

# **KLAMATH COUNTY, OREGON**

## **ANNUAL FINANCIAL REPORT**

**June 30, 2005**



**GREGOR PROFESSIONAL  
CORPORATION**



**KLAMATH COUNTY, OREGON**

**June 30, 2005**

**BOARD OF COMMISSIONERS**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Al Switzer	Commissioner/Chairman	January 3, 2009
John Elliott	Commissioner	January 3, 2007
William Brown	Commissioner	January 3, 2009

**OTHER ELECTED OFFICIALS**

Reg Leuiou	Assessor	January 3, 2007
Linda Smith	Clerk	January 3, 2007
Ed Caleb	District Attorney	January 3, 2007
Tim Evinger	Sheriff	January 3, 2009
Michael Markus	Surveyor	January 3, 2009
Michael Long	Treasurer	January 3, 2007
Karen Oakes	Justice of the Peace	January 3, 2011

**CONTACT OFFICERS**

Michael Long	Treasurer / Finance Director
Melodee Spiker	Assistant Finance Director
W. Daniel Bunch	County Attorney

**MAILING ADDRESS**

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Klamath Falls, Oregon 97601  
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**KLAMATH COUNTY, OREGON  
ANNUAL FINANCIAL REPORT  
June 30, 2005**

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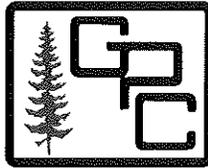
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**FINANCIAL SECTION**

***REPORT OF INDEPENDENT AUDITORS***

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GREGOR PROFESSIONAL  
C O R P O R A T I O N

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## REPORT OF INDEPENDENT AUDITORS

Board of Commissioners  
Klamath County, Oregon  
Klamath Falls, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Klamath County, Oregon (the County), as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management of the Klamath County. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

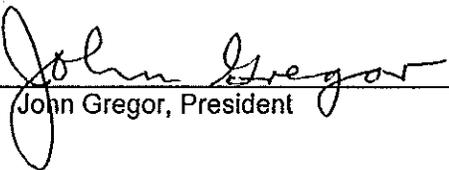
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Roads Fund, Road Reserve Fund and Mental Health Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2005 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's discussion and analysis on pages i through vii is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Klamath County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The combining and individual fund statements, and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

GREGOR PROFESSIONAL CORPORATION  
Certified Public Accountants

By  \_\_\_\_\_  
John Gregor, President

Eugene, Oregon  
September 16, 2005

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Klamath County, we offer readers of the Klamath County's financial statements this narrative overview and analysis of the financial activities of Klamath County for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.*

### **Financial Highlights**

- The County's net assets exceeded its liabilities at the close of the most recent fiscal year by \$322,760 (*net assets*). Of this amount, \$118,578 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$10,653. This increase is attributable to reserving funds for future infrastructure.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$112,050, an increase of \$11,470 in comparison with the prior year. The total amount is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$992, or 7.38% percent of total general fund expenditures.
- Klamath County's total debt decreased by \$1,376 during the current fiscal year. The decrease was the annual retirement of debt issued.
- The State of Oregon has notified Klamath County that the permits to operate the two solid waste landfills will not be renewed. The County contracted with a regional landfill site to ship disposal. The County has built a transfer station to ship the landfill. The County has been recognizing and reserving funds each year to cover cost of closure and replacement.

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

This discussion and analysis are intended to serve as an introduction to Klamath County's basic financial statements. Klamath County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, human services, community development, and culture and recreation. The business-type activities of the County include landfill, solid waste, recycling, and weed control. The government-wide financial statements can be found on pages 1-2 of this report.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. There is a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* on page 6.

The County maintains 37 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road fund, road reserve, and mental health, which are considered to be major funds. Data from the other 33 governmental funds are combined into a single, aggregated presentation. Combining and individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

The County adopts an annual budget for all of its funds except the fiduciary funds. Budgetary comparison statements for the major governmental funds have been provided for the required supplementary information. There are also individual budgetary statements for nonmajor governmental funds, enterprise funds and internal service funds to demonstrate compliance with this budget elsewhere in this report.

The basic governmental fund financial statements can be found on pages 3-10 of this report.

**Proprietary funds:** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its landfill, solid waste, recycling, and weed control. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its support service programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements provide separate information for business-type funds and internal service funds. Individual fund data for the funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 11-13 of this report.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 14 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Klamath County Board of Commissioners are also the Directors of two special districts, Klamath County Drainage Service District which takes care of storm runoff in suburban area of Klamath Falls, Oregon, and the Klamath County Library District which provides library services countywide. Intergovernmental agreements hold Klamath County harmless if named in any lawsuits. Also, the Klamath County Board of Commissioners are three of six directors on the

Klamath-Lake Community Action Service which provides services in Klamath and Lake counties including senior services, etc. There is potential liability from this district for the county is not held harmless.

The notes to the financial statements can be found on pages 15-31 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents combining statements referred to earlier in connection with non-major governmental funds and internal service funds, and other schedules and information that are required by the State of Oregon. This information can be found starting on page 32.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Klamath County, assets exceeded liabilities by \$322,760 at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (63 percent) reflects its investments in capital assets (e.g., land, buildings, roads, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County'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 these liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>ASSETS:</b>						
Current & Other Assets	\$118,839	\$106,659	\$ 5,450	\$ 4,756	\$124,289	\$111,415
Capital Assets	<u>214,094</u>	<u>218,315</u>	<u>818</u>	<u>2,138</u>	<u>214,912</u>	<u>220,453</u>
Total Assets	<u>\$332,933</u>	<u>\$324,974</u>	<u>\$ 6,268</u>	<u>\$ 6,894</u>	<u>\$340,346</u>	<u>\$331,867</u>
<b>LIABILITIES:</b>						
Long-Term Liabilities Outstanding	\$ 10,025	\$ 11,815	\$ 1,577	\$ 1,174	\$ 11,220	\$ 12,989
Other Liabilities	<u>4,656</u>	<u>3,460</u>	<u>182</u>	<u>169</u>	<u>4,838</u>	<u>3,629</u>
Total Liabilities	<u>\$ 14,681</u>	<u>\$ 15,275</u>	<u>\$ 1,759</u>	<u>\$ 1,343</u>	<u>\$ 16,058</u>	<u>\$ 16,618</u>
<b>NET ASSETS:</b>						
Invested in Capital Assets Net of Related Debt	\$203,365	\$206,500	\$ 818	\$ 2,138	\$204,183	\$208,638
Unrestricted	<u>114,887</u>	<u>103,198</u>	<u>3,690</u>	<u>3,413</u>	<u>118,577</u>	<u>106,611</u>
Total Net Assets	<u>\$318,252</u>	<u>\$309,699</u>	<u>\$ 4,508</u>	<u>\$ 5,551</u>	<u>\$322,760</u>	<u>\$315,248</u>

The County's net assets balance of *unrestricted net assets*, which amounts to \$118,578, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County was able to report positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Governmental activities:** Governmental activities decreased the County's net assets by \$1,800. Key elements of this decrease are as follows:

- Operating grants for governmental activities decreased by \$15,648, mostly as a result of funds from the Oregon Health Plan through the State of Oregon during the current fiscal year

## Klamath County's Changes in Net Assets (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>REVENUES:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 13,779	\$ 12,005	\$ 3,893	\$ 3,248	\$ 17,672	\$ 15,253
Operating Grants & Contributions	3,262	6,108	0	0	3,262	6,108
<b>General Revenues:</b>						
Property Taxes	7,550	8,395			7,550	8,962
Other Taxes	5,185	4,830			5,185	4,830
<b>Grants &amp; Contributions not restricted</b>						
To specific programs	23,327	15,155			23,327	15,155
Education (payments to school districts)	3,332	3,376			3,332	3,376
Other	6,112	4,902	113	89	6,225	4,991
<b>Total Revenues</b>	<b>62,547</b>	<b>54,771</b>	<b>4,006</b>	<b>3,337</b>	<b>66,553</b>	<b>58,108</b>
<b>EXPENSES:</b>						
General Government	6,067	6,092			6,067	6,092
Public Safety	12,406	12,552			12,406	12,552
Highways & Streets	16,426	16,122			16,426	16,122
Human Services	10,830	10,355			10,830	10,355
Culture & Recreation	1,359	1,424			1,359	1,424
Community Development	1,497	1,295			1,497	1,295
Education (payments to school districts)	3,332	3,288			3,332	3,288
Interest on Long-Term Debt	610	677			610	677
Landfill			0	66	0	66
Solid Waste			3,161	2,390	3,161	2,390
Recycling			54	51	54	51
Weed Control			157	203	157	203
<b>Total Expenses</b>	<b>52,527</b>	<b>51,805</b>	<b>3,372</b>	<b>2,711</b>	<b>55,899</b>	<b>54,515</b>
Increase in Net Assets before Transfers	10,020	2,966	634	626	10,654	3,592
Transfers	130	96	( 130)	( 96)	( 0)	( 0)
<b>Increase in Net Assets</b>	<b>10,150</b>	<b>3,062</b>	<b>504</b>	<b>530</b>	<b>10,654</b>	<b>3,592</b>
Net Assets--Beginning	309,698	311,499	5,550	5,020	315,248	315,376
Restatement	(1,596)	(4,862)	(1,546)	0	(3,142)	(4,862)
<b>Net Assets- Ending</b>	<b>\$318,252</b>	<b>\$309,699</b>	<b>\$ 4,508</b>	<b>\$ 5,550</b>	<b>\$ 322,760</b>	<b>\$ 315,248</b>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. One noteworthy exception, however, was various grants received in human services showed growth.

**Business-type activities:** Business-type activities increased Klamath County's net assets by \$504. The excess of revenues over expenses in the business-type activities led to the growth in net assets.

### Financial Analysis of the Government's Funds

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

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

The general fund is the chief operating fund of the Klamath County. The fund balance of the County's general fund was increased by \$685 during the current fiscal year. The key factors are as follows:

- Used unreserved fund balance and risk funds resources to keep law enforcement and vital services that have been cut by State of Oregon.
- Increase in property taxes due to new construction throughout the county

The debt service fund has a total fund balance of \$161, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$324. The County has two debt issues that are paid with dedicated property taxes. County management projects amount of taxes needed each year to retire principal and interest that matures each year, less estimated fund balance. No new indebtedness was authorized or incurred during the year.

**Proprietary funds:**

Unrestricted net assets of the landfill, solid waste, recycling, and weed control operations amounted to \$3,691 and those for the internal service amounted to \$3,012. The total growth in net assets for both funds was \$279 and an increase of \$1, respectively. The internal service fund amounts are included in the governmental activities of the County. Factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type and governmental activities.

**Budgetary Highlights**

The County budgets all funds (except for fiduciary funds) in compliance with Oregon budget law. Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

- Increase in revenue/expenditures for various special revenue funds
- Minor transfers of appropriations between line items within funds

All of the budget changes were done by resolution and or a supplemental budget as required by Oregon budget law.

**Capital Asset and Debt Administration**

**Capital assets:** The County's investment in capital assets for its governmental and business-type activities as June 30, 2005, amounts to \$214,912 (net of accumulated depreciation). This investment in capital assets includes construction-in-progress, land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the County's investment in capital assets for the current fiscal year was 1.85 percent (a 18.43 percent decrease for governmental activities and an 4.77 percent decrease for business-type activities).

Major capital asset events during the current fiscal year included the following:

- A variety of street construction projects in conjunction with the State of Oregon, widening existing streets, and replacement of bridges.
- A building project in the final stages for expanding the Juvenile facilities through a federal grant, donations, and matching funds.
- A building project completed for a transfer station for the landfill operation.

**Klamath County's Capital Assets**  
(Net of Depreciation)  
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land & Construction-in-progress	\$ 503	\$ 503	\$ 219	\$ 219	\$ 1,868	\$ 1,868
Buildings & Systems	18,213	18,394	0	0	18,213	18,394
Equipment	6,592	5,301	508	623	7,129	5,924
Vehicles	1,540	460	91	17	1,631	477
Infrastructure (Roads, Bridges)	187,246	193,447	0	0	187,246	193,623
<b>Total</b>	<b>\$214,094</b>	<b>\$218,105</b>	<b>\$ 818</b>	<b>\$ 859</b>	<b>\$214,912</b>	<b>\$218,964</b>

Additional information on the County's capital assets can be found in notes to the financial statements.

**Long-Term Debt:** At the end of the current fiscal year, Klamath County had total bonded debt outstanding of \$10,630. This amount of debt is backed by the full faith and credit of the government through assessment to property owners. The remainder of the County's debt represents notes payable and other long-term liabilities that are detailed in the notes to the financial statements.

### Klamath County's Outstanding Debt

	General Obligation Bonds & Notes Payable					
	Governmental			Business-Type		
	Activities		Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds						
Series 1997A	\$ 8,030	\$ 9,150	\$ 0	\$ 0	\$ 8,030	\$ 9,150
Series 1999	2,600	3,000	0	0	2,600	3,000
Total	<u>\$ 10,630</u>	<u>\$ 12,150</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,630</u>	<u>\$ 12,150</u>

The County's total debt decreased by retirement of principal and interest payments made during current fiscal year.

The County has not refinanced any bonds at this time even though there are favorable interest rates the overall costs of refinancing would not be advantageous at this time.

The County operates two solid waste landfills and has recorded a liability for the costs that would be incurred to comply with state and federal regulations that require a final cover on the landfills and maintenance and care at the sites for thirty years after closure. The total liability to date is recorded in the business-type fund; Landfill site reserve. This amount represents a portion of the total cost of closure and post closure based on the percent of the estimated capacity used. Each year an estimated amount of expense is recognized based on the capacity used. Each year an estimated amount of expense is recognized based on the capacity filled and any changes to the expected costs so that at the time of closure the total cost has been recognized. The County has been notified by the State of Oregon that we will need to close the landfills in the next couple of years. The State not going to renew the permits issued for the landfill sites. The County will be shipping the waste to a regional site located. The landfill sites are authorized by the State to continue to receive demolition waste for the next few years.

### Economic Factors and Next Year's Budgets

- The layoff by the State of Oregon for law enforcement officers in the Klamath Basin will affect the safety of the area, which the County will try to cover with the law enforcement from the Sheriff's office.
- The State unemployment rate is improving including the basin, along with the rest of the state.
- Inflationary trends in the region compare favorably to national indices.
- The economy at the state level is improving, which will affect the local economy. The State of Oregon is estimating that they will have to reduce their current budget. This will affect a number of human service and public safety programs.
- Settlement of the union contract with our largest represented staff will reduce the amount of unreserved funds in general fund available as a resource.

All of these factors were considered in preparation of the County's budgets for 2004-05 and 2005-06 fiscal years.

During the current fiscal year, unreserved fund balance in the general fund increased to \$685. The County will have to adjust the amount of spending available in the 2005-06 fiscal year budget. Program services will have to be adjusted or eliminated to balance the budget. No taxes can be increased, other than the allowable 3 percent increase on property taxes allowed by state law.

## General Information

County Seat: Klamath Falls, Oregon      E-mail: [bocc@co.klamath.or.us](mailto:bocc@co.klamath.or.us)      Web: [www.co.klamath.or.us](http://www.co.klamath.or.us)  
Incorporated: Oct. 17, 1882      Elevation at Klamath Falls: 4,105'      Area: 6,135 sq. miles  
Average Temp.: January 29.8° July 68.0°      Assessed Value: \$3,839,067,080      Real Market Value: \$6,111,343,389  
Annual Precipitation: 14.31"      Economy: Forest products, agriculture, tourism, and recreation  
College: Oregon Institute of Technology (OIT)      County Population: 64,116

## Requests for Information

This financial report is designed to provide a general overview of Klamath County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed the Office of the Finance Director, Klamath County, 305 Main Street, Room 121, PO Box 340, Klamath Falls, Oregon 97601.

***BASIC FINANCIAL STATEMENTS***

**KLAMATH COUNTY, OREGON**

**STATEMENT OF NET ASSETS**

June 30, 2005

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 113,807,688	\$ 4,869,790	\$ 118,677,478
Receivables:			
Property taxes	1,023,255	-	1,023,255
Accounts	2,574,846	567,477	3,142,323
Inventories	1,433,243	12,764	1,446,007
Capital assets, net of accumulated depreciation	<u>214,093,812</u>	<u>817,917</u>	<u>214,911,729</u>
<b>Total assets</b>	<b><u>\$ 332,932,844</u></b>	<b><u>\$ 6,267,948</u></b>	<b><u>\$ 339,200,792</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,654,192	\$ 182,016	\$ 2,836,208
Payroll related debt	-	-	-
Deferred revenues	84,143	-	84,143
Noncurrent liabilities:			
Due within one year	1,917,203	-	1,917,203
Due in more than one year	<u>10,025,439</u>	<u>1,577,484</u>	<u>11,602,923</u>
<b>Total liabilities</b>	<b><u>14,680,977</u></b>	<b><u>1,759,500</u></b>	<b><u>16,440,477</u></b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	203,364,603	817,917	204,182,520
Restricted	-	-	-
Unrestricted	<u>114,887,264</u>	<u>3,690,531</u>	<u>118,577,795</u>
<b>Total net assets</b>	<b><u>\$ 318,251,867</u></b>	<b><u>\$ 4,508,448</u></b>	<b><u>\$ 322,760,315</u></b>

The accompanying notes are an integral part of this statement.

KLAMATH COUNTY, OREGON

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2006

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
<i>Governmental activities:</i>							
General government	\$ 6,066,928	\$ 4,473,616	\$ -	\$ -	\$ (1,593,312)	\$ -	\$ (1,593,312)
Public safety	12,406,248	349,571	194,703	-	(11,861,974)	-	(11,861,974)
Highways and streets	16,426,087	-	-	-	(16,426,087)	-	(16,426,087)
Human services	10,829,604	6,408,494	3,067,215	-	(1,353,895)	-	(1,353,895)
Culture and recreation	1,359,459	415,455	-	-	(944,004)	-	(944,004)
Community development	1,496,683	2,131,307	-	-	634,624	-	634,624
Education -							
payments to school districts	3,331,836	-	-	3,331,836	-	-	-
Interest on long-term debt	610,497	-	-	-	(610,497)	-	(610,497)
Total governmental activities	<u>52,527,342</u>	<u>13,778,443</u>	<u>3,261,918</u>	<u>3,331,836</u>	<u>(32,155,145)</u>	<u>-</u>	<u>(32,155,145)</u>
<i>Business-type activities:</i>							
Landfill	-	-	-	-	-	-	-
Solid waste	3,161,058	3,671,765	-	-	-	510,707	510,707
Recycling	54,649	64,553	-	-	-	9,904	9,904
Weed control	156,617	156,996	-	-	-	379	379
Total business-type activities	<u>3,372,324</u>	<u>3,893,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,990</u>	<u>520,990</u>
County Totals	<u>\$ 55,899,666</u>	<u>\$ 17,671,757</u>	<u>\$ 3,261,918</u>	<u>\$ 3,331,836</u>	<u>(32,155,145)</u>	<u>520,990</u>	<u>(31,634,155)</u>
<i>General revenues:</i>							
Property taxes, levied for general purposes					5,676,239	-	5,676,239
Property taxes, levied for debt service					1,873,826	-	1,873,826
Public service taxes					5,184,519	-	5,184,519
Grants and contributions not restricted to specific programs					23,327,227	-	23,327,227
Interest and investment earnings					3,137,398	94,439	3,231,837
Miscellaneous					2,975,590	18,136	2,993,726
Transfers					129,931	(129,931)	-
Total general revenues and transfers					<u>42,304,730</u>	<u>(17,356)</u>	<u>42,287,374</u>
Change in net assets					10,149,585	503,634	10,653,219
Net assets--beginning					309,698,732	5,550,315	315,249,047
Restated beginning net assets					(1,596,450)	(1,545,501)	(3,141,951)
Net assets--beginning, as restated					<u>308,102,282</u>	<u>4,004,814</u>	<u>312,107,096</u>
Net assets--ending					<u>\$318,251,867</u>	<u>\$ 4,508,448</u>	<u>\$322,760,315</u>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2005**

	<u>General</u>	<u>Roads</u>	<u>Road Reserve</u>	<u>Mental Health</u>	<u>Other Governmental (Page 33)</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Equity in pooled-						
Cash and investments	\$ 167,212	\$ 23,727,432	\$ 75,504,240	\$ 2,301,754	\$ 8,819,030	\$ 110,519,668
Property taxes receivable	798,380	-	-	-	224,875	1,023,255
Accounts receivable	579,282	370,322	141,462	463,474	908,544	2,463,084
Assessments receivable	-	79,517	-	-	4,626	84,143
Interfund receivable	249,087	-	-	-	-	249,087
Inventories	36,463	1,380,775	-	-	-	1,417,238
<b>Total assets</b>	<b>\$ 1,830,424</b>	<b>\$ 25,558,046</b>	<b>\$ 75,645,702</b>	<b>\$ 2,765,228</b>	<b>\$ 9,957,075</b>	<b>\$ 115,756,475</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 62,872	\$ 1,228,900	\$ 46,318	\$ 90,839	\$ 974,107	\$ 2,403,036
Deferred tax revenue	744,887	-	-	-	224,875	969,762
Deferred other revenue	-	79,517	-	-	4,626	84,143
Interfund payables	31,393	-	-	-	217,694	249,087
<b>Total liabilities</b>	<b>839,152</b>	<b>1,308,417</b>	<b>46,318</b>	<b>90,839</b>	<b>1,421,302</b>	<b>3,706,028</b>
<b>FUND BALANCES</b>						
Reserved for:						
Inventories	36,463	1,380,775	-	-	-	1,417,238
Other purpose	-	568,479	-	-	-	568,479
Unreserved, reported in:						
General fund	954,809	-	-	-	-	954,809
Special revenue funds	-	22,300,375	75,599,384	2,674,389	8,366,801	108,940,949
Debt service	-	-	-	-	161,064	161,064
Capital projects	-	-	-	-	7,908	7,908
<b>Total fund balances</b>	<b>991,272</b>	<b>24,249,629</b>	<b>75,599,384</b>	<b>2,674,389</b>	<b>8,535,773</b>	<b>112,050,447</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,830,424</b>	<b>\$ 25,558,046</b>	<b>\$ 75,645,702</b>	<b>\$ 2,765,228</b>	<b>\$ 9,957,075</b>	<b>\$ 115,756,475</b>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2005

