



824 Pine Street
Klamath Falls, OR 97601
(541) 884-4164
Fax: (541) 883-1232

Certified Public Accountants

Dear Commissioners:

We have audited the basic financial statements of Klamath County, Oregon as of and for the year ended June 30, 2010, and have issued our report thereon dated July 15, 2011. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America, OMB Circular A-133, and Government Auditing Standards

As communicated in our engagement letter dated December 6, 2010, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Klamath County, Oregon solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting, material weaknesses, material noncompliance, and other matters noted during our audit in a separate letter to you dated July 15, 2011.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Klamath County, Oregon's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read and considered whether the management's discussion and analysis, the budgetary comparison information, and the schedule of funding progress was materially inconsistent with its presentation in the financial statements. This information is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis, 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. The budgetary comparison information and the schedule of funding progress have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, combining and individual non-major fund financial statements, other supplementary schedules, and Schedule of Expenditures of Federal Awards, required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements, other supplementary schedules, and the Schedule of Expenditures of Federal Awards, 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements, except the information related to fixed assets. The information we were given regarding fixed assets was materially misstated.

Planned Scope and Timing of the Audit

We did not conduct our audit within the planned scope and timing as communicated to you in our engagement letter dated December 6, 2010. Due to significant issues with prior auditors, personnel and financial records, our audit extended several months beyond the original planned scope and timing. There is further discussion in the Significant Difficulties Encountered During the Audit section of this letter.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Klamath County, Oregon is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2010. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, the application of various policies was inconsistent, with some policies followed, and other policies not followed. Some policies that were stated in writing had not been followed or updated for several years. In particular, policies adopted by the Board of Commissioners regarding fixed assets were not followed at all, and policies regarding investments were partially followed, without the updated approval process required by County policy and Oregon Statute.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are estimated claims and judgments, the accrued landfill closure/post-closure care costs, the accrual for the Klamath County Employees' Pension Plan, and the accrual for the Other Post Employment Benefits (OPEB) liability.

Management's estimate of the claims and judgments is based on historical patterns of payments for self insurance and consideration of any individually significant items. We evaluated the key factors and assumptions used to develop the estimated claims and judgments liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the accrued landfill closure/post-closure care cost is based on analysis of the capacity available in the landfill and the estimated costs of closing and post-closing costs to cover and monitor the landfill. We evaluated the key factors and assumptions used to develop the accrued landfill closure/post-closure care cost and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for the Klamath County Employees' Pension Plan is based on an actuarial calculation of the required contribution and the actual contribution made by management.

Management's estimate of the Other Post Employment Benefits (OPEB) is accounted for on a pay-as-you-go basis, but a liability is calculated for the unfunded actuarially accrued liability.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Klamath County, Oregon's financial statements relate to:

- The Component Units, which have never been reported with the County before.
- The disclosure of the pension and other post-employment benefits (OPEB).
- Capital assets for which the disclosures do not match the actual transactions as recorded.
- Prior period adjustments, as the prior audited financial statements were materially misstated.

Significant Difficulties Encountered during the Audit

Although we ultimately received full cooperation of management and believe that we were given direct and unrestricted access to the Klamath County, Oregon's books and records, as we disclosed in the management letter, we encountered significant difficulties in performing and completing the audit process. Principally, these difficulties related to the poor condition of the books and records, lack of consistent and standard accounting procedures, lack of available documentation, and the lack of qualified internal staffing. The current chief financial officer did not begin work until six months after the prior year end, and had to perform essentially all of the analysis, adjustment, and closing of the prior year subsequent to that time. All of these issues, as well as others, contributed to the problem and added to the time required to complete the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. All misstatements identified during the audit that were not trivial, were corrected during the course of the audit, except misstatements related to fixed assets. The amount of the corrections required to state fixed assets as materially correct was not determinable, and our audit opinion is therefore qualified with respect to fixed assets.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule contains material misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Klamath County, Oregon's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated July 15, 2011.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with Klamath County, Oregon, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Klamath County, Oregon's auditors.

