



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

*For the Year Ended  
June 30, 2020*

**Prepared by:  
Administrative Services Department**



Tricia Fiscus  
Vice President of Administrative Services

# Klamath Community College District

Klamath Falls, Oregon

For the Year Ended June 30, 2020

| <b>Zone</b> | <b>Board of Education</b>   | <b>Term Expires</b> |
|-------------|---|---------------------|
| 1           | KATE MARQUEZ<br>2034 Fremont Street<br>Klamath Falls, OR 97601                            | June 30, 2021       |
| 2           | KENNETH DECRANS<br>6519 Valhalla Avenue<br>Klamath Falls, OR 97603                        | June 30, 2023       |
| 3           | MICHAEL J. FITZGERALD<br>11417 Hill Road<br>Klamath Falls, OR 97603                       | June 30, 2021       |
| 4           | DAVE JENSEN<br>11030 Highway 39<br>Klamath Falls, OR 97603                                | June 30, 2023       |
| 5           | AL KING<br>9620 Kestrel Road<br>Klamath Falls, OR 97601                                   | June 30, 2021       |
| 6           | HELEN PETERSEN<br>23402 Sprague River Road<br>Sprague River, OR 97630                     | June 30, 2023       |
| 7           | WILLIAM RIGGS<br>9151 Spring Lake Road<br>Klamath Falls, OR 97603                         | June 30, 2021       |
|             | Student (Non-Voting)<br>Jenny Naylor<br>3836-1/2 Austin Street<br>Klamath Falls, OR 97603 | June 30, 2020       |

## ADMINISTRATION

Dr. Roberto Gutierrez, President

Tricia Fiscus, Vice President of Administrative Services

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

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KLAMATH COMMUNITY COLLEGE DISTRICT  
KLAMATH FALLS, OREGON  
June 30, 2020

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June 30, 2020

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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.

December 31, 2020

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

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of Klamath Community College District (the College) for the fiscal year ended June 30, 2020, together with the audit opinion thereon of our independent auditors as required by Oregon State laws. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the 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. This 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, 2020 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 Management’s

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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, an area nearly 6,100 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. 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. Klamath County is in the southern portion of the state of Oregon, bordered by Jackson, Lake, 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, three vice presidents, two executive directors, three deans, fourteen directors, 32 full-time faculty, and 53 other exempt positions. The college also employs 46 positions that are non-exempt and full-time employees for various support roles. During most academic terms the college employs about 150 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 seven years through this year. From 2012-13 to 2019-20 KCC has experienced a 19% increase in FTE while the State total FTE for all colleges has decreased by 34%. In that time period, KCC is the only college to have a greater FTE in 2019-20 than in 2012-13. In the past year statewide FTE is down 9.7% and KCC saw 6.2% growth.

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. In 2019, Government comprised 25.4% of Klamath County's total payroll, and 20.5% of the County's total jobs based on data from the Oregon Employment Department (OED).

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.

Job losses in Klamath County were more pronounced this year than originally estimated due to a significant closure of a professional services employer. The unemployment rate in Klamath county has been fairly comparable in month-to-month rates from one year ago. Klamath County's unemployment rate is currently at 6.7% (November 2020) and typically runs two to three percent higher than the state unemployment rate. Job gains in the past year have been in health services and local government education while losses have been concentrated in the private sector with notable declines in professional and business services, leisure and hospitality, and manufacturing.

#### **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, \$32 million in capital improvements have been completed without a local construction levy. Currently the college is working on the design of the Apprenticeship and Industrial Trades Center, estimating to be complete in the Fall term of 2022. 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 adds 42,000 square feet with a cost of \$16,285,000.

### **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 comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 20th 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

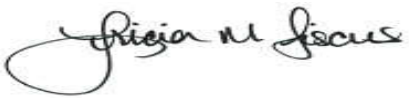
#### **Acknowledgments**

I wish to recognize Mr. Geoffrey LaHaie, Director of Business Services and Controller, not only for his preparation of the CAFR, but also for his attention to the 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 –Donna Nations, Emily Ketcham, Nicole Baker, Diane Haskins and Joy Paul. My sincere gratitude to Dana Hovey, Administrative Assistant, for her efforts in making sure that all the pieces came together for the College's 20<sup>th</sup> Comprehensive Annual Financial Report. Finally, many thanks to our audit firm, Kenneth Kuhns & Co. for their diligent efforts in reviewing our work.

I would like express my sincere gratitude to Dr. Gutierrez, our college President, the members of the Board of Education, as well as all College employees for their combined support and dedication to the financial operations of the College.

Respectfully submitted,

A handwritten signature in black ink, reading "Tricia M. Fiscus". The signature is written in a cursive, flowing style with a large initial "T" and "F".

Tricia Fiscus  
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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

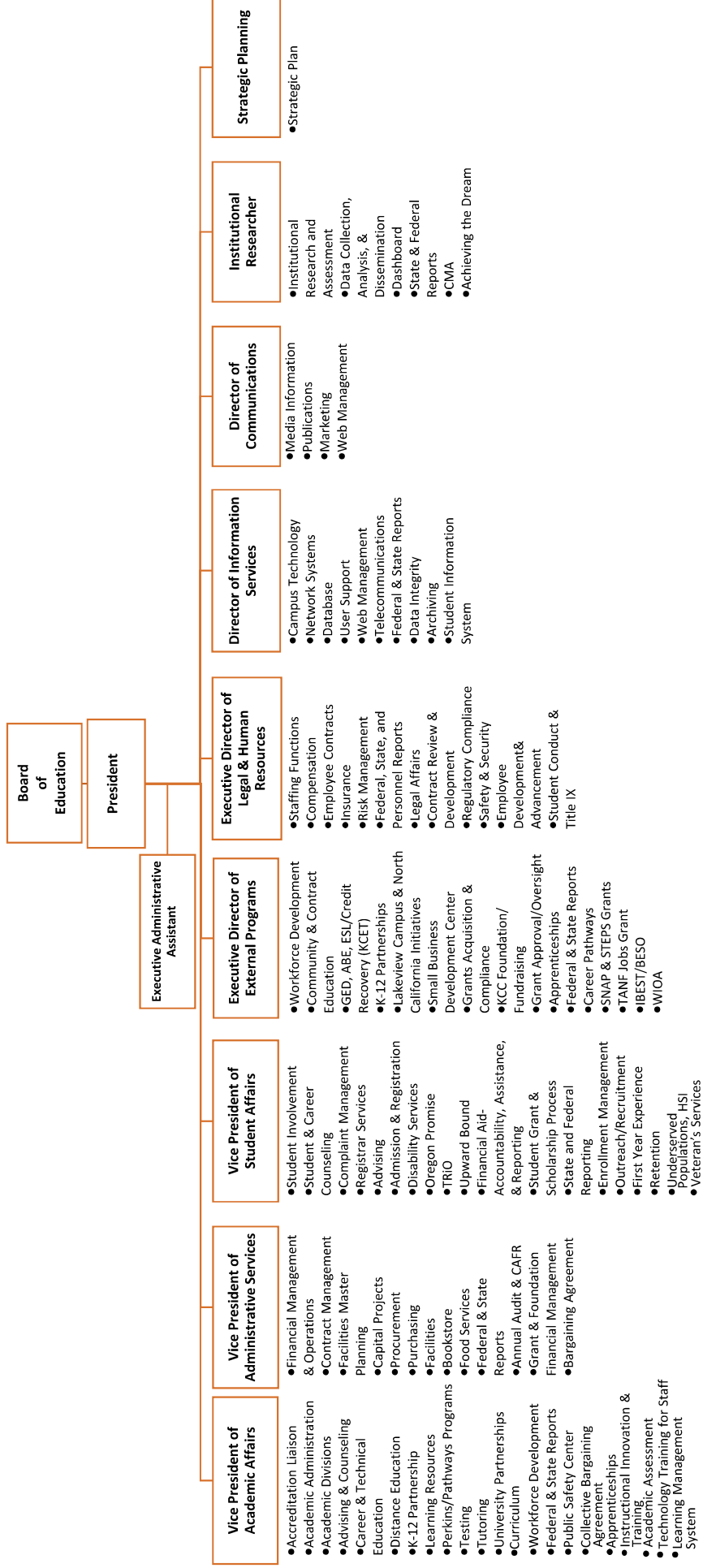
# Klamath Community College District

Klamath Falls, Oregon

## LISTING OF ADMINISTRATORS For the Year Ended June 30, 2020

| TITLE   | NAME                  |
|---|-----------------------|
| President   | Dr. Roberto Gutierrez |
| Vice President of Administrative Services                 | Tricia Fiscus         |
| Vice President of Academic Affairs                        | Jamie Jennings        |
| Vice President of Student Services-Interim                | Bill Jennings         |
| Executive Director of External Programs                   | Charles Massie        |
| Executive Director of Human Resources and General Counsel | Justin Wright         |
| Dean for Career Technical Education Program               | Christopher Stickles  |
| Dean of Instruction                                       | Jeanne LaHaie         |
| Dean of Nursing and Health Sciences                       | Allison Sansom        |
| Director of Facilities                                    | Michael Homfeldt      |
| Director of Information Services                          | Paul Breedlove        |

# Citizens of the District



## **FINANCIAL SECTION**

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**REPORT OF THE INDEPENDENT  
AUDITOR**

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## INDEPENDENT AUDITOR'S REPORT

December 31, 2020

Board of Education  
Klamath Community College District  
Klamath Falls, Oregon

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

We have audited the accompanying 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, 2020, 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.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Klamath Community College District and Klamath Community College Foundation, Inc. as of June 30, 2020, 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.

### ***Other Matters***

#### ***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 listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 and Other 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, introductory section, statistical section, 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.

The other supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

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

## **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 December 31, 2020 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 December 31, 2020 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



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

This section of Klamath Community College District's (the College) Comprehensive Annual Financial Report (CAFR) presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2020. 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, 2020 that impacted the Klamath Community College District are as follows:

- \* At the end of the 2019-20 fiscal year, the assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources by \$24.8 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, negative by \$148 thousand.
- \* The College's total net position increased by \$666 thousand, or 2.77%. 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 2018-19 Oregon State Aid payment of \$2.1 million being deferred to 2019-20.
  - A \$337 thousand increase in tuition and fees.
  - A \$1.2 million increase in personnel expenses.
  - A \$1.5 million increase in personnel expense pension actuarial adjustment.
  - A \$1.8 million increase in student financial aid and grants, which included \$645 thousand from the CARES Act.

- \* Student tuition and fees increased by \$337 thousand, (5.23%), primarily due to an increase in the enrollment.
- \* Measured by Full-Time Equivalent Students, the College's enrollment increased by 6.2% to 1,952.52 FTE.
- \* State Aid (FTE reimbursement) increased \$5.4 million or 88.8%. The increase was caused by the Oregon Legislature's deferral of its eighth quarter payment from April 2019 to July 2019, and the prior year's inclusion of the eighth quarter payment from the previous biennium. 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 increased by \$1.3 million (15.8%).
- \* 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 \$24.9 million is the amount invested in capital assets, e.g. land, buildings, library holdings, machinery and equipment, less any outstanding related debt used to acquire these assets. 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, 2020

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.

|   | 2020                 | 2019                 | Increase<br>(Decrease)<br>2019-20 |
|---|----------------------|----------------------|-----------------------------------|
| <b>Assets</b>                             |                      |                      |                                   |
| Current Assets                            | \$ 10,591,453        | \$ 7,642,814         | \$ 2,948,639                      |
| Capital Assets, net                       | 30,631,569           | 31,862,247           | (1,230,678)                       |
| Other Noncurrent Assets                   | 139,677              | 70,386               | 69,291                            |
| Total Assets                              | <u>41,362,699</u>    | <u>39,575,447</u>    | <u>1,787,252</u>                  |
| <b>Deferred Outflows of<br/>Resources</b> | <u>7,124,048</u>     | <u>7,524,150</u>     | <u>(400,102)</u>                  |
| <b>Liabilities</b>                        |                      |                      |                                   |
| Current Liabilities                       | 1,968,526            | 2,026,528            | (58,002)                          |
| Noncurrent Liabilities                    | 20,962,229           | 19,861,247           | 1,100,982                         |
| Total Liabilities                         | <u>22,930,755</u>    | <u>21,887,775</u>    | <u>1,042,980</u>                  |
| <b>Deferred Inflows of<br/>Resources</b>  | <u>786,874</u>       | <u>1,109,252</u>     | <u>(322,378)</u>                  |
| <b>Net Position</b>                       |                      |                      |                                   |
| Net invested in Capital Assets            | 24,917,143           | 25,609,324           | (692,181)                         |
| Unrestricted                              | (148,025)            | (1,506,754)          | 1,358,729                         |
| Total Net Position                        | <u>\$ 24,769,118</u> | <u>\$ 24,102,570</u> | <u>\$ 666,548</u>                 |

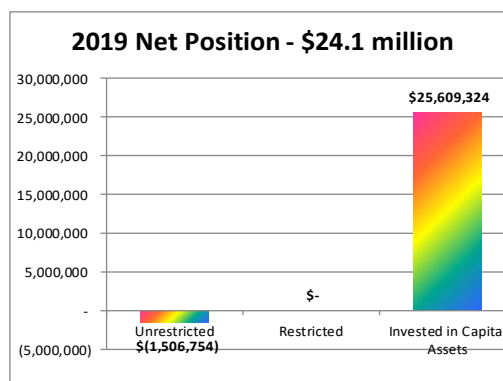
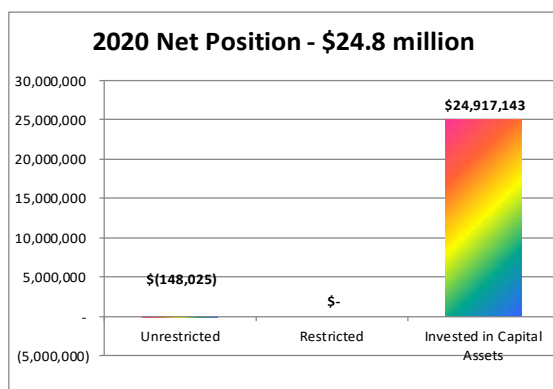
**Fiscal year 2020 compared to 2019.** As of June 30, 2020, the College's assets were approximately \$41.4 million. The College's current assets of \$10.6 million were sufficient to cover current liabilities of \$2.0 million. This represents a current ratio of 5.4 as compared to 3.8 for the prior year. This increase in the current ratio is primarily due to an increase in cash associated with the deferral of the 8<sup>th</sup> quarter state aid payment to July 2019. Receivables consist primarily of property taxes, student accounts, and intergovernmental grants. The College's investment in capital assets, net of accumulated depreciation decreased \$1.2 million, reflecting a pause in capital construction.

The College's current liabilities are comprised primarily of payroll, accrued payables for operation, construction contract retainage, and the 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, consisting of approximately 105,000 square feet.

Within net position, the "Net investment in capital assets" amount is \$24.9 million, a decrease of \$692,181 compared to 2019, primarily due to a pause in capital construction. 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 increase 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, 2020

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:

|                                     | 2020                | 2019                | Increase<br>(Decrease)<br>2020-19 |
|-------------------------------------|---------------------|---------------------|-----------------------------------|
| <b>Operating Revenues</b>           |                     |                     |                                   |
| Tuition and Fees                    | \$6,770,934         | \$6,434,313         | \$ 336,621                        |
| Federal Financial Aid<br>and Grants | 6,219,912           | 4,380,592           | 1,839,320                         |
| State Grants and Contracts          | 1,453,093           | 1,393,453           | 59,640                            |
| Out-of-District Contracts           | 528,364             | 457,210             | 71,154                            |
| Auxiliary Enterprises               | 415,179             | 374,981             | 40,198                            |
| Total Operating Revenues            | <u>15,387,482</u>   | <u>13,040,549</u>   | <u>2,346,933</u>                  |
|                                     |                     |                     |                                   |
|                                     | 2020                | 2019                | Increase<br>(Decrease)<br>2020-19 |
| <b>Operating Expenses</b>           |                     |                     |                                   |
| Educational and General:            |                     |                     |                                   |
| Instruction                         | 8,872,588           | 8,035,278           | 837,310                           |
| Instructional Support               | 2,078,939           | 1,757,189           | 321,750                           |
| Student Services                    | 3,705,329           | 3,433,357           | 271,972                           |
| College Support                     | 4,964,749           | 4,240,344           | 724,405                           |
| Plant Operations                    | 1,138,856           | 1,110,860           | 27,996                            |
| Financial Aid                       | 5,203,922           | 4,337,694           | 866,228                           |
| Auxiliary Enterprises               | 479,001             | 423,309             | 55,692                            |
| Depreciation                        | 2,200,758           | 2,152,370           | 48,388                            |
| Total Operating Expenses            | <u>28,644,142</u>   | <u>25,490,401</u>   | <u>3,153,741</u>                  |
|                                     |                     |                     |                                   |
| Operating Loss                      | <u>(13,256,660)</u> | <u>(12,449,852)</u> | <u>(806,808)</u>                  |



|   | 2020                 | 2019                 | Increase<br>(Decrease)<br>2020-19 |
|---|----------------------|----------------------|-----------------------------------|
| <b>Non-Operating Revenues (Expenses)</b>                                    |                      |                      |                                   |
| State Support   | \$ 11,531,775        | \$ 6,107,769         | \$ 5,424,006                      |
| Investment Income   | 202,470              | 187,798              | 14,672                            |
| Property Taxes  | 2,324,062            | 2,273,866            | 50,196                            |
| Debt Premium Amortization   | 3,246                | 3,246                | -                                 |
| Loss on disposal of Capital Assets  | -                    | (2,525)              | 2,525                             |
| Interest Expense  | (180,629)            | (193,894)            | 13,265                            |
| Net Nonoperating Revenues   | <u>13,880,924</u>    | <u>8,376,260</u>     | <u>5,504,664</u>                  |
| Total Increase - (Decrease) in Net Position<br>before Capital Contributions | 624,264              | (4,073,592)          | 4,697,856                         |
| Capital Contributions   | <u>42,284</u>        | <u>406,494</u>       | <u>(364,210)</u>                  |
| Change in Net Position  | 666,548              | (3,667,098)          | 4,333,646                         |
| Net Position, Beginning of Year   | <u>24,102,570</u>    | <u>27,769,668</u>    | <u>(3,667,098)</u>                |
| Net Position, End of Year   | <u>\$ 24,769,118</u> | <u>\$ 24,102,570</u> | <u>\$ 666,548</u>                 |

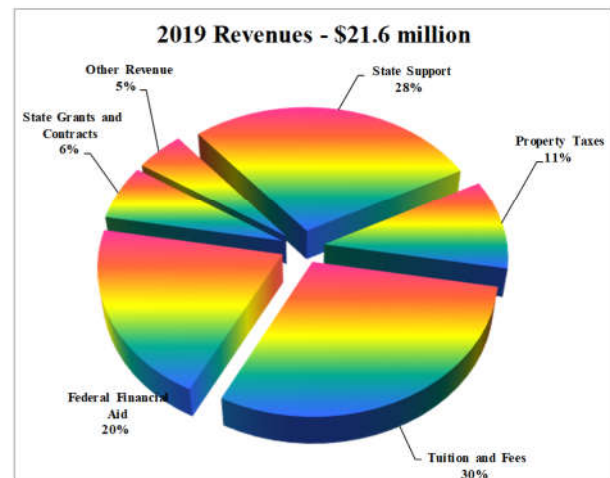
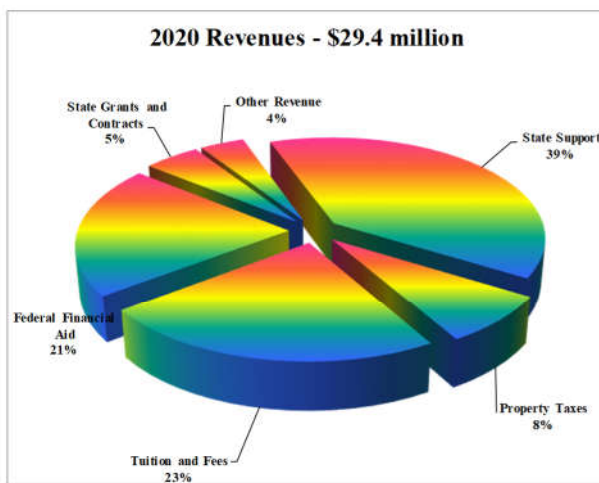
## Revenues

**Fiscal year 2020 compared to 2019.** 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 \$6.8 million, an increase of \$337 thousand, or 5.2% over 2018/19. Enrollment FTE increased by 6.2% to 1,952.5 FTE. Federal financial aid, grants, and contracts totaled approximately \$6.2 million, an increase of \$1.8 million, or 42.0% when compared to the previous year. This increase is spread among multiple, including a U.S. Dept. of Labor Workforce Innovation and Opportunity Act Grant "WIOA", a U.S. Dept. of Education TrIO Upward-Bound Grant and the CARES Act. The College also facilitated \$3.7 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 \$1.5 million, an increase of \$60 thousand. This 4.3% increase was a combination of many state grants. Out-of-District contracts increased \$71 thousand, or 15.6%. Auxiliary enterprises consisting of catered food service and bookstore revenue increased \$40 thousand, or 10.7%, due to a 6.2% increase in FTE enrollment and an increase per-student 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) increased \$5.4 million or 88.8%. The increase was caused by the Oregon Legislature's deferral of its eighth quarter reimbursement for the biennium from April 2019 to July 2019. When compensating for this timing adjustment, State Aid increased by \$1.3 million, or 15.9% to \$9.5 million. Additional non-operating revenues included \$2.3 million received from property taxes and investment income of \$202 thousand.