	<u>General</u>	<u>Roads</u>	<u>Road Reserve</u>	<u>Mental Health</u>	<u>Other Governmental (Page 35)</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>						
Property taxes	\$ 5,791,135	\$ -	\$ -	\$ -	\$ 1,873,826	\$ 7,664,961
Other taxes	887,598	3,599,360	-	-	697,561	5,184,519
Licenses, permits and fees	65,567	-	-	-	-	65,567
Charges for Service	2,354,754	-	-	5,423,955	5,415,889	13,194,598
Grants and donations	3,312,805	16,868,507	-	3,145,915	6,593,754	29,920,981
Investment income	980,765	416,937	1,441,474	52,845	187,732	3,079,753
Miscellaneous	15,855	339,527	-	52,844	2,533,169	2,941,395
<b>Total revenues</b>	<b>13,408,479</b>	<b>21,224,331</b>	<b>1,441,474</b>	<b>8,675,559</b>	<b>17,301,931</b>	<b>62,051,774</b>
<b>EXPENDITURES</b>						
<b>Current:</b>						
General government	4,854,073	-	-	-	849,850	5,703,923
Public safety	8,148,901	-	-	-	4,225,885	12,374,786
Highways and streets	-	10,032,144	-	-	164,716	10,196,860
Human services	-	-	-	8,117,973	2,644,235	10,762,208
Culture and recreation	433,896	-	-	-	915,825	1,349,721
Community development	-	-	-	-	1,408,059	1,408,059
Education	-	-	-	-	3,331,836	3,331,836
<b>Debt service:</b>						
Principal	-	-	-	4,423	1,520,000	1,524,423
Interest	-	-	-	8,777	601,720	610,497
Capital outlay	3,230	844,354	2,383,025	65,171	775,242	4,071,022
<b>Total expenditures</b>	<b>13,440,100</b>	<b>10,876,498</b>	<b>2,383,025</b>	<b>8,196,344</b>	<b>16,437,368</b>	<b>51,333,335</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,621)</u>	<u>10,347,833</u>	<u>(941,551)</u>	<u>479,215</u>	<u>864,563</u>	<u>10,718,439</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	1,059,729	80,184	1,000,000	4,573	1,056,049	3,200,535
Transfers out	<u>(343,186)</u>	<u>(1,676,853)</u>	-	-	<u>(424,611)</u>	<u>(2,444,650)</u>
<b>Total other financing sources and uses</b>	<b>716,543</b>	<b>(1,596,669)</b>	<b>1,000,000</b>	<b>4,573</b>	<b>631,438</b>	<b>755,885</b>
<b>Net change in fund balances</b>	<b>684,922</b>	<b>8,751,164</b>	<b>58,449</b>	<b>483,788</b>	<b>1,496,001</b>	<b>11,474,324</b>
Fund balance - beginning	306,350	15,498,465	75,540,935	2,190,601	7,039,772	100,576,123
<b>Fund balance - ending</b>	<b>\$ 991,272</b>	<b>\$ 24,249,629</b>	<b>\$ 75,599,384</b>	<b>\$ 2,674,389</b>	<b>\$ 8,535,773</b>	<b>\$ 112,050,447</b>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2005**

Fund Balances - Governmental Funds		\$ 112,050,447
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	346,295,293	
Less accumulated depreciation	<u>(132,201,481)</u>	214,093,812
Internal services funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net assets.		
		3,012,290
Other resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Property taxes	<u>969,762</u>	969,762
Long term liabilities, including bonds payable, notes payable, and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(10,630,000)	
Loans payable	(99,209)	
Accrued compensated absences	<u>(1,145,235)</u>	<u>(11,874,444)</u>
Net Assets of Governmental Activities		<u>\$ 318,251,867</u>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2005**

Net change in fund balances for all governmental funds		\$ 11,474,324
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Expenditures for capital assets	4,071,022	
Less current year's depreciation	(6,729,678)	(2,658,656)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.</p>		
Increase in deferred revenues - property taxes		(114,896)
<p>Long-term liabilities that are not due and payable in the current period are not recorded in the governmental funds but are expensed in the statement of activities.</p>		
Increase in long-term compensated absences		(59,773)
<p>Debt principal payments are reported as expenditures in the governmental funds but not in the statement of activities.</p>		
Principal payments		1,524,423
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, and administration to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>		
		(15,837)
Change in net assets of governmental activities		\$ 10,149,585

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**

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

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 6,375,394	\$ 6,375,394	\$ 5,791,135	\$ (584,259)
Other taxes	553,416	553,416	887,598	334,182
Licenses, permits and fees	67,850	69,350	65,567	(3,783)
Charges for Service	1,905,601	1,992,806	2,354,754	361,948
Grants and donations	3,706,571	3,711,071	3,312,805	(398,266)
Miscellaneous	707,493	740,693	980,765	240,072
Investment income	1,000	1,000	15,855	14,855
<b>Total revenues</b>	<u>13,317,325</u>	<u>13,443,730</u>	<u>13,408,479</u>	<u>(35,251)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,505,188	2,656,188	2,562,902	93,286
Public safety	8,470,136	8,580,426	8,148,901	431,525
Health and welfare	-	-	-	-
Culture and recreation	444,255	451,455	433,896	17,559
Miscellaneous	2,289,530	2,306,235	2,291,171	15,064
Capital outlay	306,500	173,710	3,230	170,480
Debt services:				
Principal	-	-	-	-
Interest	-	-	-	-
Contingencies	-	-	-	-
<b>Total expenditures</b>	<u>14,015,609</u>	<u>14,168,014</u>	<u>13,440,100</u>	<u>727,914</u>
Excess (deficiency) of revenues over expenditures	<u>(698,284)</u>	<u>(724,284)</u>	<u>(31,621)</u>	<u>692,663</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,041,470	1,068,470	1,059,729	(8,741)
Transfers out	(343,186)	(344,186)	(343,186)	1,000
<b>Total other financing sources (uses)</b>	<u>698,284</u>	<u>724,284</u>	<u>716,543</u>	<u>(7,741)</u>
<b>Net change in fund balance</b>	-	-	684,922	684,922
<b>Fund balances - beginning</b>	-	-	306,350	306,350
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 991,272</u>	<u>\$ 991,272</u>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**

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

**ROAD FUND**

For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Motor vehicle taxes	\$ 2,850,000	\$ 2,850,000	\$ 3,599,360	\$ 749,360
Grants	16,600,000	16,600,000	16,868,507	268,507
Interest	200,000	200,000	416,937	216,937
Miscellaneous	137,200	137,200	339,527	202,327
<b>Total revenues</b>	<b>19,787,200</b>	<b>19,787,200</b>	<b>21,224,331</b>	<b>1,437,131</b>
<b>EXPENDITURES:</b>				
Highways and streets:				
Personal services	4,432,108	4,432,108	3,660,315	771,793
Materials and services	9,843,001	9,843,001	5,832,740	4,010,261
Other expenses	539,089	539,089	539,089	-
Capital outlay	8,645,000	8,645,000	844,354	7,800,646
Contingencies	1,731,333	1,731,333	-	1,731,333
<b>Total expenditures</b>	<b>25,190,531</b>	<b>25,190,531</b>	<b>10,876,498</b>	<b>14,314,033</b>
Excess (deficiency) of revenues over expenditures	(5,403,331)	(5,403,331)	10,347,833	15,751,164
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	80,184	80,184	80,184	-
Transfers out	(1,676,853)	(1,676,853)	(1,676,853)	-
<b>Total other financing sources (uses)</b>	<b>(1,596,669)</b>	<b>(1,596,669)</b>	<b>(1,596,669)</b>	<b>-</b>
Net change in fund balance	(7,000,000)	(7,000,000)	8,751,164	15,751,164
Fund balances - beginning	7,000,000	7,000,000	15,498,465	8,498,465
Fund balances - ending	\$ -	\$ -	\$ 24,249,629	\$ 24,249,629

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ROAD RESERVE FUND  
For the Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest	\$ 1,000,000	\$ 1,000,000	\$ 1,441,474	\$ 441,474
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,441,474</u>	<u>441,474</u>
<b>EXPENDITURES:</b>				
Highways and streets	-	-	-	-
Capital outlay	69,500,000	69,500,000	2,383,025	67,116,975
Contingencies	-	-	-	-
<b>Total expenditures</b>	<u>69,500,000</u>	<u>69,500,000</u>	<u>2,383,025</u>	<u>67,116,975</u>
Excess (deficiency) of revenues over expenditures	<u>(68,500,000)</u>	<u>(68,500,000)</u>	<u>(941,551)</u>	<u>67,558,449</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(67,500,000)</u>	<u>(67,500,000)</u>	<u>58,449</u>	<u>67,558,449</u>
<b>Fund balances - beginning</b>	<u>75,000,000</u>	<u>75,000,000</u>	<u>75,540,935</u>	<u>540,935</u>
<b>Fund balances - ending</b>	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>	<u>\$ 75,599,384</u>	<u>\$ 68,099,384</u>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MENTAL HEALTH FUND  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 5,083,769	\$ 5,083,769	\$ 5,423,955	\$ 340,186
Grants	2,640,000	2,640,000	3,145,915	505,915
Interest	35,000	35,000	52,845	17,845
Miscellaneous	60,000	60,000	52,844	(7,156)
<b>Total revenues</b>	<b>7,818,769</b>	<b>7,818,769</b>	<b>8,675,559</b>	<b>856,790</b>
<b>EXPENDITURES:</b>				
Human services:				
Personal services	3,623,684	3,623,684	3,315,608	308,076
Materials and services	4,885,144	4,885,144	4,591,444	293,700
Other	291,876	291,876	210,921	80,955
Debt services:				
Principal	4,423	4,423	4,423	-
Interest	8,777	8,777	8,777	-
Capital outlay	85,900	85,900	65,171	20,729
Contingencies	723,538	723,538	-	723,538
<b>Total expenditures</b>	<b>9,623,342</b>	<b>9,623,342</b>	<b>8,196,344</b>	<b>1,426,998</b>
Excess (deficiency) of revenues over expenditures	(1,804,573)	(1,804,573)	479,215	2,283,788
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,573	4,573	4,573	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,573</b>	<b>4,573</b>	<b>4,573</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(1,800,000)</b>	<b>(1,800,000)</b>	<b>483,788</b>	<b>2,283,788</b>
Fund balances - beginning	1,800,000	1,800,000	2,190,601	390,601
Fund balances - ending	\$ -	\$ -	\$ 2,674,389	\$ 2,674,389

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
June 30, 2005

	<u>Business-type Activities Enterprise (Page 81)</u>	<u>Governmental Activities Internal Service (Page 88)</u>
<b>ASSETS</b>		
Current assets:		
Equity in pooled-cash and investments	\$ 4,869,790	\$ 3,288,020
Accounts receivable	567,477	27,619
Inventories	<u>12,764</u>	<u>16,005</u>
 Total current assets	 <u>5,450,031</u>	 <u>3,331,644</u>
Noncurrent assets:		
Capital assets (net of accumulated depreciation):	<u>817,917</u>	<u>87,729</u>
 Total assets	 <u>\$ 6,267,948</u>	 <u>\$ 3,419,373</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 182,016	\$ 251,156
Compensated absences payable	49,043	68,198
Current portion of long-term debt	<u>-</u>	<u>-</u>
 Total current liabilities	 <u>231,059</u>	 <u>319,354</u>
 Landfill closure and postclosure care costs	 <u>1,528,441</u>	 <u>-</u>
 Total liabilities	 <u>1,759,500</u>	 <u>319,354</u>
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	817,917	87,729
Restricted	-	-
Unrestricted	<u>3,690,531</u>	<u>3,012,290</u>
 Total net assets	 <u>\$ 4,508,448</u>	 <u>\$ 3,100,019</u>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2005

	<u>Business-type Activities Enterprise (Page 82)</u>	<u>Governmental Activities Internal Service (Page 89)</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 3,893,314	\$ 7,027,190
Other income	<u>-</u>	<u>107,933</u>
 Total operating revenues	 <u>3,893,314</u>	 <u>7,135,123</u>
<b>OPERATING EXPENSES:</b>		
Personal services	936,348	1,644,964
Materials and services	1,940,673	3,133,865
Depreciation/Amortization expense	174,836	35,123
Other operating expenses and charges	<u>320,467</u>	<u>1,802,894</u>
 Total operating expenses	 <u>3,372,324</u>	 <u>6,616,846</u>
 Operating income	 <u>520,990</u>	 <u>518,277</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Intergovernmental revenues	-	-
Investment income	94,439	57,645
Miscellaneous income	<u>18,136</u>	<u>34,195</u>
 Total nonoperating revenues (expenses)	 <u>112,575</u>	 <u>91,840</u>
 Income before operating transfers	 633,565	 610,117
<b>OPERATING TRANSFERS:</b>		
Transfers from other funds	64,909	-
Transfers (to) other funds	<u>(194,840)</u>	<u>(625,954)</u>
 Change in net assets	 503,634	 (15,837)
 Total net assets - beginning	 <u>4,004,814</u>	 <u>3,115,856</u>
 Total net assets - ending	 <u>\$ 4,508,448</u>	 <u>\$ 3,100,019</u>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2005

	Business-type Activities Enterprise (Page 83)	Governmental Activities Internal Service (Page 90)
<b>Cash flows from operating activities:</b>		
Cash received for services	\$ 3,621,926	\$ 7,075,442
Other cash received	-	107,933
Cash paid to suppliers and employees	<u>(3,184,829)</u>	<u>(6,669,944)</u>
Net cash provided by operating activities	<u>437,097</u>	<u>513,431</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfers from (to) other funds	(129,931)	(625,954)
Intergovernmental and other cash	<u>18,610</u>	<u>37,702</u>
Net cash provided by noncapital financing activities	<u>(111,321)</u>	<u>(588,252)</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments - contracts	-	-
Purchase of fixed assets	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received	<u>94,439</u>	<u>57,645</u>
Net cash provided by investing activities	<u>94,439</u>	<u>57,645</u>
Net change in cash and cash equivalents	420,215	(17,176)
Cash and cash equivalents - July 1	<u>4,449,575</u>	<u>3,305,196</u>
Cash and cash equivalents - June 30	<u>\$ 4,869,790</u>	<u>\$ 3,288,020</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 520,990	\$ 518,277
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	174,836	35,123
Change in assets and liabilities:		48,252
Receivables, net	(271,388)	(3,507)
Inventories	-	(84,714)
Accounts and other payables	12,659	-
Accrued expenses	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 437,097</u>	<u>\$ 513,431</u>

The accompanying notes are an integral part of this statement.

**KLAMATH COUNTY, OREGON**

**STATEMENT OF FIDUCIARY NET ASSETS**

June 30, 2005

	<u>Agency Funds</u>
<b>ASSETS</b>	
Pooled cash and investments	\$ 23,205,487
Taxes receivable	4,183,615
Receivables- foreclosed properties	982,285
Other assets	<u>5,615,340</u>
Total Assets	<u>\$ 33,986,727</u>
<b>LIABILITIES</b>	
Due to Other Governmental units	<u>\$ 33,986,727</u>
Total Liabilities	<u>\$ 33,986,727</u>

The accompanying notes are an integral part of this statement.

# KLAMATH COUNTY, OREGON

## NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

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### Note 1 - Summary of Significant Accounting Policies

#### A. Reporting Entity

Klamath County was created by enactment of the 12th Regular Session of the Legislative Assembly of the State of Oregon on October 7, 1882, and now operates under Oregon Revised Statutes (ORS) Title 20, Chapters 201 to 215 inclusive. A three-member Board of County Commissioners directs the services of the County with legal and technical assistance as needed. These members are elected for four-year terms. There are other elected officials of the County whose general duties and requirements are covered by various ORS Chapters. These elected officials include: Sheriff, Clerk, Assessor, Treasurer, Surveyor, District Attorney, and a Justice of the Peace.

#### B. Government-wide and Fund Financial Statements

The basic financial statements of the County include the government-wide financial statements and the fund financial statements. The government-wide statements report information on all of the nonfiduciary activities of the primary government in the statement of net assets and the statement of changes in net assets. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements. The County is the primary government and there were no other organizations (component units) the County was financially accountable for that were required to be included in these financial statements.

Separate fund financial statements include the governmental funds, proprietary funds and fiduciary funds, though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements of the County are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year levied. Grants and similar items are recognized as revenue when requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough after the end of the period (sixty days) to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, and expenditures related to compensated absences and claims that are recorded only when payment is due.

## KLAMATH COUNTY, OREGON

### NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

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Property taxes, franchise fees and other taxes and interest and special assessments for the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the County receives the cash.

The County reports the following major governmental funds:

*General fund* is the principal fund of the County and is used to account for all activities not accounted for in some other fund.

*Roads fund* accounts for the road building and road maintenance by the County that is supported by intergovernmental grants and allocations.

*Road reserves* are funds set aside for future County road projects that are transferred from the Road fund.

*Mental health fund* accounts for the administration of County Mental Health programs that are supported by intergovernmental revenues and charges for service.

Additionally the County reports the following fund types:

*Special Revenue Funds* are primarily operating funds that account derived from specific taxes or other revenue sources, which are legally restricted to finance particular function or activities.

*Capital Project Funds* account for financial resources to be used for the acquisition or construction of major capital facilities. Primary resources are fund transfer in from other funds.

*Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Proprietary funds include enterprise and internal service funds. Enterprise funds account for activities which are intended to be self-supporting or where periodic determination of net income is appropriate for management control and accountability. Internal service funds are used to account for activities and services provided by one County organizational unit to another, financed through cost-reimbursement or charges for services.

Fiduciary funds are used by the County to account for assets held in a trustee capacity or as an agent for others. The County's fiduciary funds include agency funds, which are custodial in nature, and do not involve measurement of results of operations.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses result from providing services and producing those services for which the fund was created. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County has no major proprietary funds.

For proprietary funds, the County applies all applicable Government Accounting Standards Board (GASB) guidance as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

## KLAMATH COUNTY, OREGON

### NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

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The County reports deferred revenue on its governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for modified accrual recognition in the current period. Deferred revenue is also recorded when funds are received by the County before it has a legal claim to the them, as when grants funds are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the funds, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

#### D. Assets, Liabilities, and Net Assets

##### CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Oregon Statutes authorize the County to invest in obligations of the U.S. Government and its agencies, the State Local Government Investment Pool, certificates of deposit, savings and money market accounts, bankers' acceptances, commercial paper and repurchase agreements.

Investments are stated at fair value. Investment income is allocated to the funds based on the balance of each fund in the cash and investment pool. The investment income includes; interest, dividends, realized gains and losses and changes in fair value (which is calculated independently).

For purposes of the statement of cash flows, cash and cash equivalents include all assets in the County cash and investment pool. This pool has the characteristic of a demand deposit for the proprietary funds in that these funds can be deposited or withdrawn without prior notice or penalty.

##### RECEIVABLES

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are shown as "interfund receivable/payable". Any outstanding balances between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Trade receivables and property tax receivables are recorded in accordance with the policies enumerated above. County management believes that the amount of any uncollectible accounts included in receivable is immaterial. Therefore, no provision has been made for amounts that might be uncollected.

Property taxes were levied at the permanent rate of 1.7326 per \$1,000 of assessed value within the County. Measure 50 established the permanent rate and allows for an increase of the assessed value of 3% per year. Excluded from the general government limitation was the levy for bonded debt of \$1,816,646.

Klamath County makes all assessments of property value, and levies and collects the taxes for all taxing districts within the County. Assessments of property values are as of January 1 of each year, and the taxes levied are enforceable lien on the properties as of July 1 of each year. Taxes are due November 15 and a 3% discount is allowed for payment on time. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through liens.

## KLAMATH COUNTY, OREGON

### NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

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#### INVENTORIES AND PREPAID

Inventories are valued at cost, using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed, and are offset on the balance sheet with a reserve for inventory account.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements.

#### CAPITAL ASSETS

Capital assets; land, buildings, equipment, roads and bridges, are reported in the government-wide financial statements net of accumulated depreciation. Capital assets are defined by the County as those assets with an individual cost of \$5,000 or more and a useful life of two years or more.

These assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at fair market value at the time of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Depreciation of capital assets is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Equipment	5
Vehicles	5

#### COMPENSATED ABSENCES

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate with the County. All vacation pay and compensatory time is accrued when incurred in the government-wide and proprietary funds statements.

#### LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts as well as issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges and amortized.

## KLAMATH COUNTY, OREGON

### NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2005

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In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as issuance costs during the current period. Debt proceeds, premiums and discounts are reported as other financing sources/uses while issuance costs are reported as debt service expenditures.

#### RESTRICTED NET ASSETS

Restricted net assets reported in the statement of net assets represent amounts for which constraints were imposed by creditors, grantors, contributors or laws and regulations.

#### RESERVED FUND BALANCES

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties. Designations of fund balance represent tentative management plans that are subject to change.

#### Note 2 - Stewardship, Compliance, and Accountability

##### A. Budgetary Information

On or before June 30 of each year, the County 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 the Board of Commissioners and a like number of interested citizens. The budget committee presents the budget to the Board of Commissioners for budget hearings prior to enactment of the resolution approving the budget, appropriating the expenditures, and levying property taxes.