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


Molatore, Scroggin, Peterson & Co. LLP

Klamath Falls, Oregon
July 15, 2011

July 15, 2011

To Molatore, Scroggin, Peterson & Co LLP:

We are providing this letter in connection with your audits of the basic financial statements of Klamath County, Oregon as of June 30, 2010 and for the year then ended, for the purpose of expressing opinions as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Klamath County, Oregon in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the basic financial statements of financial position, results of operations, and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America, and for compliance with requirements applicable to our major federal award programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of July 15, 2011, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the elected body and other relevant committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe that all identified misstatements aggregated by you during the current engagement have been recorded.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal controls, or (c) others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, vendors, regulators, or others, except that certain allegations have been made by individuals that we believe have no merit.
9. The Klamath County, Oregon has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
10. The following have been properly recorded or disclosed in the financial statements:
 - a. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Klamath County, Oregon is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.


11. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 (FAS-5), *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FAS-5.
12. The Klamath County, Oregon has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
13. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We represent to you the following regarding the financial statements for Klamath County, Oregon:
 - a. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
 - b. All funds and activities are properly classified.
 - c. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
 - d. All net assets component and fund balance reserves and designations have been properly reported.
 - e. All revenues within the statement of activities have been properly classified as program revenues or general revenues.
 - f. All interfund and intra-entity transactions and balances have been properly classified and reported.
 - g. Special items and extraordinary items have been properly classified and reported.
 - h. Deposit and investment risks have been properly and fully disclosed.
 - i. All required supplementary information is measured and presented within the prescribed guidelines.
 - j. With regard to investments and other instruments reported at fair value:
 - (1) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - (2) The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - (3) The disclosures related to fair values are complete, adequate, and in conformity with GAAP.
 - (4) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
15. We agree with the findings of specialists in evaluating the post-employment healthcare plan and have adequately considered the qualifications fo the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
16. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
17. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
18. The County has complied with Title 40 of the Code of Federal Regulations, paragraph 258.74 pertaining to the County's procedures regarding financial assurance in connection with the closure and post-closure care activities regarding County landfills.
19. With respect to the federal awards, we represent the following to you:
 - a. We are responsible for complying with and have complied with the requirements of Circular A-133.

- b. We have, in accordance with Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program, and we have complied, in all material respects, with these requirements.
- d. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- e. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- f. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- g. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- h. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- i. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the U.S. Office of Management and Budget Circular A-87, Cost Principles for State, Local, and Tribal Governments, and the U.S. Office of Management and Budget's, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- j. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- k. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- l. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- m. We have properly identified and separately accounted for all awards and expenditures of ARRA funds.
- n. We have properly identified and separately presented in the Schedule of Expenditures of Federal Awards and Data Collection Form all expenditures involving ARRA funds.
- o. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- p. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by Circular A-133, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- q. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.

- r. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.


To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

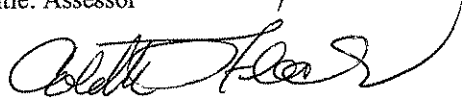
Signed: 
Title: Chief Financial Officer

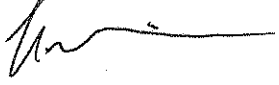
Signed: 
Title: Treasurer

Signed: 
Title: Community Development Director

Signed: 
Title: Public Works Director
with regard to Road Funds only

Signed: 
Title: Assessor



Signed: 
Title: Sheriff

Signed:
Title: Mental Health Director

Client: **51079 - Klamath County, Oregon**
Engagement: **AUD10 - Klamath County**
Period Ending: **6/30/2010**
Trial Balance: **T B**
Workpaper: **3720 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
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Reclassifying Journal Entries JE # 329 **3770.329**

JE329 To adjust FA for PY.