The following graphs illustrate the allocation of College revenues for Fiscal Years 2019-20 and 2018-19:



## Expenses

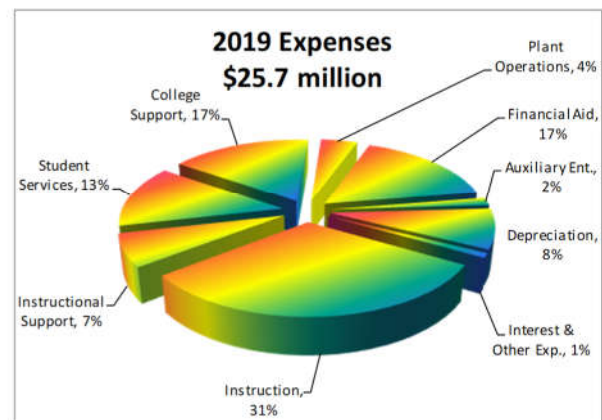
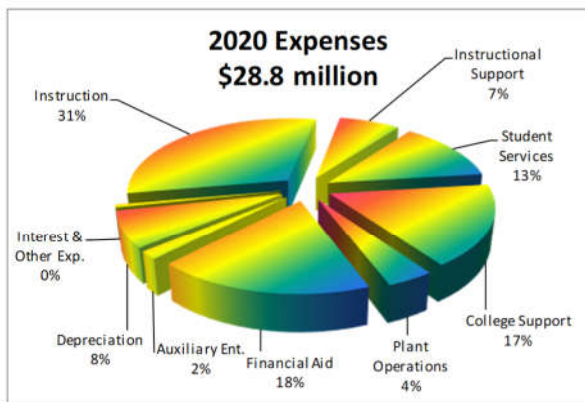
**Fiscal year 2020 compared to 2019.** Operating expenses totaled \$28.6 million, a 12.4% increase when compared to last year's total of \$25.5 million, and are comprised of salaries and benefits, materials and services, utilities, financial aid and grants, cost of goods sold, and depreciation. Last year's report included a GASB 68 adjustment of \$1.5 million, compared to this year's adjustment of \$1.7 million (please see below.) Including these adjustments, most expense categories increased with Instruction expense experienced the largest increase of 10.4%, or \$837 thousand. Instruction Expense includes all instructional expenses for both credit and non-credit instruction. Student Services increased by \$272 thousand, or 7.92%, 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 \$724 thousand, or 17.1%, due primarily to the CARES Act. Instructional Support increased by \$321 thousand, or 18.3%, due to several factors including the GASB 68 adjustment and several small grants. Depreciation increased by \$48 thousand, or 2.2%. Auxiliary Enterprises increased by \$56 thousand, or 13.2% due to an increase per-student sales at our bookstore.

Instruction expense is the largest category at \$8.8 million followed by Financial Aid at \$5.2 million, and College Support at \$5.0 million, representing 31.0%, 18.2%, and 17.3% of total operating expenses.

Fiscal year 2020 non-operating expenses totaling \$181 thousand is comprised entirely 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 2019 and 2020 expenses. The chart below shows an expense comparison without including the pension adjustments to allow comparison with 2019 expenses.

**Expense Comparison without GASB 68 & 75**

|                           | 2020       | 2019       | Increase<br>(Decrease)<br>2020-19 |
|---------------------------|------------|------------|-----------------------------------|
| <b>Operating Expenses</b> |            |            |                                   |
| Educational and General:  |            |            |                                   |
| Instruction               | 8,179,819  | 7,428,427  | 751,392                           |
| Instructional Support     | 1,915,592  | 1,625,122  | 290,470                           |
| Student Services          | 3,416,763  | 3,176,087  | 240,676                           |
| College Support           | 4,570,147  | 3,916,253  | 653,894                           |
| Plant Operations          | 1,049,800  | 1,027,047  | 22,753                            |
| Financial Aid             | 5,203,922  | 4,337,694  | 866,228                           |
| Auxiliary Enterprises     | 441,610    | 391,343    | 50,267                            |
| Depreciation              | 2,200,758  | 2,152,370  | 48,388                            |
| Total Operating Expenses  | 26,978,411 | 24,054,343 | 2,924,068                         |

Analysis of the Statement of Cash Flows  
For the Year Ended June 30, 2020

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.

|   | 2020                | 2019                | Increase<br>(Decrease)<br>2020-19 |
|---|---------------------|---------------------|-----------------------------------|
| <b>Cash Provided by (Used in):</b>          |                     |                     |                                   |
| Operating Activities                        | \$ (9,733,877)      | \$ (8,987,828)      | \$ (746,049)                      |
| Noncapital Financing<br>Activities          | 13,855,213          | 8,388,148           | 5,467,065                         |
| Capital and Related<br>Financing Activities | (1,562,836)         | 73,379              | (1,636,215)                       |
| Investing Activities                        | 202,470             | 187,798             | 14,672                            |
| Net Increase (Decrease) in Cash             | 2,760,970           | (338,503)           | 3,099,473                         |
| Cash - Beginning of year                    | 5,634,081           | 5,972,584           | (338,503)                         |
| Cash - End of year                          | <u>\$ 8,395,051</u> | <u>\$ 5,634,081</u> | <u>\$ 2,760,970</u>               |

**Fiscal year 2020 compared to 2019.** 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 increased by \$2.8 million from Fiscal Year 2018-19 to 2019-20 to

\$8.4 million, attributable primarily to the deferral of the 8<sup>th</sup> quarterly state aid payment of the 17/19 biennium mentioned above.

## **Capital Assets and Debt Administration**

### Capital Assets

**Fiscal year 2020 compared to 2019.** The College's investment in capital assets as of June 30, 2020, equates to \$30.6 million, net of accumulated depreciation, a \$1.2 million decrease 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 2020 compared to 2019.** At the conclusion of the current fiscal year, the College had total debt outstanding, net of premiums of \$21.7 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 \$1.1 million, the net of a \$1.8 million increase in Net Pension liability, a \$86 thousand decrease in Pension transition liability, net of \$554 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 September 2018. 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 \$134.1 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 not determined the appropriation for Oregon's 17 community colleges for the 2021-23 biennium. The global pandemic has hurt the State economy, but the total effect has not been determined, yet. State funding may be effected negatively for the next biennium.

Our local economy has suffered a setback due to the pandemic and other factors with an unemployment of approximately 8.6%, a 2.1% increase over last year. Historically, enrollment has had an inverse relationship with local employment opportunities. However the College enrollment has also declined because of the pandemic. The College faces increasing costs in the coming year.

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:

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



## **BASIC FINANCIAL STATEMENTS**

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**KLAMATH COMMUNITY COLLEGE DISTRICT**  
**KLAMATH FALLS, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

**ASSETS**

|                                 |                   |
|---------------------------------|-------------------|
| Current assets:                 |                   |
| Cash and investments            | \$ 8,395,051      |
| Receivables:                    |                   |
| Taxes                           | 183,082           |
| Tuition and fees                | 361,332           |
| Grants & contracts              | 921,593           |
| Other accounts                  | 191,143           |
| Prepaid items                   | 328,212           |
| Inventory                       | <u>211,040</u>    |
| Total current assets            | <u>10,591,453</u> |
| Noncurrent assets:              |                   |
| OPEB asset                      | 139,677           |
| Non-depreciable capital assets  | 1,782,074         |
| Depreciable capital assets, net | <u>28,849,495</u> |
| Total noncurrent assets         | <u>30,771,246</u> |
| Total assets                    | <u>41,362,699</u> |

**DEFERRED OUTFLOWS OF RESOURCES**

|  |                  |
|--|------------------|
| Deferred outflows related to pensions and OPEB | <u>7,124,048</u> |
|--|------------------|

**LIABILITIES**

|   |                   |
|---|-------------------|
| Current liabilities:  |                   |
| Accounts payable  | 332,916           |
| Due to student organizations                                      | 80,977            |
| Contract retainage  | -                 |
| Payroll and related liabilities                                   | 637,970           |
| Accrued interest payable  | 42,222            |
| Unearned revenue  | 103,433           |
| Long-term liabilities - current portion                           | <u>771,008</u>    |
| Total current liabilities   | <u>1,968,526</u>  |
| Noncurrent liabilities:   |                   |
| Compensated absences  | 54,140            |
| Full faith and credit obligations and private financing agreement | 5,159,983         |
| Net pension liability   | 14,839,235        |
| Net OPEB liability  | 80,482            |
| Pension transition liability                                      | <u>828,389</u>    |
| Total noncurrent liabilities                                      | <u>20,962,229</u> |
| Total liabilities   | <u>22,930,755</u> |

**DEFERRED INFLOWS OF RESOURCES**

|   |                |
|---|----------------|
| Deferred inflows related to pensions and OPEB | <u>786,874</u> |
|---|----------------|

**NET POSITION**

|                                  |                      |
|----------------------------------|----------------------|
| Net investment in capital assets | 24,917,143           |
| Unrestricted                     | <u>(148,025)</u>     |
| Total net position               | <u>\$ 24,769,118</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, 2020**

**REVENUES**

|  |                       |
|--|-----------------------|
| Operating revenues:                      |                       |
| Student tuition and fees                 | \$ 6,770,934          |
| Federal student financial aid and grants | 6,219,912             |
| State grants and contracts               | 1,453,093             |
| Out-of district contracts                | 528,364               |
| Auxiliary enterprises                    | <u>415,179</u>        |
| <br>Total operating revenues             | <br><u>15,387,482</u> |

**EXPENSES**

|                              |                         |
|------------------------------|-------------------------|
| Operating expenses:          |                         |
| Educational and general:     |                         |
| Instruction                  | 8,872,588               |
| Instructional support        | 2,078,939               |
| Student services             | 3,705,329               |
| College support              | 4,964,749               |
| Plant operations             | 1,138,856               |
| Financial Aid                | 5,203,922               |
| Auxiliary enterprises        | 479,001                 |
| Depreciation                 | <u>2,200,758</u>        |
| <br>Total operating expenses | <br><u>28,644,142</u>   |
| <br>Operating Loss           | <br><u>(13,256,660)</u> |

**NONOPERATING REVENUES (EXPENSES)**

|  |                          |
|--|--------------------------|
| State support                            | 11,531,775               |
| Investment income                        | 202,470                  |
| Property taxes and interest              | 2,324,062                |
| Debt premium amortization                | 3,246                    |
| Interest expense                         | <u>(180,629)</u>         |
| <br>Net nonoperating revenues (expenses) | <br><u>13,880,924</u>    |
| <br>Income before capital contributions  | <br>624,264              |
| <br>Capital contributions                | <br><u>42,284</u>        |
| <br>Change in net position               | <br><u>666,548</u>       |
| <br><b>NET POSITION</b>                  |                          |
| Net position - beginning of year         | <u>24,102,570</u>        |
| <br>Net position - end of year           | <br><u>\$ 24,769,118</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, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                    |
|--|--------------------|
| Tuition and fees                             | \$ 6,797,830       |
| Federal student financial aid and grants     | 5,996,844          |
| State grants and contracts                   | 1,406,725          |
| Out-of district contracts                    | 616,695            |
| Payments to suppliers for goods and services | (4,853,548)        |
| Payments to employees                        | (14,430,679)       |
| Payments for financial aid and scholarships  | (5,203,922)        |
| Auxiliary enterprises:                       |                    |
| Cash received from customers                 | 415,179            |
| Paid to suppliers for resale materials       | <u>(479,001)</u>   |
| Net cash used                                |                    |
| by operating activities                      | <u>(9,733,877)</u> |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|                                   |                   |
|-----------------------------------|-------------------|
| Cash received from state support  | 11,531,775        |
| Cash received from property taxes | <u>2,323,438</u>  |
| Net cash provided by              |                   |
| noncapital financing activities   | <u>13,855,213</u> |

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

|  |                    |
|--|--------------------|
| Cash received from capital grants              | 127,166            |
| Construction and acquisition of capital assets | (970,080)          |
| Principal paid on capital debt                 | (535,252)          |
| Interest paid on capital debt                  | <u>(184,670)</u>   |
| Net cash used by capital and                   |                    |
| related financing activities                   | <u>(1,562,836)</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                         |                |
|-------------------------|----------------|
| Interest on investments | <u>202,470</u> |
|-------------------------|----------------|

|   |           |
|---|-----------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 2,760,970 |
|---|-----------|

**CASH AND CASH EQUIVALENTS**

|                       |                     |
|-----------------------|---------------------|
| Beginning of the year | <u>5,634,081</u>    |
| End of the year       | <u>\$ 8,395,051</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, 2020**

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

|  |                       |
|--|-----------------------|
| Operating Loss   | \$ (13,256,660)       |
| Adjustments to reconcile operating loss to net cash<br>used by operating activities: |                       |
| Depreciation expense   | 2,200,758             |
| Changes in assets, liabilities and deferred inflows/outflows:                        |                       |
| Receivables  | (140,196)             |
| Inventories  | (79,072)              |
| Prepaid items  | (52,659)              |
| OPEB asset   | (69,291)              |
| Deferred outflows related to pensions and OPEB                                       | 400,102               |
| Unearned revenue   | (25,666)              |
| Accounts payable   | (203,812)             |
| Due to/from student organizations  | 11,653                |
| Payroll and related liabilities  | 155,412               |
| Net pension liability  | 1,805,226             |
| Net OPEB liability   | (62,387)              |
| Pension transition liability   | (85,542)              |
| Deferred inflows related to pensions and OPEB  | (322,378)             |
| Compensated absences   | (9,365)               |
| Net cash used  |                       |
| by operating activities  | <u>\$ (9,733,877)</u> |

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

|  |             |
|--|-------------|
| Receivables  | \$ 84,882   |
| Capital contributions                                      | (84,882)    |
| 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, 2020

Assets

|                           |                            |
|---------------------------|----------------------------|
| Cash and cash equivalents | \$ 860,553                 |
| Investments               | 141,911                    |
| Grants receivable         | <u>7,500</u>               |
| Total assets              | <u><u>\$ 1,009,964</u></u> |

Liabilities and Net Assets

|                                  |                            |
|----------------------------------|----------------------------|
| Liabilities:                     |                            |
| Due to Klamath Community College | <u>\$ 191,069</u>          |
| Net assets:                      |                            |
| Without donor restrictions       | 18,802                     |
| With donor restrictions          | <u>800,093</u>             |
| Total net assets                 | <u>818,895</u>             |
| Total liabilities and net assets | <u><u>\$ 1,009,964</u></u> |

The accompanying notes are an integral part of this statement.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                    |
|---|-------------------------------|----------------------------|--------------------------|
| Revenues, gains and other support:        |                               |                            |                          |
| Contributions of cash                     | \$ 2,643                      | \$ 106,279                 | \$ 108,922               |
| Grants                                    | -                             | 134,415                    | 134,415                  |
| Program income                            | -                             | 2,325                      | 2,325                    |
| Sponsorships                              | -                             | 7,280                      | 7,280                    |
| Donated services                          | 133,747                       | -                          | 133,747                  |
| Investment earnings                       | 57                            | 5,070                      | 5,127                    |
| Net realized gains on investments         | -                             | 135                        | 135                      |
| Special events                            | 39,140                        | -                          | 39,140                   |
| Donation fees                             | 5,277                         | (5,277)                    | -                        |
| Net assets released from restrictions     | 166,603                       | (166,603)                  | -                        |
|   | <u>347,467</u>                | <u>83,624</u>              | <u>431,091</u>           |
| Total revenues, gains and other support   |                               |                            |                          |
| Expenses and losses:                      |                               |                            |                          |
| Program services:                         |                               |                            |                          |
| Scholarships                              | 86,563                        | -                          | 86,563                   |
| Transfers to KCC for capital construction | 42,284                        | -                          | 42,284                   |
| Program support                           | 22,062                        | -                          | 22,062                   |
| Student travel and support                | 20,440                        | -                          | 20,440                   |
| Special events                            | 7,093                         | -                          | 7,093                    |
|   | <u>178,442</u>                | <u>-</u>                   | <u>178,442</u>           |
| Total program services                    |                               |                            |                          |
| Supporting services:                      |                               |                            |                          |
| General administration                    | 29,282                        | -                          | 29,282                   |
| Donated services                          | 133,747                       | -                          | 133,747                  |
|   | <u>163,029</u>                | <u>-</u>                   | <u>163,029</u>           |
| Total supporting services                 |                               |                            |                          |
| Net unrealized losses on investments      | <u>-</u>                      | <u>3,131</u>               | <u>3,131</u>             |
|   | <u>341,471</u>                | <u>3,131</u>               | <u>344,602</u>           |
| Total expenses and losses                 |                               |                            |                          |
| Change in net assets                      | 5,996                         | 80,493                     | 86,489                   |
| Net assets, beginning of year             | <u>12,806</u>                 | <u>719,600</u>             | <u>732,406</u>           |
| Net assets, end of year                   | <u><u>\$ 18,802</u></u>       | <u><u>\$ 800,093</u></u>   | <u><u>\$ 818,895</u></u> |

The accompanying notes are an integral part of this statement.



KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2020

|  | Program<br>Services | Supporting<br>Services | Totals            |
|--|---------------------|------------------------|-------------------|
| Scholarships                             | \$ 86,563           | \$ -                   | \$ 86,563         |
| Transfer to KCC for capital construction | 42,284              | -                      | 42,284            |
| Program support                          | 22,062              | -                      | 22,062            |
| Student travel and support               | 20,440              | -                      | 20,440            |
| Special events                           | 7,093               | -                      | 7,093             |
| Salaries and wages                       | -                   | 95,787                 | 95,787            |
| Taxes and benefits                       | -                   | 36,357                 | 36,357            |
| Supplies                                 | -                   | 1,040                  | 1,040             |
| Postage                                  | -                   | 83                     | 83                |
| Marketing                                | -                   | 5,486                  | 5,486             |
| Contracted services                      | -                   | 5,470                  | 5,470             |
| Travel                                   | -                   | 1,987                  | 1,987             |
| Training                                 | -                   | 149                    | 149               |
| Subscriptions, dues and memberships      | -                   | 874                    | 874               |
| Insurance                                | -                   | 2,218                  | 2,218             |
| Office and facilities rental             | -                   | 8,450                  | 8,450             |
| Furniture and equipment                  | -                   | 1,406                  | 1,406             |
| Other fees and charges                   | -                   | 3,722                  | 3,722             |
|  | <u>          </u>   | <u>          </u>      | <u>          </u> |
| Totals                                   | <u>\$ 178,442</u>   | <u>\$ 163,029</u>      | <u>\$ 341,471</u> |

The accompanying notes are an integral part of this statement.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2020

|   |                          |
|---|--------------------------|
| Cash flows from operating activities:   |                          |
| Revenues collected:   |                          |
| Public support  | \$ 311,577               |
| Investment earnings   | 5,127                    |
| Other cash receipts   | 9,605                    |
| Expenses paid:  |                          |
| Program and supporting services   | <u>(237,509)</u>         |
| Net cash provided by operating activities   | <u>88,800</u>            |
| Cash flows from investing activities:   |                          |
| Purchase of investments   | (17,345)                 |
| Proceeds from sale of investments   | <u>14,698</u>            |
| Net cash used in investing activities   | <u>(2,647)</u>           |
| Net increase in cash and cash equivalents   | 86,153                   |
| Cash and cash equivalents, beginning of year  | <u>774,400</u>           |
| Cash and cash equivalents, end of year  | <u><u>\$ 860,553</u></u> |
| Reconciliation of change in net assets to net cash provided by operating activities:        |                          |
| Change in net assets  | <u>\$ 86,489</u>         |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                          |
| Donated services revenues   | (133,747)                |
| Donated services expenses   | 133,747                  |
| Net realized gains on investments   | (135)                    |
| Net unrealized losses on investments  | 3,131                    |
| Decrease in grants receivable   | 30,100                   |
| Decrease in due to Klamath Community College  | (29,785)                 |
| Decrease in deferred revenue  | <u>(1,000)</u>           |
| Total adjustments   | <u>2,311</u>             |
| Net cash provided by operating activities   | <u><u>\$ 88,800</u></u>  |

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:

| <u>Assets</u>                      | <u>Years</u> |
|------------------------------------|--------------|
| 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. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net position 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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

## J. 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.

## K. 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.

## L. 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.

## M. 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.

## N. 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.

## O. 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 2019-20, the District overexpended the personnel services appropriation in the Financial Aid Fund by \$4,740, the personnel services appropriation in the Technology Fees Fund by \$12,656, the materials and services appropriation in the Technology Fees Fund by \$118, the materials and services appropriation by \$1,563 in the TRIO Fund, the personnel services appropriation in the WIOA Grant Fund by \$30,341, the materials and services appropriation in the TRIO Upward Bound Fund by \$28,880, the transfers out appropriation in the STEPS Grant Fund by \$2,849, the materials and services appropriation in the Wellness Fund by \$17,314, the materials and services appropriation in the High School Equivalency Program by \$55,425, the transfers out appropriation in the DHS TANF Jobs Fund by \$7,379, the capital outlay appropriation in the Building Maintenance Reserve Fund by \$12,388, the capital outlay appropriation in the Phase 2 – Work Skills Technology Center Fund by \$4,860, the capital outlay appropriation in the Bookstore Fund by \$5,015, the personnel services appropriation in the Food Service Fund by \$3,978, and the materials and services appropriation in the CARES Act Fund by \$108,733.