The budget is prepared by fund, department, activity, and line, and includes information of the past year, current year estimates, and requested appropriations for the next fiscal year. Expenditures may not exceed legally budgeted appropriations at the level of materials and services, personal services, capital outlay, debt services, transfers out, and other requirements/expenditures for each fund or for each department of the General Fund. For all funds, transfers are appropriated at the fund level. During the year several resolutions transferring appropriation authority were necessary.

For the year ending June 30, 2005, actual expenditures (on a budgetary basis) exceeded appropriations for: Personal Services, and Material and Services in the various Nonmajor Special Revenue Funds by \$11,013 and \$221,259, respectively (See pages 48 through 77 for details); and, Material and Services in the Equipment Rent and Revolving Fund by \$2,924.

##### B. Deficit Fund Balances

As of June 30, 2005, the Domestic Violence Fund, Tourism Fund, Marine Fund, Search and Rescue Fund, and Search & Rescue Maintenance Fund noted deficit fund balances by \$16,253, \$15,302, \$21,010, \$59,464 and \$174, respectively. The deficits have resulted from a general decline in revenues, accompanied by rising operating costs.

# KLAMATH COUNTY, OREGON

## NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

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### Note 3 - Detail Notes on all Funds

#### A. Cash and investments

The County's cash and investments are comprised of the following at June 30, 2005:

Deposits with financial institutions	\$ 624,949
Investments	141,251,449
Cash on hand	<u>6,567</u>
Total cash and investments	141,882,965
Less cash and investments in fiduciary funds	<u>(23,205,487)</u>
Cash and investments, as reported in statement of net assets	<u>\$ 118,677,478</u>

**Deposits:** Deposits with financial institutions are bank deposits and certificates of deposits. Oregon Revised Statutes require the depository institution to maintain on deposit with custodian bank collateral pool securities having a value of not less than 25% of the outstanding certificates of participation issued by the pool manager. The total bank balances, as shown on the banks' records at June 30, 2005 were 5,438,219. All of the amounts were covered by federal deposit insurance or collateralized to the extent required by state law.

**Custodial credit risk - deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. In order to minimize this risk, Oregon Revised Statutes require cash on deposits in any one bank not exceed federal depository insurance without procuring collateral certificates of participation from the bank's pool manager.

**Investments:** The County's investments include U.S. Government securities, commercial paper and the investment in the Oregon State Local Government Investment Pool. The latter is managed by the State Treasurer in accordance with the "prudent person rule" and administrative rules that may be subject to change. The investments that make up the State Local Government Pool are those allowed by Oregon Statute and the reported fair value of the investment is the same as the value of the pool shares. The County maintains an external investment pool for the use of taxing districts in the County. Fair values of all investments in the external pool of the County are based on published market prices. The County's investments are internally pooled.

**Concentration of credit risk:** More than 5 percent of the County's investments are in agencies and securities of U.S. Government; commercial papers; and, local government investment pool. These investments are 77.15%, 6.28%, and 16.57%, respectively, of the County's total investments.

**Credit risk:** State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. As of June 30, 2005, the County's investments in the U.S. government agencies and securities were rated Aaa/AAA by Standards & Poor's and Moody's investor's services. The County's investments in commercial papers rated F-1 by Fitch ratings. LGIP was unrated.

**KLAMATH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

*Custodial credit risk - investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy limits the percentage of the investment portfolio that may be kept held in safekeeping or the trust department of any financial institution, regardless of the dealer from whom the investment was purchased to 33% of the portfolio. At year-end no institutions held more than 25% of the County's portfolio in its safekeeping or trust departments. All investments were held by the County in its own name.

*Interest rate risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Oregon Short-Term Fund (OSTF) manages this risk by limiting the maturity of the investments held by fund. Portfolio Rules for OSTF indicate 50% of the portfolio must mature within 93 days; a maximum of 25% of the portfolio may mature over one year; and no investment may mature in over 3 years as measured from settlement dates.

In accordance with its investment policy, the County objects its investment; to conform with federal, state and other legal requirements; to preserve for capital and protect for investment principal; to maintain for sufficient liquidity to meet operating requirements; and, to diversify and attain for market rates of return throughout budgetary and economic cycles.

At June 30, 2005, the County's investments consisted of:

<u>Security Description</u>	<u>Par Value</u>	<u>% of total portfolio</u>
Commercial Papers	\$ 8,050,000	5.70%
Certificates of Deposit	13,000,000	9.20%
U.S. Agency Fixed & FRNs	34,828,000	24.66%
Federal Home Loan Mortgage Corp	24,362,000	17.25%
Federal National Mortgage Securities	30,654,000	21.70%
Overnight Funds	2,137,600	1.51%
State & County Loans & Bonds	6,962,207	4.93%
Local Government Investment Pool	<u>21,257,642</u>	<u>15.05%</u>
Total Investments	<u>\$ 141,251,449</u>	<u>100.00%</u>

At June 30, 2005, maturities for the County's investments are as follows:

<u>Maturities</u>	<u>Amounts</u>	<u>% of total portfolio</u>
01 to 30 Days	\$ 19,947,900	14.12%
31 to 60 days	2,200,000	1.56%
61 to 93 Days	3,685,000	2.61%
94 to 360 Days	78,399,549	55.50%
12 to 18 Months	24,646,000	17.45%
19 to 36 Months	12,373,000	8.76%
Over Three Years	-	0.00%
Total Investments	<u>\$ 141,251,449</u>	<u>100.00%</u>

**KLAMATH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2005

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**B. Receivables**

Receivables include uncollected interest, property taxes, accounts, and intergovernmental grants. County management believes that the amount of any uncollectible accounts included in receivables is immaterial. Therefore no provision for uncollectible accounts has been made.

Receivables as of June 30, 2005 were as follows:

	<u>Property Taxes</u>	<u>Accounts</u>	<u>Assessments</u>	<u>Total</u>
Governmental activities:				
General fund	\$ 798,380	\$ 579,282	\$ -	\$ 1,377,662
Roads	-	370,322	79,517	449,839
Road reserve	-	141,462	-	141,462
Mental health	-	463,474	-	463,474
Nonmajor funds	224,875	908,544	4,626	1,138,045
Internal service funds	-	27,619	-	27,619
Governmental activities total	<u>1,023,255</u>	<u>2,490,703</u>	<u>84,143</u>	<u>3,598,101</u>
Business-type activities	-	567,477	-	567,477
Total receivables	<u>\$ 1,023,255</u>	<u>\$ 3,058,180</u>	<u>\$ 84,143</u>	<u>\$ 4,165,578</u>

**C. Other Assets**

The County holds for the benefit of taxing districts within the County, various buildings and land parcels that have been acquired through foreclosure or abandonment. These assets are held until sold and the proceeds are then turned over to the taxing district. At June 30, 2005, the estimated market value of these assets at the time of receipt by the County was \$5,615,340, and it is recorded in the Treasurer Agency fund. Some foreclosed properties sold on installment payment basis represent \$982,285 at June 30, 2005, which is also recorded in the Treasurer Agency fund as Account receivables.

**KLAMATH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

**D. Capital Assets**

Capital assets activities for the fiscal year ended June 30, 2005 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 503,118	\$ -	\$ -	\$ 503,118
Capital assets, being depreciated:				
Buildings and improvements	27,638,212	-	-	27,638,212
Machinery & equipment	14,476,813	1,505,351	823,455	15,158,709
Vehicles	7,585,256	1,213,539	847,887	7,950,908
Infrastructure	295,044,346	-	-	295,044,346
Total capital assets, being depreciated	<u>344,744,627</u>	<u>2,718,890</u>	<u>1,671,342</u>	<u>345,792,175</u>
Less accumulated depreciation:				
Buildings and improvements	9,244,154	181,476	-	9,425,630
Machinery & equipment	9,176,493	214,138	823,455	8,567,176
Vehicles	7,125,442	133,202	847,887	6,410,757
Infrastructure	101,597,056	6,200,862	-	107,797,918
Total accumulated depreciation	<u>127,143,145</u>	<u>6,729,678</u>	<u>1,671,342</u>	<u>132,201,481</u>
Total capital assets, being depreciated, net	<u>217,601,482</u>	<u>(4,010,788)</u>	<u>-</u>	<u>213,590,694</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 218,104,600</u></b>	<b><u>\$ (4,010,788)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 214,093,812</u></b>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 218,996	\$ -	\$ -	\$ 218,996
Capital assets, being depreciated:				
Buildings and improvements	151,869	-	-	151,869
Machinery & equipment	1,380,312	12,749	5,042	1,388,019
Vehicles	343,382	120,832	30,467	433,747
Total capital assets, being depreciated	<u>1,875,563</u>	<u>133,581</u>	<u>35,509</u>	<u>1,973,635</u>
Less accumulated depreciation:				
Buildings and improvements	151,869	-	-	151,869
Machinery & equipment	756,916	128,615	5,042	880,489
Vehicles	326,600	46,223	30,467	342,356
Total accumulated depreciation	<u>1,235,385</u>	<u>174,838</u>	<u>35,509</u>	<u>1,374,714</u>
Total capital assets, being depreciated, net	<u>640,178</u>	<u>(41,257)</u>	<u>-</u>	<u>598,921</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 859,174</u></b>	<b><u>\$ (41,257)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 817,917</u></b>

**KLAMATH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

Depreciation expenses were charged to functions / programs of the County as follows:

Governmental activities:		
General government	\$	320,257
Public safety		31,158
Highways and streets		6,200,862
Human services		86,936
Culture and recreation		23,051
Community development		<u>67,414</u>
Total depreciation expenses - governmental activities	\$	<u>6,729,678</u>
Business-type activities:		
Solid waste	\$	171,522
Weed control		<u>3,314</u>
Total depreciation expenses - business-type activities	\$	<u>174,836</u>

**E. Long Term Liabilities**

**GENERAL OBLIGATION BONDS**

In November of 1996 voters approved a \$17,000,000 bond issue to construct a new courthouse. These general obligation bonds were issued on March 31, 1997, in denominations of \$5,000 each. Bonds mature on June 1 of each year through 2011, with interest paid at rates ranging from 3.70 percent to 5.30 percent. The Series A bonds are not subject to redemption prior to maturity.

During the year ended June 30, 2000, the County issued \$4,500,000 series 1999 general obligation bonds for the construction of the Fairgrounds Event Center. The annual interest rate ranges from 4.0% to 4.20%.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Issue date</u>	<u>Maturity date</u>	<u>Interest rates</u>	<u>Original Amounts</u>	<u>Balance 6/30/2005</u>
Governmental activities	Nov. 1996	June 2011	3.70~5.30%	\$ 17,000,000	\$ 8,030,000
Governmental activities	June 2000	June 2010	4.00~4.20%	4,500,000	<u>2,600,000</u>
					<u>\$ 10,630,000</u>

**KLAMATH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

Annual debt service requirements to maturity for notes payable at year-end as follows:

Fiscal Year	1997 A		Series 1999		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,170,000	\$ 424,720	\$ 500,000	\$ 105,700	\$ 1,670,000	\$ 530,420
2007	1,230,000	366,805	500,000	85,700	1,730,000	452,505
2008	1,305,000	293,005	500,000	65,700	1,805,000	358,705
2009	1,370,000	226,450	500,000	45,700	1,870,000	272,150
2010	1,440,000	155,895	600,000	25,200	2,040,000	181,095
2011	1,515,000	80,295	-	-	1,515,000	80,295
<b>Total</b>	<b>\$ 8,030,000</b>	<b>\$ 1,547,170</b>	<b>\$ 2,600,000</b>	<b>\$ 328,000</b>	<b>\$ 10,630,000</b>	<b>\$ 1,875,170</b>

**LOANS PAYABLE**

On August 26, 1988, the County obtained a mortgage loan for \$80,394 from Siuslaw Valley Bank, with an interest rate of 8.97%, and due in monthly installments of \$650 for 350 months (maturity date: October 2017). This note is recorded in the mental health fund.

On February 2, 1989, the County obtained a mortgage loan for \$55,690 from Siuslaw Valley Bank, with an interest rate of 8.97%, and due in monthly installments of \$450 for 352 months (maturity date: June 2018). This note is recorded in the mental health fund.

Loans payable currently outstanding are as follows:

Purpose	Issue date	Maturity date	Interest rates	Original Amounts	Balance 6/30/2005
Governmental activities	Aug. 1988	Oct. 2017	8.97%	\$ 80,394	\$ 57,854
Governmental activities	Feb. 1989	June 2018	8.97%	55,690	41,355
					<u>\$ 99,209</u>

# KLAMATH COUNTY, OREGON

## NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

Annual debt service requirements to maturity for long-term loans outstanding at year-end as follows:

Fiscal Year	1988 Loan		1989 Loan		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	2,741	5,059	1,775	3,625	\$ 4,516	\$ 8,684
2007	2,997	4,803	1,941	3,459	4,938	8,262
2008	3,277	4,523	2,122	3,278	5,399	7,801
2009	3,584	4,216	2,321	3,079	5,905	7,295
2010	3,919	3,881	2,538	2,862	6,457	6,743
2011-2015	25,824	13,176	16,722	10,278	42,546	23,454
2016-2018	15,512	1,373	13,936	1,789	29,448	3,162
<b>Total</b>	<b>\$ 57,854</b>	<b>\$ 37,031</b>	<b>\$ 41,355</b>	<b>\$ 28,370</b>	<b>\$ 99,209</b>	<b>\$ 65,401</b>

### LANDFILL CLOSURE AND POSTCLOSURE CARE

The County operates two solid waste landfills and has recorded a liability for the costs that would be incurred to comply with state and federal regulations that require a final cover on the landfills and maintenance and care at the sites for thirty years after closure. The total liability to date as of June 30, 2005 was \$1,528,441 and is recorded in the enterprise fund; Landfill site reserve. This amount represents a portion of the total cost of closure and Postclosure based on the percent of the estimated capacity used. Each year an estimated amount of expense is recognized based on the capacity filled and any changes to the expected costs so that at the time of closure the total cost has been recognized. The County expects to close the landfills in the year 2017.

### CHANGES IN GENERAL LONG-TERM DEBT LIABILITIES

Long-term liability activity for the year ended June 30, 2005, was as follows:

	Balance 7/1/2004	Additions	Reductions	Balance 6/30/2005	Due within one-year
<i>Governmental activities:</i>					
General obligation bonds	\$ 12,150,000	\$ -	\$ 1,520,000	\$ 10,630,000	\$ 1,670,000
Loans payable	103,632	-	4,423	99,209	4,516
Compensated absences	1,153,660	109,178	49,405	1,213,433	242,687
<b>Total governmental activities</b>	<b>\$ 13,339,094</b>	<b>\$ 109,178</b>	<b>\$ 1,573,828</b>	<b>\$ 11,942,642</b>	<b>\$ 1,917,203</b>
<i>Business-type activities:</i>					
Landfill closure & postclosure	\$ 1,125,117	\$ 403,324	\$ -	\$ 1,528,441	\$ -
Compensated absences	49,043	-	-	49,043	-
<b>Total business-type activities</b>	<b>\$ 1,174,159</b>	<b>\$ 403,324</b>	<b>\$ -</b>	<b>\$ 1,577,484</b>	<b>\$ -</b>

# KLAMATH COUNTY, OREGON

## NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

### F. Leases

On July 18, 2002, the County entered into a sixty month operating lease agreement for a copier machine. The lease obligations payable are not recorded in the Combined Balance Sheet. The lease expense for the year was \$5,580. Future minimum lease payments are \$465 per month, or \$5,580 in annual payments in fiscal years 2003/04 through 2006/07.

### G. Interfund transfers

Interfund transfers for the year ended June 30, 2005, consisted of the following:

Transfers to general fund from:	
Internal service fund	\$ 625,954
Nonmajor governmental funds fund	238,935
Enterprise funds	<u>194,840</u>
Total transfers	<u>\$ 1,059,729</u>
Transfers to nonmajor government funds from:	
General fund	<u>\$ 343,186</u>
Other transfers	<u>\$ 592,096</u>

Transfers are used to use unrestricted revenues collected in the reserve funds to finance various programs accounted for in other operating funds in accordance with budgetary authorizations.

### H. Net Assets - Restated Beginning Balances

Beginning net assets on the statement of activities have been restated for the following prior period adjustments.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Correction of depreciation and lists of capital assets	<u>\$ (1,596,450)</u>	<u>\$ (1,545,501)</u>

### Note 4 - Other Information

#### A. Pension Plans

Klamath County has two pension plans covering substantially all employees. Sheriff's department employees are participants in the State of Oregon Public Employees Retirement System (PERS). County employees other than Sheriff department personnel are participants in the Pension Plan for Employees of Klamath County, administered by the County with U.S. Bank of Oregon as the trustee.

## KLAMATH COUNTY, OREGON

### NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

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#### OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

##### PLAN DESCRIPTION

Klamath County participates in the State of Oregon Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system. The Public Employees Retirement System is a defined benefit pension plan to which employees and employer contribute. Actuarial valuations are made for the PERS biennially, and the latest available actuarial valuation was completed as of December 31, 2003.

Employees of the Sheriff's Department are covered by this plan after six months of employment. Benefits generally vest after five years of service. Retirement is allowed at age 58 with unreduced benefits for those hired prior to 1/1/96 and age 60 for those hired after, but retirement is generally available after age 55 with reduced benefits. Retirement benefits are based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provide death and disability benefits. These benefit provisions and other requirements are established by statute.

PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Oregon Public Employees Retirement System, Post Office Box 23700, Tigard, Oregon, 97281-3700.

##### FUNDING POLICY

The rate of employee contribution (6%) is established by law. Employer contribution rates are those adopted by the Board of PERS. The employer contribution rates are expressed as percentages of the covered salary of each participating employee. The rates do not include employee contributions paid by the employer. The rates shown below are based on the actuarial valuation of the system as of December 31, 2003, and are subject to change as a result of subsequent valuations or legislative amendments.

The employer contribution rates as a percentage of salaries with pickup-up, if any is, as follows:

	<u>Current Schedule</u>
Effective As of July 1, 2003	8.23%
Effective As of July 1, 2004	8.23%
Effective As of July 1, 2005	11.04%

##### ANNUAL PENSION COST

Employer contributions are calculated in conformance with the provisions of GASB Statement No. 27 as a percentage of covered payrolls. Therefore, the contributions transmitted to the System are equal to the Annual Required Contribution (ARC), and there is no Net Pension Obligation (NPO) necessary to amortize any unmade contributions.

# KLAMATH COUNTY, OREGON

## NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2005

### THREE-YEAR TREND INFORMATION

Three-year trend information for the County is as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/03	\$297,201	100%	\$0
06/30/04	198,444	100%	\$0
06/30/05	245,805	100%	\$0

### PENSION PLAN FOR EMPLOYEES OF KLAMATH COUNTY

#### PLAN DESCRIPTION

Klamath County employees, other than Sheriff's department personnel are participants in the Pension Plan for Employees of Klamath County. This plan is a single employer defined benefit pension plan to which the County makes contributions. The latest actuarial valuation of the plan was made as of January 1, 2005.

All qualified county employees who work 20 hours or more per week and are not considered temporary are eligible for participation after the first of the month following the date of employment. Benefits vest on the following schedule:

<u>Years of services</u>	<u>Vested percentage</u>
Less than 5 years	0%
5 years	100%

Normal retirement is allowed at age 60, otherwise age 65. For members of the Oregon Nurses Association retirement is at age 65. Early retirement is allowed at age 55 with reduced benefits. Retirement benefits are based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. The plan also provides death and disability benefits.

A complete copy of the detailed Plan Summary can be inspected at the County offices at 305 Main Street, Klamath Falls, Oregon 97601.

#### FUNDING POLICY

The amount of employer contribution is calculated by an actuary and recommended to the County. The amount is expressed as a percentage of the covered salary of each participating employee. The amount recommended for employer contribution for the 2004 plan year ending December 31, 2004 ranges from 4.26% to 4.48% of covered payroll.

**KLAMATH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

**ANNUAL PENSION COST**

Employer contributions are calculated in conformance with the provisions of GASB Statement No. 27 as a percentage of covered payrolls. Therefore, the contributions transmitted to the System are equal to the Annual Required Contribution (ARC), and there is no Net Pension Obligation (NPO) necessary to amortize any unmade contributions.

For the year ended June 30, 2005, the annual pension cost was equal to the required and actual contributions of the County. The required contribution was determined as part of the January 1, 2005, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.0% per year, and (b) projected salary increases of 5.0% per year attributable to general wage adjustments, with additional increases for promotion and longevity that vary by age and service.

**THREE-YEAR TREND INFORMATION**

Three-year trend information for the County is as follows:

Plan Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2002	\$762,736	100%	\$0
12/31/2003	786,723	100%	\$0
12/31/2004	789,054	100%	\$0

\*Actuarial valuation date is January 1 of the year.

**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Schedule of Funding Progress for the Pension Plan for the Oregon Public Employees Retirement System is as follows (Numbers expressed in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/97	\$8,603	\$6,605	\$(1,998)	130%	\$2,398	(83)%
12/31/99	13,212	9,952	(3,260)	133%	2,975	(110)%
12/31/01	18,255	12,782	(5,473)	143%	2,931	(187)%
12/31/03	20,024	17,810	(2,214)	112%	3,406	(65)%

**KLAMATH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005**

**PENSION PLAN FOR EMPLOYEES OF KLAMATH COUNTY**

The Schedule of Funding Progress for the Pension Plan for the Employees of Klamath County is as follows (Numbers expressed in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2002	\$20,490	\$20,582	\$92	100%	\$12,483	1%
1/1/2003	23,056	23,875	819	97%	13,348	6%
1/1/2004	24,266	26,280	2,014	92%	14,271	14%
1/1/2005	25,581	28,582	3,001	90%	14,318	21%

**B. Risk Management**

The County sets aside funds to pay workers compensation claims, deductible insurance costs and legal fees and reserves that are not reimbursed by insurance coverage. The payments exceeded the interfund charges for the current fiscal year by \$43,508. This activity is accounted for in the internal service fund Risk Management.