951-711-16000	Land		222,600.00	
951-711-16004	Mach & Equip - Accum Depreciation		317,576.00	
951-711-16005	Vehicles		22,814.00	
951-711-30100	Invested - Assets Net of Debt		797,446.00	
951-711-16001	Building and Improvements			222,600.00
951-711-16002	Building & Improvements - Accum Depreciation			672,240.00
951-711-16003	Machinery and Equipment			440,183.00
951-711-16006	Vehicles - Accum Depreciation			25,413.00
Total			<u>1,360,436.00</u>	<u>1,360,436.00</u>

Reclassifying Journal Entries JE # 338 **3770.338**

JE338 to move S&R additions and deletions from Fund 100 to Fund 700.

100-211-212-36332	Trans - Equip Reserve		23,398.00	
700-211-212-88000	Vehicles - Other		23,398.00	
100-211-212-88000	Vehicles - Other			23,398.00
700-211-212-36332	Transer In - Equip Reserve			23,398.00
Total			<u>46,796.00</u>	<u>46,796.00</u>

Reclassifying Journal Entries JE # 358 **3770.358**

To correct FA beginning balances.

150-16003	Machinery and Equipment		108,677.00	
520-16001	Building & Improvements		46,362.00	
520-16005	Vehicles		566,185.00	
520-30100	Invested - Assets Net of Debt		248,218.00	
521-16005	Vehicles		33,365.00	
530-16001	Buildings & Improvements		29,011.00	
530-16005	Vehicles		81,551.00	
530-30100	Invested - Assets Net of Debt		400.00	
950-000-16001	Building and Improvements		9,558,663.00	
950-000-16006	Accumulated Depreciation - Vehicles		267,257.00	
950-170-173-30100	Invested - Assets Net of Debt		11,297.00	
950-170-174-16004	Accumulated Depreciation - Machinery & Equip		25,648.00	
950-175-281-16002	Accumulated Depreciation - Bldg & Improvements		25,000.00	
950-175-281-16006	Accumulated Depreciation - Vehicles		48,612.00	
950-189-30100	Invested - Assets Net of Debt		307.00	
950-211-215-16003	Machinery & Equipment		56,174.00	
950-211-215-16005	Vehicles		12,545.00	
950-260-262-30100	Invested - Assets Net of Debt		105,339.00	
950-310-15500	Construction in Progress		131,231.00	
950-310-30100	Invested - Assets Net of Debt		823,875.00	
950-310-30100	Invested - Assets Net of Debt		8,823,578.00	
950-310-313-16007	Infrastructure		157,902.00	
950-413-30100	Invested - Assets Net of Debt		7,080.00	
950-440-16003	Machinery and Equipment		3,012.00	
950-451-101-30100	Invested - Assets Net of Debt		102,485.00	
950-451-466-16004	Accumulated Depreciation - Machinery & Equip		101,546.00	