### 3. Cash and Investments

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

|   |    |           |
|---|----|-----------|
| Demand deposits with financial institutions | \$ | 1,789,584 |
| Local government investment pool            |    | 6,603,493 |
| Cash on hand                                |    | 1,974     |
| Totals                                      | \$ | 8,395,051 |

#### 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 \$2,077,625; \$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 \$2,077,625 bank balance as of June 30, 2020, \$1,577,625 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, 2020 were 77.3% 1 year or less and 22.7% over 1 year. Of the 77.3%, 61.2% was 93 days or less. The weighted average maturity is 202 days for the Oregon Short Term fund.

#### 4. Capital Assets

Capital asset activities for the year ended June 30, 2020 were as follows:

|  | <b>Balance<br/>06/30/19</b> | <b>Additions</b>      | <b>Retirements</b> | <b>Balance<br/>06/30/20</b> |
|--|-----------------------------|-----------------------|--------------------|-----------------------------|
| <b><u>Capital Assets, not being depreciated:</u></b> |                             |                       |                    |                             |
| Land   | \$ 1,767,284                | \$ -                  | \$ -               | \$ 1,767,284                |
| Construction in progress                             | 9,999                       | 4,791                 | -                  | 14,790                      |
| Total Not being Depreciated                          | <u>1,777,283</u>            | <u>4,791</u>          | <u>-</u>           | <u>1,782,074</u>            |
| <b><u>Capital Assets, being depreciated:</u></b>     |                             |                       |                    |                             |
| Buildings & improvements                             | 33,424,127                  | 299,363               | -                  | 33,723,490                  |
| Land improvements                                    | 4,946,932                   | 14,806                | -                  | 4,961,738                   |
| Equipment  | 2,828,879                   | 76,652                | 18,345             | 2,887,186                   |
| Computers and peripherals                            | 3,397,367                   | 563,970               | 79,398             | 3,881,939                   |
| Library collections                                  | 72,843                      | 10,498                | -                  | 83,341                      |
|  | <u>44,670,148</u>           | <u>965,289</u>        | <u>97,743</u>      | <u>45,537,694</u>           |
| <b><u>Less accumulated depreciation:</u></b>         |                             |                       |                    |                             |
| Buildings & improvements                             | 7,210,144                   | 1,141,385             | -                  | 8,351,529                   |
| Land improvements                                    | 2,294,020                   | 199,372               | -                  | 2,493,392                   |
| Equipment  | 2,268,005                   | 198,799               | 18,345             | 2,448,459                   |
| Computers and peripherals                            | 2,763,642                   | 648,784               | 79,398             | 3,333,028                   |
| Library collections                                  | 49,373                      | 12,418                | -                  | 61,791                      |
|  | <u>14,585,184</u>           | <u>2,200,758</u>      | <u>97,743</u>      | <u>16,688,199</u>           |
| <b><u>Net being depreciated:</u></b>                 |                             |                       |                    |                             |
| Buildings & improvements                             | 26,213,983                  | (842,022)             | -                  | 25,371,961                  |
| Land improvements                                    | 2,652,912                   | (184,566)             | -                  | 2,468,346                   |
| Equipment  | 560,874                     | (122,147)             | -                  | 438,727                     |
| Computers and peripherals                            | 633,725                     | (84,814)              | 0                  | 548,911                     |
| Library collections                                  | 23,470                      | (1,920)               | -                  | 21,550                      |
| <b>Net being depreciated:</b>                        | <u>30,084,964</u>           | <u>(1,235,469)</u>    | <u>0</u>           | <u>28,849,495</u>           |
| <b><u>Capital assets, net</u></b>                    | <u>\$ 31,862,247</u>        | <u>\$ (1,230,678)</u> | <u>\$ 0</u>        | <u>\$ 30,631,569</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<br/>Annually</u> | <u>Amount</u>       |
|---|---------------|-----------------------|------------------------------|---------------------|
| Series 2009 Full Faith and Credit Obligations | 2/10/2009     | 3.00 ~ 4.25%          | 12/1 & 6/1                   | \$ 2,260,000        |
| Series 2015 Private Financing Agreement       | 12/15/2015    | 2.19%                 | 7/15 & 1/15                  | <u>3,428,465</u>    |
| Total   |               |                       |                              | <u>\$ 5,688,465</u> |

Annual debt service requirements to maturity are as follows:

|                 | Series 2009         |                   | Series 2015         |                   |
|-----------------|---------------------|-------------------|---------------------|-------------------|
| <u>Year end</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Principal</u>    | <u>Interest</u>   |
| 2021            | 215,000             | 93,720            | 336,197             | 75,083            |
| 2022            | 220,000             | 84,583            | 347,697             | 67,721            |
| 2023            | 230,000             | 75,233            | 354,661             | 60,106            |
| 2024            | 240,000             | 66,032            | 361,628             | 52,339            |
| 2025            | 250,000             | 56,431            | 369,148             | 44,419            |
| 2026-30         | 1,105,000           | 119,047           | 1,659,134           | 97,115            |
|                 | <u>\$ 2,260,000</u> | <u>\$ 495,046</u> | <u>\$ 3,428,465</u> | <u>\$ 396,783</u> |

## CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

|                                 | Beginning<br>Balance | Additions           | Reductions        | Ending<br>Balance    | Amounts<br>Due Within<br>One Year | Interest<br>Matured<br>and Paid |
|---------------------------------|----------------------|---------------------|-------------------|----------------------|-----------------------------------|---------------------------------|
| FFCO's, COP's, and Private Debt | \$ 6,223,717         | \$ -                | \$ 535,252        | \$ 5,688,465         | \$ 551,197                        | \$ 184,670                      |
| Unamortized Premium - 2009      | 29,206               | -                   | 3,246             | 25,960               | 3,246                             | -                               |
| Compensated Absences            | 280,071              | 270,706             | 280,071           | 270,706              | 216,565                           | -                               |
| Net pension liability           | 13,034,009           | 1,805,226           | -                 | 14,839,235           | -                                 | -                               |
| Net OPEB Liability              | 142,869              | -                   | 62,387            | 80,482               | -                                 | -                               |
| Pension transition liability    | 913,931              | -                   | 85,542            | 828,389              | -                                 | -                               |
| Total Long-Term Liabilities     | <u>\$ 20,623,803</u> | <u>\$ 2,075,932</u> | <u>\$ 966,498</u> | <u>\$ 21,733,237</u> | <u>\$ 771,008</u>                 | <u>\$ 184,670</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:

|                                   | 2020                 |
|-----------------------------------|----------------------|
| Capital assets,                   |                      |
| net of accumulated depreciation   | \$ 30,631,568        |
| Less capital-related debt:        | (5,688,465)          |
| Unamortized premium - Series 2009 | (25,960)             |
|                                   | <u>\$ 24,917,143</u> |

Unrestricted net position on the Statement of Net Position is comprised as follows:

|                                   | 2020                |
|-----------------------------------|---------------------|
| Reserved for:                     |                     |
| Program Development               | \$ 3,156            |
| Equipment                         | 14,919              |
| Furniture                         | 30,740              |
| Technology                        | 22,215              |
| PERS Liabilities                  | 1,314,155           |
| Building                          | 1,653               |
| Rainy Day                         | 166,061             |
| Staff Development - Instructional | 1,287               |
| Snow Removal                      | 2,000               |
| Building Maintenance              | 1,240               |
| Unreserved                        | (1,705,451)         |
| Total unrestricted net position   | <u>\$ (148,025)</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. Beginning January 1, 2004, all PERS member contributions go into the IAP. PERS members retain their existing PERS accounts, but 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.

### 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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$1,775,856, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 27.40 percent for Tier One/Tier Two General Service Members and 21.37 percent for OPSRP Pension Program General Service Members, net of 0.55 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

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

At June 30, 2020 the District reported a liability of \$14,839,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.06477809%.

For the year ended June 30, 2020, the District recognized pension expense of approximately \$3,547,000. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 617,923                           | \$ -                                |
| Changes in assumptions  | 1,520,093                            | -                                   |
| Net difference between projected and actual earnings on investments   | -                                    | 317,653                             |
| Changes in proportionate share  | 2,537,346                            | 355,944                             |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 667,346                              | 12,146                              |
| College's contributions subsequent to the measurement date  | <u>1,775,856</u>                     | <u>-</u>                            |
| Deferred outflows / inflows at June 30, 2020  | <u>\$ 7,118,564</u>                  | <u>\$ 685,743</u>                   |

Contributions subsequent to the measurement date of \$1,775,856 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other deferred outflows of resources totaling \$5,342,708 less deferred inflows of resources of \$685,743 related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount              |
|---------------------|---------------------|
| 2021                | \$ 1,972,106        |
| 2022                | 1,126,818           |
| 2023                | 1,019,651           |
| 2024                | 489,858             |
| 2025                | <u>48,532</u>       |
| Total               | <u>\$ 4,656,965</u> |

#### Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

|                                   |  |
|-----------------------------------|--|
| Valuation Date                    | December 31, 2017 rolled forward to June 30, 2019  |
| Experience Study Report           | 2016, published July 2017  |
| Actuarial Cost Method             | Entry Age Normal   |
| Amortization Method               | Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.  |
| Asset Valuation Method            | Fair value of assets   |
| Actuarial Assumptions:            |  |
| Inflation Rate                    | 2.50 percent   |
| Investment Rate of Return         | 7.20 percent   |
| Discount Rate                     | 7.20 percent   |
| Projected Salary Increases        | 3.50 percent overall payroll growth  |
| Cost of Living Adjustments (COLA) | Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.   |
| Mortality                         | <p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p> |

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

#### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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.

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Compounded<br/>Annual Return<br/>(Geometric)</u> |
|-----------------------------------|--------------------------|---|
| Core Fixed Income                 | 8.00%                    | 3.49%   |
| Short-Term Bonds                  | 8.00%                    | 3.38%   |
| Bank/Leveraged Loans              | 3.00%                    | 5.09%   |
| High Yield Bonds                  | 1.00%                    | 6.45%   |
| Large/Mid Cap US Equities         | 15.75%                   | 6.30%   |
| Small Cap US Equities             | 1.31%                    | 6.69%   |
| Micro Cap US Equities             | 1.31%                    | 6.80%   |
| Developed Foreign Equities        | 13.13%                   | 6.71%   |
| Emerging Market Equities          | 4.12%                    | 7.45%   |
| Non-US Small Cap Equities         | 1.88%                    | 7.01%   |
| Private Equities                  | 17.50%                   | 7.82%   |
| Real Estate (Property)            | 10.00%                   | 5.51%   |
| Real Estate (REITS)               | 2.50%                    | 6.37%   |
| Hedge Fund of Funds - Diversified | 2.50%                    | 4.09%   |
| Hedge Fund - Event-driven         | 0.63%                    | 5.86%   |
| Timber                            | 1.88%                    | 5.62%   |
| Farmland                          | 1.88%                    | 6.15%   |
| Infrastructure                    | 3.75%                    | 6.60%   |
| Commodities                       | 1.88%                    | 3.84%   |
| <b>Total</b>                      | <b>100.00%</b>           |   |
| Assumed Inflation - Mean          |                          | 2.50%   |

#### Discount rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

#### 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 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

|  | <u>1% Decrease (6.20%)</u> | <u>Discount Rate (7.20%)</u> | <u>1% Increase (8.20%)</u> |
|--|----------------------------|------------------------------|----------------------------|
| College's proportionate share of the net pension liability | \$ 21,578,097              | \$ 14,839,235                | \$ 9,199,716               |

#### Change of assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.50% to 7.20% effective January 1, 2018.

#### 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 \$828,389 at June 30, 2020. The liability represents the District's allocated share of the pre-SLGRP pooled liability. The District is being assessed an employer contribution rate of 1.71 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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$5,387. The rates in effect for the fiscal year ended June 30, 2020 were 0.06 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, 2020, the District reported an asset of \$139,677 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.07228304%.

For the year ended June 30, 2020, the District recognized OPEB expense of approximately (\$21) thousand. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                  | \$ -                                 | \$ 18,419                           |
| Changes in assumptions  | -                                    | 145                                 |
| Net difference between projected and actual earnings on investments | -                                    | 8,621                               |
| Changes in proportionate share                                      | 97                                   | 5,533                               |
| College's contributions subsequent to the measurement date          | 5,387                                | -                                   |
| Deferred outflows/inflows at June 30, 2020                          | \$ 5,484                             | \$ 32,718                           |

Contributions subsequent to the measurement date of \$5,387 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other deferred outflows of resources totaling \$97 less deferred inflows of resources of \$32,718 related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>      |
|-----------------------------|--------------------|
| 2021                        | \$ (16,651)        |
| 2022                        | (15,023)           |
| 2023                        | (1,835)            |
| 2024                        | 888                |
| 2025                        | -                  |
| Total                       | <u>\$ (32,621)</u> |

### Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

|                                  |  |
|----------------------------------|--|
| Valuation Date                   | December 31, 2017 rolled forward to June 30, 2019  |
| Experience Study Report          | 2016, published July 2017  |
| Actuarial Cost Method            | Entry age normal   |
| Amortization Method              | Amortized as a level percentage of payroll as layered amortization bases over a closed 10-year period.   |
| Asset Valuation Method           | Fair value of assets   |
| Actuarial Assumptions:           |  |
| Inflation Rate                   | 2.50 percent   |
| Investment Rate of Return        | 7.20 percent   |
| Discount Rate                    | 7.20 percent   |
| Projected Salary Increases       | 3.50 percent overall payroll growth  |
| Retiree Healthcare Participation | Healthy retirees: 35%; disabled retirees: 20%  |
| Healthcare Cost Trend Rate       | Not applicable   |
| Mortality                        | <p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs, as described in the valuation.</p> <p>Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs, as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p> |

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts

are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

#### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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.

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Compounded<br/>Annual Return<br/>(Geometric)</u> |
|-----------------------------------|--------------------------|---|
| Core Fixed Income                 | 8.00%                    | 3.49%   |
| Short-Term Bonds                  | 8.00%                    | 3.38%   |
| Bank/Leveraged Loans              | 3.00%                    | 5.09%   |
| High Yield Bonds                  | 1.00%                    | 6.45%   |
| Large/Mid Cap US Equities         | 15.75%                   | 6.30%   |
| Small Cap US Equities             | 1.31%                    | 6.69%   |
| Micro Cap US Equities             | 1.31%                    | 6.80%   |
| Developed Foreign Equities        | 13.13%                   | 6.71%   |
| Emerging Market Equities          | 4.12%                    | 7.45%   |
| Non-US Small Cap Equities         | 1.88%                    | 7.01%   |
| Private Equities                  | 17.50%                   | 7.82%   |
| Real Estate (Property)            | 10.00%                   | 5.51%   |
| Real Estate (REITS)               | 2.50%                    | 6.37%   |
| Hedge Fund of Funds - Diversified | 2.50%                    | 4.09%   |
| Hedge Fund - Event-driven         | 0.63%                    | 5.86%   |
| Timber                            | 1.88%                    | 5.62%   |
| Farmland                          | 1.88%                    | 6.15%   |
| Infrastructure                    | 3.75%                    | 6.60%   |
| Commodities                       | 1.88%                    | 3.84%   |
| <b>Total</b>                      | <b><u>100.00%</u></b>    |   |
| Assumed Inflation - Mean          |                          | 2.50%   |

#### Discount rate

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

|   | <u>1% Decrease (6.20%)</u> | <u>Discount Rate (7.20%)</u> | <u>1% Increase (8.20%)</u> |
|---|----------------------------|------------------------------|----------------------------|
| College's proportionate share of the net OPEB liability (asset) | \$ (108,286)               | \$ (139,677)                 | \$ (166,425)               |

Change of assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.50% to 7.20% effective January 1, 2018.

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   | 144        |
| Retirees           | <u>0</u>   |
| Total Participants | <u>144</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, 2020, changes in the postemployment healthcare benefits liability are as follows:

|                                      |                  |
|--------------------------------------|------------------|
| Total OPEB liability - July 1, 2019  | \$ 142,869       |
| Service cost                         | 10,644           |
| Interest on total OPEB liability     | 3,157            |
| Change in assumptions                | (36,279)         |
| Experience (gain)/loss               | <u>(39,909)</u>  |
| Total OPEB liability - June 30, 2020 | <u>\$ 80,482</u> |

For the year ended June 30, 2020, the District recognized OPEB expense of \$6,026. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>outflows of<br>resources | Deferred<br>inflows of<br>resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual expense | \$ -                                 | \$ 35,836                           |
| Changes of assumptions or other inputs          | -                                    | 32,577                              |
| Deferred outflows/inflows at June 30, 2020      | <u>\$ -</u>                          | <u>\$ 68,413</u>                    |

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

| <u>Year Ending June 30</u> | <u>Amount</u>      |
|----------------------------|--------------------|
| 2021                       | \$ (7,775)         |
| 2022                       | (7,775)            |
| 2023                       | (7,775)            |
| 2024                       | (7,775)            |
| 2025                       | (7,775)            |
| Thereafter                 | (29,538)           |
| Total                      | <u>\$ (68,413)</u> |

## Actuarial Valuation

The actuarial information is from a valuation dated June 30, 2020. 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 2.21%, (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 2.21%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

|                                     | <u>1% Decrease</u><br><u>(1.21%)</u> | <u>Discount Rate</u><br><u>(2.21%)</u> | <u>1% Increase</u><br><u>(3.21%)</u> |
|-------------------------------------|--------------------------------------|--|--------------------------------------|
| Total OPEB liability -<br>6/30/2020 | \$ 86,792                            | \$ 80,482                              | \$ 74,584                            |

### 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</u><br><u>Care Trend Rates</u> | <u>1% Increase</u> |
|-------------------------------------|--------------------|--|--------------------|
| Total OPEB liability -<br>6/30/2020 | \$ 71,336          | \$ 80,482  | \$ 91,439          |

### Changes of assumptions

In the latest actuarial valuation used to determine the total OPEB liability as of June 30, 2020, 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.

## **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, 2020

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.

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, 2020

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, 2020

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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in checking accounts and a certificate of deposit account.

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, 2020

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. Revenues and expenses for these services are reflected in the statement of activities based on compensation and fringe benefits paid to College personnel. 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 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.



KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Income Taxes (Contd)

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, 2017 are generally no longer subject to examination by taxing authorities.