**C. Contingent Liabilities**

Management and legal council of the County believe the total amount of liability, if any, which may arise from claims and lawsuits beyond that which is covered by insurance would not have a material effect on the County's financial condition.

Amount received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed amounts could become a liability of the General Fund or other applicable funds.

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

Domestic Violence - This fund accounts for receipt and expenditure of funds provided by a federal grant for curbing violence against women.

Community Child & Family - This fund accounts for receipt and expenditure for funds provided by a Juvenile Service Commission Grant.

D. A. Enforcement - This fund accounts for liquor and drug law enforcement.

Tourism - This fund accounts for revenue received from the transient room tax. Funds are used for the promotion of tourism within Klamath County.

Community Grants - Accounts for intergovernmental grants for various projects in the community.

D.A.R.E. - Sheriff - This fund accounts for a drug education program in the school districts in the County. Revenues are from individual donation.

Bicycle Trails - This fund is for construction and maintenance of footpaths and bicycle trails per ORS 366.514. Revenue consists of 1 percent of state highway apportionments.

Marine - This fund was established to provide public safety patrols for County waterways.

Klamath County Revolving Loan - This fund promotes community development through loans to businesses that will create new jobs. The primary source of revenue is the collection of economic development loans.

Taylor Grazing Act - This fund is for range improvements in accordance with ORS 294.070.

Court Facility Security - Accounts for funds received to provide security in the courts.

Klamath Falls Streets - Forest revenues dedicated to City streets.

Corner Restoration - This fund was established to receive monies from all land transactions recorded in the County for the purpose of reestablishing the major section corners in the County.

Park Reserve - Accounts for funds received from the sale of timber on County parkland. These funds are reserved for park improvement.

Parks - Revenues are from the State, RV taxes and other sources dedicated to park development.

Juvenile Special Project - This fund accounts for receipts and expenditures of the Juvenile Project Program.

Experimental Station Research - This fund accounts for financial transactions of the Oregon State University Experiment Station. The primary source of revenues is from sale of produce and pasture rental.

Electrical - Accounts for the receipt and expenditure of electrical permit fees used to provide inspection and compliance to electrical codes.

Property Sales - This fund receives proceeds from sale of foreclosed property.

Museum Sales & Donations - This fund receives miscellaneous museum donations and accounts for the sale of various items from the museum.

Economic Development - This fund was established to receive Economic Development monies, such as state lottery funding for regional strategies, for the purpose of retention and development of Klamath County businesses and industry.

Community Corrections - This fund was established to account for corrections. The primary source of funds is the State of Oregon Department of Corrections.

County Schools - This fund was established under ORS 328.005 and is the recipient of federal forest reserve apportionment under ORS 294.060, other intergovernmental revenues, and interest on investments. Distributions go to the three school districts within the County and to state agencies for special education costs.

Search and Rescue - This fund is used to account for the expenditures for locating lost individuals in the County area. Presently the funding comes from transfers from other funds.

Search and Rescue Maintenance - This fund is used to acquire and maintain equipment used in the search operations of the County.

Dog Control - This fund is authorized by ORS Chapter 609 and accounts for control of dogs in the County and operation of the County pound. Primary revenue sources are transfers from the general fund, license fees and fines.

Public Health - The major sources of revenue are federal and state funds, client fees and General fund transfers to provide public health services to the County.

**Special Revenue Funds**  
(Continued)

**Fairgrounds** - This fund operates as a function of Klamath County, Oregon, under ORS 565.210 to 565.990, inclusive. The affairs of the Fairboard are managed by a five member Board of Directors who serve without salary. These directors are appointed for three year terms by the Klamath County Board of Commissioners. The Fairground Fund budget is part of the Klamath County budget, and financial transactions are handled as a separate fund of Klamath County. Primary revenues for the year were the transient room tax, inter governmental revenues generated by the Oregon State Racing Commission, admission fees, and user fees. Expenditures are for the maintenance and operation of the fairgrounds.

**Law Library** - This fund has been established in accordance with ORS 9.840 and receives court fees, as per ORS 21.350, for the operation of a law library in the courthouse.

**Veterans Services** - This fund accounts for receipts and expenditures of the Veterans Services Program.

**Debt Service Funds**

Debt Service Funds are used for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

**Courthouse Bond and Interest Fund** – This fund was established to receive the proceeds from a property tax serial levy and to expend funds for the retirement of County's general obligation bond issue for construction of the County courthouse and administration buildings.

**Fairgrounds Bond and Interest Fund** – This fund was established to receive the proceeds from a property tax serial levy and to expend funds for the retirement of County's general obligation bond issue for construction of the Fairgrounds Convention Center.

**Capital Projects Funds**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Fairgrounds Capital Project** - This fund was established for the proceeds of the Fairgrounds bond issue and the construction of the Fairgrounds Event Center.

**KLAMATH COUNTY, OREGON  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2005

	<u>Special Revenue Funds</u>			
	<u>Page 37</u>	<u>Page 39</u>	<u>Page 41</u>	<u>Total</u>
<b>ASSETS:</b>				
Pooled cash and investments	\$ 495,365	\$ 4,549,794	\$ 3,671,464	\$ 8,716,623
Receivable (net of allowance for uncollectible):				
Accounts	114,399	139,869	587,711	841,979
Property taxes	-	-	6,842	6,842
Special assessments	-	-	-	-
Notes	4,626	-	-	4,626
Interfund receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
<b>Total assets</b>	<u>\$ 614,390</u>	<u>\$ 4,689,663</u>	<u>\$ 4,266,017</u>	<u>\$ 9,570,070</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 99,345	\$ 745,903	\$ 128,859	\$ 974,107
Deferred revenue	4,626	-	6,842	11,468
Interfund payable	163,301	-	54,393	217,694
Compensated absences	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<u>267,272</u>	<u>745,903</u>	<u>190,094</u>	<u>1,203,269</u>
<b>FUND BALANCES:</b>				
Reserved for inventory	-	-	-	-
Unreserved:				
Undesignated	<u>347,118</u>	<u>3,943,760</u>	<u>4,075,923</u>	<u>8,366,801</u>
<b>Total fund balances</b>	<u>347,118</u>	<u>3,943,760</u>	<u>4,075,923</u>	<u>8,366,801</u>
<b>Total liabilities and fund balances</b>	<u>\$ 614,390</u>	<u>\$ 4,689,663</u>	<u>\$ 4,266,017</u>	<u>\$ 9,570,070</u>

<u>Debt Service Funds</u>			<u>Capital</u>	<u>Total</u>
<u>Court</u>	<u>Fairgrounds</u>		<u>Project Fund</u>	<u>Nonmajor</u>
<u>House</u>	<u>Bonds &amp; Interest</u>	<u>Total</u>	<u>Fairground</u>	<u>Governmental</u>
\$ 63,385	\$ 31,129	\$ 94,514	\$ 7,893	\$ 8,819,030
52,431	14,119	66,550	15	908,544
165,056	52,977	218,033	-	224,875
-	-	-	-	4,626
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 280,872</u>	<u>\$ 98,225</u>	<u>\$ 379,097</u>	<u>\$ 7,908</u>	<u>\$ 9,957,075</u>
\$ -	\$ -	\$ -	\$ -	\$ 974,107
165,056	52,977	218,033	-	229,501
-	-	-	-	217,694
-	-	-	-	-
-	-	-	-	-
<u>165,056</u>	<u>52,977</u>	<u>218,033</u>	<u>-</u>	<u>1,421,302</u>
-	-	-	-	-
<u>115,816</u>	<u>45,248</u>	<u>161,064</u>	<u>7,908</u>	<u>8,535,773</u>
<u>115,816</u>	<u>45,248</u>	<u>161,064</u>	<u>7,908</u>	<u>8,535,773</u>
<u>\$ 280,872</u>	<u>\$ 98,225</u>	<u>\$ 379,097</u>	<u>\$ 7,908</u>	<u>\$ 9,957,075</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2005

	<u>Special Revenue Funds</u>			
	<u>Page 43</u>	<u>Page 45</u>	<u>Page 47</u>	<u>Total</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	\$ 8,346	\$ 3,119,244	2,288,299	\$ 5,415,889
Federal grants	291,102	240,090	3,339,390	3,870,582
State grants	159,818	-	2,563,354	2,723,172
Other	600,349	518,592	1,097,272	2,216,213
General revenue:				
Property tax	-	-	132,210	132,210
Transient room tax and vehicle tax	54,332	-	592,118	646,450
Special assessment	22,740	-	28,371	51,111
Investment income	12,910	64,804	83,204	160,918
Miscellaneous	28,067	69,520	189,782	287,369
<b>Total revenue</b>	<b>1,177,664</b>	<b>4,012,250</b>	<b>10,314,000</b>	<b>15,503,914</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	849,850	-	849,850
Public safety	507,869	80,979	3,637,037	4,225,885
Highways and streets	7,779	156,937	-	164,716
Health and Welfare	-	-	1,969,057	1,969,057
Culture and recreation	-	68,864	846,961	915,825
Community Development	63,300	1,182,557	162,202	1,408,059
Human services	675,178	-	-	675,178
Education	-	-	3,331,836	3,331,836
Debt service:				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	654,718	120,524	775,242
<b>Total expenditures</b>	<b>1,254,126</b>	<b>2,993,905</b>	<b>10,067,617</b>	<b>14,315,648</b>
<b>Excess of revenues over expenditures</b>	<b>(76,462)</b>	<b>1,018,345</b>	<b>246,383</b>	<b>1,188,266</b>
Contributions				
Transfers from other funds	20,602	725,659	309,788	1,056,049
Transfers (to) other funds	(142,675)	(281,936)	-	(424,611)
<b>Excess after transfers and contributions</b>	<b>(198,535)</b>	<b>1,462,068</b>	<b>556,171</b>	<b>1,819,704</b>
<b>FUND BALANCE - JULY 1</b>	<b>545,653</b>	<b>2,481,692</b>	<b>3,519,752</b>	<b>6,547,097</b>
<b>FUND BALANCE - JUNE 30</b>	<b>\$ 347,118</b>	<b>\$ 3,943,760</b>	<b>\$ 4,075,923</b>	<b>\$ 8,366,801</b>

<u>Debt Service Funds</u>			<u>Capital</u>	<u>Total</u>
<u>Court</u>	<u>Fairgrounds</u>		<u>Project Fund</u>	<u>Nonmajor</u>
<u>House</u>	<u>Bonds &amp; Interest</u>	<u>Total</u>	<u>Fairground</u>	<u>Governmental</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,415,889
-	-	-	-	3,870,582
-	-	-	-	2,723,172
-	-	-	-	2,216,213
1,387,383	354,233	1,741,616	-	1,873,826
-	-	-	-	646,450
-	-	-	-	51,111
18,870	7,794	26,664	150	187,732
23,688	5,899	29,587	-	316,956
<u>1,429,941</u>	<u>367,926</u>	<u>1,797,867</u>	<u>150</u>	<u>17,301,931</u>
-	-	-	-	849,850
-	-	-	-	4,225,885
-	-	-	-	164,716
-	-	-	-	1,969,057
-	-	-	-	915,825
-	-	-	-	1,408,059
-	-	-	-	675,178
-	-	-	-	3,331,836
1,120,000	400,000	1,520,000	-	1,520,000
479,535	122,185	601,720	-	601,720
-	-	-	-	775,242
<u>1,599,535</u>	<u>522,185</u>	<u>2,121,720</u>	<u>-</u>	<u>16,437,368</u>
(169,594)	(154,259)	(323,853)	150	864,563
-	-	-	-	-
-	-	-	-	1,056,049
-	-	-	-	(424,611)
(169,594)	(154,259)	(323,853)	150	1,496,001
285,410	199,507	484,917	7,758	7,039,772
<u>\$ 115,816</u>	<u>\$ 45,248</u>	<u>\$ 161,064</u>	<u>\$ 7,908</u>	<u>\$ 8,535,773</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**  
**June 30, 2006**

	<u>Domestic Violence</u>	<u>Comm Child &amp; Family</u>	<u>D. A. Enforcement</u>	<u>Tourism</u>
<b>ASSETS:</b>				
Pooled cash and investments	\$ -	\$ 116,585	\$ 25,649	\$ 100
Receivable (net of allowance for uncollectibles):				
Accounts	-	24,006	297	5,512
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Notes	-	-	-	-
Interfund receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 140,591</u>	<u>\$ 25,946</u>	<u>\$ 5,612</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 187	\$ 96,232	\$ 631	\$ -
Deferred revenue	-	-	-	-
Interfund payable	16,066	-	-	20,914
Compensated absences	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<u>16,253</u>	<u>96,232</u>	<u>631</u>	<u>20,914</u>
<b>FUND BALANCES:</b>				
Reserved for inventory	-	-	-	-
Unreserved:				
Undesignated	<u>(16,253)</u>	<u>44,359</u>	<u>25,315</u>	<u>(15,302)</u>
<b>Total fund balances</b>	<u>(16,253)</u>	<u>44,359</u>	<u>25,315</u>	<u>(15,302)</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 140,591</u>	<u>\$ 25,946</u>	<u>\$ 5,612</u>

<u>Community Grants</u>	<u>D.A.R.E. - Sheriff</u>	<u>Bicycle Trail</u>	<u>Marine</u>	<u>Klamath Co. Revolving Loan</u>	<u>Taylor Grazing Act</u>	<u>Total</u>
\$ 103,578	\$ 60,269	\$ 168,825	\$ -	\$ 20,359	\$ -	\$ 495,365
195	23	3,408	80,521	437	-	114,399
-	-	-	-	-	-	-
-	-	-	-	4,626	-	4,626
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 103,773</u>	<u>\$ 60,292</u>	<u>\$ 172,233</u>	<u>\$ 80,521</u>	<u>\$ 25,422</u>	<u>\$ -</u>	<u>\$ 614,390</u>
\$ -	\$ -	\$ -	\$ 2,295	\$ -	\$ -	\$ 99,345
-	-	-	-	4,626	-	4,626
-	27,085	-	99,236	-	-	163,301
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>27,085</u>	-	<u>101,531</u>	<u>4,626</u>	-	<u>267,272</u>
-	-	-	-	-	-	-
<u>103,773</u>	<u>33,207</u>	<u>172,233</u>	<u>(21,010)</u>	<u>20,796</u>	<u>-</u>	<u>347,118</u>
<u>103,773</u>	<u>33,207</u>	<u>172,233</u>	<u>(21,010)</u>	<u>20,796</u>	<u>-</u>	<u>347,118</u>
<u>\$ 103,773</u>	<u>\$ 60,292</u>	<u>\$ 172,233</u>	<u>\$ 80,521</u>	<u>\$ 25,422</u>	<u>\$ -</u>	<u>\$ 614,390</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS**  
**June 30, 2005**

	<u>Court Facility Security</u>	<u>Klamath Falls Streets</u>	<u>Corner Restoration</u>	<u>Park Reserve</u>
<b>ASSETS:</b>				
Pooled cash and investments	\$ 225,196	\$ 1,187,061	\$ 655,314	\$ 121,696
Receivable (net of allowance for uncollectibles):				
Accounts	6,055	2,771	3,844	226
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Notes	-	-	-	-
Interfund receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 231,251</u>	<u>\$ 1,189,832</u>	<u>\$ 659,158</u>	<u>\$ 121,922</u>
 <b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 128	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Interfund payable	-	-	-	-
Compensated absences	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>128</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>FUND BALANCES:</b>				
Reserved for inventory	-	-	-	-
Unreserved:				
Undesignated	<u>231,123</u>	<u>1,189,832</u>	<u>659,158</u>	<u>121,922</u>
Total fund balances	<u>231,123</u>	<u>1,189,832</u>	<u>659,158</u>	<u>121,922</u>
 Total liabilities and fund balances	 <u>\$ 231,251</u>	 <u>\$ 1,189,832</u>	 <u>\$ 659,158</u>	 <u>\$ 121,922</u>

<u>Parks</u>	<u>Juvenile Special Project</u>	<u>Experimental Station Research</u>	<u>Electrical</u>	<u>Property Sales</u>	<u>Museum Sales &amp; Donations</u>	<u>Total</u>
\$ 64,995	\$ 109,698	\$ 33,881	\$ 904,346	\$ 1,133,493	\$ 114,114	\$ 4,549,794
41,935	197	-	75,493	4,429	4,919	139,869
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 106,930</u>	<u>\$ 109,895</u>	<u>\$ 33,881</u>	<u>\$ 979,839</u>	<u>\$ 1,137,922</u>	<u>\$ 119,033</u>	<u>\$ 4,689,663</u>
\$ 21,248	\$ 1,716	\$ 1,279	\$ 17,064	\$ 703,380	\$ 1,088	\$ 745,903
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>21,248</u>	<u>1,716</u>	<u>1,279</u>	<u>17,064</u>	<u>703,380</u>	<u>1,088</u>	<u>745,903</u>
-	-	-	-	-	-	-
<u>85,682</u>	<u>108,179</u>	<u>32,602</u>	<u>962,775</u>	<u>434,542</u>	<u>117,945</u>	<u>3,943,760</u>
<u>85,682</u>	<u>108,179</u>	<u>32,602</u>	<u>962,775</u>	<u>434,542</u>	<u>117,945</u>	<u>3,943,760</u>
<u>\$ 106,930</u>	<u>\$ 109,895</u>	<u>\$ 33,881</u>	<u>\$ 979,839</u>	<u>\$ 1,137,922</u>	<u>\$ 119,033</u>	<u>\$ 4,689,663</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS**  
**June 30, 2006**

	<u>Economic Development</u>	<u>Community Corrections</u>	<u>County Schools</u>	<u>Search and Rescue</u>
<b>ASSETS</b>				
Pooled cash and investments	99,450	\$ 814,997	\$ 2,326,945	\$ -
Receivable (net of allowance for uncollectibles):				
Accounts	51,137	68,838	49,580	-
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Notes	-	-	-	-
Interfund receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 150,587</u>	<u>\$ 883,835</u>	<u>\$ 2,376,525</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	3,430	\$ 60,297	\$ -	\$ 5,087
Deferred revenue	-	-	-	-
Interfund payable	-	-	-	54,377
Compensated absences	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>3,430</u>	<u>60,297</u>	<u>-</u>	<u>59,464</u>
 <b>FUND BALANCES:</b>				
Reserved for inventory	-	-	-	-
Unreserved:				
Undesignated	<u>147,157</u>	<u>823,538</u>	<u>2,376,525</u>	<u>(59,464)</u>
Total fund balances	<u>147,157</u>	<u>823,538</u>	<u>2,376,525</u>	<u>(59,464)</u>
 Total liabilities and fund balances	 <u>\$ 150,587</u>	 <u>\$ 883,835</u>	 <u>\$ 2,376,525</u>	 <u>\$ -</u>

<u>Search/Rescue Maintenance</u>	<u>Dog Control</u>	<u>Public Health</u>	<u>Fairgrounds</u>	<u>Law Library</u>	<u>Veterans Services</u>	<u>Totals</u>
\$ -	\$ 167,471	\$ 83,331	\$ 103,809	\$ 66,830	\$ 8,631	\$ 3,671,464
-	7,010	206,707	192,628	7,253	4,558	587,711
-	-	-	-	-	6,842	6,842
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 174,481</u>	<u>\$ 290,038</u>	<u>\$ 296,437</u>	<u>\$ 74,083</u>	<u>\$ 20,031</u>	<u>\$ 4,266,017</u>

\$ 158	\$ 7,126	\$ 23,950	\$ 27,049	\$ 1,438	\$ 324	\$ 128,859
-	-	-	-	-	6,842	6,842
16	-	-	-	-	-	54,393
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>174</u>	<u>7,126</u>	<u>23,950</u>	<u>27,049</u>	<u>1,438</u>	<u>7,166</u>	<u>190,094</u>

<u>(174)</u>	<u>167,355</u>	<u>266,088</u>	<u>269,388</u>	<u>72,645</u>	<u>12,865</u>	<u>4,075,923</u>
<u>(174)</u>	<u>167,355</u>	<u>266,088</u>	<u>269,388</u>	<u>72,645</u>	<u>12,865</u>	<u>4,075,923</u>

<u>\$ -</u>	<u>\$ 174,481</u>	<u>\$ 290,038</u>	<u>\$ 296,437</u>	<u>\$ 74,083</u>	<u>\$ 20,031</u>	<u>\$ 4,266,017</u>
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**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - ALL SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

<b>REVENUES</b>	<b>Domestic Violence</b>	<b>Comm Child &amp; Family</b>	<b>D. A. Enforcement</b>	<b>Tourism</b>
Program Revenue:				
Charges for service	\$ -	\$ -	\$ 5,747	\$ -
Federal grants	286,693	-	-	-
State grants	-	-	-	-
Other	-	592,970	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax and vehicle tax	-	-	-	17,975
Special assessment	-	-	-	22,740
Investment income	15	3,939	374	5
Miscellaneous	-	28,067	-	-
<b>Total revenue</b>	<b>286,708</b>	<b>624,976</b>	<b>6,121</b>	<b>40,720</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	303,133	-	7,474	-
Highways and streets	-	-	-	-
Health and Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community Development	-	-	-	58,891
Human services	-	675,178	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>303,133</b>	<b>675,178</b>	<b>7,474</b>	<b>58,891</b>
Excess of revenues over expenditures	(16,425)	(50,202)	(1,353)	(18,171)
Transfers from other funds	-	91	-	-
Transfers (to) other funds	-	-	-	-
Other	-	-	-	-
Excess after transfers and contributions	(16,425)	(50,111)	(1,353)	(18,171)
<b>FUND BALANCE - JULY 1</b>	<b>172</b>	<b>94,470</b>	<b>26,668</b>	<b>2,869</b>
<b>FUND BALANCE - JUNE 30</b>	<b>\$ (16,253)</b>	<b>\$ 44,359</b>	<b>\$ 25,315</b>	<b>\$ (15,302)</b>

