all future years

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate of 3.54%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB liability - 6/30/2023	\$ 127,683	\$ 118,251	\$ 109,610

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

The following presents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability - 6/30/2023	\$ 104,608	\$ 118,251	\$ 134,773

### Changes of assumptions

In the latest actuarial valuation used to determine the total OPEB liability as of June 30, 2022 and June 30, 2023, the discount rate was increased from 2.21% to 3.54%.

### Aggregate OPEB Amounts

At June 30, 2023, the District reported aggregate OPEB assets of \$114,450, aggregate OPEB

liabilities of \$118,251, aggregate deferred outflows of resources related to OPEB of \$55,202 and aggregate deferred inflows of resources related to OPEB of \$118,795. For the year ended June 30, 2023, the District recognized aggregate OPEB expense of approximately \$12 thousand.

## **9. 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; injuries to employees; and natural disasters. The District is a member of the Oregon School Boards Association Property And Casualty for Education (PACE) Program and pays an annual premium to PACE for its general and automobile liability, automobile physical damage, property damage, boiler and machinery, earthquake, public official bond and employee dishonesty coverage. Under the membership agreement with PACE, the insurance pool is to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The district carries commercial insurance for other risks of loss including workers' compensation coverage and life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## **10. Contingent Liabilities**

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

Management is not aware of any other contingent liabilities that would require disclosure under Governmental Accounting Standards Board (GASB) Accounting Standards, which include among other things: notes or accounts receivable which have been discounted; pending suits, proceedings, hearings, or negotiations possibly involving retroactive judgments or claims; taxes in dispute; endorsements or guarantees; and options given.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Klamath Community College Foundation, Inc. (the Foundation) is an Oregon not-for-profit organization incorporated on May 21, 1997 under the laws of the State of Oregon. The Foundation operates for the limited purpose of financially and otherwise supporting the mission of Klamath Community College District, a political subdivision of the State of Oregon. The Foundation is governed by a Board of Trustees.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Financial Statement Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to the following net assets classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Policy for Endowed Funds

The accounting procedure for endowed funds conforms to the Foundation's policy for endowed funds. Endowment gifts (corpus) are recorded as donor-restricted funds to be maintained in perpetuity and investment earnings are recorded as funds which are temporarily restricted.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Use of Estimates

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

Investment Policy/Spending Policy

The investment policy of the Foundation is to provide for safety of principal through diversification in a portfolio of investments which may reflect varying rates of return. In addition, it is the intention of the Trustees to grow the corpus of the Foundation in real, inflation-adjusted terms after required spending and expenses of the Foundation. The assets of the Foundation will be managed for "total return" which includes both income received as well as capital appreciation. The overall rate of return objective for the portfolio is a reasonable inflation-adjusted rate consistent with the risk levels established by the Trustees and consistent with the objective of achieving real growth in Foundation assets.

The Foundation's investment objectives are as follows:

- The investments should achieve a return in excess of "market." The minimum average annual return objective for the Foundation portfolio is the Consumer Price Index plus 5.0%.
- The investments should experience no more risk (as defined by volatility and variability of return) than 115% of the "market."
- The investments should provide sufficient income and cash flow to meet requirements of distribution.

The Foundation follows a spending policy which states that the Foundation is responsible for distributing funds as directed by donors, and for managing funds so that the endowment accounts are preserved and increased to a level that retains their purchasing power. The Foundation's endowments generally provide that earnings only shall be available for academic scholarships. To that end, the following guidelines were established by the Foundation Board of Trustees:

- The Foundation Board shall have the authority to spend available funds based on the balance available for distribution based on terms of gift instrument or endowment policy.
- Board approval is required for appropriation of available funds.
- The Foundation Board shall work with the Financial Aid Office and Scholarship Committee to distribute scholarship awards according to guidelines set by individual donors.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Investment Policy/Spending Policy (Contd)

- The Foundation Board shall have the authority to spend five percent, inclusive of administrative fees, of the total principal, interest, and other earned income, of endowed scholarship funds each year based on December 31 account figures.
- Distributions from a permanently endowed fund whose market value is less than the historical gift value will be suspended until such time the market value exceeds the historical gift value.
- The Foundation Board may appropriate (based on ORS 128.322) for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. ORS 128.322 is within Oregon Revised Statutes 128.305 to 128.336 cited as the Uniform Prudent Management of Institutional Funds Act which establishes requirements for the management and expenditure of endowment funds.

The Foundation's spending policy also provides that an annual administrative fee of 1% of the fund will be assessed on all endowed accounts based on their fund balance as of June 30 of each year, unless otherwise waived by the Foundation.

Beginning January 1, 2018 the Foundation adopted additional fees on new cash or cash equivalent donations where 2% will be transferred to the Foundation's General Fund for administrative purposes, and 2% will be transferred to the Foundation's KCC Endowment Fund. In February 2023, the Foundation increased the portion to be transferred to the General Fund to 2% to 3%.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in depository accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are reflected in the statement of activities. Investment income and gains restricted by a donor are reported as increases in donor-restricted net assets until the restrictions are met (either by the passage of time or by use).

Contributions

Contributions received are recorded as unrestricted or donor-restricted support depending on the existence and/or nature of any donor restrictions. Promises to give which are, in substance, unconditional are recorded as unrestricted or donor-restricted support at the time the promise is made.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Contributions (Contd)

All donor-restricted support is reported as an increase in donor-restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services

The Foundation receives donated services from the College in the form of management and administrative personnel support and other support. Revenues and expenses for these services are reflected in the statement of activities based on compensation and fringe benefits paid to College personnel and other costs paid by the College on behalf of the Foundation. The College also provides facilities for the operation and administration of the Foundation's activities. The estimated fair value for the use of these facilities is not reflected in the financial statements.

Donated Materials

The Foundation receives donated materials which are then donated to the College for use in the College's instructional programs. These donations are recorded at their estimated fair value, and are reflected as revenues and expenses in the statement of activities.

Deferred Revenue

Revenue that has been raised for future fund raising events is deferred and recognized in the period to which it relates.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from Oregon excise taxes under applicable state law. The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Foundation's tax exempt status can be revoked by the Internal Revenue Service as a result of direct violations of laws and regulations governing 501(c)(3) organizations. It is the

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Income Taxes (Contd)

Foundation's policy, therefore, to maintain strict adherence to these laws and regulations in order to maintain its tax-exempt status and to engage only in activities related to their exempt purpose.

Income from activities not directly related to performance of the Foundation's tax-exempt purposes could be subject to taxation as unrelated business income. The Foundation has evaluated each of its sources of income and believes that none of them meet the Internal Revenue Service definition of unrelated business income; therefore, no entries have been made in these financial statements to recognize potential income tax liability. The Foundation's tax returns for years prior to the year ended June 30, 2020 are generally no longer subject to examination by taxing authorities.

2. AVAILABILITY AND LIQUIDITY

Financial assets at June 30, 2023 available to meet general expenditures, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,190,290
Investments	<u>210,000</u>
Total financial assets	<u>1,400,290</u>
Less donor-restricted amounts not available	
for general expenditures within one year:	
Endowment funds restricted in perpetuity	296,548
Endowment accounts restricted for scholarships	10,709
Non-endowment accounts restricted for scholarships	272,456
Non-endowment accounts restricted for capital campaign	4,882
Non-endowment accounts restricted for grant matching funds	25,752
Non-endowment accounts restricted for other program activities	<u>118,823</u>
Total donor-restricted amounts	<u>729,170</u>
Financial assets available to meet general expenditures	
over the next year	<u>\$ 671,120</u>

Endowment funds consist of donor-restricted endowments. Donor-restricted endowment funds received are restricted in perpetuity and are not available for general expenditures. Investment earnings from donor-restricted endowments are restricted for specific purposes, primarily scholarships and program activities.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

2. AVAILABILITY AND LIQUIDITY (Contd)

The Foundation follows a spending policy which states that the Foundation is responsible for distributing funds as directed by donors, and for managing funds so that the endowment accounts are preserved and increased to a level that retains their purchasing power. The Foundation's endowments generally provide that earnings only shall be available for academic scholarships. The Foundation Board shall have the authority to spend five percent, inclusive of administrative fees, of the total principal, interest, and other earned income, of endowed scholarship funds each year based on December 31 account figures. The Foundation's spending policy also provides that an annual administrative fee of 1% of the fund will be assessed on all endowed accounts based on their fund balance as of June 30 of each year, unless otherwise waived by the Foundation.

As part of its liquidity management plan, the Foundation invests cash in excess of daily requirements in readily available money market funds and certificates of deposit.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at June 30, 2023:

Cash on hand	\$ 105
Deposits with financial insitutions	<u>1,190,185</u>
Total cash and cash equivalents	<u><u>\$ 1,190,290</u></u>

The Foundation maintains checking accounts and money market accounts at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The balance in these accounts per the banks' records at June 30, 2023 was \$1,190,185. Of this amount, \$430,993 was insured by FDIC coverage.

4. INVESTMENTS

Investments are stated at fair value and consist of investments totaling \$210,000 in certificates of deposit at June 30, 2023.

The following summary summarizes the investment return and its classification in the statement of activities. Investment earnings include revenues from the Foundation's checking account, money market accounts, certificates of deposit, equity and debt mutual funds and exchange-traded funds.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

4. INVESTMENTS (Contd)

	Without Donor Restrictions	With Donor Restrictions	Total
Realized investment earnings	\$ 16	\$ 9,791	\$ 9,807
Net realized gains on investments	-	19,563	19,563
Net unrealized losses on investments	-	(10,599)	(10,599)
Net	\$ 16	\$ 18,755	\$ 18,771

The Foundation's investments are in two certificates of deposit. The Foundation's investments are subject to market fluctuations which could dramatically affect the fair value of these assets. The Foundation's investments are held by third-party custodians and are subject to custodial risk.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2023:

Subject to expenditure for specified purposes:	
Endowment accounts:	
Restricted for scholarships	\$ 10,709
Non-endowment accounts:	
Restricted for scholarships	272,456
Restricted for capital campaign	4,882
Restricted for grant matching funds	25,752
Restricted for other program activities	118,823
Sub-total	432,622
Endowment funds restricted in perpetuity	296,548
Total	\$ 729,170

During the year ended June 30, 2023, \$1,852,911 was released from donor restrictions because purpose restrictions were satisfied.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

6. ENDOWMENT FUNDS

Endowment funds activity during the year ended June 30, 2023 was as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, July 1, 2022	\$ 5,487	\$ 326,538	\$ 332,025
Contributions	251	1,444	1,695
Realized investment earnings	17,771	2,839	20,610
Net realized losses on investments	(3,391)	-	(3,391)
Net unrealized losses on investments	(5,653)	-	(5,653)
Scholarships	(8,750)	-	(8,750)
Other expenses	(239)	-	(239)
Donation fees	-	(23)	(23)
Return of corpus to donor	-	(29,017)	(29,017)
Reclassifications	5,233	(5,233)	-
Endowment funds, June 30, 2023	<u>\$ 10,709</u>	<u>\$ 296,548</u>	<u>\$ 307,257</u>

7. FAIR VALUE MEASUREMENTS

The Foundation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. In accordance with FASB ASC 820, the fair value of a financial instrument is the price that would be received to sell an asset or paid to satisfy a liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a framework for measuring fair value and a three level hierarchy for fair value measurements based upon observable and unobservable input valuation techniques. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect significant market assumptions including those made by the reporting entity. The three level hierarchy is summarized as follows:

Level 1 - Quoted prices in active markets for identical securities

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)

Level 3 - Significant unobservable inputs (including the reporting entity's own assumptions in determining the fair value of investments)

Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

7. FAIR VALUE MEASUREMENTS (Contd)

The Foundation's investments at June 30, 2023 consist of \$210,000 in certificates of deposit. The Foundation's investments in certificates of deposit are reported at fair value using quoted market prices in active markets for identical securities. This measurement is a Level 1 input which is considered to be the most objective standard for fair value measurement.

8. ACTIVITY BY FUND

<u>Funds and Endowments</u>	<u>Beginning Net Assets</u>	<u>Additions</u>	<u>Scholarships/ Contributions</u>	<u>Investment Earnings- (Losses)</u>	<u>Other Expenses</u>	<u>Ending Net Assets</u>
General Fund	\$ 21,511	\$ 34,410	\$ -	\$ 16	\$ (29,925)	\$ 26,012
General Scholarships	177,874	24,610	(37,683)	6,355	(96,821)	74,335
Student Emergency Fund	(1,845)	16,455	(9,775)	-	(26)	4,809
Early Access & Opportunity Fund	-	18,367	(2,306)	1	(3,074)	12,988
Building Funds	4,993	-	-	-	(4,993)	-
Cary	3,301	-	-	-	(3,301)	-
TransCanada Scholarships	9,896	200	-	2	-	10,098
Ron and Myrtle Mason Scholarship Fund	14,124	-	(1,750)	1,116	-	13,490
Masami Foods Scholarship Fund	77,363	-	(1,000)	6,601	-	82,964
Soroptimist Scholarship Fund	31,016	-	(2,000)	1	(29,017)	-
Susan K. Channell Scholarship Fund	21,372	300	-	4	-	21,676
Erin Andrews Endowment	20,686	430	-	5	(6)	21,115
HBL S Endowment	138,035	-	(4,000)	2,836	-	136,871
KCC Endowment	19,533	1,532	-	2	(23)	21,044
Restricted Scholarship Fund	-	119,278	(42,471)	3	(680)	76,130
Specifically Designated Fund	-	5,974	(345)	-	(1,441)	4,188
KBBH Designated Scholarship Fund	-	102,000	-	6	(2,000)	100,006
Grant Matching Fund	40,000	-	-	-	(14,248)	25,752
Program Development	1,737	140	-	-	(1,877)	-
Capital Campaign - AITC	743,979	809,254	-	4	(1,548,355)	4,882
Grant Funds - Pass Through	-	33,400	-	-	(29,987)	3,413
SBDC - Foundation	3,052	4,500	-	-	(4,821)	2,731
SBDC - Klamath Idea	59,463	84,483	-	-	(93,217)	50,729
SBDC - Ford Foundation	21,477	60,000	-	-	(21,477)	60,000
SBDC - OCF Grant	5,884	-	-	-	(5,884)	-
SBDC - ROI	-	17,918	-	-	(17,918)	-
Other Designated Funds	2,547	65	-	-	(663)	1,949
 Total Designated Funds and Endowments	 <u>\$ 1,415,998</u>	 <u>\$ 1,333,316</u>	 <u>\$ (101,330)</u>	 <u>\$ 16,952</u>	 <u>\$(1,909,754)</u>	 <u>\$755,182</u>

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2023

9. CONTRIBUTED NONFINANCIAL ASSETS

For the year ended June 30, 2023, contributed nonfinancial assets recognized within the statement of activities consisted of:

		<u>Transferred to College:</u>
1999 Ford ambulance	\$ 10,000	Emergency Response and Operations Department

The Foundation receives donated materials which are then donated to the College for use in the College's instructional programs. These donations are recorded at their estimated fair value, and are reflected as revenues and expenses in the statement of activities. Contributed nonfinancial assets did not have donor-imposed restrictions.

10. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events for potential required disclosure through November 10, 2023, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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KLAMATH COMMUNITY COLLEGE DISTRICT

Schedule of the Proportionate Share of the Net Pension Liability  
Oregon Public Employees Retirement System Pension Plan  
For the last ten fiscal years

Fiscal Year Ended June 30	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.0680%	\$ 15,479,073	\$ 8,900,258	173.92%	84.55%
2022	0.0734%	12,808,156	8,456,530	151.46%	87.57%
2021	0.0662%	18,327,018	8,337,331	219.82%	75.79%
2020	0.0648%	14,839,235	7,841,998	189.23%	80.23%
2019	0.0619%	13,034,009	7,143,144	182.47%	82.07%
2018	0.0513%	9,832,988	6,131,722	160.36%	83.12%
2017	0.0355%	7,401,172	5,544,533	133.49%	80.53%
2016	0.0461%	5,529,395	4,544,229	121.68%	91.88%
2015	0.0461%	1,288,206	4,515,713	28.53%	103.60%
2014	0.0461%	4,514,181	4,515,713	99.97%	91.97%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

KLAMATH COMMUNITY COLLEGE DISTRICT

Schedule of Contributions  
Oregon Public Employees Retirement System Pension Plan  
For the last ten fiscal years

Fiscal Year Ended June 30	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 2,232,338	\$ 2,232,338	-	\$ 9,860,854	22.64%
2022	2,022,769	2,022,769	-	8,900,258	22.73%
2021	1,742,299	1,742,299	-	8,456,530	20.60%
2020	1,775,856	1,775,856	-	8,337,331	21.30%
2019	1,324,782	1,324,782	-	7,841,998	16.89%
2018	1,106,472	1,106,472	-	7,143,144	15.49%
2017	926,070	926,070	-	6,131,722	15.10%
2016	969,214	969,214	-	5,544,533	17.48%
2015	370,938	370,938	-	4,544,229	8.16%
2014	621,040	621,040	-	4,515,713	13.75%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

KLAMATH COMMUNITY COLLEGE DISTRICT

Schedule of the Proportionate Share of the Net OPEB Liability  
Oregon Public Employees Retirement System OPEB Plan  
For the last seven fiscal years

Fiscal Year Ended June 30	(a) College's proportion of the net OPEB liability (asset)	(b) College's proportionate share of the net OPEB liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.0322%	\$ (114,450)	\$ 8,900,258	-1.29%	194.65%
2022	0.0000%	-	8,456,530	0.00%	183.86%
2021	0.0754%	(153,697)	8,337,331	-1.84%	150.09%
2020	0.0723%	(139,677)	7,841,998	-1.78%	144.38%
2019	0.0631%	(70,386)	7,143,144	-0.99%	123.99%
2018	0.0577%	(24,063)	6,131,722	-0.39%	108.89%
2017	0.0558%	15,144	5,544,533	0.27%	93.84%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

KLAMATH COMMUNITY COLLEGE DISTRICT

Schedule of Contributions  
Oregon Public Employees Retirement System OPEB Plan  
For the last seven fiscal years

Fiscal Year Ended June 30	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 265	\$ 265	-	\$ 9,860,854	0.00%
2022	794	794	-	8,900,258	0.01%
2021	5	5	-	8,456,530	0.00%
2020	5,387	5,387	-	8,337,331	0.06%
2019	35,825	35,825	-	7,841,998	0.46%
2018	30,531	30,531	-	7,143,144	0.43%
2017	31,789	31,789	-	6,131,722	0.52%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

KLAMATH COMMUNITY COLLEGE DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Postemployment Health and Dental Plan

	Fiscal Year Ended					
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB liability</b>						
Service Cost	\$ 12,038	\$ 11,631	\$ 11,017	\$ 10,644	\$ 16,312	\$ 15,760
Interest on total OPEB liability	3,792	3,190	1,762	3,157	4,774	4,068
Change in assumptions	-	(10,976)	-	(36,279)	-	-
Experience (gain)/loss	-	19,462	-	(39,909)	-	-
Benefit payments	(9,391)	(3,222)	(1,534)	-	(3,152)	-
Net change in total OPEB liability	6,439	20,085	11,245	(62,387)	17,934	19,828
Total OPEB liability - beginning	111,812	91,727	80,482	142,869	124,935	105,107
Total OPEB liability - ending	<u>\$ 118,251</u>	<u>\$ 111,812</u>	<u>\$ 91,727</u>	<u>\$ 80,482</u>	<u>\$ 142,869</u>	<u>\$ 124,935</u>
Covered employee payroll	\$ 8,591,464	\$ 8,300,931	8,189,702	7,912,756	8,488,868	8,201,805
Total OPEB liability as a percentage of covered employee payroll	1.38%	1.35%	1.12%	1.02%	1.68%	1.52%

This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

## **Public Employees Retirement System Pension and OPEB Plan:**

### **Changes in Plan Provisions**

Key changes in plan provisions effective for the June 30, 2015 measurement date are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf>

and in a letter from the plan's actuary dated May 23, 2016 which can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf>

Key changes in plan provisions effective for the June 30, 2020 measurement date are as follows:

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program will be redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount will be 2.5% of salary, and for OPSRP members, the amount will be 0.75% of salary. The redirection will only apply to members earning \$2,500 per month (\$3,333 per month beginning in 2022) or more (indexed for inflation). The prospectively redirected amount was updated to 2.40% of salary for Tier One/Tier Two members and 0.65% of salary for OPSRP members beginning with the December 31, 2020 actuarial valuation.

Senate Bill 111, enacted in June 2021, increased the optional death benefit available to a surviving spouse when a retirement-eligible member dies. Previously, this benefit was based on 50% of the actuarial equivalent value of the member's retirement benefit, but this was increased to 100% of the actuarial equivalent value.

### **Changes in assumptions**

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf>

Key changes in assumptions for the December 31, 2014 and 2015 valuations are described in the Oregon Public Employees Retirement System's 2014 Experience Study which was published on September 23, 2015 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

Key changes in assumptions for the December 31, 2016 and 2017 valuations are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%.

Key changes in assumptions for the December 31, 2019 valuation are as follows:

Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of the Tier One/Tier Two unfunded actuarial accrued liability over a closed 22-year period in the December 31, 2019 actuarial valuation.

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 date.

## **Postemployment Health and Dental Plan:**

### **Changes in plan provisions and assumptions:**

No material changes in the census or plan provisions have occurred.

In the actuarial valuation used to determine the total OPEB liability as of June 30, 2020 and June 30, 2021, the discount rate was reduced from 3.87% to 2.21% and the healthcare cost trend rates were changed to a consistent 3.4% for all future years for all plans.

In the actuarial valuation used to determine the total OPEB liability as of June 30, 2022 and June 30, 2023, the discount rate was increased from 2.21% to 3.54%.

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**OTHER SUPPLEMENTARY INFORMATION  
(INDIVIDUAL FUNDS & OTHER SCHEDULES)**

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## **GENERAL FUND**

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The principal revenue sources are tuition and fees, property taxes, and an apportionment from the Oregon Department of Community Colleges and Workforce Development.

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special Revenue Funds consist of the following:

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**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**GENERAL FUND**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 2,635,250	\$ 2,635,250	\$ 2,574,996	\$ (60,254)
State support, grants and contracts	14,468,205	14,468,205	14,529,374	61,169
Tuition and fees	5,409,200	6,141,813	6,256,550	114,737
Interest	150,100	150,100	221,195	71,095
Miscellaneous income	129,000	156,000	242,692	86,692
Total revenues	22,791,755	23,551,368	23,824,807	273,439
<b>EXPENDITURES:</b>				
Personnel services	16,773,721	17,309,379	15,539,595	1,769,784
Materials and services	4,149,049	4,602,025	3,890,905	711,120
Capital outlay	465,160	1,065,410	888,890	176,520
Contingency	1,060,955	1,060,955	-	1,060,955
Total expenditures	22,448,885	24,037,769	20,319,390	3,718,379
Excess of revenues over (under) expenditures	342,870	(486,401)	3,505,417	3,991,818
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	850,747	898,152	541,907	(356,245)
Transfers out	(2,266,331)	(1,484,465)	(1,332,325)	152,140
Excess of revenues and other sources over (under) expenditures and other uses	(1,072,714)	(1,072,714)	2,714,999	3,787,713
Fund balances - beginning	5,691,477	5,691,477	9,554,740	3,863,263
Fund balances - ending	\$ 4,618,763	\$ 4,618,763	\$ 12,269,739	\$ 7,650,976

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special Revenue Funds consist of the following:

## Special Revenue Funds

**Financial Aid Fund** – Accounts for federal, state, and College grants and loans received and disbursed by the district for student financial assistance.

**Technology Fees Fund** – Accounts for the \$8 per credit hour technology fee charged to all students to offset the cost of keeping current with technology and/or providing technology services for the public.

**Student Course Fees Fund** – Tracks revenue and expenses associated with course specific, per-credit student fees.

**Special Projects Funds** – Allows for the acceptance of grants for specific purposes.

**Pathways Fund** – Career Pathways are student-centered, demand-driven programs, which focus on promoting students from secondary through higher education, providing certified or degreed job skills to transition into, and advance in the labor market.

**SNAP 50/50** – Funding from Oregon Department of Human Services help eligible students to access training and employment services. KCC is part of an Oregon Community college consortium to provide these services.

**DOE Grow Your Own Fund**- to provide funding to support the development of Grantee's Grow Your Own ("GYO") Teacher Pathway Partnership

**TRiO Grant Fund** - Accounts for support funds used to provide academic services to low income, and high academic needs students. The source of funds is a federal grant from the Department of Education.

**Small Business Development Center Fund** – The SBDC works with small businesses in the Klamath and Lake Counties providing assistance with access to capital government contracts, entrepreneurial development, and advocacy for small businesses. The source of funds is state and federal grants.

**WIOA**- Funding provides employment and training services for disadvantaged youth and adults as well as dislocated workers in Klamath and Lake counties.

**TRiO Upward Bound** - Funded by U.S. Department of Education, this program is designed to build skills and motivate secondary students to enter and succeed in postsecondary education. Program advisors work with disadvantaged students at two local high schools: Klamath Union and Eagle Ridge.

**Veteran Resource Grant** – Administered by the Oregon Department of Veterans' Affairs, this program strives to successfully transition veterans from the military into the College, assist them in completion of their educational goals, and successfully transition from college to the

workforce and community.

**GED Wraparound Grant** - Administered by the State of Oregon, Community Colleges and Workforce Development (CCWD), this program provides funding to support activities that will help increase GED graduate numbers and connect those graduates to jobs or other post-secondary opportunities.

**Wellness Fund** – This fund is funded both by the College, and outside grants. It strives to promote, and support a comprehensive culture of wellness for faculty, staff, and students.

**High School Equivalency Program Fund-(HEP)**- to help students from migrant and seasonal farm worker backgrounds to enroll and complete the GED each year and, continue in postsecondary education or training

**Strengthening Institutions Fund-** Careers, Learning, Innovation, and Motivation against Barriers (CLIMB)

**DHS TANF Jobs Fund-** employment and self-sufficiency program for people on public assistance.

**CARES Fund-** Allocation for Higher Education Emergency Relief Fund Institutional Support

**USDA, Forest Service-** For the initial development and accreditation of prerequisite courses for professional careers in fire management involving and including diverse and multi-cultural students to enhance future wildfire and forestry workforce.

**DOL Strengthening Community Colleges Fund-**Proposes an Accelerated Learning Pathways Project that focuses on systemic changes to collaborate and strengthen Advanced Manufacturing and Cybersecurity.

**Benefit Navigator Fund-**Authorized by HB 2835, requires each community college and public university to employ and benefits navigator to assist students in determining eligibility and applying for federal, state and local benefits programs.

**Ignite Fund-**For pre-apprenticeship program expansion.

**Strategic Innovations Fund-** This fund is used to provide education, training, and work experience opportunities to students and/or unemployed, underemployed, and/or incumbent workers to support the Workforce Talent Development Board (“WTDB”)’s Strategic Plan and priorities and the priorities of local communities.

**Future Ready Oregon BOLI Fund** – This fund is to be used for pre-apprenticeship and apprenticeship development, expansion and implementation.

**Future Ready Oregon Career Pathways Fund** – This fund is used for the development of post-secondary career pathway training programs that provide individuals from priority populations with opportunities to obtain the necessary skills for securing a job.

**Future Ready Oregon Credit for Prior Learning Fund** – This fund is to increase opportunities for students from priority populations to receive academic credit for prior experience or skills gained outside of traditional higher education institutions.

**Career Connected Learning Navigator Fund** – This fund is used to provide funds for the activities and responsibilities of Career Connected Learning Navigators.

**Future Ready Oregon Workforce Ready Fund** – This fund is used to support education and training that leads to employment and family-wage careers and prioritizing Oregon’s historically underserved and vulnerable communities.