2. AVAILABILITY AND LIQUIDITY

Financial assets at June 30, 2020 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  | \$ 860,553        |
| Investments  | 141,911           |
| Grants receivable  | <u>7,500</u>      |
| Total financial assets   | <u>1,009,964</u>  |
| Less donor-restricted amounts not available<br>for general expenditures within one year: |                   |
| Endowment funds restricted in perpetuity   | 286,793           |
| Endowment accounts restricted for scholarships   | 24,647            |
| Non-endowment accounts restricted for scholarships                                       | 112,691           |
| Non-endowment accounts restricted for capital campaign                                   | 230,008           |
| Non-endowment accounts restricted for building fund                                      | 8,291             |
| Non-endowment accounts restricted for other program activities                           | <u>137,663</u>    |
| Total donor-restricted amounts   | <u>800,093</u>    |
| Financial assets available to meet general expenditures<br>over the next year            | <u>\$ 209,871</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, 2020

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, 2020:

|                                      |                          |
|--------------------------------------|--------------------------|
| Cash on hand                         | \$ 105                   |
| Deposits with financial institutions | <u>860,448</u>           |
| Total cash and cash equivalents      | <u><u>\$ 860,553</u></u> |

The Foundation maintains checking accounts, certificates of deposit 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, 2020 was \$860,448. Of this amount, \$352,810 was insured by FDIC coverage.

4. INVESTMENTS

Investments are stated at fair value and consist of investments totaling \$141,911 in equity and debt mutual funds and exchange-traded funds at June 30, 2020.

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, equity and debt mutual funds and exchange-traded funds.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2020

4. INVESTMENTS (Contd)

|                                      | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>    |
|--------------------------------------|---------------------------------------|------------------------------------|-----------------|
| Realized investment earnings         | \$ 57                                 | \$ 5,070                           | \$ 5,127        |
| Net realized gains on investments    | -                                     | 135                                | 135             |
| Net unrealized losses on investments | <u>-</u>                              | <u>(3,131)</u>                     | <u>(3,131)</u>  |
| Net                                  | <u>\$ 57</u>                          | <u>\$ 2,074</u>                    | <u>\$ 2,131</u> |

The Foundation's investments are in thirteen equity and debt mutual funds and five exchange-traded funds. 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, 2020:

Subject to expenditure for specified purposes:

Endowment accounts:

Restricted for scholarships \$ 24,647

Non-endowment accounts:

Restricted for scholarships 112,691

Restricted for capital campaign 230,008

Restricted for building fund 8,291

Restricted for other program activities 137,663

Sub-total 513,300

Endowment funds restricted in perpetuity 286,793

Total \$ 800,093

During the year ended June 30, 2020, \$166,603 was released from donor restrictions because purpose restrictions were satisfied.

KLAMATH COMMUNITY COLLEGE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2020

6. ENDOWMENT FUNDS

Endowment funds activity during the year ended June 30, 2020 was as follows:

|                                      | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
|--------------------------------------|---------------------------|---------------------------|-------------------|
| Endowment funds, July 1, 2019        | \$ 19,017                 | \$ 286,793                | \$ 305,810        |
| Contributions                        | 13,420                    | -                         | 13,420            |
| Realized investment earnings         | 3,240                     | -                         | 3,240             |
| Net realized losses on investments   | (217)                     | -                         | (217)             |
| Net unrealized losses on investments | (1,802)                   | -                         | (1,802)           |
| Scholarships                         | (7,500)                   | -                         | (7,500)           |
| Other expenses                       | (974)                     | -                         | (974)             |
| Donation fees                        | (537)                     | -                         | (537)             |
| Endowment funds, June 30, 2020       | <u>\$ 24,647</u>          | <u>\$ 286,793</u>         | <u>\$ 311,440</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, 2020

7. FAIR VALUE MEASUREMENTS (Contd)

The Foundation's investments at June 30, 2020 consist of \$141,911 in equity and debt mutual funds and exchange-traded funds. The Foundation's investments in equity and debt mutual funds and exchange-traded funds 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<br/>Net Assets</u> | <u>Additions</u>      | <u>Scholarships/<br/>Contributions</u> | <u>Investment<br/>Earnings-<br/>(Losses)</u> | <u>Other<br/>Expenses</u> | <u>Ending<br/>Net Assets</u> |
|--|---------------------------------|-----------------------|--|--|---------------------------|------------------------------|
| General Fund                                 | \$ 12,806                       | \$ 47,114             | \$ -                                   | \$ 57  | \$ (41,175)               | \$ 18,802                    |
| Building Funds                               | 4,972                           | -                     | -                                      | 18   | -                         | 4,990                        |
| General Scholarships                         | 117,547                         | 67,468                | (72,779)                               | 737  | (3,832)                   | 109,141                      |
| TransCanada Scholarships                     | 9,994                           | -                     | -                                      | -  | -                         | 9,994                        |
| Erin Andrews Endowment                       | 21,669                          | 420                   | -                                      | 99   | (17)                      | 22,171                       |
| Susan K. Channell Scholarship Fund           | 11,707                          | 10,000                | -                                      | 54   | (400)                     | 21,361                       |
| Masami Foods Scholarship Fund                | 79,236                          | -                     | (3,500)                                | 1,139  | (772)                     | 76,103                       |
| Ron and Myrtle Mason<br>Scholarship Fund     | 13,448                          | -                     | (1,000)                                | (153)  | (202)                     | 12,093                       |
| Soroptimist Scholarship Fund                 | 30,341                          | 3,000                 | (3,000)                                | 82   | (120)                     | 30,303                       |
| Capital Campaign - WTSC                      | 19,838                          | 14,607                | -                                      | -  | (42,868)                  | (8,423)                      |
| Capital Campaign - AITC                      | 219,074                         | 20,110                | -                                      | 53   | (805)                     | 238,432                      |
| KCC Endowment                                | 15,591                          | 3,609                 | -                                      | 45   | (1)                       | 19,244                       |
| Student Emergency Fund                       | 4,114                           | 59,007                | (3,534)                                | -  | (22,402)                  | 37,185                       |
| GO KCC                                       | -                               | 6,300                 | (2,750)                                | -  | -                         | 3,550                        |
| HBLs Endowment                               | 139,415                         | -                     | -                                      | -  | -                         | 139,415                      |
| Cary   | 3,301                           | -                     | -                                      | -  | -                         | 3,301                        |
| SBDC - Ford Foundation                       | 13,196                          | 18,902                | -                                      | -  | (22,682)                  | 9,416                        |
| SBDC - Foundation                            | 3,279                           | 5,975                 | -                                      | -  | (1,366)                   | 7,888                        |
| SBDC - Klamath Idea                          | 9,748                           | 74,023                | -                                      | -  | (23,495)                  | 60,276                       |
| Program Development                          | 1,024                           | 240                   | -                                      | -  | (8)                       | 1,256                        |
| Other Designated Funds                       | 2,106                           | 300                   | -                                      | -  | (9)                       | 2,397                        |
| <br>Total Designated Funds<br>and Endowments | <br><u>\$ 732,406</u>           | <br><u>\$ 331,075</u> | <br><u>\$ (86,563)</u>                 | <br><u>\$ 2,131</u>                          | <br><u>\$ (160,154)</u>   | <br><u>\$ 818,895</u>        |

9. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events for potential required disclosure through December 31, 2020, which is the date the financial statements were available to be issued.

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**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 seven fiscal years

| Fiscal<br>Year<br>Ended<br>June 30 | (a)<br>College's<br>proportion of<br>the net pension<br>liability (asset) | (b)<br>College's<br>proportionate share<br>of the net pension<br>liability (asset) | (c)<br>College's<br>covered<br>payroll | (b/c)<br>College's<br>proportionate share<br>of the net pension<br>liability (asset) as a<br>percentage of its<br>covered payroll | Plan fiduciary<br>net position as<br>a percentage of<br>the total pension<br>liability |
|------------------------------------|---|--|--|---|--|
| 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.

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 Pension Plan For the last seven fiscal years

| Fiscal<br>Year<br>Ended<br>June 30 | (a)<br>Statutorily<br>required<br>contribution | (b)<br>Contributions in<br>relation to the<br>statutorily required<br>contribution | (a-b)<br>Contribution<br>deficiency<br>(excess) | (c)<br>College's<br>covered<br>payroll | (b/c)<br>Contributions<br>as a percent<br>of covered<br>payroll |
|------------------------------------|--|--|---|--|---|
| 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.

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

| Fiscal<br>Year<br>Ended<br>June 30 | (a)<br>College's<br>proportion of<br>the net OPEB<br>liability (asset) | (b)<br>College's<br>proportionate share<br>of the net OPEB<br>liability (asset) | (c)<br>College's<br>covered<br>payroll | (b/c)<br>College's<br>proportionate share<br>of the net OPEB<br>liability (asset) as a<br>percentage of its<br>covered payroll | Plan fiduciary<br>net position as<br>a percentage of<br>the total OPEB<br>liability |
|------------------------------------|--|---|--|--|---|
| 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 four fiscal years

| Fiscal<br>Year<br>Ended<br>June 30 | (a)<br>Statutorily<br>required<br>contribution | (b)<br>Contributions in<br>relation to the<br>statutorily required<br>contribution | (a-b)<br>Contribution<br>deficiency<br>(excess) | (c)<br>College's<br>covered<br>payroll | (b/c)<br>Contributions<br>as a percent<br>of covered<br>payroll |
|------------------------------------|--|--|---|--|---|
| 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, 2020     | June 30, 2019     | June 30, 2018     |
| <b>Total OPEB liability</b>                                |                   |                   |                   |
| Service Cost   | \$ 10,644         | \$ 16,312         | \$ 15,760         |
| Interest on total OPEB liability                           | 3,157             | 4,774             | 4,068             |
| Change in assumptions                                      | (36,279)          | -                 | -                 |
| Experience (gain)/loss                                     | (39,909)          | -                 | -                 |
| Benefit payments   | -                 | (3,152)           | -                 |
| Net change in total OPEB liability                         | (62,387)          | 17,934            | 19,828            |
| Total OPEB liability - beginning                           | 142,869           | 124,935           | 105,107           |
| Total OPEB liability - ending                              | <u>\$ 80,482</u>  | <u>\$ 142,869</u> | <u>\$ 124,935</u> |
| Covered payroll  | \$ 7,912,756      | \$ 8,488,868      | \$ 8,201,805      |
| Total OPEB liability as a percentage<br>of covered payroll | 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.

KLAMATH COMMUNITY COLLEGE DISTRICT

Notes to Required Supplementary Information

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

**Changes in Plan Provisions**

Key changes in plan provisions 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>

**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%.

**Postemployment Health and Dental Plan:**

**Changes in plan provisions and assumptions:**

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

In the latest actuarial valuation used to determine the total OPEB liability as of June 30, 2020, 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.

**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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**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, 2020**

|   | <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>  |                         |                     |                        |                      |
| Taxes   | \$ 2,300,102            | \$ 2,300,102        | \$ 2,319,879           | \$ 19,777            |
| State support, grants and contracts   | 8,730,342               | 9,604,734           | 9,467,226              | (137,508)            |
| Tuition and fees  | 5,366,885               | 5,112,751           | 5,488,137              | 375,386              |
| Federal grants  | 101,037                 | 82,851              | 114,148                | 31,297               |
| Interest  | 88,050                  | 88,050              | 92,913                 | 4,863                |
| Miscellaneous income  | 366,500                 | 366,500             | 227,875                | (138,625)            |
| Total revenues  | <u>16,952,916</u>       | <u>17,554,988</u>   | <u>17,710,178</u>      | <u>155,190</u>       |
| <b>EXPENDITURES:</b>  |                         |                     |                        |                      |
| Personnel services  | 13,111,341              | 13,331,893          | 12,908,984             | 422,909              |
| Materials and services  | 3,147,073               | 3,202,369           | 2,802,564              | 399,805              |
| Capital outlay  | 159,033                 | 299,097             | 174,889                | 124,208              |
| Contingency   | <u>1,060,955</u>        | <u>1,060,955</u>    | <u>-</u>               | <u>1,060,955</u>     |
| Total expenditures  | <u>17,478,402</u>       | <u>17,894,314</u>   | <u>15,886,437</u>      | <u>2,007,877</u>     |
| Excess of revenues over<br>(under) expenditures                                     | (525,486)               | (339,326)           | 1,823,741              | 2,163,067            |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |                     |                        |                      |
| Transfers in  | 551,848                 | 352,104             | 265,300                | (86,804)             |
| Transfers out   | <u>(1,048,219)</u>      | <u>(1,034,635)</u>  | <u>(905,355)</u>       | <u>129,280</u>       |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | (1,021,857)             | (1,021,857)         | 1,183,686              | 2,205,543            |
| Fund balances - beginning   | <u>4,383,385</u>        | <u>4,383,385</u>    | <u>5,114,816</u>       | <u>731,431</u>       |
| Fund balances - ending  | <u>\$ 3,361,528</u>     | <u>\$ 3,361,528</u> | <u>\$ 6,298,502</u>    | <u>\$ 2,936,974</u>  |

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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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## 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.

**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 assisting with access to capital government contracts, entrepreneurial development, and advocacy for small businesses. The source of funds is state and federal grants.

**National Science Foundation** – This award supports internship development for KCC's Computer Engineering Technology and Digital Media & Design programs.

**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.

**STEP Grant** – Administered by the Oregon Health Authority, this program provides support to expectant and parenting students. The program helps youth and young adults complete their educational goals.

**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** – Administered by the US Department of Education, this program provides funding to support activities to help engage students in instructional services, personal, vocational, academic counseling, and placement services.

**Strengthening Institutions, Title III Fund** – Administered by the US Department of Education, this funding provides the implementation of a strategic Guided Pathways model to provide targeted career, academic, and financial programming to help student succeed on chosen path.

**DHS TANF Fund** – Administered by the Oregon Department of Human Services, this program provides training and tuition partnership with DHS for degrees and vocational training.

**CARES Act Fund** – Administered by the US Department of Education, this funding provides for emergency financial aid grants to students and to cover costs associated with the significant changes to the delivery of instruction, all due to the coronavirus.

**FEMA Fund** – Administered by FEMA, provides funding to take appropriate actions that are necessary to protect public health and safety in accordance with the COVID-19 Emergency Declaration.

**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, 2020**

|   | <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>  |                         |                   |                        |                      |
| State support, grants and contracts   | \$ 950,000              | \$ 950,000        | \$ 892,086             | \$ (57,914)          |
| Federal grants  | 22,125,000              | 22,125,000        | 7,484,050              | (14,640,950)         |
| Local sources   | -                       | -                 | 155,542                | 155,542              |
| Total revenues  | <u>23,075,000</u>       | <u>23,075,000</u> | <u>8,531,678</u>       | <u>(14,543,322)</u>  |
| <b>EXPENDITURES:</b>  |                         |                   |                        |                      |
| Personnel services  | 45,000                  | 45,000            | 49,740                 | (4,740)              |
| Materials and services  | <u>23,044,000</u>       | <u>23,044,000</u> | <u>8,495,464</u>       | <u>14,548,536</u>    |
| Total expenditures  | <u>23,089,000</u>       | <u>23,089,000</u> | <u>8,545,204</u>       | <u>14,543,796</u>    |
| Excess of revenues over<br>(under) expenditures                                     | (14,000)                | (14,000)          | (13,526)               | 474                  |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |                   |                        |                      |
| Transfers in  | 34,000                  | 34,000            | 20,486                 | (13,514)             |
| Transfers out   | <u>(20,000)</u>         | <u>(20,000)</u>   | <u>(6,960)</u>         | <u>13,040</u>        |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | -                       | -                 | -                      | -                    |
| Fund balances - beginning   | -                       | -                 | -                      | -                    |
| 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**

**TECHNOLOGY FEES**

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

|   | <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>                                |                         |                |                        |                      |
| Tuition and fees                                | \$ 298,376              | \$ 298,376     | \$ 342,078             | \$ 43,702            |
| Interest  | -                       | -              | 34,619                 | 34,619               |
| Total revenues                                  | <u>298,376</u>          | <u>298,376</u> | <u>376,697</u>         | <u>78,321</u>        |
| <b>EXPENDITURES:</b>                            |                         |                |                        |                      |
| Personnel services                              | 65,220                  | 65,220         | 77,876                 | (12,656)             |
| Materials and services                          | 42,313                  | 42,313         | 42,431                 | (118)                |
| Capital outlay                                  | <u>325,843</u>          | <u>325,843</u> | <u>267,018</u>         | <u>58,825</u>        |
| Total expenditures                              | <u>433,376</u>          | <u>433,376</u> | <u>387,325</u>         | <u>46,051</u>        |
| Excess of revenues over<br>(under) expenditures | (135,000)               | (135,000)      | (10,628)               | 124,372              |
| Fund balances - beginning                       | <u>135,000</u>          | <u>135,000</u> | <u>268,798</u>         | <u>133,798</u>       |
| Fund balances - ending                          | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ 258,170</u>      | <u>\$ 258,170</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, 2020**

|   | <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>  |                         |                  |                        |                      |
| Tuition and fees  | \$ 1,624,500            | \$ 1,624,500     | \$ 940,719             | \$ (683,781)         |
| Interest  | -                       | -                | 12,181                 | 12,181               |
| Total revenues  | <u>1,624,500</u>        | <u>1,624,500</u> | <u>952,900</u>         | <u>(671,600)</u>     |
| <b>EXPENDITURES:</b>  |                         |                  |                        |                      |
| Personnel services  | 5,571                   | 5,571            | -                      | 5,571                |
| Materials and services  | <u>1,688,482</u>        | <u>1,760,482</u> | <u>841,556</u>         | <u>918,926</u>       |
| Total expenditures  | <u>1,694,053</u>        | <u>1,766,053</u> | <u>841,556</u>         | <u>924,497</u>       |
| Excess of revenues over<br>(under) expenditures                                     | (69,553)                | (141,553)        | 111,344                | 252,897              |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |                  |                        |                      |
| Transfers out   | <u>(122,000)</u>        | <u>(50,000)</u>  | <u>(37,500)</u>        | <u>12,500</u>        |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | (191,553)               | (191,553)        | 73,844                 | 265,397              |
| Fund balances - beginning   | <u>191,553</u>          | <u>191,553</u>   | <u>205,406</u>         | <u>13,853</u>        |
| Fund balances - ending  | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 279,250</u>      | <u>\$ 279,250</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, 2020**

|   | <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>  |                         |              |                        |   |
| Federal grants  | \$ 15,000               | \$ 52,500    | \$ 30,133              | \$ (22,367)                             |
| State support, grants and contracts   | 200,000                 | 483,660      | 81,067                 | (402,593)                               |
| Local sources   | 95,000                  | 95,000       | 39,807                 | (55,193)                                |
| Total revenues  | 310,000                 | 631,160      | 151,007                | (480,153)                               |
| <b>EXPENDITURES:</b>  |                         |              |                        |   |
| Personnel services  | 208,270                 | 251,330      | 48,788                 | 202,542                                 |
| Materials and services  | 71,730                  | 348,625      | 99,818                 | 248,807                                 |
| Capital outlay  | 20,000                  | 20,000       | -                      | 20,000                                  |
| Total expenditures  | 300,000                 | 619,955      | 148,606                | 471,349                                 |
| Excess of revenues over (under) expenditures                                  | 10,000                  | 11,205       | 2,401                  | (8,804)                                 |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |   |
| Transfers out   | (10,000)                | (11,205)     | (2,401)                | 8,804                                   |
| 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**

**PATHWAYS**

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

|   | <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>  |                         |              |                        |                      |
| State grants  | \$ 55,335               | \$ 67,661    | \$ 37,045              | \$ (30,616)          |
| Total revenues  | 55,335                  | 67,661       | 37,045                 | (30,616)             |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Personnel services  | 48,037                  | 45,458       | 27,883                 | 17,575               |
| Materials and services  | 4,663                   | 19,498       | 7,288                  | 12,210               |
| Total expenditures  | 52,700                  | 64,956       | 35,171                 | 29,785               |
| Excess of revenues over<br>(under) expenditures                                     | 2,635                   | 2,705        | 1,874                  | (831)                |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers out   | (2,635)                 | (2,705)      | (1,874)                | 831                  |
| Excess of revenues and other<br>sources over (under)<br>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, 2020**

|   | <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<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES:</b>  |                         |              |                        |   |
| State grants  | \$ -                    | \$ 176,807   | \$ 111,786             | \$ (65,021)                                     |
| Federal grants  | 135,235                 | -            | -                      | -   |
| Total revenues  | 135,235                 | 176,807      | 111,786                | (65,021)  |
| <b>EXPENDITURES:</b>  |                         |              |                        |   |
| Personnel services  | 74,027                  | 87,266       | 37,728                 | 49,538  |
| Materials and services  | 30,000                  | 48,739       | 42,419                 | 6,320   |
| Total expenditures  | 104,027                 | 136,005      | 80,147                 | 55,858  |
| Excess of revenues over<br>(under) expenditures                                     | 31,208                  | 40,802       | 31,639                 | (9,163)   |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |   |
| Transfers out   | (31,208)                | (40,802)     | (31,639)               | 9,163   |
| Excess of revenues and other<br>sources over (under)<br>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, 2020**

|   | <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>  |                         |              |                        |                      |
| Federal grants  | \$ 254,243              | \$ 254,243   | \$ 249,517             | \$ (4,726)           |
| Total revenues  | 254,243                 | 254,243      | 249,517                | (4,726)              |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Personnel services  | 258,800                 | 258,800      | 238,491                | 20,309               |
| Materials and services  | 10,250                  | 10,250       | 11,813                 | (1,563)              |
| Total expenditures  | 269,050                 | 269,050      | 250,304                | 18,746               |
| Excess of revenues over<br>(under) expenditures                                     | (14,807)                | (14,807)     | (787)                  | 14,020               |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers in  | 35,146                  | 35,146       | 18,879                 | (16,267)             |
| Transfers out   | (20,339)                | (20,339)     | (18,092)               | 2,247                |
| Excess of revenues and other<br>sources over (under)<br>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**