<u>Community Grants</u>	<u>D.A.R.E. - Sheriff</u>	<u>Bicycle Trails</u>	<u>Marine</u>	<u>Klamath County Revolving Loan</u>	<u>Taylor Grazing Act</u>	<u>Page Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,599	\$ -	\$ 8,346
-	-	-	-	-	4,409	291,102
-	-	-	159,818	-	-	159,818
-	7,379	-	-	-	-	600,349
-	-	-	-	-	-	-
-	-	36,357	-	-	-	54,332
-	-	-	-	-	-	22,740
3,130	262	2,958	(184)	2,411	-	12,910
-	-	-	-	-	-	28,067
<u>3,130</u>	<u>7,641</u>	<u>39,315</u>	<u>159,634</u>	<u>5,010</u>	<u>4,409</u>	<u>1,177,664</u>
-	-	-	-	-	-	-
-	12,292	-	184,970	-	-	507,869
-	-	7,779	-	-	-	7,779
-	-	-	-	-	-	-
-	-	-	-	-	4,409	63,300
-	-	-	-	-	-	675,178
-	-	-	-	-	-	-
-	<u>12,292</u>	<u>7,779</u>	<u>184,970</u>	<u>-</u>	<u>4,409</u>	<u>1,254,126</u>
3,130	(4,651)	31,536	(25,336)	5,010	-	(76,462)
-	-	-	20,511	-	-	20,602
-	-	-	-	(142,675)	-	(142,675)
-	-	-	-	-	-	-
3,130	(4,651)	31,536	(4,825)	(137,665)	-	(198,535)
<u>100,643</u>	<u>37,858</u>	<u>140,697</u>	<u>(16,185)</u>	<u>158,461</u>	<u>-</u>	<u>545,653</u>
<u>\$ 103,773</u>	<u>\$ 33,207</u>	<u>\$ 172,233</u>	<u>\$ (21,010)</u>	<u>\$ 20,796</u>	<u>\$ -</u>	<u>\$ 347,118</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - ALL SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Court Facility Security</u>	<u>Klamath Falls Streets</u>	<u>Corner Restoration</u>	<u>Park Reserve</u>
<b>REVENUES</b>				
Program Revenue:				
Charges for service	\$ 62,823	\$ -	\$ 111,705	\$ -
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax and vehicle tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	4,515	18,733	12,190	2,240
Miscellaneous	-	-	-	-
Total revenue	<u>67,338</u>	<u>18,733</u>	<u>123,895</u>	<u>2,240</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	79,790	-	-	-
Highways and streets	-	156,937	-	-
Health and Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community Development	-	-	65,544	-
Human services	-	-	-	-
Education	-	-	-	-
Capital outlay	-	150,000	-	-
Total expenditures	<u>79,790</u>	<u>306,937</u>	<u>65,544</u>	<u>-</u>
Excess of revenues over expenditures	(12,452)	(288,204)	58,351	2,240
Transfers from other funds	-	676,853	-	5,000
Transfers (to) other funds	-	-	(4,000)	-
Other	-	-	-	-
Excess after transfers and contributions	(12,452)	388,649	54,351	7,240
FUND BALANCE - JULY 1	<u>243,575</u>	<u>801,183</u>	<u>604,807</u>	<u>114,682</u>
FUND BALANCE - JUNE 30	<u>\$ 231,123</u>	<u>\$ 1,189,832</u>	<u>\$ 659,158</u>	<u>\$ 121,922</u>

<u>Parks</u>	<u>Juvenile Special Project</u>	<u>Experimental Station Research</u>	<u>Electrical</u>	<u>Property Sales</u>	<u>Museum Sales &amp; Donations</u>	<u>Page Total</u>
\$ 64,390	\$ -	\$ -	\$ 2,017,003	\$ 863,323	\$ -	\$ 3,119,244
-	240,090	-	-	-	-	240,090
-	-	-	-	-	-	-
518,592	-	-	-	-	-	518,592
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,045	603	634	12,302	10,374	2,168	64,804
86	1,466	26,787	2,466	-	38,715	69,520
<u>584,113</u>	<u>242,159</u>	<u>27,421</u>	<u>2,031,771</u>	<u>873,697</u>	<u>40,883</u>	<u>4,012,250</u>
-	-	-	-	849,850	-	849,850
-	1,189	-	-	-	-	80,979
-	-	-	-	-	-	156,937
-	-	-	-	-	-	-
55,347	-	-	-	-	13,517	68,864
-	-	23,268	1,093,745	-	-	1,182,557
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>491,971</u>	<u>12,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>654,718</u>
<u>547,318</u>	<u>13,936</u>	<u>23,268</u>	<u>1,093,745</u>	<u>849,850</u>	<u>13,517</u>	<u>2,993,905</u>
36,795	228,223	4,153	938,026	23,847	27,366	1,018,345
1,305	39,275	-	3,089	137	-	725,659
(11,500)	-	(7,875)	(238,711)	(6,000)	(13,850)	(281,936)
-	-	-	-	-	-	-
26,600	267,498	(3,722)	702,404	17,984	13,516	1,462,068
<u>59,082</u>	<u>(159,319)</u>	<u>36,324</u>	<u>260,371</u>	<u>416,558</u>	<u>104,429</u>	<u>2,481,692</u>
<u>\$ 85,682</u>	<u>\$ 108,179</u>	<u>\$ 32,602</u>	<u>\$ 962,775</u>	<u>\$ 434,542</u>	<u>\$ 117,945</u>	<u>\$ 3,943,760</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - ALL SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Economic Development</u>	<u>Community Corrections</u>	<u>County Schools</u>	<u>Search and Rescue</u>
<b>REVENUES</b>				
Program Revenue:				
Charges for service	\$ -	\$ 596,254	\$ -	\$ -
Federal grants	-	-	3,331,836	-
State grants	-	2,563,354	-	-
Other	182,740	-	406,367	24,095
General revenue:				
Property tax	-	-	-	-
Transient room tax and vehicle tax	-	-	-	-
Special assessment	-	-	28,371	-
Investment income	1,528	25,177	42,437	-
Miscellaneous	-	8,710	5,848	5,217
Total revenue	<u>184,268</u>	<u>3,193,495</u>	<u>3,814,859</u>	<u>29,312</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	3,212,542	-	113,476
Highways and streets	-	-	-	-
Health and Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community Development	162,202	-	-	-
Human services	-	-	-	-
Education	-	-	3,331,836	-
Capital outlay	-	64,755	-	-
Total expenditures	<u>162,202</u>	<u>3,277,297</u>	<u>3,331,836</u>	<u>113,476</u>
Excess of revenues over expenditures	22,066	(83,802)	483,023	(84,164)
Transfers from other funds	-	4,076	-	19,322
Transfers (to) other funds	-	-	-	-
Other	-	-	-	-
Excess after transfers and contributions	22,066	(79,726)	483,023	(64,842)
FUND BALANCE - JULY 1	<u>125,091</u>	<u>903,264</u>	<u>1,893,502</u>	<u>5,378</u>
FUND BALANCE - JUNE 30	<u>\$ 147,157</u>	<u>\$ 823,538</u>	<u>\$ 2,376,525</u>	<u>\$ (59,464)</u>

<u>Search/Rescue Maintenance</u>	<u>Dog Control</u>	<u>Public Health</u>	<u>Fairgrounds</u>	<u>Law Library</u>	<u>Veterans Services</u>	<u>Page Total</u>
\$ -	\$ 281,001	\$ 984,539	\$ 351,065	\$ 75,440	\$ -	\$ 2,288,299
-	-	-	-	-	7,554	3,339,390
-	-	-	-	-	-	2,563,354
-	-	484,070	-	-	-	1,097,272
-	-	-	-	-	132,210	132,210
-	-	-	592,118	-	-	592,118
-	-	-	-	-	-	28,371
-	3,317	5,017	3,640	1,558	530	83,204
-	-	168,546	-	1,000	461	189,782
-	<u>284,318</u>	<u>1,642,172</u>	<u>946,823</u>	<u>77,998</u>	<u>140,755</u>	<u>10,314,000</u>
-	-	-	-	-	-	-
5,501	305,518	-	-	-	-	3,637,037
-	-	1,841,167	-	-	127,890	1,969,057
-	-	-	770,591	76,370	-	846,961
-	-	-	-	-	-	162,202
-	-	-	-	-	-	-
-	-	-	-	-	-	3,331,836
-	-	33,928	21,841	-	-	120,524
<u>5,501</u>	<u>305,518</u>	<u>1,875,095</u>	<u>792,432</u>	<u>76,370</u>	<u>127,890</u>	<u>10,067,617</u>
(5,501)	(21,200)	(232,923)	154,391	1,628	12,865	246,383
4,250	32,874	242,302	6,797	167	-	309,788
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,251)	11,674	9,379	161,188	1,795	12,865	556,171
<u>1,077</u>	<u>155,681</u>	<u>256,709</u>	<u>108,200</u>	<u>70,850</u>	<u>-</u>	<u>3,519,752</u>
\$ (174)	\$ 167,355	\$ 266,088	\$ 269,388	\$ 72,645	\$ 12,865	\$ 4,075,923

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Domestic Violence</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	550,000	550,000	286,708	(263,292)
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>550,000</u>	<u>550,000</u>	<u>286,708</u>	<u>(263,292)</u>
<b>EXPENDITURES:</b>				
Personal services	352,863	352,863	264,211	88,652
Materials and services	165,507	165,507	38,922	126,585
Capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Contingency	31,630	31,630	-	31,630
Total expenditures	<u>550,000</u>	<u>550,000</u>	<u>303,133</u>	<u>246,867</u>
Excess of revenues over expenditures	-	-	(16,425)	(16,425)
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	-	-	(16,425)	(16,425)
FUND BALANCE - JULY 1	-	-	172	172
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,253)</u>	<u>\$ (16,253)</u>

KLAMATH COUNTY, OREGON  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2006

<u>Commission on Children and Families</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	613,339	613,339	592,970	(20,369)
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	2,000	2,000	3,939	1,939
Miscellaneous	2,200	17,200	28,067	10,867
Total revenue	<u>617,539</u>	<u>632,539</u>	<u>624,976</u>	<u>(7,563)</u>
<b>EXPENDITURES:</b>				
Personal services	257,588	257,588	247,718	9,870
Materials and services	348,644	363,644	386,942	(23,298)
Capital outlay	1,000	1,000	-	1,000
Other expenditures	85,500	85,500	40,518	44,982
Contingency	-	-	-	-
Total expenditures	<u>692,732</u>	<u>707,732</u>	<u>675,178</u>	<u>32,554</u>
Excess of revenues over expenditures	(75,193)	(75,193)	(50,202)	24,991
Transfers from other funds	91	91	91	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(75,102)	(75,102)	(50,111)	24,991
FUND BALANCE - JULY 1	<u>75,102</u>	<u>75,102</u>	<u>94,470</u>	<u>19,368</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,359</u>	<u>\$ 44,359</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2006**

	<u>D. A. Enforcement</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	2,000	2,795	5,747	2,952
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	374	374
Miscellaneous	-	-	-	-
<b>Total revenue</b>	<u>2,000</u>	<u>2,795</u>	<u>6,121</u>	<u>3,326</u>
<b>EXPENDITURES:</b>				
Personal services	10,965	10,965	4,358	6,607
Materials and services	11,035	11,035	2,321	8,714
Capital outlay	-	-	-	-
Other expenditures	-	795	795	-
Contingency	-	-	-	-
<b>Total expenditures</b>	<u>22,000</u>	<u>22,795</u>	<u>7,474</u>	<u>15,321</u>
 Excess of revenues over expenditures	 (20,000)	 (20,000)	 (1,353)	 18,647
 Transfers from other funds	 -	 -	 -	 -
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess of revenues over expenditures after transfers	 (20,000)	 (20,000)	 (1,353)	 18,647
 FUND BALANCE - JULY 1	 <u>20,000</u>	 <u>20,000</u>	 <u>26,668</u>	 <u>6,668</u>
 FUND BALANCE - JUNE 30	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 25,315</u>	 <u>\$ 25,315</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Tourism</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	158,655	158,655	17,975	(140,680)
Special assessment	14,000	14,000	22,740	8,740
Investment income	50	50	5	(45)
Miscellaneous	-	-	-	-
Total revenue	<u>172,705</u>	<u>172,705</u>	<u>40,720</u>	<u>(131,985)</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	175,738	175,738	58,891	116,847
Capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>175,738</u>	<u>175,738</u>	<u>58,891</u>	<u>116,847</u>
Excess of revenues over expenditures	(3,033)	(3,033)	(18,171)	(15,138)
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(3,033)	(3,033)	(18,171)	(15,138)
FUND BALANCE - JULY 1	<u>3,033</u>	<u>3,033</u>	<u>2,869</u>	<u>(164)</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,302)</u>	<u>\$ (15,302)</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2006**

	<u>Community Grants</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	3,130	3,130
Miscellaneous	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>3,130</u>	<u>3,130</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	3,130	3,130
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures after transfers	-	-	3,130	3,130
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>100,643</u>	<u>100,643</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,773</u>	<u>\$ 103,773</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2006**

	<b>D.A.R.E. - Sheriff</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	4,000	4,000	-	(4,000)
Other	13,000	13,000	7,379	(5,621)
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	262	262
Miscellaneous	-	-	-	-
Total revenue	<u>17,000</u>	<u>17,000</u>	<u>7,641</u>	<u>(9,359)</u>
<b>EXPENDITURES:</b>				
Personal services	22,192	22,192	8,105	14,087
Materials and services	14,000	12,000	4,187	7,813
Capital outlay	-	2,000	-	2,000
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>36,192</u>	<u>36,192</u>	<u>12,292</u>	<u>23,900</u>
Excess of revenues over expenditures	(19,192)	(19,192)	(4,651)	14,541
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(19,192)	(19,192)	(4,651)	14,541
FUND BALANCE - JULY 1	<u>19,192</u>	<u>19,192</u>	<u>37,858</u>	<u>18,666</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,207</u>	<u>\$ 33,207</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Bicycle Trails</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	28,000	28,000	36,357	8,357
Special assessment	-	-	-	-
Investment income	2,000	2,000	2,958	958
Miscellaneous	-	-	-	-
<b>Total revenue</b>	<u>30,000</u>	<u>30,000</u>	<u>39,315</u>	<u>9,315</u>
<b>EXPENDITURES:</b>				
Personal services	100	100	-	100
Materials and services	5,200	5,200	7,779	(2,579)
Capital outlay	120,000	120,000	-	120,000
Other expenditures	-	-	-	-
Contingency	24,700	24,700	-	24,700
<b>Total expenditures</b>	<u>150,000</u>	<u>150,000</u>	<u>7,779</u>	<u>142,221</u>
 Excess of revenues over expenditures	 (120,000)	 (120,000)	 31,536	 151,536
 Transfers from other funds	 -	 -	 -	 -
Transfers (to) other funds	-	-	-	-
 Excess of revenues over expenditures after transfers	 (120,000)	 (120,000)	 31,536	 151,536
 FUND BALANCE - JULY 1	 <u>120,000</u>	 <u>120,000</u>	 <u>140,697</u>	 <u>20,697</u>
 FUND BALANCE - JUNE 30	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 172,233</u>	 <u>\$ 172,233</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Marine</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	174,471	174,471	159,818	(14,653)
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	(184)	(184)
Miscellaneous	-	-	-	-
Total revenue	<u>174,471</u>	<u>174,471</u>	<u>159,634</u>	<u>(14,837)</u>
<b>EXPENDITURES:</b>				
Personal services	164,083	164,083	141,847	22,236
Materials and services	22,008	26,508	30,638	(4,130)
Capital outlay	-	-	-	-
Other expenditures	3,825	3,825	12,485	(8,660)
Contingency	5,066	566	-	566
Total expenditures	<u>194,982</u>	<u>194,982</u>	<u>184,970</u>	<u>10,012</u>
Excess of revenues over expenditures	(20,511)	(20,511)	(25,336)	(4,825)
Transfers from other funds	20,511	20,511	20,511	-
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures after transfers	-	-	(4,825)	(4,825)
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>(16,185)</u>	<u>(16,185)</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,010)</u>	<u>\$ (21,010)</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2006**

<u>Klamath County Revolving Loan</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	9,213	9,213	2,599	(6,614)
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	1,000	1,000	2,411	1,411
Miscellaneous	-	-	-	-
Total revenue	<u>10,213</u>	<u>10,213</u>	<u>5,010</u>	<u>(5,203)</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	10,213	10,213	-	10,213
Capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>10,213</u>	<u>10,213</u>	<u>-</u>	<u>10,213</u>
Excess of revenues over expenditures	-	-	5,010	5,010
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>(142,675)</u>	<u>(142,675)</u>	<u>(142,675)</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(142,675)	(142,675)	(137,665)	5,010
FUND BALANCE - JULY 1	<u>142,675</u>	<u>142,675</u>	<u>158,461</u>	<u>15,786</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,796</u>	<u>\$ 20,796</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Taylor Grazing Act</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	7,500	7,500	4,409	(3,091)
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>7,500</u>	<u>7,500</u>	<u>4,409</u>	<u>(3,091)</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Other expenditures	7,500	7,500	4,409	3,091
Contingency	-	-	-	-
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>4,409</u>	<u>3,091</u>
Excess of revenues over expenditures	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	-	-	-	-
FUND BALANCE - JULY 1	-	-	-	-
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Court Facility Security</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	40,000	40,000	62,823	22,823
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	2,500	2,500	4,515	2,015
Miscellaneous	-	-	-	-
Total revenue	<u>42,500</u>	<u>42,500</u>	<u>67,338</u>	<u>24,838</u>
<b>EXPENDITURES:</b>				
Personal services	53,388	73,388	70,688	2,700
Materials and services	30,000	30,000	9,102	20,898
Capital outlay	204,612	184,612	-	184,612
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>288,000</u>	<u>288,000</u>	<u>79,790</u>	<u>208,210</u>
Excess of revenues over expenditures	(245,500)	(245,500)	(12,452)	233,048
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(245,500)	(245,500)	(12,452)	233,048
FUND BALANCE - JULY 1	<u>245,500</u>	<u>245,500</u>	<u>243,575</u>	<u>(1,925)</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,123</u>	<u>\$ 231,123</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Klamath Falls Streets</u>			Variance with Final Budget - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	8,000	8,000	18,733	10,733
Miscellaneous	-	-	-	-
Total revenue	<u>8,000</u>	<u>8,000</u>	<u>18,733</u>	<u>10,733</u>
 <b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	-	-	-	-
Capital outlay	150,000	150,000	150,000	-
Other expenditures	450,000	450,000	156,937	293,063
Contingency	84,853	84,853	-	84,853
Total expenditures	<u>684,853</u>	<u>684,853</u>	<u>306,937</u>	<u>377,916</u>
 Excess of revenues over expenditures	(676,853)	(676,853)	(288,204)	388,649
 Transfers from other funds	676,853	676,853	676,853	-
Transfers (to) other funds	-	-	-	-
 Excess of revenues over expenditures after transfers	-	-	388,649	388,649
 FUND BALANCE - JULY 1	-	-	801,183	801,183
 FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,189,832</u>	<u>\$ 1,189,832</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Corner Restoration</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	80,000	80,000	111,705	31,705
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	8,000	8,000	12,190	4,190
Miscellaneous	-	-	-	-
Total revenue	<u>88,000</u>	<u>88,000</u>	<u>123,895</u>	<u>35,895</u>
<b>EXPENDITURES:</b>				
Personal services	9,591	9,591	9,529	62
Materials and services	600,702	600,702	52,371	548,331
Capital outlay	-	-	-	-
Other expenditures	3,707	3,707	3,644	63
Contingency	-	-	-	-
Total expenditures	<u>614,000</u>	<u>614,000</u>	<u>65,544</u>	<u>548,456</u>
Excess of revenues over expenditures	(526,000)	(526,000)	58,351	584,351
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(530,000)	(530,000)	54,351	584,351
FUND BALANCE - JULY 1	<u>530,000</u>	<u>530,000</u>	<u>604,807</u>	<u>74,807</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,158</u>	<u>\$ 659,158</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Park Reserve</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	1,500	1,500	2,240	740
Miscellaneous	-	-	-	-
Total revenue	<u>1,500</u>	<u>1,500</u>	<u>2,240</u>	<u>740</u>
 <b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	-	-	-	-
Capital outlay	116,500	116,500	-	116,500
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>116,500</u>	<u>116,500</u>	<u>-</u>	<u>116,500</u>
 Excess of revenues over expenditures	(115,000)	(115,000)	2,240	117,240
 Transfers from other funds	5,000	5,000	5,000	-
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess of revenues over expenditures after transfers	(110,000)	(110,000)	7,240	117,240
 FUND BALANCE - JULY 1	<u>110,000</u>	<u>110,000</u>	<u>114,682</u>	<u>4,682</u>
 FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,922</u>	<u>\$ 121,922</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Parks</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	36,000	36,000	64,390	28,390
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	373,400	533,400	518,592	(14,808)
General revenue:	-	-	-	-
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	700	700	1,045	345
Miscellaneous	-	-	86	86
Total revenue	<u>410,100</u>	<u>570,100</u>	<u>584,113</u>	<u>14,013</u>
<b>EXPENDITURES:</b>				
Personal services	47,753	47,753	33,041	14,712
Materials and services	25,030	25,030	10,370	14,660
Capital outlay	350,000	510,000	491,971	18,029
Other expenditures	11,936	11,936	11,936	-
Contingency	20,186	20,186	-	20,186
Total expenditures	<u>454,905</u>	<u>614,905</u>	<u>547,318</u>	<u>67,587</u>
Excess of revenues over expenditures	(44,805)	(44,805)	36,795	81,600
Transfers from other funds	1,305	1,305	1,305	-
Transfers (to) other funds	<u>(11,500)</u>	<u>(11,500)</u>	<u>(11,500)</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(55,000)	(55,000)	26,600	81,600
FUND BALANCE - JULY 1	<u>55,000</u>	<u>55,000</u>	<u>59,082</u>	<u>4,082</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,682</u>	<u>\$ 85,682</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Juvenile Special Projects</u>			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	354,149	354,149	240,090	(114,059)
State grants	-	-	-	-
Other	2,000	2,000	-	(2,000)
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	5,000	5,000	603	(4,397)
Miscellaneous	-	-	1,466	1,466
Total revenue	<u>361,149</u>	<u>361,149</u>	<u>242,159</u>	<u>(118,990)</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	37,000	37,000	1,189	35,811
Capital outlay	393,424	393,424	12,747	380,677
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>430,424</u>	<u>430,424</u>	<u>13,936</u>	<u>416,488</u>
Excess of revenues over expenditures	(69,275)	(69,275)	228,223	297,498
Transfers from other funds	39,275	39,275	39,275	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(30,000)	(30,000)	267,498	297,498
FUND BALANCE - JULY 1	<u>30,000</u>	<u>30,000</u>	<u>(159,319)</u>	<u>(189,319)</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,179</u>	<u>\$ 108,179</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Experimental Station Research</u>			Variance with Final Budget - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	7,000	7,000	-	(7,000)
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	500	500	634	134
Miscellaneous	12,500	12,500	26,787	14,287
Total revenue	<u>20,000</u>	<u>20,000</u>	<u>27,421</u>	<u>7,421</u>
<b>EXPENDITURES:</b>				
Personal services	12,061	12,061	10,813	1,248
Materials and services	10,170	10,170	12,178	(2,008)
Capital outlay	1,000	1,000	-	1,000
Other expenditures	277	277	277	-
Contingency	21,617	21,617	-	21,617
Total expenditures	<u>45,125</u>	<u>45,125</u>	<u>23,268</u>	<u>21,857</u>
Excess of revenues over expenditures	(25,125)	(25,125)	4,153	29,278
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>(7,875)</u>	<u>(7,875)</u>	<u>(7,875)</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(33,000)	(33,000)	(3,722)	29,278
FUND BALANCE - JULY 1	<u>33,000</u>	<u>33,000</u>	<u>36,324</u>	<u>3,324</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,602</u>	<u>\$ 32,602</u>