950-552-553-30100	Invested - Assets Net of Debt	462,279.00	7/20/2011
950-570-572-16006	Accumulated Depreciation - Vehicles	25,960.00	10:20 AM
950-592-16003	Machinery & Equipment	113,624.00	
950-592-16006	Accumulated Depreciation - Vehicles	1,209.00	
950-592-30100	Invested - Assets Net of Debt	192,250.00	
950-593-16004	Accumulated Depreciation - Machinery & Equip	348,521.00	
950-760-30100	Invested - Assets Net of Debt	6,790.00	
150-16005	Vehicles		107,993.00
150-30100	Invested - Assets Net of Debt		684.00
520-16003	Machinery and Equipment		857,954.00
520-16004	Mach & Equip - Acc Depreciation		2,811.00
521-16003	Machinery and Equipment		27,815.00
521-30100	Invested - Assets Net of Debt		5,550.00
530-16003	Machinery and Equipment		110,562.00
530-16004	Mach & Equip - Acc Depreciation		400.00
950-000-16002	Accumulated Depreciation - Bldg & Improvements		256,515.00
950-000-30100	Invested - Assets Net of Debt		9,569,405.00
950-170-173-16003	Machinery and Equipment		700.00
950-170-173-16004	Accumulated Depreciation - Machinery & Equip		10,597.00
950-170-174-16006	Accumulated Depreciation - Vehicles		25,448.00
950-170-174-30100	Invested - Assets Net of Debt		200.00
950-175-281-16004	Accumulated Depreciation - Machinery & Equip		73,612.00
950-189-16004	Accumulated Depreciation - Machinery & Equip		307.00
950-211-215-30100	Invested - Assets Net of Debt		68,719.00
950-260-262-16003	Machinery and Equipment		105,339.00
950-310-16001	Building and Improvements		7,314,320.00
950-310-16003	Machinery and Equipment		1,509,258.00
950-310-16007	Infrastructure		823,875.00
950-310-30100	Invested - Assets Net of Debt		131,231.00
950-310-313-30100	Invested - Assets Net of Debt		157,902.00
950-413-16003	Machinery and Equipment		7,080.00
950-440-30100	Invested - Assets Net of Debt		3,012.00
950-451-101-16002	Accumulated Depreciation - Bldg & Improvements		101,546.00
950-451-16001	Building and Improvements		939.00
950-451-466-30100	Invested - Assets Net of Debt		101,546.00
950-552-553-16001	Building and Improvements		362,327.00
950-552-553-16003	Machinery and Equipment		91,552.00
950-552-553-16005	Vehicles		8,400.00
950-570-572-16002	Accumulated Depreciation - Bldg & Improvements		1,200.00
950-570-572-16004	Accumulated Depreciation - Machinery & Equip		17,032.00
950-570-572-30100	Invested - Assets Net of Debt		7,728.00
950-592-16001	Building and Improvements		305,874.00
950-592-16004	Accumulated Depreciation - Machinery & Equip		1,209.00
950-593-16002	Accumulated Depreciation - Bldg & Improvements		348,521.00
950-760-16003	Machinery and Equipment		6,790.00
Total		<u>22,525,953.00</u>	<u>22,525,953.00</u>

Reclassifying Journal Entries JE # 1001

3770.333

JE333 To reclass capital outlay.

100-000-44670	Equipment	124,627.10
100-000-44996	Hardware/Software Maintenance	39,438.00
100-000-88070	Office Equipment	28,755.00
100-000-88170	Facilities Improvement	9,931.00
100-000-88360	Equipment	124,119.00
100-000-88371	Construction Costs	184,035.00
100-000-88760	Computer Equipment	40,521.00
100-000-88765	Computer Software	82,644.00
100-211-101-88360	Vehicles - Other	7,000.00
100-211-212-44260	Vehicle Maintenance & Repair	8,675.00