**Well Drilling Rig and Curriculum Fund** – This fund is used to provide funding for a Grantee to purchase a well drilling rig and to create well drillers’ curriculum.

**Program Development Reserve Fund** – This fund allows the College to set aside resources for the development of programs, such as the new programs offered in the new Phase One buildings. This fund provides resources for the feasibility studies, the purchase of equipment, and other required items for the program start up.

**Rainy Day Reserve Fund** – This fund allows the College to set aside funds in a “savings account” for operational purposes should there be reduced State Aid Payments. In past years, the State of Oregon has reduced its biennial appropriation to the community colleges due to economic downturns. Not only were the payments to community colleges reduced, the final payment for the biennium was postponed three months, creating cash flow issues for several colleges.

**Equipment Reserve Fund** – Accounts for funds which have been set aside for future purchases of equipment.

**Furniture Reserve Fund** – Accounts for funds which have been set aside for future purchases of furniture.

**Technology Reserve Funds** – Accounts for funds which have been set aside for future technology purchases; primarily to replace the Management Information System.

**Building Reserve Fund** – Accounts for the funds which have been set aside for future expansion of the campus.

**Staff Development - Instructional Reserve Fund** – Accounts for the funds which have been set aside for instructional staff development. The source of funds is transfers in.

**Snow Removal Reserve Fund** – Accounts for the funds which have been set aside for snow removal costs. The source of funds is transfers in.

**Building Maintenance Reserve Fund** – Accounts for the funds which have been set aside for building maintenance. The source of funds is transfers in.

**PERS Liability Reserve Fund** – Accounts for funds which have been set aside to fund the anticipated Public Employees Retirement System liability.

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**FINANCIAL AID**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
State support, grants and contracts	\$ 1,300,000	\$ 1,300,000	\$ 1,371,859	\$ 71,859
Federal grants	13,552,976	13,552,976	5,682,436	(7,870,540)
Local sources	-	-	342,341	342,341
	14,852,976	14,852,976	7,396,636	(7,456,340)
<b>EXPENDITURES:</b>				
Personnel services	81,488	81,488	61,612	19,876
Materials and services	14,805,488	14,805,488	7,347,689	7,457,799
	14,886,976	14,886,976	7,409,301	7,477,675
Excess of revenues over (under) expenditures	(34,000)	(34,000)	(12,665)	21,335
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	54,000	54,000	18,816	(35,184)
Transfers out	(20,000)	(20,000)	(6,151)	13,849
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	17,691	17,691
Fund balances - ending	\$ -	\$ -	\$ 17,691	\$ 17,691

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**TECHNOLOGY FEES**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Tuition and fees	\$ 250,000	\$ 250,000	\$ 283,728	\$ 33,728
Interest	-	-	9,206	9,206
	<u>250,000</u>	<u>250,000</u>	<u>292,934</u>	<u>42,934</u>
<b>EXPENDITURES:</b>				
Personnel services	65,220	65,220	7,046	58,174
Materials and services	141,507	141,507	45,645	95,862
Capital outlay	243,273	243,273	196,877	46,396
	<u>450,000</u>	<u>450,000</u>	<u>249,568</u>	<u>200,432</u>
Excess of revenues over (under) expenditures	(200,000)	(200,000)	43,366	243,366
Fund balances - beginning	<u>200,000</u>	<u>200,000</u>	<u>305,361</u>	<u>105,361</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,727</u>	<u>\$ 348,727</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**STUDENT COURSE FEES**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Tuition and fees	\$ 2,431,000	\$ 2,431,000	\$ 2,190,777	\$ (240,223)
Interest	-	-	13,593	13,593
Total revenues	<u>2,431,000</u>	<u>2,431,000</u>	<u>2,204,370</u>	<u>(226,630)</u>
<b>EXPENDITURES:</b>				
Personnel services	1,117	1,117	-	1,117
Materials and services	2,644,909	2,599,909	2,043,136	556,773
Capital outlay	40,000	85,000	90,503	(5,503)
Total expenditures	<u>2,686,026</u>	<u>2,686,026</u>	<u>2,133,639</u>	<u>552,387</u>
Excess of revenues over (under) expenditures	(255,026)	(255,026)	70,731	325,757
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(150,000)	(150,000)	(150,000)	-
Excess of revenues and other sources over (under) expenditures and other uses	(405,026)	(405,026)	(79,269)	325,757
Fund balances - beginning	<u>405,026</u>	<u>405,026</u>	<u>505,095</u>	<u>100,069</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,826</u>	<u>\$ 425,826</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**SPECIAL PROJECTS**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ 100,680	\$ 533,806	\$ 329,577	\$ (204,229)
State support, grants and contracts	479,577	462,841	133,093	(329,748)
Local sources	<u>238,050</u>	<u>238,050</u>	<u>38,508</u>	<u>(199,542)</u>
Total revenues	<u>818,307</u>	<u>1,234,697</u>	<u>501,178</u>	<u>(733,519)</u>
<b>EXPENDITURES:</b>				
Personnel services	436,214	406,297	216,361	189,936
Materials and services	245,260	754,230	260,765	493,465
Capital outlay	<u>100,000</u>	<u>45,000</u>	<u>10,000</u>	<u>35,000</u>
Total expenditures	<u>781,474</u>	<u>1,205,527</u>	<u>487,126</u>	<u>718,401</u>
Excess of revenues over (under) expenditures	36,833	29,170	14,052	(15,118)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(36,833)</u>	<u>(29,170)</u>	<u>(14,052)</u>	<u>15,118</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(0)	(0)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ (0)</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**PATHWAYS**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES:</b>				
State grants	\$ 60,408	\$ 69,426	\$ 28,966	\$ (40,460)
Total revenues	60,408	69,426	28,966	(40,460)
<b>EXPENDITURES:</b>				
Personnel services	16,639	10,000	5,959	4,041
Materials and services	41,081	55,955	21,643	34,312
Total expenditures	57,720	65,955	27,602	38,353
Excess of revenues over (under) expenditures	2,688	3,471	1,364	(2,107)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,688)	(3,471)	(1,364)	2,107
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**SNAP 50/50**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State grants	\$ 297,637	\$ 297,637	\$ 290,780	\$ (6,857)
Total revenues	<u>297,637</u>	<u>297,637</u>	<u>290,780</u>	<u>(6,857)</u>
<b>EXPENDITURES:</b>				
Personnel services	186,643	186,643	140,023	46,620
Materials and services	<u>63,974</u>	<u>63,974</u>	<u>98,638</u>	<u>(34,664)</u>
Total expenditures	<u>250,617</u>	<u>250,617</u>	<u>238,661</u>	<u>11,956</u>
Excess of revenues over (under) expenditures	47,020	47,020	52,119	5,099
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(47,020)</u>	<u>(47,020)</u>	<u>(52,119)</u>	<u>(5,099)</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**GROW YOUR OWN GRANT**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
State Sources	\$ 127,260	\$ 426,670	\$ 305,687	\$ (120,983)
Total revenues	127,260	426,670	305,687	(120,983)
<b>EXPENDITURES:</b>				
Personnel services	42,764	59,367	42,585	16,782
Materials and services	81,996	362,299	248,561	113,738
Total expenditures	124,760	421,666	291,146	130,520
Excess of revenues over (under) expenditures	2,500	5,004	14,541	9,537
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,500)	(5,004)	(14,541)	(9,537)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**TRiO GRANT**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ 261,888	\$ 261,888	\$ 257,425	\$ (4,463)
Total revenues	<u>261,888</u>	<u>261,888</u>	<u>257,425</u>	<u>(4,463)</u>
<b>EXPENDITURES:</b>				
Personnel services	259,538	220,430	219,771	659
Materials and services	<u>16,854</u>	<u>21,854</u>	<u>18,585</u>	<u>3,269</u>
Total expenditures	<u>276,392</u>	<u>242,284</u>	<u>238,356</u>	<u>3,928</u>
Excess of revenues over (under) expenditures	(14,504)	19,604	19,069	(535)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	34,108	-	-	-
Transfers out	<u>(19,604)</u>	<u>(19,604)</u>	<u>(19,069)</u>	<u>535</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**SMALL BUSINESS DEVELOPMENT CENTER**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Federal grants	\$ 58,000	\$ 58,000	\$ 39,570	\$ (18,430)
State grants	149,858	149,858	100,781	(49,077)
Local sources	175,000	175,000	85,110	(89,890)
 Total revenues	 382,858	 382,858	 225,461	 (157,397)
<b>EXPENDITURES:</b>				
Personnel services	444,338	444,338	314,016	130,322
Materials and services	53,520	53,520	37,940	15,580
 Total expenditures	 497,858	 497,858	 351,956	 145,902
 Excess of revenues over (under) expenditures	 (115,000)	 (115,000)	 (126,495)	 (11,495)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	115,000	115,000	115,000	-
 Excess of revenues and other sources over (under) expenditures and other uses	 -	 -	 (11,495)	 (11,495)
 Fund balances - beginning	 51,862	 51,862	 51,862	 -
 Fund balances - ending	 \$ 51,862	 \$ 51,862	 \$ 40,367	 \$ (11,495)

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**NATIONAL SCIENCE FOUNDATION**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ 74,987	\$ 74,987	\$ -	\$ (74,987)
Total revenues	74,987	74,987	-	(74,987)
<b>EXPENDITURES:</b>				
Personnel services	45,470	45,470	-	45,470
Materials and services	12,212	12,212	-	12,212
Total expenditures	57,682	57,682	-	57,682
Excess of revenues over (under) expenditures	17,305	17,305	-	(17,305)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(17,305)	(17,305)	-	17,305
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**WIOA GRANT**

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>(Negative)</b>
<b>REVENUES:</b>				
Federal grants	\$ 1,065,041	\$ 346,472	\$ 166,204	\$ (180,268)
State grants	-	-	100,569	100,569
	1,065,041	346,472	266,773	(79,699)
<b>EXPENDITURES:</b>				
Personnel services	792,871	192,909	139,284	53,625
Materials and services	212,369	121,521	103,174	18,347
	1,005,240	314,430	242,458	71,972
Excess of revenues over (under) expenditures	59,801	32,042	24,315	(7,727)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(59,801)	(32,042)	(24,315)	7,727
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	(21)	(21)
Fund balances - ending	\$ -	\$ -	\$ (21)	\$ (21)

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**TRIO UPWARD BOUND**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ 353,601	\$ 72,700	\$ 69,072	\$ (3,628)
Total revenues	<u>353,601</u>	<u>72,700</u>	<u>69,072</u>	<u>(3,628)</u>
<b>EXPENDITURES:</b>				
Personnel services	265,053	50,000	47,881	2,119
Materials and services	<u>87,843</u>	<u>17,000</u>	<u>16,074</u>	<u>926</u>
Total expenditures	<u>352,896</u>	<u>67,000</u>	<u>63,955</u>	<u>3,045</u>
Excess of revenues over (under) expenditures	705	5,700	5,117	(583)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	35,649	-	-	-
Transfers out	<u>(36,354)</u>	<u>(5,700)</u>	<u>(5,117)</u>	<u>583</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**VETERAN'S RESOURCE GRANT**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State grants	\$ 15,340	\$ 15,340	\$ 14,458	\$ (882)
Total revenues	<u>15,340</u>	<u>15,340</u>	<u>14,458</u>	<u>(882)</u>
<b>EXPENDITURES:</b>				
Materials and services	<u>15,340</u>	<u>15,340</u>	<u>14,458</u>	<u>882</u>
Total expenditures	<u>15,340</u>	<u>15,340</u>	<u>14,458</u>	<u>882</u>
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**GED WRAPAROUND GRANT**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
State grants	\$ 108,370	\$ 108,370	\$ 102,672	\$ (5,698)
Total revenues	108,370	108,370	102,672	(5,698)
<b>EXPENDITURES:</b>				
Personnel services	88,544	88,544	86,140	2,404
Materials and services	10,694	10,694	7,918	2,776
Total expenditures	99,238	99,238	94,058	5,180
Excess of revenues over (under) expenditures	9,132	9,132	8,614	(518)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(9,132)	(9,132)	(8,614)	518
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**WELLNESS GRANT**

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Local sources	\$ 32,588	\$ 32,588	\$ 12,401	\$ (20,187)
Total revenues	32,588	32,588	12,401	(20,187)
<b>EXPENDITURES:</b>				
Personnel services	28,013	28,013	-	28,013
Materials and services	23,453	23,453	15,162	8,291
Total expenditures	51,466	51,466	15,162	36,304
Excess of revenues over (under) expenditures	(18,878)	(18,878)	(2,761)	16,117
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	10,000	2,761	(7,239)
Excess of revenues and other sources over (under) expenditures and other uses	(8,878)	(8,878)	-	8,878
Fund balances - beginning	8,878	8,878	8,878	-
Fund balances - ending	\$ -	\$ -	\$ 8,878	\$ 8,878