**SMALL BUSINESS DEVELOPMENT CENTER**

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

|   | <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>  |                         |                |                        |                      |
| Federal grants  | \$ 33,000               | \$ 63,000      | \$ 33,000              | \$ (30,000)          |
| State grants  | 80,095                  | 105,000        | 83,095                 | (21,905)             |
| Local sources   | <u>120,000</u>          | <u>120,000</u> | <u>59,678</u>          | <u>(60,322)</u>      |
| Total revenues  | <u>233,095</u>          | <u>288,000</u> | <u>175,773</u>         | <u>(112,227)</u>     |
| <b>EXPENDITURES:</b>  |                         |                |                        |                      |
| Personnel services  | 299,111                 | 364,413        | 251,158                | 113,255              |
| Materials and services  | <u>98,834</u>           | <u>88,437</u>  | <u>35,986</u>          | <u>52,451</u>        |
| Total expenditures  | <u>397,945</u>          | <u>452,850</u> | <u>287,144</u>         | <u>165,706</u>       |
| Excess of revenues over<br>(under) expenditures                                     | (164,850)               | (164,850)      | (111,371)              | 53,479               |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |                |                        |                      |
| Transfers in  | <u>108,350</u>          | <u>108,350</u> | <u>107,023</u>         | <u>(1,327)</u>       |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | (56,500)                | (56,500)       | (4,348)                | 52,152               |
| Fund balances - beginning   | <u>56,500</u>           | <u>56,500</u>  | <u>56,210</u>          | <u>(290)</u>         |
| Fund balances - ending  | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ 51,862</u>       | <u>\$ 51,862</u>     |

**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, 2020**

|   | <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>  |                         |              |                        |                      |
| Federal grants  | \$ -                    | \$ 30,651    | \$ 4,913               | \$ (25,738)          |
| Total revenues  | -                       | 30,651       | 4,913                  | (25,738)             |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Personnel services  | -                       | 9,905        | -                      | 9,905                |
| Materials and services  | -                       | 14,710       | 3,779                  | 10,931               |
| Total expenditures  | -                       | 24,615       | 3,779                  | 20,836               |
| Excess of revenues over<br>(under) expenditures                                     | -                       | 6,036        | 1,134                  | (4,902)              |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers out   | -                       | (6,036)      | (1,134)                | 4,902                |
| Excess of revenues and other<br>sources over (under)<br>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, 2020**

|   | <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>  |                         |              |                        |                      |
| Federal grants  | \$ 678,057              | \$ 1,040,078 | \$ 780,721             | \$ (259,357)         |
| State grants  | -                       | 73,661       | 71,352                 | (2,309)              |
| Total revenues  | 678,057                 | 1,113,739    | 852,073                | (261,666)            |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Personnel services  | 461,257                 | 416,855      | 447,196                | (30,341)             |
| Materials and services  | 156,600                 | 568,325      | 307,633                | 260,692              |
| Capital outlay  | 3,750                   | -            | -                      | -                    |
| Total expenditures  | 621,607                 | 985,180      | 754,829                | 230,351              |
| Excess of revenues over<br>(under) expenditures                                     | 56,450                  | 128,559      | 97,244                 | (31,315)             |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers out   | (56,450)                | (128,559)    | (97,244)               | 31,315               |
| Excess of revenues and other<br>sources over (under)<br>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 Upward Bound**

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

|   | <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<br/>Positive<br/>(Negative)</u> |
| <b>REVENUES:</b>  |                         |                 |                        |   |
| Federal grants  | \$ 264,197              | \$ 264,197      | \$ 252,494             | \$ (11,703)                                     |
| Total revenues  | <u>264,197</u>          | <u>264,197</u>  | <u>252,494</u>         | <u>(11,703)</u>                                 |
| <b>EXPENDITURES:</b>  |                         |                 |                        |   |
| Personnel services  | 205,596                 | 205,596         | 136,043                | 69,553  |
| Materials and services  | <u>70,603</u>           | <u>70,603</u>   | <u>99,483</u>          | <u>(28,880)</u>                                 |
| Total expenditures  | <u>276,199</u>          | <u>276,199</u>  | <u>235,526</u>         | <u>40,673</u>                                   |
| Excess of revenues over<br>(under) expenditures                                     | (12,002)                | (12,002)        | 16,968                 | 28,970  |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |                 |                        |   |
| Transfers in  | 33,138                  | 33,138          | -                      | (33,138)  |
| Transfers out   | <u>(21,136)</u>         | <u>(21,136)</u> | <u>(16,968)</u>        | <u>4,168</u>                                    |
| Excess of revenues and other<br>sources over (under)<br>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**

**STEPS Grant**

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

|   | <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>  |                         |              |                        |                      |
| Federal grants  | \$ 90,000               | \$ -         | \$ -                   | \$ -                 |
| State grants  | -                       | 90,000       | 72,449                 | (17,551)             |
| Total revenues  | 90,000                  | 90,000       | 72,449                 | (17,551)             |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Personnel services  | 40,343                  | 23,320       | 23,320                 | -                    |
| Materials and services  | 19,657                  | 45,911       | 25,511                 | 20,400               |
| Total expenditures  | 60,000                  | 69,231       | 48,831                 | 20,400               |
| Excess of revenues over<br>(under) expenditures                                     | 30,000                  | 20,769       | 23,618                 | 2,849                |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers out   | (30,000)                | (20,769)     | (23,618)               | (2,849)              |
| Excess of revenues and other<br>sources over (under)<br>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**

**Veterans Resource Grant**

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

|   | <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<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES:</b>                                |                         |              |                        |   |
| State grants                                    | \$ 61,660               | \$ 61,660    | \$ 10,830              | \$ (50,830)                                     |
| Total revenues                                  | 61,660                  | 61,660       | 10,830                 | (50,830)  |
| <b>EXPENDITURES:</b>                            |                         |              |                        |   |
| Personnel services                              | 21,840                  | 21,840       | 5,454                  | 16,386  |
| Materials and services                          | 39,820                  | 39,820       | 5,376                  | 34,444  |
| Total expenditures                              | 61,660                  | 61,660       | 10,830                 | 50,830  |
| Excess of revenues over<br>(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**

**GED Wraparound Grant**

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

|   | <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<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES:</b>  |                         |              |                        |   |
| State grants  | \$ 107,077              | \$ 7,779     | \$ 7,779               | \$ -  |
| Total revenues  | 107,077                 | 7,779        | 7,779                  | -   |
| <b>EXPENDITURES:</b>  |                         |              |                        |   |
| Personnel services  | 91,370                  | 7,072        | 7,072                  | -   |
| Materials and services  | 19,557                  | -            | -                      | -   |
| Total expenditures  | 110,927                 | 7,072        | 7,072                  | -   |
| Excess of revenues over<br>(under) expenditures                                     | (3,850)                 | 707          | 707                    | -   |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |   |
| Transfers in  | 13,584                  | -            | -                      | -   |
| Transfers out   | (9,734)                 | (707)        | (707)                  | -   |
| Excess of revenues and other<br>sources over (under)<br>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**

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

|   | <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>                                |                         |              |                        |                      |
| Local sources                                   | \$ 17,402               | \$ 38,353    | \$ 45,522              | \$ 7,169             |
| Total revenues                                  | 17,402                  | 38,353       | 45,522                 | 7,169                |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Personnel services                              | 7,880                   | 35,541       | 16,396                 | 19,145               |
| Materials and services                          | 9,522                   | 11,812       | 29,126                 | (17,314)             |
| Total expenditures                              | 17,402                  | 47,353       | 45,522                 | 1,831                |
| Excess of revenues over<br>(under) expenditures | -                       | (9,000)      | -                      | 9,000                |
| Fund balances - beginning                       | -                       | 9,000        | 9,074                  | 74                   |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 9,074               | \$ 9,074             |



**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, 2020**

|   | <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>  |                         |                 |                        |                      |
| Federal grants  | \$ -                    | \$ 416,418      | \$ 277,618             | \$ (138,800)         |
| State grants  | <u>416,418</u>          | <u>-</u>        | <u>-</u>               | <u>-</u>             |
| Total revenues  | <u>416,418</u>          | <u>416,418</u>  | <u>277,618</u>         | <u>(138,800)</u>     |
| <b>EXPENDITURES:</b>  |                         |                 |                        |                      |
| Personnel services  | 321,389                 | 321,389         | 137,166                | 184,223              |
| Materials and services  | <u>65,183</u>           | <u>65,183</u>   | <u>120,608</u>         | <u>(55,425)</u>      |
| Total expenditures  | <u>386,572</u>          | <u>386,572</u>  | <u>257,774</u>         | <u>128,798</u>       |
| Excess of revenues over<br>(under) expenditures                                     | 29,846                  | 29,846          | 19,844                 | (10,002)             |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |                 |                        |                      |
| Transfers out   | <u>(29,846)</u>         | <u>(29,846)</u> | <u>(19,844)</u>        | <u>10,002</u>        |
| Excess of revenues and other<br>sources over (under)<br>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, 2020**

|   | <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>                                |                         |              |                        |                      |
| Federal grants                                  | \$ -                    | \$ 480,543   | \$ 294,435             | \$ (186,108)         |
| Total revenues                                  | -                       | 480,543      | 294,435                | (186,108)            |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Personnel services                              | -                       | 206,165      | 145,019                | 61,146               |
| Materials and services                          | -                       | 182,695      | 94,352                 | 88,343               |
| Capital outlay                                  | -                       | 91,683       | 55,064                 | 36,619               |
| Total expenditures                              | -                       | 480,543      | 294,435                | 186,108              |
| Excess of revenues over<br>(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**

**DHS TANF Jobs**

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

|   | <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>  |                         |              |                        |                      |
| State grants  | \$ -                    | \$ 127,400   | \$ 85,604              | \$ (41,796)          |
| Total revenues  | -                       | 127,400      | 85,604                 | (41,796)             |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Personnel services  | -                       | 86,473       | 56,739                 | 29,734               |
| Materials and services  | -                       | 40,927       | 21,486                 | 19,441               |
| Total expenditures  | -                       | 127,400      | 78,225                 | 49,175               |
| Excess of revenues over<br>(under) expenditures                                     | -                       | -            | 7,379                  | 7,379                |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers out   | -                       | -            | (7,379)                | (7,379)              |
| Excess of revenues and other<br>sources over (under)<br>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**

**CARES Act**

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

|   | <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<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES:</b>                                |                         |              |                        |   |
| Federal grants                                  | \$ -                    | \$ 349,657   | \$ 349,444             | \$ (213)  |
| Total revenues                                  | -                       | 349,657      | 349,444                | (213)   |
| <b>EXPENDITURES:</b>                            |                         |              |                        |   |
| Personnel services                              | -                       | 49,000       | 7,690                  | 41,310  |
| Materials and services                          | -                       | 150,657      | 259,390                | (108,733)                                       |
| Capital outlay                                  | -                       | 150,000      | 82,364                 | 67,636  |
| Total expenditures                              | -                       | 349,657      | 349,444                | 213   |
| Excess of revenues over<br>(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**

**FEMA**

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

|   | <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>                                |                         |              |                        |                      |
| Federal grants                                  | \$ -                    | \$ 100,000   | \$ 10,940              | \$ (89,060)          |
| Total revenues                                  | -                       | 100,000      | 10,940                 | (89,060)             |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Personnel services                              | -                       | 20,000       | 4,733                  | 15,267               |
| Materials and services                          | -                       | 78,000       | 5,271                  | 72,730               |
| Capital outlay                                  | -                       | 2,000        | 936                    | 1,064                |
| Total expenditures                              | -                       | 100,000      | 10,940                 | 89,060               |
| Excess of revenues over<br>(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, 2020**

|   | <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>                                |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 130                 | \$ 130               |
| Total revenues                                  | -                       | -            | 130                    | 130                  |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Materials and services                          | 3,014                   | 3,014        | -                      | 3,014                |
| Total expenditures                              | 3,014                   | 3,014        | -                      | 3,014                |
| Excess of revenues over<br>(under) expenditures | (3,014)                 | (3,014)      | 130                    | 3,144                |
| Fund balances - beginning                       | 3,014                   | 3,014        | 3,026                  | 12                   |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 3,156               | \$ 3,156             |

**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, 2020**

|   | <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>                                |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 6,826               | \$ 6,826             |
| Total revenues                                  | -                       | -            | 6,826                  | 6,826                |
| Excess of revenues over<br>(under) expenditures | -                       | -            | 6,826                  | 6,826                |
| Fund balances - beginning                       | 159,240                 | 159,240      | 159,235                | (5)                  |
| Fund balances - ending                          | \$ 159,240              | \$ 159,240   | \$ 166,061             | \$ 6,821             |

**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, 2020**

|   | <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>                                |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 613                 | \$ 613               |
| Total revenues                                  | -                       | -            | 613                    | 613                  |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Materials and services                          | 4,338                   | 4,338        | -                      | 4,338                |
| Capital outlay                                  | 10,000                  | 10,000       | -                      | 10,000               |
| Total expenditures                              | 14,338                  | 14,338       | -                      | 14,338               |
| Excess of revenues over<br>(under) expenditures | (14,338)                | (14,338)     | 613                    | 14,951               |
| Fund balances - beginning                       | 14,338                  | 14,338       | 14,306                 | (32)                 |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 14,919              | \$ 14,919            |



**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, 2020**

|   | <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<br/>Positive<br/>(Negative)</u> |
| <b>REVENUES:</b>                                |                         |              |                        |   |
| Interest  | \$ -                    | \$ -         | \$ 1,337               | \$ 1,337  |
| Total revenues                                  | -                       | -            | 1,337                  | 1,337   |
| <b>EXPENDITURES:</b>                            |                         |              |                        |   |
| Materials and services                          | 26,350                  | 26,350       | 6,864                  | 19,486  |
| Capital outlay                                  | 10,000                  | 10,000       | -                      | 10,000  |
| Total expenditures                              | 36,350                  | 36,350       | 6,864                  | 29,486  |
| Excess of revenues over<br>(under) expenditures | (36,350)                | (36,350)     | (5,527)                | 30,823  |
| Fund balances - beginning                       | 36,350                  | 36,350       | 36,267                 | (84)  |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 30,740              | \$ 30,740                                       |

**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, 2020**

|   | <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>                                |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 914                 | \$ 914               |
| Total revenues                                  | -                       | -            | 914                    | 914                  |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Materials and services                          | 10,000                  | 10,000       | -                      | 10,000               |
| Capital outlay                                  | 12,530                  | 12,530       | -                      | 12,530               |
| Total expenditures                              | 22,530                  | 22,530       | -                      | 22,530               |
| Excess of revenues over<br>(under) expenditures | (22,530)                | (22,530)     | 914                    | 23,444               |
| Fund balances - beginning                       | 22,530                  | 22,530       | 21,301                 | (1,229)              |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 22,215              | \$ 22,215            |

**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, 2020**

|   | <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<br/>Positive<br/>(Negative)</u> |
| <b>REVENUES:</b>                                |                         |              |                        |   |
| Interest  | \$ -                    | \$ -         | \$ 68                  | \$ 68   |
| Total revenues                                  | -                       | -            | 68                     | 68  |
| <b>EXPENDITURES:</b>                            |                         |              |                        |   |
| Material and services                           | 1,586                   | 1,586        | -                      | 1,586   |
| Total expenditures                              | 1,586                   | 1,586        | -                      | 1,586   |
| Excess of revenues over<br>(under) expenditures | (1,586)                 | (1,586)      | 68                     | 1,654   |
| Fund balances - beginning                       | 1,586                   | 1,586        | 1,585                  | (1)   |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 1,653               | \$ 1,653  |

**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, 2020**

|   | <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>  |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 118                 | \$ 118               |
| Total revenues  | -                       | -            | 118                    | 118                  |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Material and services   | 37,400                  | 37,400       | 10,812                 | 26,588               |
| Total expenditures  | 37,400                  | 37,400       | 10,812                 | 26,588               |
| Excess of revenues over<br>(under) expenditures                                     | (37,400)                | (37,400)     | (10,694)               | 26,706               |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers in  | 25,000                  | 25,000       | -                      | (25,000)             |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | (12,400)                | (12,400)     | (10,694)               | 1,706                |
| Fund balances - beginning   | 12,400                  | 12,400       | 11,981                 | (419)                |
| Fund balances - ending  | \$ -                    | \$ -         | \$ 1,287               | \$ 1,287             |

**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, 2020**

|   | <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>  |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 74                  | \$ 74                |
| Total revenues  | -                       | -            | 74                     | 74                   |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Material and services   | 7,406                   | 7,406        | 5,000                  | 2,406                |
| Total expenditures  | 7,406                   | 7,406        | 5,000                  | 2,406                |
| Excess of revenues over<br>(under) expenditures                                     | (7,406)                 | (7,406)      | (4,926)                | 2,480                |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers in  | 6,000                   | 6,000        | 6,000                  | -                    |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | (1,406)                 | (1,406)      | 1,074                  | 2,480                |
| Fund balances - beginning   | 1,406                   | 1,406        | 926                    | (480)                |
| Fund balances - ending  | \$ -                    | \$ -         | \$ 2,000               | \$ 2,000             |

**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, 2020**

|   | <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>                                |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 620                 | \$ 620               |
| Total revenues                                  | -                       | -            | 620                    | 620                  |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Material and services                           | 19,610                  | 19,610       | 6,610                  | 13,000               |
| Capital outlay                                  | 20,000                  | 20,000       | 32,388                 | (12,388)             |
| Total expenditures                              | 39,610                  | 39,610       | 38,998                 | 612                  |
| Excess of revenues over<br>(under) expenditures | (39,610)                | (39,610)     | (38,378)               | 1,232                |
| Fund balances - beginning                       | 39,610                  | 39,610       | 39,618                 | 8                    |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 1,240               | \$ 1,240             |

**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, 2020**

|   | <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>  |                         |              |                        |                      |
| Interest  | \$ -                    | \$ -         | \$ 53,874              | \$ 53,874            |
| Total revenues  | -                       | -            | 53,874                 | 53,874               |
| <b>EXPENDITURES:</b>  |                         |              |                        |                      |
| Personnel services  | 1,147,150               | 1,345,650    | 8,355                  | 1,337,295            |
| Total expenditures  | 1,147,150               | 1,345,650    | 8,355                  | 1,337,295            |
| Excess of revenues over<br>(under) expenditures                                     | (1,147,150)             | (1,345,650)  | 45,519                 | 1,391,169            |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers out   | (198,500)               | -            | -                      | -                    |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | (1,345,650)             | (1,345,650)  | 45,519                 | 1,391,169            |
| Fund balances - beginning   | 1,345,650               | 1,345,650    | 1,268,636              | (77,014)             |
| Fund balances - ending  | \$ -                    | \$ -         | \$ 1,314,155           | \$ 1,314,155         |

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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, 2020**

|   | <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<br/>Positive<br/>(Negative)</u> |
| <b>REVENUES:</b>  |                         |              |                        |   |
| Interest  | \$ -                    | \$ -         | \$ 38                  | \$ 38   |
| Total revenues  | -                       | -            | 38                     | 38  |
| <b>EXPENDITURES:</b>  |                         |              |                        |   |
| Debt service  |                         |              |                        |   |
| Principal   | 535,252                 | 535,252      | 535,252                | -   |
| Interest  | 184,749                 | 184,749      | 184,670                | 79  |
| Total expenditures  | 720,001                 | 720,001      | 719,922                | 79  |
| Excess of revenues over<br>(under) expenditures                                     | (720,001)               | (720,001)    | (719,884)              | 117   |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |   |
| Transfers in  | 720,001                 | 720,001      | 719,884                | (117)   |
| Excess of revenues and other<br>sources over (under)<br>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 – PHASE 2 WORK SKILLS TECHNOLOGY CENTER**

Phase Two is our second campus expansion in which expands the campus by 40% through the construction of two new buildings. The Work Skills Technology Center is an instructional facility providing space for a range of classes from remedial education to Advanced Manufacturing.