100-271-44670	Equipment	13,397.00	7/20/2011
100-592-88340	Building & Improvements	25,000.00	10:20 AM
150-151-105-44670	Equipment	8,637.00	
212-413-44670	Equipment	1,197.00	
230-310-311-44104	Miscellaneous	808.26	
230-310-311-44670	Equipment	22,062.76	
230-310-311-45730	Auto & Heavy Equipment PRT	1,366.40	
230-310-311-88000	Vehicles - Other	99,706.00	
230-310-311-88900	Heavy Equipment	609,658.00	
315-310-314-44340	Contract Maintenance	150,000.00	
421-310-315-46070	Public Road Maintenance and Repair	12,327.95	
421-310-315-88896	Public Road Mtc & Repair	2,819.05	
438-580-99027	Trans - Community Development	11,804.00	
438-580-99040	Trans - General Fund	7,000.00	
438-580-99040	Trans - General Fund	8,675.00	
438-580-99040	Trans - General Fund	23,398.00	
438-580-99040	Trans - General Fund	634,070.10	
438-580-99130	Trans - Mental Health	29,352.00	
438-580-99170	Trans - Road Dept.	99,706.00	
438-580-99241	Trans - Community Corrections	28,952.00	
438-580-99461	Trans - Space Rent	23,878.00	
439-585-44270	Bldg Maintenance & Repair	49,251.00	
439-585-44670	Equipment	5,850.00	
439-585-88000	Vehicles - Other	23,878.00	
439-585-99038	Trans - Museum	27,380.38	
439-585-99040	Trans - General Fund	25,000.00	
520-510-511-44300	Equip Maintenance & Repair	6,170.04	
520-510-511-44320	Grounds Maintenance & Repair	16,282.50	
603-260-262-88070	Office Equipment	11,804.00	
603-260-264-46780	Nuisance Abatement	680.00	
605-552-553-88170	Facilities Improvement	27,380.38	
613-175-281-44300	Equip Maintenance & Repair	5,107.67	
613-175-281-88000	Vehicles - Other	28,952.00	
613-175-282-44320	Grounds Maintenance & Repair	985.00	
613-175-283-44300	Equip Maintenance & Repair	9,767.51	
613-175-283-44320	Grounds Maintenance & Repair	1,584.45	
720-440-101-44670	Equipment	799.10	
730-451-101-44270	Bldg Maintenance & Repair	1,250.00	
730-451-101-44283	Computer Maintenance	5,520.00	
730-451-101-44670	Equipment	699.99	
730-451-470-44260	Vehicle Maintenance & Repair	2,344.00	
730-451-470-88000	Vehicles Other	29,352.00	
740-593-44260	Vehicle Maintenance & Repair	3,150.00	
740-593-44270	Bldg Maintenance & Repair	22,994.72	
740-593-44300	Equip Maintenance & Repair	10,675.00	
740-593-44320	Grounds Maintenance & Repair	20,756.04	
100-000-36332	Trans - Equipment Reserve		634,070.10
100-211-101-36332	Trans - Equip Reserve		7,000.00
100-211-212-36332	Trans - Equip Reserve		8,675.00
100-271-88190	Communications Equipment		13,397.00
100-592-36080	Trans - Space Rent		25,000.00
150-151-105-88760	Computer Equipment		8,637.00
212-413-88760	Computer Equipment		1,197.00
230-310-311-33131	ODOT Partnering		611,024.40
230-310-311-36332	Trans - Equip Reserve		99,706.00
230-310-311-88190	Communications Equipment		18,536.36
230-310-311-88220	Rights of Way		742.26
230-310-311-88250	Railroad Crossing&Traffic Signal		66.00
230-310-311-88360	Equipment		3,526.40
315-310-314-88095	Street Maintenance		150,000.00
421-310-315-88890	Bridge Construction		9,828.00

421-310-315-88891	Road Dept Building	720,200.00	
421-310-315-88939	RD - New Projects	12,500.00	
438-580-88000	Vehicles Other	213,960.50	
438-580-88070	Office Equipment	28,755.39	
438-580-88170	Facilities Improvement	9,930.60	
438-580-88360	Equipment	124,119.14	
438-580-88371	Construction Costs	184,034.90	
438-580-88760	Computer Equipment	183,952.18	
438-580-88765	Computer Software	122,082.39	
439-585-36332	Trans - Equip Reserve	23,878.00	
439-585-88170	Facilities Improvement	25,000.00	
439-585-88170	Facilities Improvement	27,380.38	
439-585-88170	Facilities Improvement	49,251.00	
439-585-88360	Equipment	5,850.00	
520-510-511-88140	Grounds Improvement	16,282.50	
520-510-511-88360	Equipment	6,170.04	
603-260-262-36332	Trans - Equip Reserve	11,804.00	
603-260-264-88141	Abatement	680.00	
605-552-553-36080	Trans - Space Rent	27,380.38	
613-175-281-36332	Trans - Equip Reserve	28,952.00	
613-175-281-88075	Office Equipment Lake Co	5,107.67	
613-175-282-88170	Facilities Improvement	985.00	
613-175-283-88070	Office Equipment	9,767.51	
613-175-283-88170	Facilities Improvement	1,584.45	
720-440-101-88070	Office Equipment	799.10	
730-451-101-88070	Office Equipment	699.99	
730-451-101-88170	Facilities Improvement	1,250.00	
730-451-101-88765	Computer Software	5,520.00	
730-451-470-36332	Trans - Equip Reserve	29,352.00	
730-451-470-88000	Vehicles Other	2,344.00	
740-593-88000	Vehicles Other	3,150.00	
740-593-88140	Grounds Improvement	18,556.56	
740-593-88290	Fencing	2,199.48	
740-593-88340	Bldg Improvement	22,994.72	
740-593-88360	Equipment	9,675.00	
740-593-88760	Computer Equipment	1,000.00	
Total		2,801,173.40	2,801,173.40

Reclassifying Journal Entries JE # 2000

To record FA that was not on TB. Recorded amount from PY audit.