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**HIGH SCHOOL EQUIVALENCY PROGRAM**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ 464,409	\$ 563,678	\$ 491,294	\$ (72,384)
Total revenues	<u>464,409</u>	<u>563,678</u>	<u>491,294</u>	<u>(72,384)</u>
<b>EXPENDITURES:</b>				
Personnel services	372,406	451,678	398,053	53,625
Materials and services	<u>62,410</u>	<u>72,000</u>	<u>59,444</u>	<u>12,556</u>
Total expenditures	<u>434,816</u>	<u>523,678</u>	<u>457,497</u>	<u>66,181</u>
Excess of revenues over (under) expenditures	29,593	40,000	33,797	(6,203)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(29,593)</u>	<u>(40,000)</u>	<u>(33,797)</u>	<u>6,203</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**STRENGTHENING INSTITUTIONS - TITLE III**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES:</b>				
Federal grants	\$ 651,149	\$ 783,870	\$ 711,568	\$ (72,302)
Total revenues	<u>651,149</u>	<u>783,870</u>	<u>711,568</u>	<u>(72,302)</u>
<b>EXPENDITURES:</b>				
Personnel services	361,618	401,618	358,763	42,855
Materials and services	<u>289,531</u>	<u>382,252</u>	<u>352,805</u>	<u>29,447</u>
Total expenditures	<u>651,149</u>	<u>783,870</u>	<u>711,568</u>	<u>72,302</u>
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**DHS TANF JOBS**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State grants	\$ 127,400	\$ 188,400	\$ 128,653	\$ (59,747)
Total revenues	<u>127,400</u>	<u>188,400</u>	<u>128,653</u>	<u>(59,747)</u>
<b>EXPENDITURES:</b>				
Personnel services	87,510	98,510	102,175	(3,665)
Materials and services	<u>26,240</u>	<u>76,240</u>	<u>13,028</u>	<u>63,212</u>
Total expenditures	<u>113,750</u>	<u>174,750</u>	<u>115,203</u>	<u>59,547</u>
Excess of revenues over (under) expenditures	13,650	13,650	13,450	(200)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(13,650)</u>	<u>(13,650)</u>	<u>(13,450)</u>	<u>200</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**CARES ACT**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Federal grants	\$ 1,354,225	\$ 1,426,000	\$ 1,402,619	\$ (23,381)
Total revenues	1,354,225	1,426,000	1,402,619	(23,381)
<b>EXPENDITURES:</b>				
Personnel services	48,923	65,923	56,718	9,205
Materials and services	899,036	908,811	1,175,185	(266,374)
Capital outlay	-	45,000	44,055	945
Total expenditures	947,959	1,019,734	1,275,958	(256,224)
Excess of revenues over (under) expenditures	406,266	406,266	126,661	(279,605)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(406,266)	(406,266)	(126,661)	279,605
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**USDA - FS FUND**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal Grants	\$ 115,000	\$ 115,000	\$ 74,257	\$ (40,743)
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>74,257</u>	<u>(40,743)</u>
<b>EXPENDITURES:</b>				
Personnel services	86,625	86,625	70,661	15,964
Materials and services	<u>28,375</u>	<u>28,375</u>	<u>3,596</u>	<u>24,779</u>
Total expenditures	<u>115,000</u>	<u>115,000</u>	<u>74,257</u>	<u>40,743</u>
Excess of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	25,000	22,277	(2,723)
Transfers out	<u>-</u>	<u>(25,000)</u>	<u>(22,277)</u>	<u>2,723</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**DOL STRENGTHENING COMMUNITY COLLEGES**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ 81,120	\$ 124,100	\$ 124,100	\$ -
Total revenues	<u>81,120</u>	<u>124,100</u>	<u>124,100</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Personnel services	40,000	75,000	78,500	(3,500)
Materials and services	2,600	4,100	600	3,500
Capital outlay	<u>38,520</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total expenditures	<u>81,120</u>	<u>124,100</u>	<u>124,100</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**BENEFITS NAVAGATOR**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State grants	\$ 84,450	\$ 84,450	\$ 70,059	\$ (14,391)
Total revenues	<u>84,450</u>	<u>84,450</u>	<u>70,059</u>	<u>(14,391)</u>
<b>EXPENDITURES:</b>				
Personnel services	82,721	77,721	63,831	13,890
Materials and services	<u>1,729</u>	<u>6,729</u>	<u>6,228</u>	<u>501</u>
Total expenditures	<u>84,450</u>	<u>84,450</u>	<u>70,059</u>	<u>14,391</u>
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**SOESD - IGNITE**

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Local sources	\$ 72,000	\$ 72,000	\$ 51,446	\$ (20,554)
Total revenues	72,000	72,000	51,446	(20,554)
<b>EXPENDITURES:</b>				
Personnel services	37,000	37,000	20,906	16,094
Materials and services	35,000	35,000	30,540	4,460
Total expenditures	72,000	72,000	51,446	20,554
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**STRATEGIC INNOVATIONS**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ -	\$ 200,000	\$ 135,802	\$ (64,198)
Total revenues	<u>-</u>	<u>200,000</u>	<u>135,802</u>	<u>(64,198)</u>
<b>EXPENDITURES:</b>				
Materials and services	<u>-</u>	<u>200,000</u>	<u>135,802</u>	<u>64,198</u>
Total expenditures	<u>-</u>	<u>200,000</u>	<u>135,802</u>	<u>64,198</u>
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**FRO BOLI**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
State grants	\$ -	\$ 139,240	\$ 35,623	\$ (103,617)
Total revenues	-	139,240	35,623	(103,617)
<b>EXPENDITURES:</b>				
Personnel services	-	49,500	-	49,500
Materials and services	-	78,445	32,384	46,061
Total expenditures	-	127,945	32,384	95,561
Excess of revenues over (under) expenditures	-	11,295	3,239	(8,056)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(11,295)	(3,239)	8,056
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**FRO - CAREER PATHWAYS**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
State grants	\$ -	\$ 545,884	\$ 517,823	\$ (28,061)
Total revenues	-	545,884	517,823	(28,061)
<b>EXPENDITURES:</b>				
Materials and services	-	129,201	82,660	46,541
Capital outlay	-	395,000	427,412	(32,412)
Total expenditures	-	524,201	510,072	14,129
Excess of revenues over (under) expenditures	-	21,683	7,751	(13,932)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(21,683)	(7,751)	13,932
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**FRO - CREDIT FOR PRIOR LEARNING**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State grants	\$ -	\$ 154,000	\$ 149,733	\$ (4,267)
Total revenues	-	154,000	149,733	(4,267)
<b>EXPENDITURES:</b>				
Personnel services	-	120,000	107,171	12,829
Materials and services	-	20,000	28,950	(8,950)
Total expenditures	-	140,000	136,121	3,879
Excess of revenues over (under) expenditures	-	14,000	13,612	(388)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(14,000)	(13,612)	388
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**CCL NAVIGATOR GRANT**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State grants	\$ -	\$ 122,843	\$ 101,271	\$ (21,572)
Total revenues	<u>-</u>	<u>122,843</u>	<u>101,271</u>	<u>(21,572)</u>
<b>EXPENDITURES:</b>				
Personnel services	-	96,000	64,521	31,479
Materials and services	<u>-</u>	<u>15,675</u>	<u>27,614</u>	<u>(11,939)</u>
Total expenditures	<u>-</u>	<u>111,675</u>	<u>92,135</u>	<u>19,540</u>
Excess of revenues over (under) expenditures	-	11,168	9,136	(2,032)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>-</u>	<u>(11,168)</u>	<u>(9,136)</u>	<u>2,032</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**FRO - WORKFORCE READY**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES:</b>				
State grants	\$ -	\$ 300,000	\$ 300,000	\$ -
Total revenues	-	300,000	300,000	-
<b>EXPENDITURES:</b>				
Materials and services	-	263,294	263,294	-
Capital outlay	-	36,706	36,706	-
Total expenditures	-	300,000	300,000	-
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**WELL DRILLING EQUIPMENT AND CURRICULUM**

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
State grants	\$ -	\$ 975,000	\$ 3,375	\$ (971,625)
Total revenues	-	975,000	3,375	(971,625)
<b>EXPENDITURES:</b>				
Personnel services	-	25,000		25,000
Materials and services	-	3,375	3,375	-
Capital outlay	-	946,625	-	946,625
Total expenditures	-	975,000	3,375	971,625
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**PROGRAM DEVELOPMENT RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 97	\$ 97
Total revenues	-	-	97	97
<b>EXPENDITURES:</b>				
Materials and services	3,156	3,156	-	3,156
Total expenditures	3,156	3,156	-	3,156
Excess of revenues over (under) expenditures	(3,156)	(3,156)	97	3,253
Fund balances - beginning	3,156	3,156	3,215	59
Fund balances - ending	\$ -	\$ -	\$ 3,312	\$ 3,312

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**RAINY DAY RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 66,340	\$ 66,340
Total revenues	-	-	66,340	66,340
<b>EXPENDITURES:</b>				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	66,340	66,340
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	547,854	194,104	194,104	-
Excess of revenues and other sources over (under) expenditures and other uses	547,854	194,104	260,444	66,340
Fund balances - beginning	2,128,571	2,128,571	2,146,708	18,137
Fund balances - ending	\$ 2,676,425	\$ 2,322,675	\$ 2,407,152	\$ 84,477

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**EQUIPMENT RESERVE**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 1,020	\$ 1,020
Total revenues	-	-	1,020	1,020
<b>EXPENDITURES:</b>				
Materials and services	30,000	30,000	-	30,000
Total expenditures	30,000	30,000	-	30,000
Excess of revenues over (under) expenditures	(30,000)	(30,000)	1,020	31,020
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	15,000	15,000	15,000	-
Excess of revenues and other sources over (under) expenditures and other uses	(15,000)	(15,000)	16,020	31,020
Fund balances - beginning	15,000	15,000	30,308	15,308
Fund balances - ending	\$ -	\$ -	\$ 46,328	\$ 46,328

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**FURNITURE RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 1,560	\$ 1,560
Total revenues	-	-	1,560	1,560
<b>EXPENDITURES:</b>				
Materials and services	30,000	30,000	-	30,000
Total expenditures	30,000	30,000	-	30,000
Excess of revenues over (under) expenditures	(30,000)	(30,000)	1,560	31,560
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	10,000	10,000	-
Excess of revenues and other sources over (under) expenditures and other uses	(20,000)	(20,000)	11,560	31,560
Fund balances - beginning	20,000	20,000	49,266	29,266
Fund balances - ending	\$ -	\$ -	\$ 60,826	\$ 60,826

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**TECHNOLOGY RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 686	\$ 686
Total revenues	-	-	686	686
<b>EXPENDITURES:</b>				
Capital outlay	22,386	22,386	-	22,386
Total expenditures	22,386	22,386	-	22,386
Excess of revenues over (under) expenditures	(22,386)	(22,386)	686	23,072
Fund balances - beginning	22,386	22,575	22,632	57
Fund balances - ending	\$ -	\$ 189	\$ 23,318	\$ 23,129

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**BUILDING RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 272	\$ 272
Total revenues	-	-	272	272
<b>EXPENDITURES:</b>				
Material and services	22,000	22,000	22,000	-
Total expenditures	22,000	22,000	22,000	-
Excess of revenues over (under) expenditures	(22,000)	(22,000)	(21,728)	272
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	20,000	20,000	20,000	-
Excess of revenues and other sources over (under) expenditures and other uses	(2,000)	(2,000)	(1,728)	272
Fund balances - beginning	2,000	2,000	8,964	6,964
Fund balances - ending	\$ -	\$ -	\$ 7,236	\$ 7,236

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**STAFF DEVELOPMENT - INSTRUCTIONAL RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 1,216	\$ 1,216
Total revenues	-	-	1,216	1,216
<b>EXPENDITURES:</b>				
Material and services	55,000	55,000	16,695	38,305
Total expenditures	55,000	55,000	16,695	38,305
Excess of revenues over (under) expenditures	(55,000)	(55,000)	(15,479)	39,521
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	20,000	20,000	20,000	-
Excess of revenues and other sources over (under) expenditures and other uses	(35,000)	(35,000)	4,521	39,521
Fund balances - beginning	35,000	35,000	39,339	4,339
Fund balances - ending	\$ -	\$ -	\$ 43,860	\$ 43,860

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**SNOW REMOVAL RESERVE**

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 190	\$ 190
Total revenues	-	-	190	190
<b>EXPENDITURES:</b>				
Material and services	15,000	15,000	3,375	11,625
Total expenditures	15,000	15,000	3,375	11,625
Excess of revenues over (under) expenditures	(15,000)	(15,000)	(3,185)	11,815
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,000	3,000	3,000	-
Excess of revenues and other sources over (under) expenditures and other uses	(12,000)	(12,000)	(185)	11,815
Fund balances - beginning	12,000	12,000	7,074	(4,926)
Fund balances - ending	\$ -	\$ -	\$ 6,889	\$ 6,889

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**BUILDING MAINTENANCE RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 302	\$ 302
Total revenues	-	-	302	302
<b>EXPENDITURES:</b>				
Material and services	80,000	80,000	-	80,000
Total expenditures	80,000	80,000	-	80,000
Excess of revenues over (under) expenditures	(80,000)	(80,000)	302	80,302
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	50,000	50,000	-
Excess of revenues and other sources over (under) expenditures and other uses	(30,000)	(30,000)	50,302	80,302
Fund balances - beginning	30,000	30,000	50,736	20,736
Fund balances - ending	\$ -	\$ -	\$ 101,038	\$ 101,038

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**PERS LIABILITY RESERVE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 41,290	\$ 41,290
Total revenues	-	-	41,290	41,290
<b>EXPENDITURES:</b>				
Personnel services	1,348,207	1,348,207	11,832	1,336,375
Total expenditures	1,348,207	1,348,207	11,832	1,336,375
Excess of revenues over (under) expenditures	(1,348,207)	(1,348,207)	29,458	1,377,665
Fund balances - beginning	1,348,207	1,348,207	1,363,039	14,832
Fund balances - ending	\$ -	\$ -	\$ 1,392,497	\$ 1,392,497

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## **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources and payment of principal and interest on the Full Faith and Credit Obligations, and the Certificates of Participation issued by the District. The principal source of revenue is transfers from the General Fund.

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**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**DEBT SERVICE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 1	\$ 1
Total revenues	-	-	1	1
<b>EXPENDITURES:</b>				
Debt service				
Principal	551,197	551,197	584,661	(33,464)
Interest	168,803	168,803	135,338	33,465
Total expenditures	720,000	720,000	719,999	1
Excess of revenues over (under) expenditures	(720,000)	(720,000)	(719,998)	2
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	720,000	720,000	719,998	(2)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	1	1
Fund balances - ending	\$ -	\$ -	\$ 1	\$ 1

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## **CAPITAL PROJECTS FUND**

Capital Projects funds are used to account for the acquisition and construction of major capital facilities and their improvements. Sources of funds can include proceeds from long-term debt funds provided by the District's General Fund.

### **CAPITAL PROJECTS – APPRENTICESHIP, INDUSTRIAL TRADE CENTER – AITC**

The Apprenticeship Center will be comprised of one 35,000 square foot building that will feature two large open workshop spaces for Fire/Emergency Sciences and Apprentice/Construction Trades education. The building will also house traditional classrooms and lab spaces, as well as a welding lab. There will be some additional office and storage spaces.