### **CAPITAL PROJECTS – PHASE 2 FOUNDERS HALL**

Phase Two is the second part of a campus expansion in which we will expand the campus by 40% through the construction of two new buildings. Founders Hall provides a one-stop facility for students, including Student Services, Financial Aid, a Veterans Resource Center, LRC and Bookstore.

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

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.

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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, 2020**

|   | <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<br/>Positive<br/>(Negative)</u> |
| <b>REVENUES:</b>  |                         |              |                        |   |
| Interest  | \$ -                    | \$ -         | \$ 4,656               | \$ 4,656  |
| Total revenues  | -                       | -            | 4,656                  | 4,656   |
| <b>EXPENDITURES:</b>  |                         |              |                        |   |
| Personnel services  | -                       | 75,000       | 48,366                 | 26,634  |
| Materials and services  | 60,000                  | 309,000      | 265,080                | 43,920  |
| Capital outlay  | -                       | 98,749       | 4,747                  | 94,002  |
| Total expenditures  | 60,000                  | 482,749      | 318,193                | 164,556   |
| Excess of revenues over<br>(under) expenditures                                     | (60,000)                | (482,749)    | (313,537)              | 169,212   |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |   |
| Transfers in  | 50,000                  | 198,749      | 77,860                 | (120,889)                                       |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | (10,000)                | (284,000)    | (235,677)              | 48,323  |
| Fund balances - beginning   | 10,000                  | 284,000      | 274,337                | (9,663)   |
| Fund balances - ending  | \$ -                    | \$ -         | \$ 38,660              | \$ 38,660                                       |

**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, 2020**

|   | <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>                                |                         |              |                        |                      |
| Local Sources                                   | \$ 25,790               | \$ 25,790    | \$ 42,284              | \$ 16,494            |
| Interest  | -                       | -            | (6,509)                | (6,509)              |
| Total revenues                                  | 25,790                  | 25,790       | 35,775                 | 9,985                |
| <b>EXPENDITURES:</b>                            |                         |              |                        |                      |
| Materials and services                          | 10,790                  | 10,790       | -                      | 10,790               |
| Capital outlay                                  | 15,000                  | 15,000       | 19,860                 | (4,860)              |
| Total expenditures                              | 25,790                  | 25,790       | 19,860                 | 5,930                |
| Excess of revenues over<br>(under) expenditures | -                       | -            | 15,915                 | 15,915               |
| Fund balances - beginning                       | -                       | -            | 419                    | 419                  |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 16,334              | \$ 16,334            |



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

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

**PHASE 2 - FOUNDERS HALL**

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

|   | <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>OTHER FINANCING SOURCES (USES):</b>  |                         |              |                        |                      |
| Transfers out   | \$ -                    | \$ (148,749) | \$ (77,860)            | \$ 70,889            |
| Excess of revenues and other<br>sources over (under)<br>expenditures and other uses | -                       | (148,749)    | (77,860)               | 70,889               |
| Fund balances - beginning   | -                       | 148,749      | 77,860                 | (70,889)             |
| 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, 2020**

|   | <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<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES:</b>                                |                         |              |                        |   |
| State grants                                    | \$ 200,000              | \$ 200,000   | \$ -                   | \$ (200,000)                                    |
| Local sources                                   | 4,880,000               | 4,880,000    | -                      | (4,880,000)                                     |
| Total revenues                                  | 5,080,000               | 5,080,000    | -                      | (5,080,000)                                     |
| <b>EXPENDITURES:</b>                            |                         |              |                        |   |
| Personnel services                              | 40,826                  | 40,826       | -                      | 40,826  |
| Materials and services                          | 2,200,000               | 2,200,000    | 4,791                  | 2,195,209                                       |
| Capital outlay                                  | 2,839,174               | 2,839,174    | -                      | 2,839,174                                       |
| Total expenditures                              | 5,080,000               | 5,080,000    | 4,791                  | 5,075,209                                       |
| Excess of revenues over<br>(under) expenditures | -                       | -            | (4,791)                | (4,791)   |
| Fund balances - beginning                       | -                       | -            | 700,544                | 700,544   |
| Fund balances - ending                          | \$ -                    | \$ -         | \$ 695,753             | \$ 695,753                                      |

## 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.

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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, 2020**

|  | <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 and services            | \$ 538,178              | \$ 538,178        | \$ 404,232             | \$ (133,946)         |
| Total revenues                               | <u>538,178</u>          | <u>538,178</u>    | <u>404,232</u>         | <u>(133,946)</u>     |
| <b>EXPENDITURES:</b>                         |                         |                   |                        |                      |
| Personnel services                           | 95,665                  | 95,665            | 86,821                 | 8,844                |
| Materials and services:                      |                         |                   |                        |                      |
| Supplies and materials                       | 56,929                  | 56,929            | 102,900                | (45,971)             |
| Cost of goods sold                           | 377,661                 | 377,661           | 207,670                | 169,991              |
| Capital outlay                               | <u>-</u>                | <u>-</u>          | <u>5,015</u>           | <u>(5,015)</u>       |
| Total expenditures                           | <u>530,255</u>          | <u>530,255</u>    | <u>402,406</u>         | <u>127,849</u>       |
| Excess of revenues over (under) expenditures | 7,923                   | 7,923             | 1,826                  | (6,097)              |
| Fund balances - beginning                    | <u>108,735</u>          | <u>108,735</u>    | <u>107,855</u>         | <u>(880)</u>         |
| Fund balances - ending                       | <u>\$ 116,658</u>       | <u>\$ 116,658</u> | <u>\$ 109,681</u>      | <u>\$ (6,977)</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, 2020**

|   | <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<br/>Positive<br/>(Negative)</u> |
| <b>REVENUES:</b>  |                         |               |                        |   |
| Sales of merchandise, services<br>and catering                                      | \$ 20,820               | \$ 20,820     | \$ 10,947              | \$ (9,873)                                      |
| Total revenues  | <u>20,820</u>           | <u>20,820</u> | <u>10,947</u>          | <u>(9,873)</u>                                  |
| <b>EXPENDITURES:</b>  |                         |               |                        |   |
| Personnel services  | 29,400                  | 29,400        | 33,378                 | (3,978)   |
| Materials and services:   |                         |               |                        |   |
| Supplies and materials  | 1,920                   | 1,920         | 7,471                  | (5,551)   |
| Cost of goods sold  | <u>13,500</u>           | <u>13,500</u> | <u>3,369</u>           | <u>10,131</u>                                   |
| Total expenditures  | <u>44,820</u>           | <u>44,820</u> | <u>44,218</u>          | <u>602</u>                                      |
| Excess of revenues over (under)<br>expenditures                                     | (24,000)                | (24,000)      | (33,271)               | (9,271)   |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |               |                        |   |
| Transfers in  | <u>23,000</u>           | <u>23,000</u> | <u>33,083</u>          | <u>10,083</u>                                   |
| Excess of revenues and<br>other sources over (under)<br>expenditures and other uses | (1,000)                 | (1,000)       | (188)                  | 812   |
| Fund balances - beginning   | <u>1,000</u>            | <u>1,000</u>  | <u>882</u>             | <u>(118)</u>                                    |
| Fund balances - ending  | <u>\$ -</u>             | <u>\$ -</u>   | <u>\$ 694</u>          | <u>\$ 694</u>                                   |

# **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, 2020**

**Full Faith and Credit Obligations**

| Year end<br>June 30, | Series 2009  |              | Series 2015  |              |              |            |              |
|----------------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|
|                      | Issue Date:  | 2/10/09      | Issue Date:  | 12/15/15     |              |            |              |
|                      | Original:    | \$ 4,150,000 | Original:    | \$ 4,699,500 |              |            |              |
|                      | Interest:    | 3.0 ~ 4.25%  | Interest:    | 2.19%        |              |            |              |
|                      | Principal    | Interest     | Principal    | Interest     | Principal    | Interest   | Total        |
| 2021                 | 215,000      | 93,720       | 336,197      | 75,083       | 551,197      | 168,803    | 720,000      |
| 2022                 | 220,000      | 84,583       | 347,697      | 67,721       | 567,697      | 152,304    | 720,001      |
| 2023                 | 230,000      | 75,233       | 354,661      | 60,106       | 584,661      | 135,339    | 720,000      |
| 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      |
|                      | \$ 2,260,000 | \$ 495,046   | \$ 3,428,465 | \$ 396,783   | \$ 5,688,465 | \$ 891,829 | \$ 6,580,294 |

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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       |                              |                             |                             |
|---|-----------------------------|------------------------------|-----------------------------|-----------------------------|
|   | <u>2019-20</u>              | <u>2018-19</u>               | <u>2017-18</u>              | <u>2016-17</u>              |
| Net position invested in capital assets         | \$ 30,631,568               | \$ 31,862,247                | \$ 33,065,617               | \$ 26,406,045               |
| Less related debt                               | <u>(5,714,425)</u>          | <u>(6,252,923)</u>           | <u>(6,777,875)</u>          | <u>(7,288,526)</u>          |
| Net Investment in capital assets                | <u>24,917,143</u>           | <u>25,609,324</u>            | <u>26,287,742</u>           | <u>19,117,519</u>           |
| Net position, restricted                        | -                           | -                            | -                           | 175,802                     |
| Net position, unrestricted                      | (148,025)                   | (1,506,754)                  | 1,481,926                   | (1,697,115)                 |
| Prior period adjustment                         | -                           | -                            | -                           | (105,107)                   |
| <b>TOTAL NET POSITION</b>                       | <u><u>\$ 24,769,118</u></u> | <u><u>\$ 24,102,570</u></u>  | <u><u>\$ 27,769,668</u></u> | <u><u>\$ 17,491,099</u></u> |
| <b>CHANGES IN NET POSITION</b>                  |                             |                              |                             |                             |
| <b>Operating revenues</b>                       |                             |                              |                             |                             |
| Student tuition and fees                        | \$ 6,770,934                | \$ 6,434,313                 | \$ 5,723,006                | \$ 5,248,677                |
| Federal student financial aid and grants        | 6,219,912                   | 4,380,592                    | 4,189,578                   | 3,435,552                   |
| State grants and contracts                      | 1,453,093                   | 1,393,453                    | 1,197,808                   | 1,414,098                   |
| Out-of-district contracts                       | 528,364                     | 457,210                      | 357,920                     | 343,079                     |
| Auxiliary enterprises (Bookstore, Cafeteria)    | 415,179                     | 374,981                      | 505,184                     | 585,590                     |
| Other operating revenues                        | -                           | -                            | -                           | -                           |
| Total operating revenues                        | <u>\$ 15,387,482</u>        | <u>\$ 13,040,549</u>         | <u>11,973,496</u>           | <u>11,026,996</u>           |
| <b>Operating expenses</b>                       |                             |                              |                             |                             |
| Educational and general                         |                             |                              |                             |                             |
| Instruction                                     | \$ 8,872,588                | 8,035,278                    | 6,251,259                   | 6,617,572                   |
| Instructional support                           | 2,078,939                   | 1,757,189                    | 1,501,282                   | 1,566,295                   |
| Student services                                | 3,705,329                   | 3,433,357                    | 2,671,141                   | 2,042,156                   |
| College support                                 | 4,964,749                   | 4,240,344                    | 3,921,831                   | 3,192,685                   |
| Plant operations                                | 1,138,856                   | 1,110,860                    | 955,977                     | 791,777                     |
| Financial Aid                                   | 5,203,922                   | 4,337,694                    | 4,259,370                   | 4,159,091                   |
| Auxiliary enterprises (Bookstore, Cafeteria)    | 479,001                     | 423,309                      | 558,078                     | 612,922                     |
| Depreciation                                    | 2,200,758                   | 2,152,370                    | 1,913,539                   | 1,402,259                   |
| Total operating expenses                        | <u>\$ 28,644,142</u>        | <u>\$ 25,490,401</u>         | <u>22,032,477</u>           | <u>20,384,757</u>           |
| Operating income (loss)                         | <u>(13,256,660)</u>         | <u>(12,449,852)</u>          | <u>(10,058,981)</u>         | <u>(9,357,761)</u>          |
| <b>Nonoperating revenues (expenses)</b>         |                             |                              |                             |                             |
| State support                                   | \$ 11,531,775               | 6,107,769                    | 9,211,901                   | 4,950,599                   |
| Investment income                               | 202,470                     | 187,798                      | 128,563                     | 115,966                     |
| Property taxes and interest                     | 2,324,062                   | 2,273,866                    | 2,218,063                   | 2,075,164                   |
| Miscellaneous income (expense)                  | 3,246                       | 3,246                        | -                           | -                           |
| Deferred refunding / Issuance cost amortization | -                           | -                            | -                           | (52,558)                    |
| Debt issuance costs                             | -                           | -                            | -                           | -                           |
| Gain/<loss> on sale of capital assets           | -                           | (2,525)                      | (1,892)                     | -                           |
| Gain/<Loss> on pension assets                   | -                           | -                            | -                           | -                           |
| Debt premium amortization                       | -                           | -                            | 3,246                       | 3,246                       |
| Interest expense                                | (180,629)                   | (193,894)                    | (208,755)                   | (238,945)                   |
| Net nonoperating revenues                       | <u>\$ 13,880,924</u>        | <u>8,376,260</u>             | <u>11,351,126</u>           | <u>6,853,472</u>            |
| Income before Capital Contributions             | <u>624,264</u>              | <u>(4,073,592)</u>           | <u>1,292,145</u>            | <u>(2,504,289)</u>          |
| Capital Contributions                           | <u>42,284</u>               | <u>406,494</u>               | <u>8,986,426</u>            | <u>2,243,942</u>            |
| Change in net position                          | <u><u>\$ 666,548</u></u>    | <u><u>\$ (3,667,098)</u></u> | <u><u>\$ 10,278,571</u></u> | <u><u>\$ (260,347)</u></u>  |

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>2014-15</u>               | <u>2013-14</u>               | <u>2012-13</u>               | <u>2011-12</u>               | <u>2010-11</u>               |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| \$ 20,755,012<br>(4,979,119) | \$ 21,592,587<br>(5,471,852) | \$ 21,573,324<br>(6,009,585) | \$ 23,006,037<br>(6,532,318) | \$ 23,039,382<br>(6,974,237) |
| 15,775,893                   | 16,120,735                   | 15,563,739                   | 16,473,719                   | 16,065,145                   |
| -                            | 401,040                      | 383,149                      | 395,313                      | 431,496                      |
| 2,907,253                    | 7,594,570                    | 7,936,719                    | 8,975,542                    | 7,080,158                    |
| -                            | (5,206,182)                  | -                            | -                            | -                            |
| <u>18,683,146</u>            | <u>\$ 18,910,163</u>         | <u>\$ 23,883,607</u>         | <u>\$ 25,844,574</u>         | <u>\$23,576,799</u>          |
|                              |                              |                              |                              |                              |
| \$ 4,981,252                 | \$ 4,251,851                 | \$ 3,805,291                 | \$ 4,462,128                 | \$ 4,272,125                 |
| 3,419,373                    | 3,840,022                    | 4,331,537                    | 5,661,416                    | 5,782,954                    |
| 604,264                      | 273,299                      | 343,281                      | 323,006                      | 63,601                       |
| 174,589                      | 111,388                      | 56,522                       | 59,030                       | 118,189                      |
| 650,848                      | 778,926                      | 702,926                      | 777,415                      | 143,681                      |
| -                            | -                            | -                            | -                            | -                            |
| <u>9,830,326</u>             | <u>9,255,486</u>             | <u>9,239,557</u>             | <u>11,282,995</u>            | <u>10,380,550</u>            |
|                              |                              |                              |                              |                              |
| 4,760,040                    | 4,539,769                    | 3,984,551                    | 4,200,182                    | 4,029,720                    |
| 1,099,412                    | 989,706                      | 876,000                      | 877,102                      | 921,148                      |
| 1,570,714                    | 1,696,713                    | 1,428,761                    | 1,135,445                    | 846,717                      |
| 2,407,469                    | 3,027,541                    | 2,330,073                    | 2,300,009                    | 2,200,199                    |
| 662,335                      | 759,860                      | 758,334                      | 674,945                      | 529,585                      |
| 3,331,806                    | 3,453,462                    | 3,983,049                    | 5,464,807                    | 5,493,745                    |
| 579,714                      | 698,411                      | 704,128                      | 757,246                      | 177,937                      |
| 1,475,057                    | 1,517,421                    | 1,474,782                    | 1,478,319                    | 805,360                      |
| <u>15,886,547</u>            | <u>16,682,883</u>            | <u>15,539,678</u>            | <u>16,888,055</u>            | <u>15,004,411</u>            |
| <u>(6,056,221)</u>           | <u>(7,427,397)</u>           | <u>(6,300,121)</u>           | <u>(5,605,060)</u>           | <u>(4,623,861)</u>           |
|                              |                              |                              |                              |                              |
| 3,836,451                    | 5,509,798                    | 2,783,771                    | 5,150,651                    | 2,910,974                    |
| 63,360                       | 72,064                       | 74,590                       | 78,538                       | 73,061                       |
| 2,027,717                    | 1,956,444                    | 2,012,671                    | 1,958,262                    | 1,854,320                    |
| 35,095                       | 28,798                       | 25,539                       | 14,224                       | 33,216                       |
| (10,513)                     | (10,513)                     | (10,513)                     | (10,513)                     | (14,385)                     |
| -                            | -                            | -                            | -                            | -                            |
| (68)                         | -                            | (362,533)                    | (745)                        | (8,834)                      |
| -                            | 57,508                       | 47,519                       | 3,055                        | 80,783                       |
| 3,246                        | 3,246                        | 3,246                        | 3,245                        | 3,246                        |
| <u>(216,084)</u>             | <u>(236,135)</u>             | <u>(256,211)</u>             | <u>(275,325)</u>             | <u>(294,315)</u>             |
| <u>5,739,204</u>             | <u>7,381,210</u>             | <u>4,318,079</u>             | <u>6,921,392</u>             | <u>4,638,066</u>             |
| (317,017)                    | (46,187)                     | (1,982,042)                  | 1,316,332                    | 14,205                       |
| 90,000                       | 278,925                      | 21,075                       | 1,017,257                    | 6,570,669                    |
| <u>\$ (227,017)</u>          | <u>\$ 232,738</u>            | <u>\$ (1,960,967)</u>        | <u>\$ 2,333,589</u>          | <u>\$ 6,584,874</u>          |

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

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

| FISCAL YEAR | ASSESSED<br>VALUATION | ASSESSED<br>RATE (1) | PERCENTAGE<br>INCREASED<br>(DECREASED) | REAL MARKET<br>VALUATION (2) | PERCENTAGE<br>INCREASED<br>(DECREASED) | RATIO OF<br>ASSESSED<br>VALUATION<br>TO REAL<br>MARKET<br>VALUATION |
|-------------|-----------------------|----------------------|--|------------------------------|--|---|
| 2019-20     | \$ 5,665,110,473      | \$ 0.4117            | 3.75%                                  | \$ 8,940,500,006             | 4.92%                                  | 63.36%  |
| 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   |
| 2012-13     | 4,924,367,064         | 0.4117               | 1.26                                   | 6,697,578,202                | -6.26                                  | 73.52   |
| 2011-12     | 4,863,198,567         | 0.4117               | 5.27                                   | 7,144,973,527                | -0.16                                  | 68.06   |
| 2010-11     | 4,619,598,352         | 0.4117               | 1.12                                   | 7,156,328,489                | -3.73                                  | 64.55   |