KLAMATH COUNTY, OREGON  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2006

	Electrical			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	1,360,550	1,360,550	2,017,003	656,453
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	4,700	4,700	12,302	7,602
Miscellaneous	1,600	1,600	2,466	866
Total revenue	<u>1,366,850</u>	<u>1,366,850</u>	<u>2,031,771</u>	<u>664,921</u>
<b>EXPENDITURES:</b>				
Personal services	953,173	953,173	832,104	121,069
Materials and services	126,949	126,949	137,282	(10,333)
Capital outlay	1,500	1,500	-	1,500
Other expenditures	124,359	124,359	124,359	-
Contingency	64,247	64,247	-	64,247
Total expenditures	<u>1,270,228</u>	<u>1,270,228</u>	<u>1,093,745</u>	<u>176,483</u>
Excess of revenues over expenditures	96,622	96,622	938,026	841,404
Transfers from other funds	3,089	3,089	3,089	-
Transfers (to) other funds	<u>(238,711)</u>	<u>(238,711)</u>	<u>(238,711)</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(139,000)	(139,000)	702,404	841,404
FUND BALANCE - JULY 1	<u>139,000</u>	<u>139,000</u>	<u>260,371</u>	<u>121,371</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 962,775</u>	<u>\$ 962,775</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Property Sales</u>			Variance with Final Budget - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	483,250	483,250	863,323	380,073
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	4,500	4,500	10,374	5,874
Miscellaneous	-	-	-	-
Total revenue	<u>487,750</u>	<u>487,750</u>	<u>873,697</u>	<u>385,947</u>
<b>EXPENDITURES:</b>				
Personal services	57,297	57,297	57,061	236
Materials and services	114,200	114,200	57,982	56,218
Capital outlay	-	-	-	-
Other expenditures	581,120	581,120	734,807	(153,687)
Contingency	29,270	29,270	-	29,270
Total expenditures	<u>781,887</u>	<u>781,887</u>	<u>849,850</u>	<u>(67,963)</u>
Excess of revenues over expenditures	(294,137)	(294,137)	23,847	317,984
Transfers from other funds	137	137	137	-
Transfers (to) other funds	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(300,000)	(300,000)	17,984	317,984
FUND BALANCE - JULY 1	<u>300,000</u>	<u>300,000</u>	<u>416,558</u>	<u>116,558</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,542</u>	<u>\$ 434,542</u>

KLAMATH COUNTY, OREGON  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2005

	<u>Museum Sales &amp; Donations</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	2,168	2,168
Miscellaneous	12,000	12,000	38,715	26,715
Total revenue	<u>12,000</u>	<u>12,000</u>	<u>40,883</u>	<u>28,883</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	71,000	71,000	13,517	57,483
Capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>71,000</u>	<u>71,000</u>	<u>13,517</u>	<u>57,483</u>
Excess of revenues over expenditures	(59,000)	(59,000)	27,366	86,366
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>(13,850)</u>	<u>(13,850)</u>	<u>(13,850)</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(72,850)	(72,850)	13,516	86,366
FUND BALANCE - JULY 1	<u>72,850</u>	<u>72,850</u>	<u>104,429</u>	<u>31,579</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,945</u>	<u>\$ 117,945</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Economic Development</u>			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	160,000	160,000	182,740	22,740
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	250	250	1,528	1,278
Miscellaneous	-	-	-	-
Total revenue	<u>160,250</u>	<u>160,250</u>	<u>184,268</u>	<u>24,018</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	116,499	116,499	26,502	89,997
Capital outlay	-	-	-	-
Other expenditures	135,700	135,700	135,700	-
Contingency	-	-	-	-
Total expenditures	<u>252,199</u>	<u>252,199</u>	<u>162,202</u>	<u>89,997</u>
Excess of revenues over expenditures	(91,949)	(91,949)	22,066	114,015
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(91,949)	(91,949)	22,066	114,015
FUND BALANCE - JULY 1	<u>91,949</u>	<u>91,949</u>	<u>125,091</u>	<u>33,142</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,157</u>	<u>\$ 147,157</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Community Corrections</u>			Variance with Final Budget - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	446,793	446,793	596,254	149,461
Federal grants	-	-	-	-
State grants	2,555,937	2,555,937	2,563,354	7,417
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	15,000	15,000	25,177	10,177
Miscellaneous	-	-	8,710	8,710
<b>Total revenue</b>	<u>3,017,730</u>	<u>3,017,730</u>	<u>3,193,495</u>	<u>175,765</u>
<b>EXPENDITURES:</b>				
Personal services	1,487,559	1,487,559	1,488,185	(626)
Materials and services	1,454,158	1,454,158	1,274,613	179,545
Capital outlay	80,550	80,550	64,755	15,795
Other expenditures	445,531	445,531	449,744	(4,213)
Contingency	65,635	65,635	-	65,635
<b>Total expenditures</b>	<u>3,533,433</u>	<u>3,533,433</u>	<u>3,277,297</u>	<u>256,136</u>
Excess of revenues over expenditures	(515,703)	(515,703)	(83,802)	431,901
Transfers from other funds	4,076	4,076	4,076	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(511,627)	(511,627)	(79,726)	431,901
<b>FUND BALANCE - JULY 1</b>	<u>511,627</u>	<u>511,627</u>	<u>903,264</u>	<u>391,637</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,538</u>	<u>\$ 823,538</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>County Schools</u>			Variance with Final Budget - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	3,300,000	3,300,000	3,331,836	31,836
State grants	-	-	-	-
Other	500	500	406,367	405,867
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	30,000	30,000	28,371	(1,629)
Investment income	5,000	5,000	42,437	37,437
Miscellaneous	-	-	5,848	5,848
Total revenue	<u>3,335,500</u>	<u>3,335,500</u>	<u>3,814,859</u>	<u>479,359</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Other expenditures	5,175,000	5,175,000	3,331,836	1,843,164
Contingency	-	-	-	-
Total expenditures	<u>5,175,000</u>	<u>5,175,000</u>	<u>3,331,836</u>	<u>1,843,164</u>
Excess of revenues over expenditures	(1,839,500)	(1,839,500)	483,023	2,322,523
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(1,839,500)	(1,839,500)	483,023	2,322,523
FUND BALANCE - JULY 1	<u>1,839,500</u>	<u>1,839,500</u>	<u>1,893,502</u>	<u>54,002</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,376,525</u>	<u>\$ 2,376,525</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Search and Rescue</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	92,575	143,872	24,095	(119,777)
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	5,217	5,217
Total revenue	<u>92,575</u>	<u>143,872</u>	<u>29,312</u>	<u>(114,560)</u>
<b>EXPENDITURES:</b>				
Personal services	86,897	86,897	96,383	(9,486)
Materials and services	26,000	45,651	17,093	28,558
Capital outlay	-	31,646	-	31,646
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>112,897</u>	<u>164,194</u>	<u>113,476</u>	<u>50,718</u>
Excess of revenues over expenditures	(20,322)	(20,322)	(84,164)	(63,842)
Transfers from other funds	19,322	19,322	19,322	-
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures after transfers	(1,000)	(1,000)	(64,842)	(63,842)
FUND BALANCE - JULY 1	<u>1,000</u>	<u>1,000</u>	<u>5,378</u>	<u>4,378</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,464)</u>	<u>\$ (59,464)</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2006**

	<u>Search/Rescue Maintenance</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	4,250	4,250	5,501	(1,251)
Capital outlay	-	-	-	-
Other expenditures	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>4,250</u>	<u>4,250</u>	<u>5,501</u>	<u>(1,251)</u>
Excess of revenues over expenditures	(4,250)	(4,250)	(5,501)	(1,251)
Transfers from other funds	4,250	4,250	4,250	-
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures after transfers	-	-	(1,251)	(1,251)
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>1,077</u>	<u>1,077</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (174)</u>	<u>\$ (174)</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Dog Control</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Budget</u>	<u>Budget</u>		<u>(Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	213,800	213,800	281,001	67,201
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	3,000	3,000	3,317	317
Miscellaneous	-	-	-	-
Total revenue	<u>216,800</u>	<u>216,800</u>	<u>284,318</u>	<u>67,518</u>
<b>EXPENDITURES:</b>				
Personal services	174,042	174,042	168,556	5,486
Materials and services	79,500	79,500	87,225	(7,725)
Capital outlay	-	-	-	-
Other expenditures	49,737	49,737	49,737	-
Contingency	30,978	30,978	-	30,978
Total expenditures	<u>334,257</u>	<u>334,257</u>	<u>305,518</u>	<u>28,739</u>
Excess of revenues over expenditures	(117,457)	(117,457)	(21,200)	96,257
Transfers from other funds	32,874	32,874	32,874	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(84,583)	(84,583)	11,674	96,257
FUND BALANCE - JULY 1	<u>84,583</u>	<u>84,583</u>	<u>155,681</u>	<u>71,098</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,355</u>	<u>\$ 167,355</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Public Health</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	890,749	920,749	984,539	63,790
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	588,949	588,949	484,070	(104,879)
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	1,000	1,000	5,017	4,017
Miscellaneous	180,979	200,979	168,546	(32,433)
Total revenue	<u>1,661,677</u>	<u>1,711,677</u>	<u>1,642,172</u>	<u>(69,505)</u>
<b>EXPENDITURES:</b>				
Personal services	1,338,817	1,358,817	1,305,581	53,236
Materials and services	294,697	324,697	326,084	(1,387)
Capital outlay	54,562	54,562	33,928	20,634
Other expenditures	209,501	209,501	209,502	(1)
Contingency	6,402	6,402	-	6,402
Total expenditures	<u>1,903,979</u>	<u>1,953,979</u>	<u>1,875,095</u>	<u>78,884</u>
Excess of revenues over expenditures	(242,302)	(242,302)	(232,923)	9,379
Transfers from other funds	242,302	242,302	242,302	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	-	-	9,379	9,379
FUND BALANCE - JULY 1	-	-	256,709	256,709
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,088</u>	<u>\$ 266,088</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2006**

	<u>Fairgrounds</u>			Variance with Final Budget - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	344,700	344,700	351,065	6,365
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	378,000	378,000	592,118	214,118
Special assessment	-	-	-	-
Investment income	4,500	4,500	3,640	(860)
Miscellaneous	5,000	5,000	-	(5,000)
Total revenue	<u>732,200</u>	<u>732,200</u>	<u>946,823</u>	<u>214,623</u>
<b>EXPENDITURES:</b>				
Personal services	451,239	451,239	396,930	54,309
Materials and services	362,902	362,902	332,853	30,049
Capital outlay	36,600	36,600	21,841	14,759
Other expenditures	40,809	40,809	40,808	1
Contingency	9,783	9,783	-	9,783
Total expenditures	<u>901,333</u>	<u>901,333</u>	<u>792,432</u>	<u>108,901</u>
Excess of revenues over expenditures	(169,133)	(169,133)	154,391	323,524
Transfers from other funds	6,797	6,797	6,797	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(162,336)	(162,336)	161,188	323,524
FUND BALANCE - JULY 1	<u>162,336</u>	<u>162,336</u>	<u>108,200</u>	<u>(54,136)</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,388</u>	<u>\$ 269,388</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Law Library</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	67,000	67,000	75,440	8,440
Federal grants	-	-	-	-
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	-	-	-	-
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	500	500	1,558	1,058
Miscellaneous	1,000	1,000	1,000	-
Total revenue	<u>68,500</u>	<u>68,500</u>	<u>77,998</u>	<u>9,498</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	27,250	27,250	23,153	4,097
Capital outlay	-	-	-	-
Other expenditures	80,025	80,025	53,217	26,808
Contingency	20,392	20,392	-	20,392
Total expenditures	<u>127,667</u>	<u>127,667</u>	<u>76,370</u>	<u>51,297</u>
Excess of revenues over expenditures	(59,167)	(59,167)	1,628	60,795
Transfers from other funds	167	167	167	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	(59,000)	(59,000)	1,795	60,795
FUND BALANCE - JULY 1	<u>59,000</u>	<u>59,000</u>	<u>70,850</u>	<u>11,850</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,645</u>	<u>\$ 72,645</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Veterans Services</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Program Revenue:				
Charges for service	-	-	-	-
Federal grants	10,000	10,000	7,554	(2,446)
State grants	-	-	-	-
Other	-	-	-	-
General revenue:				
Property tax	143,018	143,018	132,210	(10,808)
Transient room tax	-	-	-	-
Special assessment	-	-	-	-
Investment income	-	-	530	530
Miscellaneous	-	-	461	461
Total revenue	<u>153,018</u>	<u>153,018</u>	<u>140,755</u>	<u>(12,263)</u>
<b>EXPENDITURES:</b>				
Personal services	96,284	96,284	97,811	(1,527)
Materials and services	4,850	4,850	6,211	(1,361)
Capital outlay	-	-	-	-
Other expenditures	51,884	51,884	23,868	28,016
Contingency	-	-	-	-
Total expenditures	<u>153,018</u>	<u>153,018</u>	<u>127,890</u>	<u>25,128</u>
Excess of revenues over expenditures	-	-	12,865	12,865
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess of revenues over expenditures after transfers	-	-	12,865	12,865
FUND BALANCE - JULY 1	-	-	-	-
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,865</u>	<u>\$ 12,865</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**For the Year Ended June 30, 2005**

<u>Courthouse Bond and Interest Fund</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>GENERAL REVENUES:</b>				
Property taxes	1,367,790	1,367,790	1,387,383	19,593
Investment income	3,000	3,000	18,870	15,870
Other	-	-	23,688	23,688
	<u>1,370,790</u>	<u>1,370,790</u>	<u>1,429,941</u>	<u>59,151</u>
<b>EXPENDITURES:</b>				
Materials and services	3,000	3,000	495	2,505
Debt service	1,599,040	1,599,040	1,599,040	-
Misc	-	-	-	-
	<u>1,602,040</u>	<u>1,602,040</u>	<u>1,599,535</u>	<u>2,505</u>
Excess (deficiency) of revenues over (under) expenditures	(231,250)	(231,250)	(169,594)	61,656
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over other financing (uses)	(231,250)	(231,250)	(169,594)	61,656
<b>FUND BALANCE - JULY 1</b>	<u>231,250</u>	<u>231,250</u>	<u>285,410</u>	<u>54,160</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,816</u>	<u>\$ 115,816</u>

KLAMATH COUNTY, OREGON  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND  
 For the Year Ended June 30, 2005

	<u>Fairgrounds Bond and Interest</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>GENERAL REVENUES:</b>				
Property taxes	338,786	338,786	354,233	15,447
Investment income	1,000	1,000	7,794	6,794
Other	-	-	5,899	5,899
	<u>339,786</u>	<u>339,786</u>	<u>367,926</u>	<u>28,140</u>
<b>EXPENDITURES:</b>				
Materials and services	1,500	1,500	485	1,015
Debt service	538,200	538,200	521,700	16,500
Misc	-	-	-	-
	<u>539,700</u>	<u>539,700</u>	<u>522,185</u>	<u>17,515</u>
Excess (deficiency) of revenues over (under) expenditures	(199,914)	(199,914)	(154,259)	45,655
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over other financing (uses)	(199,914)	(199,914)	(154,259)	45,655
FUND BALANCE - JULY 1	<u>199,914</u>	<u>199,914</u>	<u>199,507</u>	<u>(407)</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,248</u>	<u>\$ 45,248</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2005**

	<u>Fairgrounds Capital Project</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Investment income	-	-	150	150
Other	-	-	-	-
<b>Total revenues</b>	-	-	150	150
<b>EXPENDITURES:</b>				
Personal Services	-	-	-	-
Materials and Services	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	150	150
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Bond proceeds	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
Excess (deficiency) of revenues and other financing sources over other financing (uses)	-	-	150	150
<b>FUND BALANCE - JULY 1</b>	-	-	<u>7,758</u>	<u>7,758</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,908</u>	<u>\$ 7,908</u>

## ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

The Enterprise Funds consist of the following:

Landfill Site Reserve - This fund is used to record closure and postclosure liability associated with the County landfill. Transfers by the Solid Waste fund ensure that funds will be available to provide for the closure costs.

Solid Waste - This fund was established on July 1, 1983, to account for solid waste disposal. Revenues are from charges for services.

Recycling Program - This fund was established to account for the solid waste recycling program. The main sources of revenues are franchise fees from the disposal companies and fees from disposal of tires.

Weed and Rodent Control - This fund is responsible for the noxious weed eradication activities of the County. Revenues are derived from charges for services.