### **CAPITAL PROJECTS – CHILDCARE CENTER FUND**

The Childcare Center will be comprised of one 13,000 square foot building that will feature classrooms, conference rooms, offices and a kitchen area. Klamath Community College will be partnering with Klamath Head Start, Oregon Child Development Coalition and Klamath YMCA to provide opportunity for our early learning program students for training. Sources of funds can include proceeds from state grants, local grants and the Klamath Community College Foundation.

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**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**CAPITAL PROJECTS**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State support, grants and contracts	\$ -	\$ -	\$ 800	\$ 800
Local sources	-	-	18,740	18,740
Interest	-	-	11,454	11,454
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	30,994	30,994
<b>EXPENDITURES:</b>				
Materials and services	<u>320,000</u>	<u>320,000</u>	<u>55,601</u>	<u>264,399</u>
Total expenditures	<u>320,000</u>	<u>320,000</u>	<u>55,601</u>	<u>264,399</u>
Excess of revenues over (under) expenditures	(320,000)	(320,000)	(24,607)	295,393
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(200,000)	(200,000)	95,393	295,393
Fund balances - beginning	<u>200,000</u>	<u>200,000</u>	<u>364,581</u>	<u>164,581</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,974</u>	<u>\$ 459,974</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**PHASE 2 - WORK SKILLS TECHNOLOGY CENTER**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(16,641)	(16,641)	-
Excess of revenues and other sources over (under) expenditures and other uses	-	(16,641)	(16,641)	-
Fund balances - beginning	-	16,641	16,641	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**CAPITAL PROJECTS - APPRENTICESHIP, INDUSTRIAL TRADE CENTER - AITC**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ -	\$ -	\$ 1,241,046	\$ 1,241,046
State grants	6,900,000	7,938,860	1,726,443	(6,212,417)
Local sources	988,260	-	1,900,306	1,900,306
	<u>7,888,260</u>	<u>7,938,860</u>	<u>4,867,795</u>	<u>(3,071,065)</u>
Total revenues				
<b>EXPENDITURES:</b>				
Personnel services	204,389	204,389	13,646	190,743
Materials and services	6,892,398	7,029,639	5,381,220	1,648,419
Capital outlay	991,473	991,473	206,043	785,430
	<u>8,088,260</u>	<u>8,225,501</u>	<u>5,600,909</u>	<u>2,624,592</u>
Total expenditures				
Excess of revenues over (under) expenditures	(200,000)	(286,641)	(733,114)	(446,473)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	86,641	16,641	(70,000)
	<u>-</u>	<u>86,641</u>	<u>16,641</u>	<u>(70,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(200,000)	(200,000)	(716,473)	(516,473)
Fund balances - beginning	200,000	200,000	716,473	516,473
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**CAPITAL PROJECTS - CHILDCARE CENTER**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State grants	\$ 1,500,000	\$ 1,500,000	\$ 27,048	\$ (1,472,952)
Local sources	1,000,000	1,050,000	47,943	(1,002,057)
Interest	<u>-</u>	<u>-</u>	<u>15,318</u>	<u>15,318</u>
Total revenues	<u>2,500,000</u>	<u>2,550,000</u>	<u>90,309</u>	<u>(2,459,691)</u>
<b>EXPENDITURES:</b>				
Personnel services	-	8,000	7,001	999
Materials and services	<u>2,500,000</u>	<u>2,542,000</u>	<u>20,047</u>	<u>2,521,953</u>
Total expenditures	<u>2,500,000</u>	<u>2,550,000</u>	<u>27,048</u>	<u>2,522,952</u>
Excess of revenues over (under) expenditures	-	-	63,261	63,261
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,261</u>	<u>\$ 63,261</u>

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges; or where periodic determination of net income is appropriate for accountability purposes. The Enterprise Funds of the District are:

Bookstore Fund – This fund is used to account for the activities related to providing general merchandise and school supplies to the College's students.

Food Service Fund – The College and the Culinary Arts department provide catering services for on-campus events.

Cosmetology Auxiliary Fund – This fund is used to account for the Cosmetology department providing salon services.

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**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**BOOKSTORE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Sales of merchandise and services	\$ 509,311	\$ 509,311	\$ 383,605	\$ (125,706)
Total revenues	<u>509,311</u>	<u>509,311</u>	<u>383,605</u>	<u>(125,706)</u>
<b>EXPENDITURES:</b>				
Personnel services	120,096	120,096	95,257	24,839
Materials and services:				
Supplies and materials	54,875	54,875	31,003	23,872
Cost of goods sold	361,649	381,649	318,702	62,947
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>540,620</u>	<u>560,620</u>	<u>444,962</u>	<u>115,658</u>
Excess of revenues over (under) expenditures	(31,309)	(51,309)	(61,357)	(10,048)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(31,309)	(31,309)	(61,357)	(30,048)
Fund balances - beginning	<u>150,000</u>	<u>150,000</u>	<u>79,731</u>	<u>(70,269)</u>
Fund balances - ending	<u>\$ 118,691</u>	<u>\$ 118,691</u>	<u>\$ 18,374</u>	<u>\$ (100,317)</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**FOOD SERVICE**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES:</b>				
Sales of merchandise, services and catering	\$ 6,000	\$ 6,000	\$ 3,750	\$ (2,250)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>3,750</u>	<u>(2,250)</u>
<b>EXPENDITURES:</b>				
Materials and services:				
Supplies and materials	3,720	3,720	5,719	(1,999)
Cost of goods sold	<u>14,000</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>
Total expenditures	<u>17,720</u>	<u>17,720</u>	<u>5,719</u>	<u>12,001</u>
Excess of revenues over (under) expenditures	(11,720)	(11,720)	(1,969)	9,751
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>11,720</u>	<u>11,720</u>	<u>1,969</u>	<u>(9,751)</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>694</u>	<u>694</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 694</u>	<u>\$ 694</u>

**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

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

**Cosmetology Auxiliary**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Sales of merchandise, services and catering	\$ -	\$ 40,000	\$ 34,703	\$ (5,297)
Total revenues	-	40,000	34,703	(5,297)
<b>EXPENDITURES:</b>				
Personnel services	-	30,000	25,289	4,711
Materials and services:				
Supplies and materials	-	19,500	12,012	7,488
Cost of goods sold	-	500	160	340
Total expenditures	-	50,000	37,461	12,539
Excess of revenues over (under) expenditures	-	(10,000)	(2,758)	7,242
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	10,000	2,758	(7,242)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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**SCHEDULE OF FUTURE DEBT SERVICE  
REQUIREMENTS**

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**KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON**

**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**

**June 30, 2023**

**Full Faith and Credit Obligations**

		Series 2009		Series 2015			
Year end		Issue Date:	2/10/09	Issue Date:	12/15/15		
June 30,		Original:	\$ 4,150,000	Original:	\$ 4,699,500		
		Interest:	3.0 ~ 4.25%	Interest:	2.19%		
Year end	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	240,000	66,032	361,628	52,339	601,628	118,371	719,999
2025	250,000	56,431	369,148	44,419	619,148	100,850	719,998
2026	260,000	46,432	377,233	36,335	637,233	82,767	720,000
2027	270,000	35,641	386,284	28,074	656,284	63,715	719,999
2028	280,000	24,437	395,948	19,614	675,948	44,051	719,999
2029	295,000	12,537	401,520	10,943	696,520	23,480	720,000
2030	-	-	98,149	2,149	98,149	2,149	100,298
	\$ 1,595,000	\$ 241,510	\$ 2,389,910	\$ 193,873	\$ 3,984,910	\$ 435,383	\$ 4,420,293

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**STATISTICAL SECTION**

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## **Statistical Section**

The Statistical Section of the Klamath Community College District's comprehensive financial report provides additional history, context, and background information to assist you in analyzing the preceding financial statements, note disclosures, and required supplementary information. It is intended to help the reader to better understand the financial health of Klamath Community College.

**Financial trend information** allows you to compare financial information over several years, and analyze the College's financial performance and well-being over time.

**Revenue capacity** schedules provide information to help assess a major funding source for the College; our property tax revenues and their underlying real market values.

**Debt Capacity** tables present data to analyze the College's debt levels, their sustainability, and our ability to issue additional debt in the future.

**Demographic and Economic Information** helps you understand the population and economic conditions of the Klamath Community College District.

**Operating Information** schedules contain service and infrastructure data to assist you in understanding the services the College 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. The College implemented GASB 68/71 for year ended June 30, 2015 and GASB 63/65 for year ended June 30, 2013.

**Klamath Community College District**  
Klamath Falls, Oregon

NET POSITION BY COMPONENT AND CHANGES IN NET POSITION

NET POSITION BY COMPONENT	Last Ten Fiscal Years			
	2022-23	2021-22	2020-21	2019-20
Net Investment in capital assets	\$ 33,955,072	\$ 28,685,483	\$ 24,961,592	\$ 24,917,143
Net position, restricted				-
Net position, unrestricted	894,312.00	2,924,299.00	(3,194,846)	(148,025)
Prior period adjustment				
<b>TOTAL NET POSITION</b>	<b>\$ 34,849,384</b>	<b>\$ 31,609,782</b>	<b>\$ 21,766,746</b>	<b>\$ 24,769,118</b>
<b>CHANGES IN NET POSITION</b>				
<b>Operating revenues</b>				
Student tuition and fees	\$ 7,917,250	\$ 6,564,423	\$ 6,919,647	\$ 6,770,934
Federal student financial aid and grants	6,778,380	8,444,821	5,820,985	6,219,912
State grants and contracts	3,455,402	1,543,317	1,895,123	1,453,093
Out-of-district contracts	772,498	685,022	497,794	528,364
Auxiliary enterprises (Bookstore, Cafeteria)	422,058	306,190	440,835	415,179
Other operating revenues	-	-	-	-
Total operating revenues	19,345,588	17,543,773	15,574,384	15,387,482
<b>Operating expenses</b>				
Educational and general				
Instruction	11,913,104	9,450,017	9,601,011	8,872,588
Instructional support	3,534,172	2,518,838	2,648,673	2,078,939
Student services	4,506,599	4,003,372	3,958,602	3,705,329
College support	5,743,221	4,677,966	4,537,440	4,964,749
Plant operations	1,415,365	1,210,026	1,286,976	1,138,856
Financial Aid	5,087,199	5,728,359	4,836,225	5,203,922
Auxiliary enterprises (Bookstore, Cafeteria)	512,299	378,431	516,311	479,001
Depreciation	2,421,752	1,902,077	1,800,055	2,200,758
Total operating expenses	35,133,711	29,869,086	29,185,293	28,644,142.00
Operating income (loss)	(15,788,123)	(12,325,313)	(13,610,909)	(13,256,660)
<b>Nonoperating revenues (expenses)</b>				
State support	10,899,785	15,687,390	7,866,014	11,531,775
Investment income	383,740	94,708	73,947	202,470
Property taxes and interest	2,609,639	2,464,613	2,399,789	2,324,062
Miscellaneous income (expense)	-	-	-	3,246
Deferred refunding / Issuance cost amortization	-	-	-	-
Debt issuance costs	-	-	-	-
Gain/<loss> on sale of capital assets	-	(3,336)	-	-
Gain/<Loss> on pension assets	-	-	-	-
Debt premium amortization	3,246	3,246	3,246	-
Interest expense	(131,011)	(147,992)	(164,666)	(180,629)
Net nonoperating revenues	13,765,399	18,098,629	10,178,330	\$ 13,880,924
Income before Capital Contributions	(2,022,724)	5,773,316	(3,432,579)	624,264
Capital Contributions	5,262,326	4,069,720	430,207	42,284
Change in net position	\$ 3,239,602	\$ 9,843,036	\$ (3,002,372)	\$ 666,548

Source: Klamath Community College District financial records.

- \* The College implemented GASB 75 for year ended June 30, 2018
- \* The College implemented GASB 68/71 for year ended June 30, 2015
- \* The College implemented GASB 63/65 for year ended June 30, 2013

<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
\$ 25,609,324	\$ 26,287,742	\$ 19,117,519	\$ 15,626,271	\$ 15,775,893	\$ 16,120,735
-	-	175,802	251,282	-	401,040
(1,506,754)	1,481,926	(1,697,115)	1,978,998	2,907,253	7,594,570
-	-	(105,107)	-	-	(5,206,182)
<u>\$ 24,102,570</u>	<u>\$ 27,769,668</u>	<u>\$ 17,491,099</u>	<u>\$ 17,856,551</u>	<u>\$ 18,683,146</u>	<u>\$ 18,910,163</u>
\$ 6,434,313	\$ 5,723,006	\$ 5,248,677	\$ 5,589,493	\$ 4,981,252	\$ 4,251,851
4,380,592	4,189,578	3,435,552	3,147,944	3,419,373	3,840,022
1,393,453	1,197,808	1,414,098	368,475	604,264	273,299
457,210	357,920	343,079	672,166	174,589	111,388
374,981	505,184	585,590	620,410	650,848	778,926
-	-	-	-	-	-
<u>13,040,549</u>	<u>11,973,496</u>	<u>11,026,996</u>	<u>10,398,488</u>	<u>9,830,326</u>	<u>9,255,486</u>
8,035,278	6,251,259	6,617,572	7,176,513	4,760,040	4,539,769
1,757,189	1,501,282	1,566,295	1,675,523	1,099,412	989,706
3,433,357	2,671,141	2,042,156	1,975,425	1,570,714	1,696,713
4,240,344	3,921,831	3,192,685	3,390,473	2,407,469	3,027,541
1,110,860	955,977	791,777	918,328	662,335	759,860
4,337,694	4,259,370	4,159,091	3,251,011	3,331,806	3,453,462
423,309	558,078	612,922	698,817	579,714	698,411
2,152,370	1,913,539	1,402,259	1,473,160	1,475,057	1,517,421
<u>25,490,401</u>	<u>22,032,477</u>	<u>20,384,757</u>	<u>20,559,250</u>	<u>15,886,547</u>	<u>16,682,883</u>
<u>(12,449,852)</u>	<u>(10,058,981)</u>	<u>(9,357,761)</u>	<u>(10,160,762)</u>	<u>(6,056,221)</u>	<u>(7,427,397)</u>
6,107,769	9,211,901	4,950,599	7,243,466	3,836,451	5,509,798
187,798	128,563	115,966	95,768	63,360	72,064
2,273,866	2,218,063	2,075,164	2,067,769	2,027,717	1,956,444
3,246	-	-	-	35,095	28,798
-	-	(52,558)	(10,513)	(10,513)	(10,513)
-	-	-	(49,500)	-	-
(2,525)	(1,892)	-	-	(68)	-
-	-	-	-	-	57,508
-	3,246	3,246	3,246	3,246	3,246
<u>(193,894)</u>	<u>(208,755)</u>	<u>(238,945)</u>	<u>(252,596)</u>	<u>(216,084)</u>	<u>(236,135)</u>
<u>8,376,260</u>	<u>11,351,126</u>	<u>6,853,472</u>	<u>9,097,640</u>	<u>5,739,204</u>	<u>7,381,210</u>
<u>(4,073,592)</u>	<u>1,292,145</u>	<u>(2,504,289)</u>	<u>(1,063,122)</u>	<u>(317,017)</u>	<u>(46,187)</u>
<u>406,494</u>	<u>8,986,426</u>	<u>2,243,942</u>	<u>236,527</u>	<u>90,000</u>	<u>278,925</u>
<u>\$ (3,667,098)</u>	<u>\$ 10,278,571</u>	<u>\$ (260,347)</u>	<u>\$ (826,595)</u>	<u>\$ (227,017)</u>	<u>\$ 232,738</u>