Source: Klamath County Tax Office

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

(2) RMV is for Klamath County

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

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS - LAST TEN YEARS

|                           | DOLLARS PER \$1,000 OF ASSESSED VALUE |        |        |        |        |        |        |        |        |        |
|---------------------------|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| TAXING DISTRICT           | 19-20                                 | 18-19  | 17-18  | 16-17  | 15-16  | 14-15  | 13-14  | 12-13  | 11-12  | 10-11  |
| <b>KLAMATH COUNTY</b>     |                                       |        |        |        |        |        |        |        |        |        |
| County                    | 1.7326                                | 1.7326 | 1.7326 | 1.7326 | 1.7326 | 1.7326 | 1.7326 | 1.7326 | 1.7326 | 1.7326 |
| Courthouse Bond           | -                                     | -      | -      | -      | -      | -      | -      | 0.3505 | 0.3505 | 0.3505 |
| 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 | -      | -      | -      | -      |
| Museum                    | 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 |
| Klamath Falls             | 5.4423                                | 5.4423 | 5.4423 | 5.4423 | 5.4423 | 5.4423 | 5.4423 | 5.4423 | 5.6308 | 5.6300 |
| Klamath Falls Annex       | -                                     |        | 2.4000 | -      | -      | -      | -      | -      | -      | -      |
| Urban Ren Spec Levy       | -                                     |        | -      | -      | -      | -      | 0.0694 | 0.2562 | 0.2562 | 0.2562 |
| KF Police Department      | 0.1478                                | 0.1509 | 0.1356 | 0.1356 | 0.134  | 0.1531 | 0.1621 | -      | -      | -      |
| Malin                     | 5.2766                                | 5.0642 | 5.0642 | 5.0642 | 5.0642 | 5.0642 | 5.0642 | 5.0642 | 5.0642 | 5.0642 |
| Merrill                   | 5.0642                                | 3.1210 | 3.1210 | 3.1210 | 3.1210 | 3.1210 | 3.1210 | 3.1210 | 3.1210 | 3.1210 |
| <b>SCHOOLS</b>            |                                       |        |        |        |        |        |        |        |        |        |
| Klamath City              | 3.1127                                | 3.1127 | 3.1127 | 3.1127 | 3.1127 | 3.1127 | 3.1127 | 3.1127 | 3.1127 | 3.1127 |
| Klamath City Bond         | 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  | 0.5676                                | 0.5659 | 0.6054 | 0.6297 | 0.6547 | 0.6072 | 0.5628 | -      | -      | -      |
| Central Oregon Ed         | 0.6204                                | 0.1114 | 0.6204 | 0.7425 | 0.7376 | 0.7400 | 0.7463 | 0.7539 | 0.7496 | 0.7338 |
| 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 | 0.1093                                |        |        |        |        |        |        |        |        |        |
| <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                                |        |        |        |        |        |        |        |        |        |
| Central Cascades          | 2.2470                                | 2.2470 | 2.2470 | 2.2470 | 2.4086 | 2.4176 | 2.4209 | 2.4304 | 2.4300 | 2.4288 |
| Central Cascades LO       | 0.2600                                |        |        |        |        |        |        |        |        |        |
| Keno Fire                 | 1.1649                                | 1.1649 | 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 | 0.2300 | 2.1797 | 2.1797 | 2.1797 | 2.3690 | 2.3677 | 2.3359 | 2.3325 |
| 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 | 0.5948 | 0.5948 | 0.5948 | 0.5948 | 0.5948 | 0.5948 | 1.0561 |
| Merrill Fire General Op   | 0.5000                                |        | 0.3453 | 0.3453 | 0.3719 | 0.4090 | 0.4090 | 0.4315 | 0.4520 | -      |
| Oregon Outback Fire       | 1.2500                                | 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 |
| Rocky Point EMS & Fire    | 1.1866                                | 1.1860 | 1.1866 | 1.1866 | 1.1866 | 1.1866 | 1.1866 | 1.1866 | 1.1866 | 1.1866 |

|                            | <u>19-20</u> | <u>18-19</u> | <u>17-18</u> | <u>16-17</u> | <u>15-16</u> | <u>14-15</u> | <u>13-14</u> | <u>12-13</u> | <u>11-12</u> | <u>10-11</u> |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>PARK DISTRICTS</b>      |              |              |              |              |              |              |              |              |              |              |
| Bonanza Park               | 0.1769       | 0.1769       | 0.1769       | 0.1769       | 0.1769       | 0.1769       | 0.1769       | 0.1769       | 0.1769       | 0.1769       |
| Malin Park                 | 0.1000       | 1.2834       | 1.2834       | 1.2834       | 1.2834       | 1.2834       | 1.2834       | 1.2834       | 1.2834       | 1.2834       |
| Merrill Park               | 0.8202       | 0.8202       | 0.8202       | 0.8202       | 0.8202       | 0.8202       | 0.8202       | 0.8202       | 0.8202       | 0.8202       |
| Poe Valley Park            | 0.2544       | 0.2544       | 0.2544       | 0.2544       | 0.2544       | 0.2544       | 0.2544       | 0.2544       | 0.2544       | 0.2544       |
| Wiard Park                 | 0.2161       | 0.2161       | 0.2161       | 0.2161       | 0.2161       | 0.2161       | 0.2161       | 0.2161       | 0.2161       | 0.2161       |
| <b>ROAD DISTRICTS</b>      |              |              |              |              |              |              |              |              |              |              |
| Antelope Meadows Rd        | 1.5571       | 1.5571       | 1.5571       | 1.5571       | 1.5571       | 1.5571       | 1.5571       | 1.5571       | 1.5571       | 1.5571       |
| Cedar Trails Rd            | 1.1206       | 1.1206       | 1.1206       | 1.1206       | 1.1206       | 1.1206       | 1.1206       | 1.1206       | 1.1206       | 1.1206       |
| Goldfinch Rd               | 2.7952       | 2.7952       | 2.7952       | 2.7952       | 2.7952       | 2.7952       | 2.7952       | 2.7952       | 2.7952       | 2.7952       |
| Green Knoll Rd             | 4.0000       | 4.0000       | 4.0000       | 4.0000       | 4.0000       | 4.0000       | 4.0000       | 4.0000       | 4.0000       | 4.0000       |
| Jackpine Village Rd        | 1.5000       | 1.5000       | 1.5000       | 1.5000       | 1.5000       | 1.5000       | 1.5000       | 1.5000       | 1.5000       | 1.5000       |
| Keno Pines Rd              | 2.0114       | 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       |
| Pine Grove Highland Rd     | 0.8241       | 0.8241       | 0.8241       | 0.8241       | 0.8241       | 0.8241       | 0.8241       | 0.8241       | 0.8241       | 1.6482       |
| Rainbow Park Rd            | 1.6658       | 1.6658       | 1.6658       | 1.6658       | 1.6658       | 1.6658       | 1.6658       | 1.6658       | 1.6658       | 1.6658       |
| River Pines Ests Rd        | 1.4276       | 1.4276       | 1.4276       | 1.4276       | 1.4276       | 1.4276       | 1.4276       | 1.4276       | 1.4276       | 1.4276       |
| Sun Forest Ests Rd         | 1.1280       | 1.1280       | 1.1280       | 1.1280       | 1.1280       | 1.1280       | 1.1280       | 1.1280       | 1.1280       | 1.1280       |
| Two Rivers North Rd        | 0.9922       | 0.9922       | 0.9922       | 1.694        | 1.6940       | 1.6940       | 1.6940       | 1.6940       | 2.2346       | 2.2551       |
| Two Rivers N Rd - Cap Pro  | 0.3413       | 0.3564       | 0.3381       | 0.429        | 0.4710       | 0.4710       | 0.5283       | 0.5354       | -            | -            |
| Two Rivers North Levy      | 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       | 2.5654       | 2.5654       | 2.5654       |
| <b>SANITARY DISTRICTS</b>  |              |              |              |              |              |              |              |              |              |              |
| Bly Sanitary               | 3.0641       | 3.0641       | 3.0641       | 3.0641       | 3.0641       | 3.0641       | 1.6015       | 1.6015       | 1.6015       | 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       | 0.1800       | 0.1807       | 0.1807       | 0.1807       | 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          | 1.8726       | 1.8726       | 1.8726       | 1.8726       | 1.8726       | 1.8726       | 1.8726       | 1.8726       | 1.8726       | 1.8726       |
| <b>WATER DISTRICTS</b>     |              |              |              |              |              |              |              |              |              |              |
| Bly Water                  | 0.0000       |              | -            | -            | -            | -            | 1.4626       | 1.4626       | 1.4626       | 1.4626       |
| Pine Grove Water           | 2.2500       | 2.2500       | 2.2500       | 2.2500       | 2.2500       | 2.2500       | 2.2500       | 2.2500       | 2.2500       | 2.2500       |
| Falcon Heights Water       | 3.5000       | 3.5000       | 3.5000       | 3.5000       | 3.5000       | 3.5000       | 3.5000       | 3.5000       | 3.5000       | 3.5000       |
| <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       |              |              |              |              |              |              |              |              |
| <b>PREDATOR CONTROL</b>    |              |              |              |              |              |              |              |              |              |              |
| Klamath County Predator    | 0.0600       | 0.0600       | 0.0600       | 0.0000       | 0.0000       | 0.0000       | 0.0000       | 0.0000       | 0.0000       | 0.0000       |

Source: Klamath County Tax Office

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# Klamath Community College District

Klamath Falls, Oregon

## PRINCIPAL PROPERTY TAX PAYERS Fiscal Years Ended June 30, 2020 and June 30, 2011

| TAXPAYER                  | 2020                             |      |   | 2011                             |      |   |
|---------------------------|----------------------------------|------|---|----------------------------------|------|---|
|                           | TAXABLE<br>ASSESSED<br>VALUE (1) | RANK | PERCENTAGE<br>OF TOTAL<br>DISTRICT'S<br>ASSESSED<br>VALUATION | TAXABLE<br>ASSESSED<br>VALUE (1) | RANK | PERCENTAGE<br>OF TOTAL<br>DISTRICT'S<br>ASSESSED<br>VALUATION |
| Jeld-wen Inc              | \$ 449,178                       | 1    | 8.2%  | \$ 97,522                        | 4    | 2.13%   |
| Avista Corp               | 222,240                          | 2    | 4.1%  | 22,150                           | 6    | 0.48%   |
| Walmart RE Business Trust | 185,941                          | 3    | 3.4%  | 14,699                           | 7    | 0.3%  |
| Charter Communications    | 204,302                          | 4    | 3.7%  | 16,607                           | 9    | 0.36%   |
| Fred Meyer Stores Inc     | 156,665                          | 5    | 2.9%  | 18,523                           |      | 0.41%   |
| Century Link              | 133,470                          | 6    | 2.4%  |                                  |      | 0.0%  |
| Klamath Falls MSL LLC     | 121,529                          | 7    | 2.2%  | 21,974                           |      | 0.48%   |
| Lithia Real Estate Inc    | 94,516                           | 8    | 1.7%  | 121,163                          |      | 2.65%   |
| Klamath Jefferson LLC     | 83,436                           | 9    | 1.5%  |                                  |      | 0.0%  |
| Pacificorp                | 91,220                           | 10   | 1.7%  | 184,929                          | 2    | 4.05%   |
| Running Y Resort          | -                                | -    |   | 34,095                           | 3    | 3.60%   |
| Union Pacific Railroad    | -                                | -    |   | 27,392                           | 10   | 0.60%   |
| Iberdrola Renewables Inc  | -                                |      |   | 308,115                          | 1    | 6.74%   |
| Running Y Resort          |                                  |      |   | 34,095                           | 5    | 0.75%   |
| Quest Corp                |                                  |      |   | 18,097                           | 8    | 0.40%   |
| Totals                    | \$ 1,742,497                     |      | 31.9%   | \$ 919,361                       |      | 22.98%  |

(1) Amounts expressed in thousands.

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<br>Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | <u>Collected within the<br/>Fiscal Year of the Levy</u> |                       | Collections<br>in Subsequent<br>Years | <u>Total Collections to Date</u> |                       |
|----------------------------------|--|---|-----------------------|---------------------------------------|----------------------------------|-----------------------|
|                                  |  | Amount  | Percentage<br>of Levy |                                       | Amount                           | Percentage<br>of Levy |
| 2020                             | \$ 2,325,917                           | \$ 2,166,288  | 93.1%                 | -                                     | \$ 2,166,288                     | 93.1%                 |
| 2019                             | 2,243,582                              | 2,097,571   | 93.5%                 | 89,100                                | 2,186,671                        | 97.5%                 |
| 2018                             | 2,199,659                              | 2,048,841   | 93.1%                 | 44,821                                | 2,093,662                        | 95.2%                 |
| 2017                             | 2,115,019                              | 1,969,977   | 93.1%                 | 63,428                                | 2,033,405                        | 96.1%                 |
| 2016                             | 2,076,296                              | 1,985,548   | 95.6%                 | 79,051                                | 2,064,599                        | 99.4%                 |
| 2015                             | 2,020,863                              | 1,936,181   | 95.8%                 | 76,172                                | 2,012,353                        | 99.6%                 |
| 2014                             | 1,990,293                              | 1,906,165   | 95.8%                 | 85,491                                | 1,991,656                        | 100.1%                |
| 2013                             | 2,009,761                              | 1,904,350   | 94.8%                 | 91,430                                | 1,995,780                        | 99.3%                 |
| 2012                             | 1,981,245                              | 1,822,951   | 92.0%                 | 99,774                                | 1,922,725                        | 97.0%                 |
| 2011                             | 1,881,071                              | 1,735,648   | 92.3%                 | 104,401                               | 1,840,049                        | 97.8%                 |

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

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

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
Last Ten Fiscal Years

| GENERAL FUND:                          | 2019-20             | 2018-19             | 2017-18             | 2016-17             | 2015-16             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| 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>\$ 2,325,917</u> | <u>\$ 2,243,590</u> | <u>\$ 2,199,659</u> | <u>\$ 2,114,986</u> | <u>\$ 2,076,296</u> |
| Reduction of taxes receivable: (3) (4) |                     |                     |                     |                     |                     |
| Current year                           | <u>2,261,826</u>    | <u>2,091,659</u>    | <u>2,048,841</u>    | <u>1,969,977</u>    | <u>1,936,360</u>    |
| First year prior                       | 43,311              | 44,953              | 39,082              | 40,109              | 33,700              |
| Second year prior                      | 20,464              | 22,768              | 15,761              | 19,339              | 17,594              |
| Third year prior                       | 16,943              | 22,140              | 12,597              | 21,928              | 24,127              |
| Fourth year prior                      | 7,278               | 9,643               | 6,457               | 2,167               | 9,834               |
| Fifth year prior                       | <u>731</u>          | <u>1,459</u>        | <u>812</u>          | <u>919</u>          | <u>895</u>          |
| Total prior                            | <u>88,727</u>       | <u>100,963</u>      | <u>74,709</u>       | <u>84,462</u>       | <u>86,150</u>       |
| Total General Fund                     | <u>\$ 2,350,553</u> | <u>\$ 2,192,622</u> | <u>\$ 2,123,550</u> | <u>\$ 2,054,439</u> | <u>\$ 2,022,510</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.



| <u>2014-15</u>      | <u>2013-14</u>      | <u>2012-13</u>      | <u>2011-12</u>      | <u>2010-11</u>      |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>0.4117</u>       | <u>0.4117</u>       | <u>0.4117</u>       | <u>0.4117</u>       | <u>0.4117</u>       |
| <u>\$ 2,020,863</u> | <u>\$ 1,990,293</u> | <u>\$ 2,009,761</u> | <u>\$ 1,981,245</u> | <u>\$ 1,881,071</u> |
| <u>1,936,360</u>    | <u>1,906,437</u>    | <u>1,904,092</u>    | <u>1,857,689</u>    | <u>1,735,648</u>    |
| 37,989              | 44,709              | 44,542              | 51,719              | 44,666              |
| 18,349              | 20,317              | 18,164              | 22,793              | 12,886              |
| 20,906              | 21,233              | 18,002              | 20,299              | 13,278              |
| 10,662              | 11,564              | 8,170               | 9,447               | 5,551               |
| 2,263               | 2,652               | 1,558               | 3,855               | 936                 |
| <u>90,169</u>       | <u>100,475</u>      | <u>90,437</u>       | <u>108,113</u>      | <u>77,317</u>       |
| <u>\$ 2,026,529</u> | <u>\$ 2,006,912</u> | <u>\$ 1,994,529</u> | <u>\$ 1,965,802</u> | <u>\$ 1,812,965</u> |

# Klamath Community College District

Klamath Falls, Oregon

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

|         | Population<br>(Estimated) (1) | Assessed<br>Valuation (2) | Net Bonded<br>Debt (3) | DISTRICT<br>PERSONAL<br>INCOME (4) | Ratio of Net<br>Bonded<br>Debt to<br>Personal<br>Income | Ratio of Net<br>Bonded<br>Debt to<br>Assessed<br>Valuation | Net<br>Bonded<br>Debt<br>Per Capita |
|---------|-------------------------------|---------------------------|------------------------|------------------------------------|---|--|-------------------------------------|
| 2019-20 | 68,238                        | \$ 5,665,110,473          | \$ 5,714,425           | \$ 2,939,707                       | 0.19%   | 0.10%  | \$ 83.74                            |
| 2018-19 | 67,831                        | 5,460,244,150             | 6,252,923              | 2,832,036                          | 0.22%   | 0.11%  | 92.18                               |
| 2017-18 | 67,653                        | 5,357,683,480             | 6,777,875              | 2,698,746                          | 0.25  | 0.13   | 100.19                              |
| 2016-17 | 66,579                        | 5,154,174,453             | 7,288,526              | 2,554,436                          | 0.29  | 0.14   | 109.47                              |
| 2015-16 | 66,935                        | 5,060,708,799             | 9,218,444              | 2,495,671                          | 0.37  | 0.18   | 137.72                              |
| 2014-15 | 66,443                        | 4,952,793,865             | 5,042,190              | 2,390,885                          | 0.21  | 0.10   | 75.89                               |
| 2013-14 | 66,016                        | 4,879,923,911             | 5,545,436              | 2,235,764                          | 0.25  | 0.11   | 84.00                               |
| 2012-13 | 65,455                        | 4,924,367,064             | 6,093,682              | 2,076,167                          | 0.29  | 0.12   | 93.10                               |
| 2011-12 | 66,810                        | 4,863,198,567             | 6,626,928              | 2,090,151                          | 0.32  | 0.14   | 99.19                               |
| 2010-11 | 66,740                        | 4,619,598,352             | 7,145,174              | 2,032,033                          | 0.35  | 0.15   | 107.06                              |

(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

OVERLAPPING DEBT SCHEDULE  
June 30, 2020

| <u>Jurisdiction</u>                 | Real Market<br>Valuation | Percent<br>Overlapping (1) | Overlapping                              |  |
|-------------------------------------|--------------------------|----------------------------|--|--|
|                                     |                          |                            | Gross Property-Tax<br>Backed Direct Debt | Net Property-Tax<br>Backed (Direct) Debt (1) |
| <u>DIRECT</u>                       |                          |                            |  |  |
| Klamath Community College           | \$0                      | 100.0000%                  | \$0                                      | \$0  |
| <u>OVERLAPPING</u>                  |                          |                            |  |  |
| Klamath Cty Emergency Comm          | 8,999,082,137            | 91.7000                    | 806,986                                  | 806,986                                      |
| Bly RFPD                            | 26,425,255               | 100.0000                   | 40,000                                   | 40,000                                       |
| City of Chiloquin                   | 28,995,208               | 100.0000                   | 196,780                                  | 196,780                                      |
| Klamath County RFPD #1              | 5,047,632,826            | 100.0000                   | 175,000                                  | 175,000                                      |
| City of Klamath Falls               | 2,577,985,723            | 100.0000                   | 6,507,773                                | 6,507,773                                    |
| City of Merrill                     | 57,456,123               | 100.0000                   | 399,219                                  | 399,219                                      |
| Klamath County School Dist.         | 5,941,645,973            | 87.4400                    | 38,762,287                               | 33,893,550                                   |
| Klamath Falls Urban Renewal Area    | 2,577,985,723            | 100.0000                   | 2,734,301                                | 2,734,301                                    |
| Klamath County SD 1 (Klamath Falls) | 3,057,074,164            | 100.0000                   | <u>34,692,454</u>                        | <u>34,692,454</u>                            |
| Total overlapping                   |                          |                            | <u>84,314,800</u>                        | <u>79,446,063</u>                            |
| Total direct and overlapping        |                          |                            | <u>\$ 84,314,800</u>                     | <u>\$ 79,446,063</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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|         | LEGAL DEBT<br>LIMITATION (1) | INDEBTEDNESS (2) | DEBT MARGIN |
|---------|------------------------------|------------------|-------------|
| 2019-20 | \$ 134,107,500               | \$0              | 134,107,500 |
| 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 |
| 2012-13 | 100,463,673                  | 0                | 100,463,673 |
| 2011-12 | 107,174,603                  | 0                | 107,174,603 |
| 2010-11 | 107,344,927                  | 0                | 107,344,927 |

(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

|         | DISTRICT<br>POPULATION (1) |       | DISTRICT<br>PERSONAL<br>INCOME (2) |       | DISTRICT<br>PER CAPITA<br>INCOME (2) |     | FTE (3)<br>STUDENT<br>ENROLLMENT |  | KLAMATH<br>COUNTY<br>UNEMPLOYMENT<br>RATE (4) |     |
|---------|----------------------------|-------|------------------------------------|-------|--------------------------------------|-----|----------------------------------|--|---|-----|
| 2019-20 | 68,238                     | (1,4) | \$2,939,707                        | (3,4) | \$43,080                             | (3) | 2005.33                          |  | 8.60%   | (2) |
| 2018-19 | 67,831                     |       | \$2,832,036                        |       | \$41,752                             |     | 1887.14                          |  | 6.50%   |     |
| 2017-18 | 67,653                     |       | 2,698,746                          |       | 39,891                               |     | 1,852.50                         |  | 6.10%   |     |
| 2016-17 | 66,579                     |       | 2,554,436                          |       | 38,367                               |     | 1,862.70                         |  | 5.80%   |     |
| 2015-16 | 66,935                     |       | 2,495,671                          |       | 37,285                               |     | 1,884.10                         |  | 7.00%   |     |
| 2014-15 | 66,443                     |       | 2,390,885                          |       | 35,984                               |     | 1,675.10                         |  | 7.90%   |     |
| 2013-14 | 66,016                     |       | 2,235,764                          |       | 33,867                               |     | 1,699.91                         |  | 9.40%   |     |
| 2012-13 | 65,455                     |       | 2,076,167                          |       | 31,719                               |     | 1,650.05                         |  | 10.90%  |     |
| 2011-12 | 66,810                     |       | 2,090,151                          |       | 31,285                               |     | 1,970.80                         |  | 11.80%  |     |
| 2010-11 | 66,740                     |       | 2,032,033                          |       | 30,447                               |     | 2,004.94                         |  | 12.20%  |     |

(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.