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF NET ASSETS**  
**ALL ENTERPRISE FUNDS**  
**June 30, 2005**

	<u>Landfill Site Reserve</u>	<u>Sold Waste</u>	<u>Recycling Program</u>	<u>Weed Control</u>	<u>Totals</u>
<b>ASSETS</b>					
Pooled cash and investments	\$ 3,417,348	\$ 1,313,996	\$ 72,812	\$ 65,634	\$ 4,869,790
Accounts receivable	6,337	512,375	14,282	34,483	567,477
Inventory, at cost	-	-	-	12,764	12,764
Property, plant and equipment	-	2,091,811	-	136,327	2,228,138
Less: accumulated depreciation	-	<u>(1,283,409)</u>	-	<u>(126,812)</u>	<u>(1,410,221)</u>
 Total assets	 <u>\$ 3,423,685</u>	 <u>\$ 2,634,773</u>	 <u>\$ 87,094</u>	 <u>\$ 122,396</u>	 <u>\$ 6,267,948</u>
 <b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 174,204	\$ 1,246	\$ 6,566	\$ 182,016
Compensated absences payable	-	45,577	-	3,466	49,043
Landfill closure and postclosure care costs	<u>1,528,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,528,441</u>
 Total liabilities	 <u>1,528,441</u>	 <u>219,781</u>	 <u>1,246</u>	 <u>10,032</u>	 <u>1,759,500</u>
 <b>NET ASSETS</b>					
Invested in capital assets net of related debt	-	-	-	9,515	9,515
Unrestricted	<u>1,895,244</u>	<u>2,414,992</u>	<u>85,848</u>	<u>102,849</u>	<u>4,498,933</u>
 Total net assets	 <u>\$ 1,895,244</u>	 <u>\$ 2,414,992</u>	 <u>\$ 85,848</u>	 <u>\$ 112,364</u>	 <u>\$ 4,508,448</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET FUND ASSETS**  
**ALL ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2006**

	<u>Landfill Site Reserve</u>	<u>Solid Waste Fund</u>	<u>Recycling Program</u>	<u>Weed Control</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>					
Charges for services	\$ -	\$ 3,671,765	\$ 64,553	\$ 156,996	\$ 3,893,314
Other operating revenue	-	-	-	-	-
Total operating revenues	<u>-</u>	<u>3,671,765</u>	<u>64,553</u>	<u>156,996</u>	<u>3,893,314</u>
<b>OPERATING EXPENSES:</b>					
Personal services	-	801,433	27,051	107,864	936,348
Materials and services	-	1,907,598	16,598	16,477	1,940,673
Depreciation expense	-	171,522	-	3,314	174,836
Other operating expenses	-	280,505	11,000	28,962	320,467
Total operating expenses	<u>-</u>	<u>3,161,058</u>	<u>54,649</u>	<u>156,617</u>	<u>3,372,324</u>
Operating income (loss)	<u>-</u>	<u>510,707</u>	<u>9,904</u>	<u>379</u>	<u>520,990</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Intergovernmental operating grants	-	-	-	-	-
Interest income	64,214	27,012	1,379	1,834	94,439
Miscellaneous income	-	3,817	14,319	-	18,136
Total nonoperating revenues	<u>64,214</u>	<u>30,829</u>	<u>15,698</u>	<u>1,834</u>	<u>112,575</u>
Income (loss) before contributions and transfers	64,214	541,536	25,602	2,213	633,565
Transfers from other funds	50,000	10,216	-	4,693	64,909
Transfers (to) other funds	<u>-</u>	<u>(184,340)</u>	<u>(8,500)</u>	<u>(2,000)</u>	<u>(194,840)</u>
Change in net assets	114,214	367,412	17,102	4,906	503,634
NET ASSETS - BEGINNING	<u>1,781,030</u>	<u>2,047,580</u>	<u>68,746</u>	<u>107,458</u>	<u>4,004,814</u>
NET ASSETS - ENDING	<u>\$ 1,895,244</u>	<u>\$ 2,414,992</u>	<u>\$ 85,848</u>	<u>\$ 112,364</u>	<u>\$ 4,508,448</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2005**

	Landfill Site Reserve	Solid Waste Fund	Recycling Program	Weed Control	Totals
<b>Cash flows from operating activities:</b>					
Cash received for services	\$ (6,337)	\$ 3,421,308	\$ 57,439	\$ 149,516	\$ 3,621,926
Cash paid to suppliers and employees	-	(2,975,500)	(54,584)	(154,745)	(3,184,829)
Net cash provided (used) by operating activities	(6,337)	445,808	2,855	(5,229)	437,097
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental operating grants received	-	-	-	-	-
Operating transfers from (to) other funds	50,000	(174,124)	(8,500)	2,693	(129,931)
Cash received (paid) from (to) misc sources	-	4,291	14,319	-	18,610
Net cash provided (used) by noncapital financing activities	50,000	(169,833)	5,819	2,693	(111,321)
<b>Cash flows from capital and related financing activities:</b>					
Residual equity transfers	-	-	-	-	-
Payments for purchase of fixed assets	-	-	-	-	-
Net cash provided by capital and related financing activities	-	-	-	-	-
<b>Cash flows from investing activities:</b>					
Interest received	64,214	27,012	1,379	1,834	94,439
Net cash provided by investing activities	64,214	27,012	1,379	1,834	94,439
Net change in cash and cash equivalents	107,877	302,987	10,053	(702)	420,215
Cash and cash equivalents, July 1	3,309,471	1,011,009	62,759	66,336	4,449,575
Cash and cash equivalents, June 30	\$ 3,417,348	\$ 1,313,996	\$ 72,812	\$ 65,634	\$ 4,869,790
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (loss)	\$ -	\$ 510,707	\$ 9,904	\$ 379	\$ 520,990
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>					
Depreciation and amortization	-	171,522	-	3,314	174,836
Receivables, net	(6,337)	(250,457)	(7,114)	(7,480)	(271,388)
Inventories	-	-	-	-	-
Accounts and other payables	-	14,036	65	(1,442)	12,659
Accrued expenses	-	-	-	-	-
Net cash provided (used) by operating activities	\$ (6,337)	\$ 445,808	\$ 2,855	\$ (5,229)	\$ 437,097

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - ENTERPRISE FUND**  
**For the Year Ended June 30, 2005**

	<u>Landfill Site Reserve</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Charges for services	-	-	-	-
Grants	-	-	-	-
Investment income	70,000	70,000	64,214	(5,786)
Miscellaneous revenues	-	-	-	-
<b>Total revenues</b>	<u>70,000</u>	<u>70,000</u>	<u>64,214</u>	<u>(5,786)</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Depreciation/amortization	-	-	-	-
Contingency	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	70,000	70,000	64,214	(5,786)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	50,000	50,000	50,000	-
Transfers to other funds	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	120,000	120,000	114,214	(5,786)
<b>FUND BALANCE - JULY 1</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,309,471</u>	<u>309,471</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ 3,120,000</u>	<u>\$ 3,120,000</u>	<u>\$ 3,423,685</u>	<u>\$ 303,685</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - ENTERPRISE FUND**  
For the Year Ended June 30, 2005

	<u>Sold Waste Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Charges for services	2,680,533	2,680,533	3,671,765	991,232
Grants	-	-	-	-
Investment income	15,000	15,000	27,012	12,012
Miscellaneous revenues	<u>10,000</u>	<u>10,000</u>	<u>3,817</u>	<u>(6,183)</u>
Total revenues	<u>2,705,533</u>	<u>2,705,533</u>	<u>3,702,594</u>	<u>997,061</u>
<b>EXPENDITURES:</b>				
Personal services	939,726	939,726	801,433	138,293
Materials and services	2,198,150	2,198,150	2,176,948	21,202
Capital outlay	91,500	91,500	11,155	80,345
Depreciation/amortization	-	-	-	-
Contingency	<u>152,033</u>	<u>152,033</u>	<u>-</u>	<u>152,033</u>
Total expenditures	<u>3,381,409</u>	<u>3,381,409</u>	<u>2,989,536</u>	<u>391,873</u>
Excess (deficiency) of revenues over (under) expenditures	(675,876)	(675,876)	713,058	1,388,934
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	10,216	10,216	10,216	-
Transfers to other funds	<u>(184,340)</u>	<u>(184,340)</u>	<u>(184,340)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(850,000)	(850,000)	538,934	1,388,934
FUND BALANCE - JULY 1	<u>850,000</u>	<u>850,000</u>	<u>2,047,580</u>	<u>1,197,580</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,586,514</u>	<u>\$ 2,586,514</u>
Reconciliation to GAAP Basis				
Current depreciation			<u>(171,522)</u>	
FUND BALANCE - GAAP Basis			<u>\$ 2,414,992</u>	

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - ENTERPRISE FUND**  
**For the Year Ended June 30, 2005**

	<u>Recycling Program</u>			Variance with Final Budget - Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Charges for services	45,000	45,000	64,553	19,553
Grants	-	-	-	-
Investment income	800	800	1,379	579
Miscellaneous revenues	462	462	14,319	13,857
Total revenues	<u>46,262</u>	<u>46,262</u>	<u>80,251</u>	<u>33,989</u>
<b>EXPENDITURES:</b>				
Personal services	28,151	28,151	27,051	1,100
Materials and services	33,900	33,900	27,598	6,302
Capital outlay	5,000	5,000	-	5,000
Depreciation/amortization	-	-	-	-
Contingency	10,711	10,711	-	10,711
Total expenditures	<u>77,762</u>	<u>77,762</u>	<u>54,649</u>	<u>23,113</u>
Excess (deficiency) of revenues over (under) expenditures	(31,500)	(31,500)	25,602	57,102
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(8,500)	(8,500)	(8,500)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(40,000)	(40,000)	17,102	57,102
<b>FUND BALANCE - JULY 1</b>	<u>40,000</u>	<u>40,000</u>	<u>68,746</u>	<u>28,746</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,848</u>	<u>\$ 85,848</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - ENTERPRISE FUND**  
**For the Year Ended June 30, 2005**

	<u>Weed Control</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Charges for services	168,630	168,630	156,996	(11,634)
Grants	52,000	52,000	-	(52,000)
Investment income	2,360	2,360	1,834	(526)
Miscellaneous revenues	-	-	-	-
<b>Total revenues</b>	<u>222,990</u>	<u>222,990</u>	<u>158,830</u>	<u>(64,160)</u>
<b>EXPENDITURES:</b>				
Personal services	176,420	176,420	107,864	68,556
Materials and services	71,144	71,144	45,021	26,123
Capital outlay	4,000	4,000	418	3,582
Depreciation/amortization	-	-	-	-
Contingency	9,119	9,119	-	9,119
<b>Total expenditures</b>	<u>260,683</u>	<u>260,683</u>	<u>153,303</u>	<u>107,380</u>
Excess (deficiency) of revenues over (under) expenditures	(37,693)	(37,693)	5,527	43,220
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Transfers from other funds	4,693	4,693	4,693	-
Transfers to other funds	(2,000)	(2,000)	(2,000)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(35,000)	(35,000)	8,220	43,220
<b>FUND BALANCE - JULY 1</b>	<u>35,000</u>	<u>35,000</u>	<u>107,458</u>	<u>72,458</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,678</u>	<u>\$ 115,678</u>
Reconciliation to GAAP Basis				
Current depreciation			(3,314)	
<b>FUND BALANCE - GAAP Basis</b>			<u>\$ 112,364</u>	

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

The Internal Service Funds consist of the following:

Administrative Services - This fund is used to identify and allocate the costs of administrative services among the County's operating funds. The fund contains General Administration, Finance, Personnel, Data Processing, County Counsel and various nondepartmental costs.

Equipment Rent and Revolving Fund - This fund is used to account for vehicle and major equipment operations, maintenance, and replacement. Revenues were initially from vehicle rent charges.

Space Rent and Revolving Fund - This fund was established to insure adequate maintenance, operation, and major maintenance reserve for all county owned facilities and real property. A rent policy has been enacted for most county occupied facilities. A reserve was established for county buildings specifically and transferred from the emergency repair reserve fund. Other revenues accrue from all departments for space rent under the policy.

Risk Management - This fund was initiated to collect a set amount from each employing department and to remit assessments to the State Workman's Compensation Fund.

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**June 30, 2006**

	<u>Admin Services</u>	<u>Equipment Rent and Revolving</u>	<u>Space Rent and Revolving</u>	<u>Risk Management</u>	<u>Total</u>
<b>ASSETS:</b>					
Pooled cash and investments	\$ 87,464	\$ 2,164,063	\$ 585,887	\$ 450,606	\$ 3,288,020
Accounts Receivable	21,955	3,663	1,160	841	27,619
Inventory	16,005	-	-	-	16,005
Property, plant and equipment	743,752	-	-	-	743,752
Less: accumulated depreciation	<u>(656,023)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(656,023)</u>
<b>Total assets</b>	<b><u>\$ 213,153</u></b>	<b><u>\$ 2,167,726</u></b>	<b><u>\$ 587,047</u></b>	<b><u>\$ 451,447</u></b>	<b><u>\$ 3,419,373</u></b>
 <b>LIABILITIES AND FUND EQUITY:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 109,372	\$ 2,508	\$ 76,357	\$ 43,508	\$ 231,745
Compensated absences payable	43,798	-	23,581	819	68,198
Contracts payable	<u>-</u>	<u>-</u>	<u>19,411</u>	<u>-</u>	<u>19,411</u>
<b>Total liabilities</b>	<b><u>153,170</u></b>	<b><u>2,508</u></b>	<b><u>119,349</u></b>	<b><u>44,327</u></b>	<b><u>319,354</u></b>
 <b>NET ASSETS</b>					
Capital assets, net of related debt	87,729	-	-	-	87,729
Unrestricted	<u>(27,746)</u>	<u>2,165,218</u>	<u>467,698</u>	<u>407,120</u>	<u>3,012,290</u>
<b>Total net assets</b>	<b><u>\$ 59,983</u></b>	<b><u>\$ 2,165,218</u></b>	<b><u>\$ 467,698</u></b>	<b><u>\$ 407,120</u></b>	<b><u>\$ 3,100,019</u></b>

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Admin Services</u>	<u>Equipment Rent and Revolving</u>	<u>Space Rent and Revolving</u>	<u>Risk Management</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 3,641,804	\$ 1,028,715	\$ 1,315,681	\$ 1,040,990	\$ 7,027,190
Other revenues	<u>107,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,933</u>
Total operating revenues	<u>3,749,737</u>	<u>1,028,715</u>	<u>1,315,681</u>	<u>1,040,990</u>	<u>7,135,123</u>
<b>OPERATING EXPENSES:</b>					
Personal services	1,193,597	-	336,883	114,484	1,644,964
Materials and services	705,809	557,919	809,397	1,060,740	3,133,865
Depreciation expense	35,123	-	-	-	35,123
Other operating expenses	<u>1,669,261</u>	<u>-</u>	<u>64,968</u>	<u>68,665</u>	<u>1,802,894</u>
Total operating expenses	<u>3,603,790</u>	<u>557,919</u>	<u>1,211,248</u>	<u>1,243,889</u>	<u>6,616,846</u>
Operating income (loss)	<u>145,947</u>	<u>470,796</u>	<u>104,433</u>	<u>(202,899)</u>	<u>518,277</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Interest income	1,512	34,081	8,554	13,498	57,645
Miscellaneous	<u>34,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,195</u>
Total nonoperating revenues (expenses)	<u>35,707</u>	<u>34,081</u>	<u>8,554</u>	<u>13,498</u>	<u>91,840</u>
Income (loss) before contributions and transfers	181,654	504,877	112,987	(189,401)	610,117
Transfers from other funds	-	-	-	-	-
Transfers (to) other funds	<u>(192,622)</u>	<u>-</u>	<u>-</u>	<u>(433,332)</u>	<u>(625,954)</u>
Change in net assets	(10,968)	504,877	112,987	(622,733)	(15,837)
NET ASSETS - July 1	<u>70,951</u>	<u>1,660,341</u>	<u>354,711</u>	<u>1,029,853</u>	<u>3,115,856</u>
NET ASSETS - June 30	<u>\$ 59,983</u>	<u>\$ 2,165,218</u>	<u>\$ 467,698</u>	<u>\$ 407,120</u>	<u>\$ 3,100,019</u>

**KLAMATH COUNTY, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2005**

	Admin Services	Equipment Rent and Revolving	Space Rent and Revolving	Risk Management	Totals
<b>Cash flows from operating activities:</b>					
Cash received for services	\$ 3,678,273	\$ 1,025,052	\$ 1,314,521	\$ 1,057,596	\$ 7,075,442
Cash paid to suppliers and employees	(3,499,483)	(555,588)	(1,252,670)	(1,362,203)	(6,669,944)
Other cash received	107,933	-	-	-	107,933
Net cash provided (used) by operating activities	<u>286,723</u>	<u>469,464</u>	<u>61,851</u>	<u>(304,607)</u>	<u>513,431</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers from (to) other funds	(192,622)	-	-	(433,332)	(625,954)
Cash received (paid) from (to) misc sources	37,702	-	-	-	37,702
Net cash provided (used) by noncapital financing activities	<u>(154,920)</u>	<u>-</u>	<u>-</u>	<u>(433,332)</u>	<u>(588,252)</u>
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on debt	-	-	-	-	-
Other receipts and payments	-	-	-	-	-
Purchases of capital assets	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>					
Interest received	1,512	34,081	8,554	13,498	57,645
Net cash provided by investing activities	<u>1,512</u>	<u>34,081</u>	<u>8,554</u>	<u>13,498</u>	<u>57,645</u>
Net change in cash and cash equivalents	133,315	503,545	70,405	(724,441)	(17,176)
Cash and cash equivalents - July 1	(45,851)	1,660,518	515,482	1,175,047	3,305,196
Cash and cash equivalents - June 30	<u>\$ 87,464</u>	<u>\$ 2,164,063</u>	<u>\$ 585,887</u>	<u>\$ 450,606</u>	<u>\$ 3,288,020</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (loss)	\$ 145,947	\$ 470,796	\$ 104,433	\$ (202,899)	\$ 518,277
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	35,123	-	-	-	35,123
Change in current assets and current liabilities:					
Decrease (increase) in accounts receivable	36,469	(3,663)	(1,160)	16,606	48,252
Decrease (increase) in inventory	(3,507)	-	-	-	(3,507)
Increase (decrease) in accounts payable	72,691	2,331	(41,422)	(118,314)	(84,714)
Increase (decrease) in comp. absences payable	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 286,723</u>	<u>\$ 469,464</u>	<u>\$ 61,851</u>	<u>\$ (304,607)</u>	<u>\$ 513,431</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - INTERNAL SERVICE FUND**  
**For the Year Ended June 30, 2005**

	<u>Administrative Services Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Charges for services	3,731,540	3,731,540	3,641,804	(89,736)
Investment income	1,001	1,001	1,512	511
Miscellaneous revenues	<u>122,759</u>	<u>122,759</u>	<u>142,128</u>	<u>19,369</u>
Total revenues	<u>3,855,300</u>	<u>3,855,300</u>	<u>3,785,444</u>	<u>(69,856)</u>
<b>EXPENDITURES:</b>				
Personal services	1,214,318	1,214,318	1,193,597	20,721
Materials and services	2,411,161	2,411,161	2,351,936	59,225
Capital outlay	25,000	25,000	23,134	1,866
Contingency	<u>64,199</u>	<u>37,199</u>	<u>-</u>	<u>37,199</u>
Total expenditures	<u>3,714,678</u>	<u>3,687,678</u>	<u>3,568,667</u>	<u>119,011</u>
Excess (deficiency) of				
revenues over (under)				
expenditures	140,622	167,622	216,777	49,155
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>(165,622)</u>	<u>(192,622)</u>	<u>(192,622)</u>	<u>-</u>
Excess (deficiency) of				
revenues and other				
financing sources over				
(under) expenditures and				
other financing (uses)	(25,000)	(25,000)	24,155	49,155
FUND BALANCE JULY 1	<u>25,000</u>	<u>25,000</u>	<u>70,951</u>	<u>45,951</u>
FUND BALANCE JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,106</u>	<u>\$ 95,106</u>
Reconciliation to GAAP Basis				
Current depreciation			<u>(35,123)</u>	
FUND BALANCE - GAAP Basis			<u>\$ 59,983</u>	

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - INTERNAL SERVICE FUND**  
**For the Year Ended June 30, 2005**

	<u>Equipment Rent and Revolving Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Charges for services	1,004,757	1,019,257	1,028,715	9,458
Investment income	15,000	15,000	34,081	19,081
Miscellaneous revenues	-	-	-	-
<b>Total revenues</b>	<u>1,019,757</u>	<u>1,034,257</u>	<u>1,062,796</u>	<u>43,039</u>
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Materials and services	15,000	15,000	17,924	(2,924)
Capital outlay	702,000	716,500	539,995	176,505
Contingency	400,000	400,000	-	400,000
<b>Total expenditures</b>	<u>1,117,000</u>	<u>1,131,500</u>	<u>557,919</u>	<u>559,081</u>
Excess (deficiency) of				
revenues over (under)				
expenditures	(97,243)	(97,243)	504,877	602,120
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess (deficiency) of				
revenues and other				
financing sources over				
(under) expenditures and				
other financing (uses)	(97,243)	(97,243)	504,877	602,120
<b>FUND BALANCE JULY 1</b>	<u>1,545,558</u>	<u>1,545,558</u>	<u>1,660,341</u>	<u>114,783</u>
<b>FUND BALANCE JUNE 30</b>	<u>\$ 1,448,315</u>	<u>\$ 1,448,315</u>	<u>\$ 2,165,218</u>	<u>\$ 716,903</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - INTERNAL SERVICE FUND**  
**For the Year Ended June 30, 2005**

	<u>Space Rent and Revolving Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Charges for services	1,309,974	1,309,974	1,315,681	5,707
Investment income	5,000	5,000	8,554	3,554
Miscellaneous revenues	-	-	-	-
<b>Total revenues</b>	<u>1,314,974</u>	<u>1,314,974</u>	<u>1,324,235</u>	<u>9,261</u>
<b>EXPENDITURES:</b>				
Personal services	344,679	344,679	336,883	7,796
Materials and services	1,145,486	1,145,486	817,850	327,636
Capital outlay	60,000	60,000	56,515	3,485
Contingency	4,369	4,369	-	4,369
<b>Total expenditures</b>	<u>1,554,534</u>	<u>1,554,534</u>	<u>1,211,248</u>	<u>343,286</u>
Excess (deficiency) of				
revenues over (under)				
expenditures	(239,560)	(239,560)	112,987	352,547
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess (deficiency) of				
revenues and other				
financing sources over				
(under) expenditures and				
other financing (uses)	(239,560)	(239,560)	112,987	352,547
<b>FUND BALANCE JULY 1</b>	<u>239,560</u>	<u>239,560</u>	<u>354,711</u>	<u>115,151</u>
<b>FUND BALANCE JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467,698</u>	<u>\$ 467,698</u>

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - INTERNAL SERVICE FUND**  
**For the Year Ended June 30, 2006**

	<u>Risk Management Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES:</b>				
Charges for services	1,039,902	1,046,902	1,040,990	(5,912)
Investment income	20,000	20,000	13,498	(6,502)
Miscellaneous revenues	-	-	-	-
<b>Total revenues</b>	<u>1,059,902</u>	<u>1,066,902</u>	<u>1,054,488</u>	<u>(5,414)</u>
<b>EXPENDITURES:</b>				
Personal services	113,462	116,462	114,484	1,978
Materials and services	1,532,603	1,536,103	1,129,361	406,742
Capital outlay	-	500	44	456
Contingency	<u>777</u>	<u>777</u>	<u>-</u>	<u>777</u>
<b>Total expenditures</b>	<u>1,646,842</u>	<u>1,653,842</u>	<u>1,243,889</u>	<u>402,953</u>
<b>Excess (deficiency) of</b>				
revenues over (under)				
expenditures	(586,940)	(586,940)	(189,401)	397,539
<b>OTHER FINANCING</b>				
<b>SOURCES (USES):</b>				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>(433,332)</u>	<u>(433,332)</u>
<b>Excess (deficiency) of</b>				
<b>revenues and other</b>				
<b>financing sources over</b>				
<b>(under) expenditures and</b>				
<b>other financing (uses)</b>	(586,940)	(586,940)	(622,733)	(35,793)
<b>FUND BALANCE JULY 1</b>	<u>586,940</u>	<u>586,940</u>	<u>1,029,853</u>	<u>442,913</u>
<b>FUND BALANCE JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,120</u>	<u>\$ 407,120</u>

## AGENCY FUNDS

These funds are used to account for the County's collection and turnover of property taxes to all other taxing districts within Klamath County, Oregon and other miscellaneous accounts held by Treasurer.