**Klamath Community College District**  
Klamath Falls, Oregon

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

<u>FISCAL YEAR</u>	<u>ASSESSED VALUATION</u>	<u>ASSESSED RATE (1)</u>	<u>PERCENTAGE INCREASED (DECREASED)</u>	<u>REAL MARKET VALUATION (2)</u>	<u>PERCENTAGE INCREASED (DECREASED)</u>	<u>RATIO OF ASSESSED VALUATION TO REAL MARKET VALUATION</u>
2022-23	\$ 6,188,599,685	0.4117	2.02%	\$ 12,483,263,553	20.49%	49.58
2021-22	6,065,876,838	0.4117	-4.34	10,360,016,883	14.50	58.55
2020-21	6,341,337,316	0.4117	4.34	9,048,323,230	1.21	70.08
2019-20	6,077,433,204	0.4117	11.30	8,940,500,006	4.92	67.98
2018-19	5,460,244,150	0.4117	1.91	8,521,496,833	-0.44	64.08
2017-18	5,357,683,480	0.4117	3.95	8,559,305,228	18.94	62.59
2016-17	5,154,174,453	0.4117	1.85	7,196,478,061	-5.15	71.62
2015-16	5,060,708,799	0.4117	2.18	7,587,086,064	9.48	66.70
2014-15	4,952,793,865	0.4117	1.49	6,930,310,625	2.69	71.47
2013-14	4,879,923,911	0.4117	-0.90	6,748,991,013	0.77	72.31

Source: Klamath County Tax Office

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

(2) RMV is for Klamath County

**Klamath Community College District**  
Klamath Falls, Oregon

PRINCIPAL PROPERTY TAX PAYERS  
 Fiscal Years Ended June 30, 2023 and June 30, 2014

TAXPAYER	2023			2014		
	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
Pacific Corp	210,979,299	1	3.4%	177,114,000	3	3.6%
Avangrid Renewables	236,049,000	2	3.7%			
Gas Transmission Northwest	186,345,364	3	2.9%	154,857,200	4	3.2%
Green Diamond Resource Co	41,677,084	4	0.7%			
Avista Corp	69,981,000	5	1.1%	28,559,000	7	0.6%
Lumen Technologies Inc	75,688,000	6	1.2%			
Jeld-Wen Inc	47,297,100	7	0.7%	77,565,110	5	1.6%
Ruby Pipeline	50,850,000	8	0.8%	194,620,000	2	4.0%
Union Pacific Railroad	52,795,430	9	0.8%	31,932,400	10	0.7%
Charter Communications	33,250,000	10	0.5%	22,098,800	8	0.5%
Wal-Mart Real Estate Business Trust				16,062,790	9	0.3%
Iberdrola Renewables Inc				258,094,000	1	5.3%
Century Link				56,027,690	6	1.1%
Totals	<u>\$ 1,004,912,277</u>		<u>15.8%</u>	<u>\$ 1,016,930,990</u>		<u>20.84%</u>

(1) Amounts expressed in thousands.

(2) Klamath Community College District encompasses all of Klamath County and smaller portion of Lake County. These statistics are for Klamath County Only.

Source: Klamath County Tax Office

**Klamath Community College District**  
Klamath Falls, Oregon

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS - LAST TEN YEARS

TAXING DISTRICT	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>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	-	-	-	-	-	-	-	-	-	-
Extension Service	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
Fairground Bond	-	-	-	-	-	-	-	-	-	-
Library Bond	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900	-
Museum	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
<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 Annex	-	-	-	-	-	2.4000	-	-	-	-
Urban Ren Spec Levy	-	-	-	-	-	-	-	-	-	0.0694
KF Police Department	0.1372	0.1424	0.1428	0.1478	0.1509	0.1356	0.1356	0.134	0.1531	0.1621
Malin	5.0642	5.0642	5.0642	5.2766	5.0642	5.0642	5.0642	5.0642	5.0642	5.0642
Merrill	3.1210	3.1210	3.1210	5.0642	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 Bond	1.5399	1.3578	1.5289	1.5874	1.6075	1.5785	-	-	-	-
KF City Schools Local Op	-	-	-	-	-	-	-	0.5000	0.5000	0.5000
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 13	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	0.1114	0.6204	0.7425	0.7376	0.7400	0.7463
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 Comm Coll	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117	0.4117
Central OR ED Outside M50	0.0767	0.1036	0.1073	0.1093	-	-	-	-	-	-
<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>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 LO	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 LO	0.0260	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	0.2300	2.1797	2.1797	2.1797	2.3690
La Pine Fire Operation Levy	0.6400	0.6400	0.6400	-	-	-	-	-	-	-
La Pine Fire Capital Project	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 Op	0.5000	0.5000	0.5000	0.5000	-	0.3453	0.3453	0.3719	0.4090	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
<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	0.1000	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

	22-23	21-22	20-21	19-20	18-19	17-18	16-17	15-16	14-15	13-14
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
KFFE Special Rd Dist #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
Nimrod Park Rd	-	-	-	-	-	-	-	-	-	-
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
Two Rivers North Rd	0.9922	0.9922	0.9922	0.9922	0.9922	0.9922	1.694	1.6940	1.6940	1.6940
Two Rivers N Rd - Cap Pro	0.2848	0.3024	0.3208	0.3413	0.3564	0.3381	0.429	0.4710	0.4710	0.5283
Two Rivers North Levy	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	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	3.0641	1.6015
Crescent Sanitary	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321	1.0321
<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	0.1800	0.1807	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>										
Pine Grove Water	0.1541	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
<b>EMERGENCY SERVICES</b>										
911	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541	0.1541
911 Emergency Local Option	0.0800	0.0800	0.0800	0.0800	0.0800	-	-	-	-	-
<b>PREDATOR CONTROL</b>										
Klamath County Predator	0.0800	0.0800	0.0800	0.0600	0.0600	0.0600	0.0000	0.0000	0.0000	0.0000

Source: Klamath County Tax Office

**Klamath Community College District**  
Klamath Falls, Oregon

PROPERTY TAX LEVIES AND COLLECTIONS - GENERAL FUND (1)  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	County	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	Klamath Lake	\$ 2,603,499	\$ 2,435,714	93.6%		\$ 2,435,714	93.6%
		99,130	91,636	92.4%		91,636	92.4%
2022	Klamath	2,506,276	2,358,769	94.1%	22,591	2,381,360	95.0%
2021	Klamath	2,441,259	2,265,661	92.8%	55,112	2,320,773	95.1%
2020	Klamath	2,325,917	2,166,288	93.1%	146,348	2,312,636	99.4%
2019	Klamath	2,243,582	2,097,571	93.5%	140,118	2,237,689	99.7%
2018	Klamath	2,199,659	2,048,841	93.1%	149,918	2,198,759	100.0%
2017	Klamath	2,115,019	1,969,977	93.1%	144,537	2,114,514	100.0%
2016	Klamath	2,076,296	1,985,548	95.6%	90,814	2,076,363	100.0%
2015	Klamath	2,020,863	1,936,181	95.8%	83,818	2,019,999	100.0%
2014	Klamath	1,990,293	1,906,165	95.8%	85,491	1,991,656	100.1%

(1) The General Fund is the only fund with a property tax levy.

(2) Klamath Community College District assessed property tax levy with Lake County for the first time in 22-23 fiscal year.

Sources: Klamath County Tax Office and Klamath Community College District financial records

**Klamath Community College District**  
**Klamath Falls, Oregon**

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

	Population (Estimated) (1)	Assessed Valuation (2)	Net Bonded Debt (3)	DISTRICT PERSONAL INCOME (4)	Ratio of Net Bonded Debt to Personal Income	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2022-23	70,212	\$ 6,188,599,685	\$ 4,001,132	\$ 3,566,067	0.11	0.06	\$ 56.99
2021-22	70,164	6,528,200,059	4,589,039	3,371,380	0.14	0.07	65.40
2020-21	68,739	5,903,363,653	5,159,982	2,511,138	0.21	0.09	75.07
2019-20	67,653	5,665,110,473	5,688,465	2,939,707	0.19	0.10	84.08
2018-19	66,579	5,460,244,150	6,252,923	2,832,036	0.22	0.11	93.92
2017-18	66,935	5,357,683,480	6,777,875	2,698,746	0.25	0.13	101.26
2016-17	66,443	5,154,174,453	7,288,526	2,554,436	0.29	0.14	109.70
2015-16	66,016	5,060,708,799	9,218,444	2,495,671	0.37	0.18	139.64
2014-15	65,455	4,952,793,865	5,042,190	2,390,885	0.21	0.10	77.03
2013-14	66,016	4,879,923,911	5,545,436	2,235,764	0.25	0.11	84.00

(1) Information provided by the United States Census Bureau and includes all of Klamath County  
[http://www.oregon.gov/DAS/OEA/Pages/demographic.aspx#Long\\_Term\\_County\\_Forecast](http://www.oregon.gov/DAS/OEA/Pages/demographic.aspx#Long_Term_County_Forecast)

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

(3) Net bonded debt is principal net of premiums and discounts only for Full Faith and Credit Obligations, Series 1999 and 2001; Series 2004C; Refunding Obligations, Series 2006; and Full Faith and Credit Obligations, Series 2009 and Financing Agreement Series 2015.

(4) Information provided by the U. S. Department of Commerce, Bureau of Economic Analysis (thousands of dollars). Presentation is by the first 6 months of fiscal year.  
<http://bea.gov/regional/reis/default.cfm?selTable=CA1-3&section=2>

(5) Estimated using trending increases of the most recent five years.

**Klamath Community College District**  
Klamath Falls, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
Last Ten Fiscal Years

GENERAL FUND:	2022-23	2021-22	2020-21	2019-20	2018-19
Tax rate (1)	<u>0.4117</u>	<u>0.4117</u>	<u>0.4117</u>	<u>0.4117</u>	<u>0.4117</u>
Levy extended by assessor (2)	<u>\$ 2,603,499</u>	<u>\$ 2,506,276</u>	<u>\$ 2,441,259</u>	<u>\$ 2,325,917</u>	<u>\$ 2,243,590</u>
Reduction of taxes receivable: (3) (4)					
Current year	<u>2,435,714</u>	<u>2,358,769</u>	<u>2,265,661</u>	<u>2,261,826</u>	<u>2,091,659</u>
First year prior	22,591	43,030	44,992	43,311	44,953
Second year prior	12,082	17,883	16,674	20,464	22,768
Third year prior	8,356	13,856	13,734	16,943	22,140
Fourth year prior	2,699	5,264	1,303	7,278	9,643
Fifth year prior	<u>344</u>	<u>631</u>	<u>407</u>	<u>731</u>	<u>1,459</u>
Total prior	<u>46,072</u>	<u>80,664</u>	<u>77,110</u>	<u>88,727</u>	<u>100,963</u>
Total General Fund	<u>\$ 2,481,787</u>	<u>\$ 2,439,433</u>	<u>\$ 2,342,771</u>	<u>\$ 2,350,553</u>	<u>\$ 2,192,622</u>

(1) Rates per \$1,000 of assessed value

(2) Extended levy after additions and offsets by the county assessor.

(3) Amounts include collections, interest on deficiencies, discount allowed for early payment and adjustments and cancellations made by the county assessors.

(4) Amounts are based upon the tax collection year July 1 to June 30.  
Revenues as recorded in the financial statements are recognized when measurable and available.

Sources: Klamath County Tax Office  
Klamath Community College District financial records.