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**KLAMATH COMMUNITY COLLEGE**  
Klamath Falls, Oregon

Principal Employers

| <u>Employer</u>                          | <u>2020</u>          |             |   | <u>2010 (2)</u>  |                 |   |
|--|----------------------|-------------|---|------------------|-----------------|---|
|  | <u>Employees</u> (1) | <u>Rank</u> | <u>% of<br/>Total County<br/>Employment</u> (3) | <u>Employees</u> | <u>Rank</u> (3) | <u>% of<br/>Total County<br/>Employment</u> |
| Sky Lakes Medical Center                 | 1,407                | 1           | 2.07%   | 1040             | 2               | 157%  |
| Klamath County School District           | 1,061                | 2           | 1.56%   | 800              | 4               | 1.21%                                       |
| Kingsley Field Oregon Air National Guard | 934                  | 3           | 1.38%   | 1019             | 3               | 1.54%                                       |
| Jeld-Wen Inc.                            | 918                  | 4           | 1.35%   | 1200             | 1               | 1.81%                                       |
| iQor (Assurion)                          | 480                  | 5           | 0.71%   | 700              | 5               | 1.06%                                       |
| Klamath County                           | 480                  | 6           | 0.71%   | 575              | 6               | 0.87%                                       |
| Wal-Mart                                 | 380                  | 7           | 0.56%   | 400              | 8               | 0.60%                                       |
| Klamath Falls City Schools               | 375                  | 8           | 0.55%   | 440              | 7               | 0.67%                                       |
| Oregon Institute of Technology           | 343                  | 9           | 0.51%   | 387              | 9               | 0.59%                                       |
| Columbia Forest Products <sup>2</sup>    | 297                  | 10          | 0.44%   |                  |                 | 0.00%                                       |
| City of Klamath Falls                    |                      |             | 0.00%   | 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>2019-20</u>                  | <u>2018-19</u> | <u>2017-18</u> | <u>2016-17</u> | <u>2015-16</u> |
| Allocations per FTE      | \$4,848.72                      | \$4,411.81     | \$4,081.02     | \$3,651.55     | \$3,162.22     |
| Annual State Funding (1) | \$9,467,226                     | \$8,111,823    | \$7,424,165    | \$6,648,136    | \$5,950,537    |
| Total Reimbursable FTE   | 1,952.52                        | 1,838.66       | 1,819.19       | 1,820.64       | 1,881.76       |

(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>2014-15</u> | <u>2013-14</u> | <u>2012-13</u> | <u>2011-12</u> | <u>2010-11</u> |
|----------------|----------------|----------------|----------------|----------------|
| \$2,976.02     | \$2,706.44     | \$2,283.76     | \$2,100.87     | \$1,994.00     |
| \$5,021,439    | \$4,524,846    | \$3,768,723    | \$4,063,779    | \$3,997,846    |
| 1,687.30       | 1,671.88       | 1,639.80       | 1,987.23       | 2,004.94       |

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# Klamath Community College District

Klamath Falls, Oregon

## ENROLLMENT STATISTICS

Last Ten Years

|         | <u>TOTAL<br/>OPERATING<br/>EXPENSES</u> | <u>DISTRICT<br/>POPULATION (1)</u> | <u>COST<br/>PER<br/>FTE (2)</u> | <u>STATE-WIDE<br/>AVERAGE COST<br/>PER FTE</u> | <u>NUMBER OF<br/>EMPLOYEES (5)</u> | <u>TOTAL<br/>FTE</u> | <u>RATIO OF<br/>EMPLOYEES<br/>TO FTE</u> |
|---------|---|------------------------------------|---------------------------------|--|------------------------------------|----------------------|--|
| 2019-20 | 28,644,142                              | 68,238                             | (6) \$ 11,910                   | \$ 12,410 (4)                                  | 168                                | 2,005.33 (3)         | 1:12                                     |
| 2018-19 | 25,490,401                              | 67,831                             | 10,985                          | 11,762   | 134                                | 1,887.14             | 1:14                                     |
| 2017-18 | 22,032,477                              | 67,653                             | 9,122                           | 11,065   | 163                                | 1,880.98             | 1:12                                     |
| 2016-17 | 20,384,757                              | 66,579                             | 8,426                           | 10,633   | 179                                | 1,882.48             | 1:11                                     |
| 2015-16 | 20,559,250                              | 66,935                             | 8,816                           | 9,995  | 129                                | 1,884.10             | 1:15                                     |
| 2014-15 | 15,886,547                              | 66,443                             | 7,151                           | 9,365  | 125                                | 1,674.50             | 1:13                                     |
| 2013-14 | 16,682,883                              | 66,016                             | 7,375                           | 8,553  | 128                                | 1,699.20             | 1:13                                     |
| 2012-13 | 15,539,678                              | 65,455                             | 6,526                           | 8,041  | 129                                | 1,662.90             | 1:13                                     |
| 2011-12 | 16,888,055                              | 66,810                             | 5,328                           | 7,568  | 120                                | 2,002.00             | 1:17                                     |
| 2010-11 | 21,966,094                              | 66,740                             | 4,645                           | 7,249  | 113                                | 2,009.40             | 1:18                                     |

(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**Klamath Falls, Oregon**CERTIFICATES AND DEGREES GRANTED**

Last Ten Fiscal Years

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|                                     | <u>2019-20</u>    | <u>2018-19</u>    | <u>2017-18</u>    | <u>2016-17</u>    | <u>2015-16</u>    |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Certificates                        |                   |                   |                   |                   |                   |
| One-Year                            | 76                | 73                | 75                | 48                | 55                |
| Pathways (1)                        | 214               | 208               | 177               | 114               | 114               |
| Less Than One-Year                  | <u>0</u>          | <u>2</u>          | <u>0</u>          | <u>0</u>          | <u>0</u>          |
| Total Certificates                  | <u>290</u>        | <u>283</u>        | <u>252</u>        | <u>162</u>        | <u>169</u>        |
| Degrees                             |                   |                   |                   |                   |                   |
| Associate of Applied Science        | 83                | 100               | 131               | 87                | 52                |
| Associate of Arts - Oregon Transfer | 6                 | 4                 | 21                | 20                | 10                |
| Associate of General Studies        | 22                | 38                | 46                | 39                | 21                |
| Associate of Science                | <u>41</u>         | <u>44</u>         | <u>56</u>         | <u>27</u>         | <u>26</u>         |
| Total Degrees                       | <u>152</u>        | <u>186</u>        | <u>254</u>        | <u>173</u>        | <u>109</u>        |
| High School Diplomas                | <u>0</u>          | <u>0</u>          | <u>0</u>          | <u>8</u>          | <u>1</u>          |
| GED Certificates                    | <u>38</u>         | <u>27</u>         | <u>16</u>         | <u>34</u>         | <u>14</u>         |
| Total Awards                        | <u><u>480</u></u> | <u><u>496</u></u> | <u><u>522</u></u> | <u><u>377</u></u> | <u><u>293</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>2014-15</u>    | <u>2013-14</u>    | <u>2012-13</u>    | <u>2011-12</u>    | <u>2010-11</u>    |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 65                | 59                | 39                | 27                | 26                |
| 21                | 36                | 29                | 15                | 0                 |
| <u>1</u>          | <u>3</u>          | <u>12</u>         | <u>0</u>          | <u>0</u>          |
| <u>87</u>         | <u>98</u>         | <u>80</u>         | <u>42</u>         | <u>26</u>         |
| 79                | 64                | 91                | 51                | 50                |
| 17                | 10                | 19                | 13                | 15                |
| 24                | 33                | 31                | 17                | 30                |
| <u>26</u>         | <u>30</u>         | <u>26</u>         | <u>8</u>          | <u>11</u>         |
| <u>146</u>        | <u>137</u>        | <u>167</u>        | <u>89</u>         | <u>106</u>        |
| 45                | 10                | 18                | 31                | 17                |
| <u>98</u>         | <u>148</u>        | <u>155</u>        | <u>183</u>        | <u>160</u>        |
| <u><u>376</u></u> | <u><u>393</u></u> | <u><u>420</u></u> | <u><u>345</u></u> | <u><u>309</u></u> |

# Klamath Community College District

Klamath Falls, Oregon

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

---

|         | <u>FACULTY</u> | <u>CLASSIFIED</u> | <u>EXEMPT (t)</u> | <u>TOTAL</u> |
|---------|----------------|-------------------|-------------------|--------------|
| 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          |
| 2012-13 | 64             | 54                | 11                | 129          |
| 2011-12 | 61             | 50                | 9                 | 120          |
| 2010-11 | 56             | 48                | 9                 | 113          |

\* 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<br/>TEACHING<br/>STAFF (3)</u> |
|--------------|--------------------|------------------------|--|
| 2019-20      | 168                | 3,274                  | 19.49  |
| 2018-19      | 178                | 3,097                  | 17.40  |
| 2017-18      | 167                | 3,361                  | 20.13  |
| 2016-17      | 206                | 3,454                  | 16.77  |
| 2015-16      | 221                | 3,427                  | 15.51  |
| 2014-15      | 188                | 2,906                  | 15.46  |
| 2013-14      | 170                | 2,523                  | 14.84  |
| 2012-13      | 149                | 2,348                  | 15.76  |
| 2011-12      | 157                | 2,779                  | 17.70  |
| 2010-11      | 163                | 2,762                  | 16.94  |

(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 faculty for KALC are excluded from "Faculty".

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

# Klamath Community College District

Klamath Falls, Oregon

## CAPITAL ASSET VOLUME AND USAGE

June 30, 2020

|  |                     | <u>Cost</u>          | <u>Accumulated<br/>Depreciation</u> | <u>Net Book Value</u> |
|--|---------------------|----------------------|-------------------------------------|-----------------------|
| Land   |                     | \$ 1,767,284         | \$ -                                | \$ 1,767,284          |
| One Campus, 58.25 contiguous acres                       |                     |                      |                                     |                       |
| Construction in Process                                  |                     |                      | -                                   | 14,790                |
| Land Improvements  |                     | 4,961,738            | 2,493,392                           | 2,468,346             |
| Campus access, parking, utilities, and landscaping       |                     |                      |                                     |                       |
| Buildings & Improvements                                 |                     | 33,723,490           | 8,351,529                           | 25,371,961            |
| Ten buildings totalling                                  | 158,770 square feet |                      |                                     |                       |
| Consisting of:   |                     |                      |                                     |                       |
| Classrooms/Labs  | 53,337 square feet  |                      |                                     |                       |
| Offices  | 31,352 square feet  |                      |                                     |                       |
| Conference/Meeting Rooms                                 | 6,446 square feet   |                      |                                     |                       |
| Student Commons  | 5,625 square feet   |                      |                                     |                       |
| Learning Resource Center                                 | 6,409 square feet   |                      |                                     |                       |
| Support Areas: Lobby, hall, etc                          | 55,601 square feet  |                      |                                     |                       |
| Equipment  |                     | 2,887,186            | 2,448,459                           | 438,727               |
| Classroom and facilities equipment and furniture         |                     |                      |                                     |                       |
| Computers and Software                                   |                     | 3,881,939            | 3,333,028                           | 548,911               |
| Computers and Software for students, faculty, and staff. |                     |                      |                                     |                       |
| Library Collections                                      |                     | 83,341               | 61,791                              | 21,550                |
| 7,152 volumes  |                     |                      |                                     |                       |
| Totals   |                     | <u>\$ 47,304,978</u> | <u>\$ 16,688,199</u>                | <u>\$ 30,631,569</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, 2020

| COMPANY          | CERTIFICATE<br>NUMBER | COVERAGE<br>PERIOD     | AMOUNT OF<br>INSURANCE | TYPE OF COVERAGE   |
|------------------|-----------------------|------------------------|------------------------|--|
| PACE             | 34P60165-292          | 7/1/2019 to            | \$40,443,708           | Buildings  |
| (Property and    |                       | 7/1/2020               | \$6,390,846            | Business Personal Property   |
| Casualty         |                       |                        | \$73,000               | 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>Sublimits for 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 Underg  |
|                  |                       |                        |                        | <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>Sublimits of 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>Participants</u></b>   |
| SAIF Corporation | Policy # 630670       | 8/01/2019 to 8/01/2020 |                        | Workman's Compensation   |
| OEGB             | Policy # 646595       | 10/1/2019 to 9/30/2020 |                        | Standard Medical & Life insurance  |

Source: Klamath Community College District Insurance Records.

# Klamath Community College District

Klamath Falls, Oregon

## MISCELLANEOUS STATISTICAL DATA

June 30, 2020

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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                     | 10            | 158,770            |
| Classrooms/labs               | 46            | 53,337             |
| Offices                       | 129           | 33,378             |
| Multipurpose:                 |               |                    |
| Conference/Meeting Rooms      | 8             | 6,446              |
| Student Commons               | 1             | 5,625              |
| Learning Resource Center      | 1             | 6,409              |
| Support Areas: Lobbies, halls | 1             | 55,601             |
| Asphalt Parking               |               | 278,755            |
| Asphalt Road                  |               | 159,190            |

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

## **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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INDEPENDENT AUDITOR'S COMMENTS  
REQUIRED BY OREGON STATE REGULATIONS

December 31, 2020

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, 2020, and have issued our report thereon dated December 31, 2020.

**Internal Control Over Financial Reporting**

Our report on Klamath Community College District's internal control over financial reporting is presented elsewhere in this Comprehensive Annual 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 162-10-000 through 162-10-320 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).

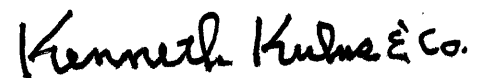
In connection with our testing nothing came to our attention that caused us to believe Klamath Community College District was not in substantial compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 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.

A handwritten signature in black ink that reads "Kenneth Kuhns & Co." in a cursive, slightly stylized font.

Kenneth Kuhns & Co.



# **GOVERNMENT AUDITING STANDARDS REPORT**

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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 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*

December 31, 2020

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, 2020, and have issued our report thereon dated December 31, 2020.

**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 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

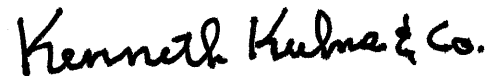
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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.

A handwritten signature in black ink that reads "Kenneth Kuhns & Co." in a cursive script.

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

December 31, 2020

Board of Education  
Klamath Community College District  
Klamath Falls, Oregon

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

We have audited Klamath Community College District's compliance with the types of compliance requirements described 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, 2020. 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.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

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

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.



**KLAMATH COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2020

| Federal Grantor<br>Pass-through Grantor / Program Title                                 | Federal<br>CFDA<br>Number | State / Local<br>Grant Number      | Federal<br>Expenditures |
|---|---------------------------|------------------------------------|-------------------------|
| U.S. Department of Education:   |                           |                                    |                         |
| Student Financial Aid:(1)   |                           |                                    |                         |
| Federal Pell Grant Program  | 84.063                    | \$                                 | 3,407,068               |
| Federal Supplemental Educational<br>Opportunity Grant                                   | 84.007                    |                                    | 63,081                  |
| Federal Work-Study Program  | 84.033                    |                                    | 49,740                  |
| Federal Direct Student Loans  | 84.268                    |                                    | 3,661,501               |
| Total Federal Financial Aid   |                           |                                    | <u>7,181,390</u>        |
| Other Programs:   |                           |                                    |                         |
| TRIO Cluster:   |                           |                                    |                         |
| TRIO - Student Support Services   | 84.042A                   |                                    | 249,517                 |
| TRIO - Upward Bound   | 84.047                    |                                    | 252,494                 |
| Total TRIO Cluster  |                           |                                    | <u>502,011</u>          |
| High School Equivalency Program   | 84.141                    |                                    | <u>277,618</u>          |
| Title II Professional Development   | 84.367                    |                                    | <u>23,997</u>           |
| Strengthening Institutions, Title III   | 84.031                    |                                    | <u>294,435</u>          |
| HEERF Program - CARES Act - Student (1)   | 84.425E                   |                                    | 295,700                 |
| HEERF Program - CARES Act - Institutional (1)   | 84.425F                   |                                    | 349,444                 |
| Total HEERF Program - CARES Act   |                           |                                    | <u>645,144</u>          |
| Pass-Through Programs From:   |                           |                                    |                         |
| High Desert ESD   |                           |                                    |                         |
| Perkins Pass-through  | 84.048                    |                                    | <u>6,136</u>            |
| Oregon Department of Community Colleges<br>and Workforce Development Adult Education    | 84.002                    |                                    | <u>114,148</u>          |
| Total U.S. Department of Education  |                           |                                    | <u>9,044,880</u>        |
| U.S. Department of Labor:   |                           |                                    |                         |
| Passed through East Cascades Workforce Board:   |                           |                                    |                         |
| WIOA Cluster: (1)   |                           |                                    |                         |
| US Dept. of Labor Workforce Innovation and Opportunity Act<br>Title I Adult             | 17.258                    |                                    | 166,783                 |
| US Dept. of Labor Workforce Innovation and Opportunity Act<br>Title I Dislocated Worker | 17.278                    |                                    | 442,491                 |
| US Dept. of Labor Workforce Innovation and Opportunity Act<br>Title I Youth             | 17.259                    |                                    | 171,446                 |
| Total U.S. Department of Labor  |                           |                                    | <u>780,720</u>          |
| U.S. Small Business Administration:   |                           |                                    |                         |
| Small Business Development Centers  | 59.037                    | SBAHQ-18-B-0034<br>SBAHQ-19-B-0058 | <u>33,000</u>           |
| National Science Foundation<br>Education and Human Resources                            | 47.076                    |                                    | <u>4,913</u>            |
| U.S. Department of Homeland Security<br>FEMA  | 97.024                    |                                    | <u>10,940</u>           |
| Total Expenditures of Federal Awards  |                           |                                    | <u>\$ 9,874,453</u>     |

(1) Major Programs.

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KLAMATH COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

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, 2020.

**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.

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KLAMATH COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

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:

| <u>Program Name</u>                                 | <u>CFDA<br/>Number</u> |
|---|------------------------|
| 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                 |
| Higher Education Emergency Relief Fund              | 84.425                 |
| WIOA Cluster:                                       |                        |
| WIA/WIOA Adult Program                              | 17.258                 |
| WIA/WIOA Youth Activities                           | 17.259                 |
| WIA/WIOA Dislocated Worker Formula Grants           | 17.278                 |

8. The threshold for distinguishing Type A programs from Type B programs was \$750,000.
9. Klamath Community College District was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

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

None.

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