The Agency Funds consist of the following:

Treasurer Fund  
Jail Commissary Fund

**KLAMATH COUNTY, OREGON**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND**  
**For the Year Ended June 30, 2005**

**TREASURER FUND**

	<u>Balance</u> <u>July 1, 2004</u>	<u>Increases</u> <u>(Decreases)</u>	<u>Balance</u> <u>June 30, 2005</u>
<b>ASSETS:</b>			
Pooled cash and investments	23,192,015	(12,842)	23,179,173
Taxes receivable	4,633,037	(449,422)	4,183,615
Receivables- foreclosed properties	501,339	480,946	982,285
Other assets	<u>4,742,750</u>	<u>872,590</u>	<u>5,615,340</u>
<b>Total Assets</b>	<b>\$ 33,069,141</b>	<b>\$ 891,272</b>	<b>\$ 33,960,413</b>
<b>LIABILITIES:</b>			
Due to Other Governments	<u>33,069,141</u>	<u>891,272</u>	<u>33,960,413</u>
<b>Total Liabilities</b>	<b>\$ 33,069,141</b>	<b>\$ 891,272</b>	<b>\$ 33,960,413</b>

**JAIL COMMISSARY**

	<u>Balance</u> <u>July 1, 2004</u>	<u>Net</u> <u>Increases</u> <u>(Decreases)</u>	<u>Balance</u> <u>June 30, 2005</u>
<b>ASSETS:</b>			
Pooled cash and investments	<u>28,270</u>	<u>(1,956)</u>	<u>26,314</u>
<b>Total Assets</b>	<b>\$ 28,270</b>	<b>\$ (1,956)</b>	<b>\$ 26,314</b>
<b>LIABILITIES:</b>			
Due to Others	<u>28,270</u>	<u>(1,956)</u>	<u>26,314</u>
<b>Total Liabilities</b>	<b>\$ 28,270</b>	<b>\$ (1,956)</b>	<b>\$ 26,314</b>

**OTHER SCHEDULES**

Klamath County, Oregon  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes By Function and Activity  
 For the Fiscal Year Ended June 30, 2006

Function and Activity	July 1, 2004	Increases	Decreases	June 30, 2006
<b>General Government:</b>				
Treasurer	5,296	1,297	1,328	5,265
Assessor	216,054	1,390	1,849	215,595
Tax Collector	18,102	3,300	719	20,683
Commlssioners	181,986	-	1,500	180,486
Clerk	175,038	19,595	15,631	179,002
Government Center	10,148,346	-	6,734	10,141,612
Property Sales	5,144	-	-	5,144
Watermaster	3,462	-	560	2,902
Maintenance	246,097	24,011	31,534	238,574
OSU Extension	381,455	-	-	381,455
Experiment Station	308,324	-	-	308,324
Electrical - Building Department	216,816	124,034	68,885	271,965
<b>Total General Government</b>	<b>11,906,120</b>	<b>173,627</b>	<b>128,740</b>	<b>11,951,007</b>
<b>Public Safety:</b>				
Sheriff	8,677,559	163,989	25,960	8,815,588
Domestic Violence	17,424	3,320	1,763	18,981
Emergency Services	30,615	719	798	30,536
Justice Court	11,100	-	-	11,100
Court Security	9,375	-	-	9,375
District Attorney	104,530	20,168	2,893	121,805
D.A. Enforcement	28,480	-	-	28,480
Juvenile	318,621	34,145	19,564	333,202
Community Corrections	474,817	121,634	47,584	548,867
Risk management	5,786	-	3,134	2,652
Search and Rescue	427,691	560	7,200	421,051
Animal Control	88,665	21,886	18,961	91,590
<b>Total Public Safety</b>	<b>10,194,663</b>	<b>366,421</b>	<b>127,857</b>	<b>10,433,227</b>
<b>Highway and Streets:</b>				
Roads	279,060,800	1,150,000	-	280,210,800
Bridges	16,159,013	223,208	-	16,382,221
Public Works	13,246,826	2,565,523	2,275,276	13,537,073
<b>Highway and Streets</b>	<b>308,466,639</b>	<b>3,938,731</b>	<b>2,275,276</b>	<b>310,130,094</b>
<b>Community and Economic Development:</b>				
Community Development	74,167	7,401	2,994	78,574
Surveyor	14,485	451	720	14,216
Planning	108,642	1,350	-	109,992
<b>Community and Economic Development:</b>	<b>197,294</b>	<b>9,202</b>	<b>3,714</b>	<b>202,782</b>
<b>Health and Welfare:</b>				
Health Department	341,120	50,443	75,643	315,920
Mental Health Department	2,349,690	81,073	21,731	2,409,032
Youth Services Commission	22,150	2,117	4,216	20,051
Veterans Services	9,089	1,402	315	10,176
<b>Total Health and Welfare</b>	<b>2,722,049</b>	<b>135,035</b>	<b>101,905</b>	<b>2,755,179</b>
<b>Culture and Recreation</b>				
Parks	177,350	-	20,966	156,384
Museum	403,864	990	894	403,960
Library	4,455,495	176,038	4,201	4,627,332
Fairgrounds	6,081,032	6,377	5,336	6,082,073
Law Library	73,981	2,640	1,199	75,422
<b>Total Community Services</b>	<b>11,191,722</b>	<b>186,045</b>	<b>32,596</b>	<b>11,345,171</b>
<b>Governmental Activities</b>				
Internal Service Funds	744,725	177,600	104,621	817,704
<b>Total Governmental Funds</b>	<b>\$ 345,423,212</b>	<b>\$ 4,986,661</b>	<b>\$ 2,774,709</b>	<b>\$ 347,635,164</b>

**Klamath County, Oregon**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**June 30, 2005**

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery &amp; equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>
<b>General Government:</b>						
Treasurer	-	-	5,285	-	-	5,285
Assessor	-	-	97,707	117,888	-	215,595
Tax Collector	-	-	20,683	-	-	20,683
Commissioners	-	157,300	23,186	-	-	180,486
Clerk	-	-	179,002	-	-	179,002
Government Center	287,182	9,164,354	690,076	-	-	10,141,612
Property Sales	-	-	5,144	-	-	5,144
Watermaster	-	1,750	1,152	-	-	2,902
Maintenance	-	35,000	68,327	135,247	-	238,574
OSU Extension	-	360,730	-	20,725	-	381,455
Experiment Station	500	220,500	86,115	1,209	-	308,324
Electrical - Building Dept	-	-	6,127	265,838	-	271,965
<b>Total General Government</b>	<b>287,682</b>	<b>9,939,634</b>	<b>1,182,784</b>	<b>540,907</b>	<b>-</b>	<b>11,951,007</b>
<b>Public Safety:</b>						
Sheriff	-	7,653,972	845,002	316,614	-	8,815,588
Domestic Violence	-	-	18,981	-	-	18,981
Emergency Services	-	-	30,536	-	-	30,536
Justice Court	-	-	11,100	-	-	11,100
Courtsecurity	-	-	9,375	-	-	9,375
District Attorney	-	-	121,805	-	-	121,805
D.A. Enforcement	-	-	16,244	12,236	-	28,480
Juvenile	-	162,500	82,952	87,750	-	333,202
Community Corrections	-	-	305,914	242,953	-	548,867
Risk Management	-	-	2,652	-	-	2,652
Search and Rescue	1,000	16,000	110,439	293,612	-	421,051
Animal Control	-	-	35,594	55,996	-	91,590
<b>Total Public Safety</b>	<b>1,000</b>	<b>7,832,472</b>	<b>1,590,594</b>	<b>1,009,161</b>	<b>-</b>	<b>10,433,227</b>
<b>Highway and Streets:</b>						
Roads	-	-	-	-	280,210,800	280,210,800
Bridges	-	-	-	-	16,382,221	16,382,221
Public Works	2,000	388,890	7,472,798	5,673,385	-	13,537,073
<b>Highway and Streets</b>	<b>2,000</b>	<b>388,890</b>	<b>7,472,798</b>	<b>5,673,385</b>	<b>296,593,021</b>	<b>310,130,094</b>
<b>Community and Economic Development</b>						
Economic Development	-	-	179,782	23,000	-	202,782
<b>Health and Welfare:</b>						
Health Department	-	-	155,037	160,883	-	315,920
Mental Health Department	-	1,817,791	295,645	295,596	-	2,409,032
Youth Services Comm	-	-	20,051	-	-	20,051
Veterans Services	-	-	10,176	-	-	10,176
<b>Total Health and Welfare</b>	<b>-</b>	<b>1,817,791</b>	<b>480,909</b>	<b>456,479</b>	<b>-</b>	<b>2,755,179</b>
<b>Culture and recreation</b>						
Parks	83,936	4,000	52,279	16,169	-	156,384
Museum	-	358,000	26,665	19,295	-	403,960
Library	-	700,000	3,894,562	32,770	-	4,627,332
Fairgrounds	128,500	4,900,894	953,921	98,658	-	6,082,073
Law Library	-	-	75,422	-	-	75,422
<b>Total Community Services</b>	<b>212,436</b>	<b>5,962,994</b>	<b>5,002,849</b>	<b>166,892</b>	<b>-</b>	<b>11,345,171</b>
<b>Governmental Activities</b>						
Internal Service Funds	-	-	734,011	83,693	-	817,704
<b>Total Governmental Activities</b>	<b>\$ 503,118</b>	<b>\$ 25,941,781</b>	<b>\$ 16,643,727</b>	<b>\$ 7,953,517</b>	<b>\$ 296,593,021</b>	<b>\$ 347,635,164</b>

**KLAMATH COUNTY, OREGON**  
**SCHEDULE OF CASH AND CASH EQUIVALENTS AND INVESTMENTS**  
**HELD BY ELECTED OFFICIALS:**  
**June 30, 2005**

	<u>Cash and cash equivalents July 1, 2004</u>	<u>Receipts</u>	<u>Turnovers to Treasurer</u>	<u>Disbursements</u>	<u>Cash and cash equivalents June 30, 2005</u>
Assessor	\$ 50	\$ 256,046	\$ 256,046	\$ -	\$ 50
Clerk	100	638,874	638,874	-	100
District Attorney	62,038	673,392	673,392	-	62,038
Sheriff	39,695	1,368,874	1,270,856	-	137,713
Surveyor	-	145,021	145,021	-	-
Justice of the Peace	93,494	499,298	491,418	-	101,374
Commissioners	50	143,594	143,594	-	50
Tax Collector	400	43,853,461	43,853,461	-	400
Treasurer	<u>127,815,002</u>	<u>117,264,938</u>	<u>-</u>	<u>103,502,495</u>	<u>141,577,445</u>
	<u>\$ 128,010,829</u>	<u>\$ 164,843,498</u>	<u>\$ 47,472,662</u>	<u>\$ 103,502,495</u>	<u>\$ 141,879,170</u>

**COMPOSITION OF CASH AND CASH EQUIVALENTS AND INVESTMENTS:**  
**June 30, 2005**

	<u>Cash on Hand</u>	<u>Cash in Banks &amp; State Pool</u>	<u>Certificates of Deposit</u>	<u>Investments</u>	<u>Total</u>
Assessor	50	-	-	-	50
Clerk	100	-	-	-	100
District Attorney	-	62,038	-	-	62,038
Sheriff	1,972	135,741	-	-	137,713
Surveyor	-	-	-	-	-
Justice of the Peace	100	101,274	-	-	101,374
Commissioners	50	-	-	-	50
Tax Collector	400	-	-	-	400
Treasurer	<u>100</u>	<u>20,405,724</u>	<u>13,000,000</u>	<u>108,171,621</u>	<u>141,577,445</u>
	<u>\$ 2,772</u>	<u>\$ 20,704,777</u>	<u>\$ 13,000,000</u>	<u>\$ 108,171,621</u>	<u>\$ 141,879,170</u>

**KLAMATH COUNTY, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
For the Year Ended June 30, 2005

<u>Year End June 30</u>	<u>Levy &amp; Balance as of July 1, 2004</u>	<u>Discounts and Adjustments</u>	<u>Interest</u>	<u>Collections</u>	<u>Balance as of June 30, 2005</u>
<b>ALL KLAMATH COUNTY FUNDS AND GOVERNMENTS:</b>					
2004-2005	43,080,481	(1,458,862)	32,255	39,319,214	2,334,660
2003-2004	2,951,668	(448,218)	108,794	1,391,980	1,220,264
2002-2003	1,216,292	(86,689)	71,608	466,670	734,541
2001-2002	733,334	(108,038)	91,549	365,455	351,390
2000-2001	321,302	(71,069)	60,157	205,457	104,933
1999-2000	94,617	(18,182)	10,141	26,150	60,426
1999-2000	57,619	(14,875)	6,816	13,799	35,761
Prior Years	<u>402,694</u>	<u>(35,129)</u>	<u>16,114</u>	<u>18,784</u>	<u>364,895</u>
Total	<u>\$ 48,858,007</u>	<u>\$ (2,241,062)</u>	<u>\$ 397,434</u>	<u>\$ 41,807,509</u>	<u>\$ 5,206,870</u>

**ALL BUDGETED COUNTY FUNDS - BY YEAR OF LEVY:**

2004-2005	8,282,650	(659,035)	6,059	7,191,099	438,575
2003-2004	588,842	(102,089)	21,704	265,021	243,436
2002-2003	249,561	(22,358)	14,693	91,182	150,715
2001-2002	139,782	(23,618)	17,450	66,635	66,979
2000-2001	62,719	(15,706)	11,743	38,273	20,483
1999-2000	18,238	(3,741)	1,955	4,804	11,648
1998-1999	16,714	(4,471)	1,977	3,846	10,373
Prior Years	<u>68,633</u>	<u>12,935</u>	<u>3,579</u>	<u>4,102</u>	<u>81,045</u>
Total	<u>\$ 9,427,139</u>	<u>\$ (818,083)</u>	<u>\$ 79,160</u>	<u>\$ 7,664,961</u>	<u>\$ 1,023,255</u>

**ALL BUDGETED COUNTY FUNDS - BY FUND:**

General Fund	7,162,596	(625,101)	58,357	5,791,135	798,380
Courthouse Bond	1,681,552	(145,924)	15,681	1,387,383	165,056
Fairground Bond	439,973	(38,181)	5,121	354,233	52,977
Veterans Services	<u>143,018</u>	<u>(3,966)</u>	<u>-</u>	<u>132,210</u>	<u>6,842</u>
Total	<u>\$ 9,427,139</u>	<u>\$ (813,172)</u>	<u>\$ 79,160</u>	<u>\$ 7,664,961</u>	<u>\$ 1,023,255</u>

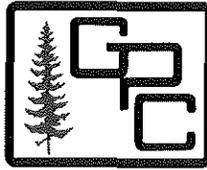
COUNTY  
*Klamath*  
OREGON



## COMPLIANCE SECTION

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

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Comments of Independent Auditors Required By  
Minimum Standards for Audits of  
Oregon Municipal Corporations

Board of County Commissioners  
Klamath County, Oregon

We have audited the basic financial statements of Klamath County as of and for the year ended June 30, 2005, and have issued our report thereon dated September 16, 2005.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The State of Oregon *Minimum Standards for Audits of Oregon Municipal Corporations* requires that we make comments and disclosures relating to our review of fiscal affairs and compliance with legal requirements and the applicable provisions of the Oregon Revised Statutes as follows:

- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The legal requirements relating to short-term and long-term debt.
- Compliance with the requirements of Local Budget law in the preparation, adoption and execution of the annual budget for the current fiscal year, and preparation and adoption for the subsequent fiscal year.
- The legal requirements relating to insurance and fidelity bond coverage.
- Compliance with the laws and regulations of programs funded wholly or partially by other government agencies.
- The legal requirements covering the use of revenue from motor vehicle fuel tax.
- The policies and procedures pertaining to the investment of public funds.
- The legal requirements covering the awarding of public contracts and construction of public improvements.

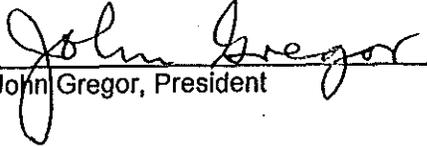
The results of our tests disclosed no instance of noncompliance by the County with the foregoing requirements, except for the expenditures in excess of budget appropriations and deficit fund balances as detailed in Note 2. A separate management letter was issued dated September 16, 2005. It should be noted, however, that our audit was not directed primarily toward obtaining knowledge of noncompliance with the above requirements.

Additionally, we make the following comments:

- The accounting records were adequate for the audit.
  - Our review of the insurance and fidelity bond was limited to the existing coverage for the period.
- We are not experts in insurance and make no representation as to the adequacy of coverage.

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

GREGOR PROFESSIONAL CORPORATION  
Certified Public Accountants

By   
John Gregor, President

Eugene, Oregon  
September 16, 2005

***SINGLE AUDIT REPORT***

COUNTY  
*Klamath*  
OREGON



**KLAMATH COUNTY, OREGON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2005

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>		
Passed through Oregon Department of Administrative Services		
Federal Forest Receipts (Schools and Roads)*	10.665	\$ 13,993,710
Food Stamps Program	10.551	29,556
Women, Infants and Children Nutrition Program	10.557	285,461
Total U.S. Department of Agriculture		<u>14,308,727</u>
<b>U.S. DEPARTMENT OF INTERIOR:</b>		
Clean Vessel Act	15.616	240,090
Wildlife Restoration	15.611	2,644
Distribution of Receipts to State and Local Governments*	15.227	2,313,695
Total U.S. Department of Interior		<u>2,556,429</u>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>		
Childhood Immunizations	93.268	20,504
Family Planning	93.217	43,003
Community Mental Health	93.958	23,984
Early Detection Substance Abuse	93.959	411,488
Bioterrorism	93.283	46,547
HIV Care Consortia Title II	93.917	26,112
Community-based Child Abuse Prevention	93.590	823
Material & Child Health	93.994	56,974
Real Choice System Change	93.779	7,000
HIV Prevention	93.939	4,648
Temporary Assistance for Needy Families	93.558	31,536
Child Support Enforcement	93.563	215,722
Health Care Facilities & Other Construction	93.887	98,356
Total U.S. Department of Health and Human Services		<u>986,697</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
Drinking Water Revolving Fund	66.468	<u>33,735</u>
<b>U.S. DEPARTMENT OF JUSTICE:</b>		
Local Law Enforcement Block Grant	16.592	58,910
Violence Against Women Discretionary	16.588	303,097
Crime Victim Assistance	16.575	56,062
Edward Byrne Memorial Enforcement Assistance Discretionary	16.580	5,000
Violent Offender Incarceration & Truth in Sentencing Incentive	16.586	11,648
Total U.S. Department of Justice		<u>434,717</u>
<b>U.S. DEPARTMENT OF HOME LAND SECURITY</b>		
Emergency Management Performance Grant	97.042	<u>42,475</u>
Total Federal Awards and Expenditures		<u>\$ 18,362,780</u>

\* Indicates a major program.

**KLAMATH COUNTY, OREGON**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2005**

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**Note A – General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Klamath County, Oregon (the County) for the year ended June 30, 2005. The County's reporting entity is defined in Note 1 to the County's June 30, 2005 basic financial statements.

**Note B – Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using a basis of accounting which is consistent with the basic financial statements, as described in Note 1 to the County's June 30, 2005 basic financial statements.

**Note C – Relationship to Basic Financial Statements**

As described in Note 1 to the County's, federal awards assistance revenues reported in the basic financial statements are included with intergovernmental revenues.

**Note D – Noncash Awards**

The accompanying Schedule of Expenditures of Federal Awards includes a noncash award from the Department of Health and Human Resources in the form of vaccines (CFDA #93.268 – Childhood Immunization Grants). The value of the Grant award was determined by the granting agency. The amount expended and advanced at June 30, 2005 is calculated on a proportionate basis.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners  
Klamath County  
305 Main Street  
Klamath Falls, Oregon 97601

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Klamath County, Oregon, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

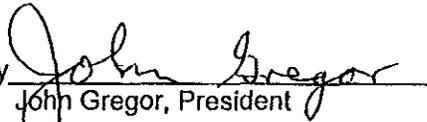
As part of obtaining reasonable assurance about whether the financial statements of the County are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, and the federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

GREGOR PROFESSIONAL CORPORATION  
Certified Public Accountants

By   
John Gregor, President

Eugene, Oregon  
September 16, 2005

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REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners  
Klamath County  
305 Main Street  
Klamath Falls, Oregon 97601

Compliance

We have audited the compliance of Klamath County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The County's major federal programs are identified in the accompanying Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the compliance of the County based on our audit.

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; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Klamath County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control over compliance that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, and the federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

GREGOR PROFESSIONAL CORPORATION  
Certified Public Accountants

By   
John Gregor, President

Eugene, Oregon  
September 16, 2005

**KLAMATH COUNTY, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2005

**SECTION I - SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of report of independent auditor issued:	<u>unqualified</u>
Internal control over financial reporting: Material weakness(es) identified?	<u>no</u>
Reportable condition(s) identified not considered to be material weaknesses?	<u>no</u>
Noncompliance material to financial statements noted?	<u>no</u>

**Federal Awards**

Internal control over major programs: Material weakness(es) identified?	<u>no</u>
Reportable condition(s) identified not considered to be material weaknesses?	<u>no</u>
Type of report of independent auditor issued on compliance for major programs	<u>unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, section .510(a)	<u>no</u>

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.665	Federal Forest Receipts (School and Roads)
15.227	Distribution of Receipts to State and Local Governments

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u>yes</u>

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no financial statements findings reported.

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

There were no current year or prior year findings and questioned costs reported..

COUNTY  
*Klamath*  
OREGON