2017-18	2016-17	2015-16	2014-15	2013-14
<u>0.4117</u>	<u>0.4117</u>	<u>0.4117</u>	<u>0.4117</u>	<u>0.4117</u>
<u>\$ 2,199,659</u>	<u>\$ 2,114,986</u>	<u>\$ 2,076,296</u>	<u>\$ 2,020,863</u>	<u>\$ 1,990,293</u>
<u>2,048,841</u>	<u>1,969,977</u>	<u>1,936,360</u>	<u>1,936,360</u>	<u>1,906,437</u>
39,082	40,109	33,700	37,989	44,709
15,761	19,339	17,594	18,349	20,317
12,597	21,928	24,127	20,906	21,233
6,457	2,167	9,834	10,662	11,564
<u>812</u>	<u>919</u>	<u>895</u>	<u>2,263</u>	<u>2,652</u>
<u>74,709</u>	<u>84,462</u>	<u>86,150</u>	<u>90,169</u>	<u>100,475</u>
<u>\$ 2,123,550</u>	<u>\$ 2,054,439</u>	<u>\$ 2,022,510</u>	<u>\$ 2,026,529</u>	<u>\$ 2,006,912</u>

**Klamath Community College District**  
Klamath Falls, Oregon

OVERLAPPING DEBT SCHEDULE  
June 30, 2023

<u>Jurisdiction</u>	<u>Real Market Valuation</u>	<u>Percent Overlapping (1)</u>	<u>Overlapping</u>	
			<u>Gross Property-Tax Backed Direct Debt</u>	<u>Net Property-Tax Backed (Direct) Debt (1)</u>
<u>DIRECT</u>				
Klamath Community College	\$9,108,592,491	100.0000%	\$3,984,910	\$3,984,910
<u>OVERLAPPING</u>				
Klamath Cty Emergency Comm	10,004,914,426	91.0040	650,945	650,945
Bly RFPD	33,644,339	100.0000	25,000	25,000
City of Chiloquin	31,162,940	100.0000	137,241	137,241
Klamath County RFPD #1	5,474,043,503	100.0000	1,310,000	1,310,000
City of Klamath Falls	2,548,918,227	100.0000	5,388,295	5,388,295
City of Merrill	63,320,150	100.0000	2,573,730	2,573,730
Klamath County School Dist.	6,758,701,867	86.7400	29,939,586	29,939,586
Klamath Falls Urban Renewal Area	2,548,918,227	100.0000	2,248,564	2,248,564
Klamath County SD 1 (Klamath Falls)	3,245,901,559	100.0000	27,199,178	27,199,178
Total overlapping			<u>69,472,539</u>	<u>69,472,539</u>
Total direct and overlapping			<u>\$ 73,457,449</u>	<u>\$ 73,457,449</u>

(1) Net property-tax backed debt is the outstanding principal of general obligation bonds and certain full faith and credit obligations. The denominator used in the percent overlapping calculation is revenue based.

Source: Oregon State Treasury, Debt Management Information System.

**Klamath Community College District**  
Klamath Falls, Oregon

COMPUTATION OF LEGAL DEBT MARGIN  
 Last Ten Fiscal Years

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	<u>LEGAL DEBT LIMITATION (1)</u>	<u>INDEBTEDNESS (2)</u>	<u>DEBT MARGIN</u>
2022-23	\$ 187,248,953	\$0	\$ 187,248,953
2021-22	155,400,253	0	155,400,253
2020-21	95,120,060	0	95,120,060
2019-20	91,161,498	0	91,161,498
2018-19	127,822,452	0	127,822,452
2017-18	128,389,578	0	128,389,578
2016-17	107,947,171	0	107,947,171
2015-16	113,806,291	0	113,806,291
2014-15	103,954,659	0	103,954,659
2013-14	101,234,865	0	101,234,865

(1) The legal debt limitation for the gross bonded debt is calculated as 1.5% of the real market value of all taxable property within the district, as per Oregon Revised Statutes (ORS) 341.675 (3).

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

Sources: ORS 341.675 (3) , Klamath Community College District records, and Klamath County.

**Klamath Community College 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 (2)</u>		<u>FTE (3) STUDENT ENROLLMENT</u>		<u>KLAMATH COUNTY UNEMPLOYMENT RATE (4)</u>	
2022-23	70,212	(1,4)	\$3,566,067	(3,4)	\$50,790	(3)	2100.22		5.60%	(2)
2021-22	70,164		3,371,380		48,050		1814.71		6.70%	
2020-21	68,739		2,511,138		44,513		2027.69		6.40%	
2019-20	67,653		2,939,707		43,080		2005.33		8.60%	
2018-19	66,579		2,832,036		41,752		1,887.14		6.50%	
2017-18	66,935		2,698,746		39,891		1,852.50		6.10%	
2016-17	66,443		2,554,436		38,367		1,862.70		5.80%	
2015-16	66,016		2,495,671		37,285		1,884.10		7.00%	
2014-15	65,455		2,390,885		35,984		1,675.10		7.90%	
2013-14	66,016		2,235,764		33,867		1,699.91		9.40%	

(1) Information provided by the United States Census Bureau and includes all of Klamath County  
[http://www.oregon.gov/DAS/OEA/Pages/demographic.aspx#Long\\_Term\\_County\\_Forecast](http://www.oregon.gov/DAS/OEA/Pages/demographic.aspx#Long_Term_County_Forecast)

(2) Information provided by the Oregon Employment Department  
 The percentage reflected is the average for the fiscal year.  
<http://www.qualityinfo.org>

(3) Estimated using trending increases of the most recent five years.  
<https://fred.stlouisfed.org/series/PCPI41035>

(4) Estimated using trending increases of the most recent six years.  
 Sources: As outlined above.

**KLAMATH COMMUNITY COLLEGE**  
**Klamath Falls, Oregon**

Principal Employers

<u>Employer</u>	<u>2023</u>			<u>2013</u>		
	<u>Employees</u> (1)	<u>Rank</u>	<u>% of Total County Employment</u> (3)	<u>Employees</u>	<u>Rank</u> (3)	<u>% of Total County Employment</u>
Sky Lakes Medical Center	2,239	1	3.30%	1300	1	1.97%
Jeld-Wen Inc.	1,100	2	1.62%	1100	2	1.66%
Kingsley Field Oregon Air National Guard	981	3	1.45%	1000	3	1.51%
Klamath County School District	868	4	1.28%	650	5	0.98%
Klamath County	581	5	0.86%	475	6	0.72%
Klamath Falls City Schools	512	6	0.75%	440	7	0.67%
Wal-Mart	499	7	0.74%	350	8	0.53%
iQor (Assurion)	480	8	0.71%	700	4	1.06%
Oregon Institute of Technology	381	9	0.56%	385	9	0.58%
Columbia Forest Products <sup>2</sup>	297	10	0.44%			0.00%
City of Klamath Falls				175	10	0.26%

Sources:

1. Numbers of employees furnished by employer.
2. Klamath Community College Service District Full Faith Credit Obligations, Series 2009
3. Total employment source: US Census Bureau

**Klamath Community College District**  
Klamath Falls, Oregon

STATE ALLOCATIONS PER FTE

	Last Ten Fiscal Years				
	(Budgetary basis of accounting)				
	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Allocations per FTE	\$7,610.99	\$7,172.48	\$5,288.18	\$4,471.32	\$4,411.81
Annual State Funding (1)	\$14,529,374	\$13,015,968	\$10,537,436	\$8,730,342	\$8,111,823
Total Reimbursable FTE	1909	1814.71	1,992.64	1,952.52	1,838.66

(1) Dollars expressed include only State funding formula appropriations.

Note: Total Reimbursable FTE does not equal total student population.

Source: Klamath Community College District Records  
 Department of Community Colleges and Workforce Development

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<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
\$4,081.02	\$3,651.55	\$3,162.22	\$2,976.02	\$2,706.44
\$7,424,165	\$6,648,136	\$5,950,537	\$5,021,439	\$4,524,846
1,819.19	1,820.64	1,881.76	1,687.30	1,671.88

**Klamath Community College District**  
Klamath Falls, Oregon

ENROLLMENT STATISTICS  
 Last Ten Years

	<u>TOTAL OPERATING EXPENSES</u>	<u>DISTRICT POPULATION (1)</u>	<u>COST PER FTE (2)</u>	<u>STATE-WIDE AVERAGE COST PER FTE</u>	<u>NUMBER OF EMPLOYEES (5)</u>	<u>TOTAL FTE</u>	<u>RATIO OF EMPLOYEES TO FTE</u>
2022-23	\$ 29,534,213	70,212 (6)	13,485.9	\$ 17,575 (4)	181	2,190.00 (3)	1:12
2021-22	27,050,663	70,164	14,725.0	15,368	163	1,837.06	1:11
2020-21	25,490,401	68,739	11,423	12,126	169	1,814.71	1:12
2019-20	28,644,142	67,653	11,778	12,410	168	2,027.69	1:12
2018-19	25,490,401	66,579	10,337	11,762	134	2,005.33	1:14
2017-18	22,032,477	66,935	9,122	11,065	163	1,887.14	1:12
2016-17	20,384,757	66,443	8,426	10,633	179	1,852.50	1:11
2015-16	20,559,250	66,016	8,816	9,995	129	1,862.70	1:15
2014-15	15,886,547	65,455	7,151	9,365	125	1,884.10	1:13
2013-14	16,682,883	66,016	7,375	8,553	128	1,675.10	1:13

- (1) Information provided by the United States Census Bureau and includes all of Klamath County  
[http://www.oregon.gov/DAS/OEA/Pages/demographic.aspx#Long\\_Term\\_County\\_Forecast](http://www.oregon.gov/DAS/OEA/Pages/demographic.aspx#Long_Term_County_Forecast)
- (2) Operating expenses do not include Financial Aid, and Auxiliary Services
- (3) Total FTE includes reimbursable and non-reimbursable FTE.
- (4) Estimated using trending increases over last 5 years.
- (5) Full-Time Equivalents
- (6) Estimated using trending increases of the most recent five years.

Sources: As outlined above.

**Klamath Community College District**  
Klamath Falls, Oregon

FACULTY, CLASSIFIED, AND EXEMPT EMPLOYEES\*  
 Last Ten Fiscal Years

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	<u>FACULTY</u>	<u>CLASSIFIED</u>	<u>EXEMPT (1)</u>	<u>TOTAL</u>
2022-23	61	94	26	181
2021-22	60	78	25	163
2020-21	59	84	26	169
2019-20	64	88	16	168
2018-19	76	45	13	134
2017-18	61	88	14	163
2016-17	72	89	18	179
2015-16	60	60	9	129
2014-15	60	54	11	125
2013-14	59	58	11	128

\* Full-Time Equivalent Positions

(1) Included Directors, Dean, Vice Presidents, and President only.

Source: Klamath Community College District's Human Resource Office.

**Klamath Community College District**  
Klamath Falls, Oregon

AVERAGE STUDENT-TEACHER RATIO  
 Last Ten Fiscal Years

<u>YEARS</u>	<u>FACULTY (1)</u>	<u>STUDENTS (1)(2)</u>	<u>STUDENTS PER TEACHING STAFF (3)</u>
2022-23	181	2190	12.10
2021-22	163	1868	11.46
2020-21	184	2556	13.89
2019-20	168	3274	19.49
2018-19	178	3097	17.40
2017-18	167	3361	20.13
2016-17	206	3454	16.77
2015-16	221	3427	15.51
2014-15	188	2906	15.46
2013-14	170	2523	14.84

(1) Unduplicated Headcount

(2) Unduplicated headcount also includes KALC students working on ESL, GED and High School completions.

(3) Due to KALC students described in (2), "Students per Teaching Staff" are higher than actual as KALC are excluded from "Faculty".

Sources: Klamath Community College District, and the Department of Community Colleges & Workforce Development

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**KLAMATH COMMUNITY COLLEGE**  
Klamath Falls, Oregon

CERTIFICATES AND DEGREES GRANTED  
 Last Ten Fiscal Years

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
<b>Certificates</b>					
One-Year	126	55	118	76	73
Pathways (1)	303	112	252	214	208
Less Than One-Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Total Certificates	<u>429</u>	<u>167</u>	<u>370</u>	<u>290</u>	<u>283</u>
<b>Degrees</b>					
Associate of Applied Science	182	65	161	83	100
Associate of Arts - Oregon Transfer	9	3	6	6	4
Associate of General Studies	34	17	60	22	38
Associate of Science	<u>41</u>	<u>30</u>	<u>43</u>	<u>41</u>	<u>44</u>
Total Degrees	<u>266</u>	<u>115</u>	<u>270</u>	<u>152</u>	<u>186</u>
High School Diplomas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GED Certificates	<u>42</u>	<u>35</u>	<u>35</u>	<u>38</u>	<u>27</u>
Total Awards	<u><u>737</u></u>	<u><u>317</u></u>	<u><u>675</u></u>	<u><u>480</u></u>	<u><u>496</u></u>

**(1) Career Pathways:** An integrated continuum of programs and services designed to prepare high school students and adults for employment and advancement in targeted occupations. Students are awarded Certificates of Completion that can help them qualify for employment in entry level jobs while continuing to work on their degree.

**Source:** Oregon Community College Unified Reporting System (OCCURS) and Oregon Department of Community College and Workforce Development.

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
75	48	55	65	59
177	114	114	21	36
<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>
<u>252</u>	<u>162</u>	<u>169</u>	<u>87</u>	<u>98</u>
131	87	52	79	64
21	20	10	17	10
46	39	21	24	33
<u>56</u>	<u>27</u>	<u>26</u>	<u>26</u>	<u>30</u>
<u>254</u>	<u>173</u>	<u>109</u>	<u>146</u>	<u>137</u>
<u>0</u>	<u>8</u>	<u>1</u>	<u>45</u>	<u>10</u>
<u>16</u>	<u>34</u>	<u>14</u>	<u>98</u>	<u>148</u>
<u>522</u>	<u>377</u>	<u>293</u>	<u>376</u>	<u>393</u>

**Klamath Community College District**  
Klamath Falls, Oregon

CAPITAL ASSET VOLUME AND USAGE  
June 30, 2023

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 2,177,959	\$ -	\$ 2,177,959
One Campus, 58.25 contiguous acres			
Construction in Process	55,822	-	55,822
Land Improvements	5,063,639	2,962,974	2,100,665
Campus access, parking, utilities, and landscaping			
Buildings & Improvements	44,077,708	12,245,619	31,832,089
Ten buildings totalling	189,355		
Consisting of:			
Classrooms/Labs	76,031		
Offices	35,568		
Conference/Meeting Rooms	6,666		
Student Commons	5,625		
Learning Resource Center	5,509		
Equipment	4,054,081	2,977,106	1,076,975
Classroom and facilities equipment and furniture			
Computers and Software	4,585,258	3,905,810	679,448
Computers and Software for students, faculty, and staff.			
Library Collections	65,170	31,924	33,246
7,152 volumes			
Totals	<u>\$ 60,079,637</u>	<u>\$ 22,123,433</u>	<u>\$ 37,956,204</u>

Sources: Klamath Community College Facilities department and Learning Resource Center

**Klamath Community College District**  
Klamath Falls, Oregon

SCHEDULE OF INSURANCE IN EFFECT  
For the Year Ended June 30, 2023

COMPANY	CERTIFICATE NUMBER	COVERAGE PERIOD	AMOUNT OF INSURANCE	TYPE OF COVERAGE
PACE (Property and Casualty)	31P60165-292	7/1/2022 to 7/1/2023	\$43,760,739	Buildings
			\$6,914,998	Business Personal Property
			\$145,626	Portable Equipment, Mobile Equipment and other Inland Marine items
				<b><u>Sublimits for Covered Property:</u></b>
			100,000	Personal Property Away From Scheduled Premises
			500,000	Personal Property of Others within your Care, Custody, or Control, other than Mobile Equipment
			250,000	Property of Students/Employees/Volunteers
			50,000	Mobile Equipment of others that is within your Care, Custody or Control
			10,000	Unscheduled Fine Arts
				<b><u>Additional Coverages:</u></b>
			5,000,000	Debris Removal
			100,000	Pollutant Clean-up and Removal from Land or Water
			10,000	Fungus a Result of a "Covered Cause of Loss"
			10,000	Preservation of Undamaged Covered Property
			250,000	Professional Services
			25,000	Fire Department Service Charge
			10,000	Recharging of Fire Extinguishing Equipment
			10,000	Arson Reward
			5,000,000	Increased Cost of Construction - Enforcement of Ordinance or Law
			500,000	Increased Cost of Construction - Cost Resulting From Unforeseen Delay
			500,000	Expenses for Restoration or Modification of Landscaping, Roadways, Paved Surfaces, and Underground Utilities
				<b><u>Sublimits for Additional Coverages- Business Income and Extra Expense:</u></b>
			5,000,000	Business Income
			5,000,000	Extra Expense
			25,000	Enforcement of Order by Government Agency or Authority
			25,000	Business Income from Dependent Property
			25,000	Interruption of Utility Services
			25,000	Inability to Discharge Outgoing Sewage
				<b><u>Coverage Extensions:</u></b>
			5,000,000	Property in the Course of Construction.
			500,000	Newly Acquired or Constructed Property.
			250,000	Unscheduled Outdoor Property
			250,000	Malicious mischief or Vandalism to Tracks and Artificial Turf Fields
			500,000	Property in Transit
			500,000	Accounts Receivable
			50,000	Property Damaged by Overflow of Sewers or Drains
			100,000	Covered Leasehold Interest
			500,000	Valuable Papers and Records
			25,000	Property Damaged by Computer Virus
			250,000	Miscellaneous Property Damaged by Specified Cause of Loss or Theft
				<b><u>Equipment Breakdown/Boiler &amp; Machinery Coverage:</u></b>
			\$50,000	Comprehensive Equipment Breakdown
				<b><u>Sub Limits:</u></b>
			\$5,000,000	Business Income/Extra Expense - ALS
			\$1,000,000	Consequential Loss
			\$5,000,000	Demolition and Increased Cost of Construction - Ordinance or Law
			\$2,500,000	Expediting Expenses
			\$2,500,000	Spoilage
			\$1,000,000	Hazardous Substances
			\$1,000,000	Ammonia Contamination
			\$5,000,000	Water Damage
			\$5,000,000	Utility Interruption
			\$1,000,000	Media and Data
			\$1,000,000	Newly Aquired Locations - 180 Day reporting
				<b><u>Comprehensive Crime Coverage</u></b>
			\$500,000	Crime Policy
			\$250,000	Impersonation Fraud (\$25000 deductible)
			\$25,000	Loss Investigation Expense

COMPANY	CERTIFICATE NUMBER	COVERAGE PERIOD	AMOUNT OF INSURANCE	TYPE OF COVERAGE
				<b><u>Educators Liability</u></b>
			\$10,000,000	Per Occurance Limit of Liability
			\$10,000,000	Per Wrongful Act Limit of Liability
			\$20,000,000	Annual Aggregate Limit of Liability
				<b><u>Additional &amp; Supplemental Coverages - Educators Liability:</u></b>
			\$25,000	Ethics Complaint Defense Cost
			\$5,000	Premises Medical Expense
			\$250,000	Limited Hazardous Substances Coverage
			\$50,000	Applicators Pollution Coverage
			\$25,000	Injunction Relief Defense Costs
			\$100,000	Fungal Pathogens (Mold) Defense Costs
			\$25,000	OTSPC Defense Costs
			\$50,000	Lead Sublimit Defense Costs
				<b><u>Excess Liability</u></b>
			\$5,000,000	Per Occurance/Annual Aggregate (\$10,000 Retention)
			\$5,000,000	Per Occurance/Annual Aggregate (\$15,000 Retention)
				<b><u>Cyber Liability &amp; Cyber Extortion</u></b>
			\$5,000	Security & Privacy
			\$5,000	Event Management
			\$5,000	Media Content
			\$5,000	Network Interruption
			\$25,000	Cyber Extortion
			\$1,000,000	AIG Cyber Liability (\$5,000,000 Annual Aggregate)
			\$200,000	AIG Cyber Extortion Coverage Limits (\$2,000,000 Annual Aggregate)
				<b><u>School Violent Acts Coverage</u></b>
			\$50,000	Limit of Coverage
			\$200,000	Maximum Annual Aggregate Limit ALL PACE Members Combined
				<b><u>Auto Liability</u></b>
			\$500,000	Auto Liability
			\$500,000	Non-Owned/Hired Auto Liability
			\$100,000	Hired Auto Physical Damage (\$100/\$500 Deductible)
			\$500,000	Uninsured/Underinsured Motorist Bodily Injury
				See auto schedule included with policy for lists of covered vehicles
				<b><u>Excess Auto Liability</u></b>
			\$14,500,000	Excess Auto Liability (\$500,000 Retention)
			\$14,500,000	Excess Non-Owned/Hired Auto Liability (\$500,000 Retention)
Endurance American Speciality	NAQ6055154	7/1/2022 to 7/1/2023		<b><u>Non-Owned Aircraft Liability</u></b>
			\$2,000,000	Single Limit Bodily Injury & Property Damage Liability
				<b><u>Participants</u></b>
SAIF Corporation	Policy # 630670	8/1/2022 to 8/1/2023		Workman's Compensation
Zurich through SAIF	Cc WC8998214-10	8/1/2022 to 8/1/2023		Other States Workman's Compensation
OEBB	Policy # 646595	10/1/2022 to 9/30/2023		Standard Medical & Life insurance

Source: Klamath Community College District Insurance Records.

**Klamath Community College District**  
Klamath Falls, Oregon

MISCELLANEOUS STATISTICAL DATA  
 June 30, 2023

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DATE OF CREATION: July 1, 1996

DATE OF CHARTER: January 1, 1998

CENTRAL MAILING ADDRESS: Klamath Community College District  
 7390 South Sixth Street  
 Klamath Falls, OR 97603-7121  
 Telephone: (541) 882-3521

<u>FACILITIES:</u>	<u>Number</u>	<u>Square Feet</u>
Main Campus:		
Buildings	11	189,335
Classrooms/labs	48	76,031
Offices	147	35,568
Multipurpose:		
Conference/Meeting Rooms	9	6,666
Student Commons	1	12,018
Learning Resource Center	1	5,509
Asphalt Parking		278,755
Asphalt Road		159,190

Sources: Klamath Community College District's Facilities Office, Registrar's Office, and Learning Affairs Office.

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## **COMPLIANCE SECTION**

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**COMMENTS OF THE INDEPENDENT  
AUDITORS REQUIRED BY THE STATE OF  
OREGON MINIMUM STANDARDS FOR  
AUDITS OF OREGON MUNICIPAL  
CORPORATIONS**

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KENNETH KUHNS & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
570 LIBERTY STREET S.E., SUITE 210  
SALEM OREGON 97301-3594  
TELEPHONE (503) 585-2550

INDEPENDENT AUDITOR'S COMMENTS  
REQUIRED BY OREGON STATE REGULATIONS

November 10, 2023

Board of Education  
Klamath Community College District  
Klamath Falls, Oregon

We have audited, 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, the financial statements of Klamath Community College District as of and for the year ended June 30, 2023, and have issued our report thereon dated November 10, 2023.

**Internal Control Over Financial Reporting**

Our report on Klamath Community College District's internal control over financial reporting is presented elsewhere in this Annual Comprehensive Financial Report.

**Compliance**

As part of obtaining reasonable assurance about whether Klamath Community College 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, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the 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.

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

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

In connection with our testing nothing came to our attention that caused us to believe Klamath Community College District was not in substantial compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as described in the following paragraph.

As discussed in Note 2 to the financial statements, Klamath Community College District overexpended certain appropriations during the year. ORS 294.456(6) provides that no greater amount be expended than appropriated except as specifically provided by law.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

**GOVERNMENT AUDITING STANDARDS  
REPORT**

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

November 10, 2023

Board of Education  
Klamath Community College District  
Klamath Falls, Oregon

We have audited, 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, the financial statements of Klamath Community College District as of and for the year ended June 30, 2023, and have issued our report thereon dated November 10, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Klamath Community College 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Klamath Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Klamath Community College District's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Klamath Community College 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

# **SINGLE AUDIT REPORT**

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

November 10, 2023

Board of Education  
Klamath Community College District  
Klamath Falls, Oregon

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

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

We have audited Klamath Community College District's 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 each of Klamath Community College District's major federal programs for the year ended June 30, 2023. Klamath Community College District's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, Klamath Community College District complied, in all material respects, with the 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 (GAAS); 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 Klamath Community College 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Klamath Community College 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 Klamath Community College 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 Klamath Community College 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 GAAS, *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 Klamath Community College District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Klamath Community College 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 Klamath Community College 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 Klamath Community College 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 control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

**KLAMATH COMMUNITY COLLEGE DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

Federal Grantor Pass-through Grantor / Program Title	Federal Assistance Listing Number	State / Local Grant Number	Federal Expenditures
<b>U.S. Department of Commerce:</b>			
Economic Development Administration:			
Public Works and Economic Facilities Program	11.300		\$ 1,241,046
<b>U.S. Department of Education:</b>			
Student Financial Aid:			
Federal Pell Grant Program	84.063		2,849,140
Federal Supplemental Educational Opportunity Grant	84.007		66,141
Federal Work-Study Program	84.033		61,611
Federal Direct Student Loans	84.268		<u>2,705,544</u>
Total Federal Financial Aid			<u>5,682,436</u>
Other Programs:			
TRIO Cluster:			
TRIO - Student Support Services	84.042		257,425
TRIO - Upward Bound	84.047		69,072
Total TRIO Cluster			<u>326,497</u>
High School Equivalency Program	84.141		<u>491,294</u>
Title II- Adult Literacy	84.002A		<u>182,700</u>
Strengthening Institutions, Title III	84.031		<u>466,435</u>
Covid 19-HEERF Program - CARES Act - Institutional (1)	84.425F		969,957
Covid 19-HEERF Program-CARES Act-Title III (1)	84.425M		245,133
Covid 19-HEERF Program-CARES Act-Supplemental (1)	84.425T		432,662
Total HEERF Program - CARES Act			<u>1,647,752</u>
Pass-Through Programs From:			
Oregon Higher Education Coordinating Commission			
Career Assessment Software	84.048A		8,415
Non-Traditional Perkins	84.048A		20,000
			<u>28,415</u>
Total U.S. Department of Education			<u>8,825,529</u>
<b>U.S. Department of Labor:</b>			
WIOA Cluster:			
Passed through East Cascades Workforce Board:			
US Dept. of Labor Workforce Innovation and Opportunity Act Title I Adult	17.258	3510	58,711
US Dept. of Labor Workforce Innovation and Opportunity Act Title I Dislocated Worker	17.278	3512	41,620
US Dept. of Labor Workforce Innovation and Opportunity Act Title I Youth	17.259	3513	62,736
Passed through Oregon Higher Education Coordinating Commission:			
WIOA Formula Grant Youth/Adult/ Dislocated Workers (\$269,873 awarded total )-Strategic Innovations	17.259		<u>135,802</u>
Total WIOA Cluster			<u>298,869</u>
Passed through East Cascades Workforce Board:			
US Dept. of Labor Workforce Innovation and Opportunity Act Title I Youth Development Department	17.277	3532	3,137
Passed through Mt Hood Community College:			
Department of Labor-Strengthening Community Colleges	17.261		124,100
Total U.S. Department of Labor			<u>426,106</u>
U.S. Small Business Administration:			
Small Business Development Centers	59.037		<u>39,570</u>
DOT Federal Motor Carrier Safety Administration			
Commercial Motor Vehicle Operator Training Grants	20.235		<u>118,462</u>
USDA - Forest Service			
Cooperative Fire Programs	10.698		<u>74,257</u>
Total Expenditures of Federal Awards			\$ <u>10,724,970</u>

KLAMATH COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2023

1. Purpose of the Schedule:

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Klamath Community College District's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present either the financial position or changes in net position of the District.

2. Significant Accounting Policies:

**Reporting Entity:** The reporting entity is fully described in Note 1 to the District's financial statements. The Schedule includes all federal financial assistance programs administered by the District for the year ended June 30, 2023.

**Basis of Presentation:** The information in the Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Federal Financial Assistance:** Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**Basis of Accounting:** The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Matching Costs:** The Schedule does not include matching expenditures.

KLAMATH COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2023

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Klamath Community College District.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Klamath Community College District.
3. No instances of noncompliance material to the financial statements of Klamath Community College District were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Klamath Community College District.
5. The independent auditor's report on compliance for the major federal award programs of Klamath Community College District expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs of Klamath Community College District are reported in this schedule.
7. The programs tested as major programs are as follows:

Program Name	Assistance Listing Number
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Education Stabilization Fund	84.425

8. The threshold for distinguishing Type A programs from Type B programs was \$750,000.
9. Klamath Community College District did not qualify as a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None.