150-16005	Vehicles	107,993.00	
150-16003	Machinery and Equipment		107,993.00
Total		107,993.00	107,993.00

Reclassifying Journal Entries JE # 2001

To reclass Interfund AR out of AR.

226-12011	Due from other funds	28,043.90	
226-12000	Accounts Receivable		28,043.90
Total		28,043.90	28,043.90

Reclassifying Journal Entries JE # 2002

5127

To remove interfund payables from accounts payable.

100-12011	Due from Other Funds	109,295.60	
613-21100	Accounts Payable	109,295.60	
100-12000	Accounts Receivable		109,295.60
613-21900	Interfund Loan Payable		109,295.60
Total		218,591.20	218,591.20

Reclassifying Journal Entries JE # 2003

5127

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To remove interfunds out of AP.

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285-21100	Accounts Payable	79,617.84	
613-12011	Due from Other Funds	79,617.84	
285-21900	Interfund Loan Payable		79,617.84
613-12000	Accounts Receivable		79,617.84
Total		<u>159,235.68</u>	<u>159,235.68</u>

Reclassifying Journal Entries JE # 2004

To reclass negative cash balances to book overdraft.

120-11000_900	Cash, Equity in Investments	2,363.65	
245-11000_900	Cash, Equity in Investments	84,215.34	
521-11000_900	Cash, Equity in Investments	1,523.56	
610-11000_900	Cash, Equity in Investments	15,987.25	
700-11000_900	Cash, Equity in Investments	8,098.71	
720-11000_900	Cash, Equity in Investments	153,231.15	
120-29999	Book Overdraft		2,363.65
245-29999	Book Overdraft		84,215.34
521-29999	Book Overdraft		1,523.56
610-29999	Book Overdraft		15,987.25
700-29999	Book Overdraft		8,098.71
720-29999	Book Overdraft		153,231.15
Total		<u>265,419.66</u>	<u>265,419.66</u>

Reclassifying Journal Entries JE # 2005

3770.333

To correct error in aje 1001

438-580-44104	Miscellaneous	23,398.00	
438-580-99040	Trans - General Fund		23,398.00
Total		<u>23,398.00</u>	<u>23,398.00</u>

Client: **51079 - Klamath County, Oregon**
Engagement: **AUD10 - Klamath County**
Period Ending: **6/30/2010**
Trial Balance: **T B**
Workpaper: **3730 - GASB 34 Entries Report**

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Account	Description	W/P Ref	Debit	Credit
GASB 34 Entries JE # 330		3770.330		
JE330 To record CY FA. Was a PJE approved to be recorded as AJE.				
9287-711-99981	Unappropriated Fund Balance		374,591.02	
951-711-16001	Building and Improvements		344,834.02	
951-711-16001	Building and Improvements		651,087.00	
951-711-16003	Machinery and Equipment		29,757.00	
9287-711-88340	Bldg Improvement			374,591.02
951-711-15500	Construction in Progress			651,087.00
951-711-30100	Invested - Assets Net of Debt			374,591.02
Total			<u>1,400,269.04</u>	<u>1,400,269.04</u>
GASB 34 Entries JE # 332		3770.332		
JE332 To record deferred property tax and depreciation expense from Library audit.				
9187-21510	Deferred Revenue - Taxes		221,423.77	
9187-711-31100	Property Taxes - Current		134,515.00	
9187-711-61000	Depreciation Expense		64,937.00	
9187-711-99981	Unappropriated Fund Balance		86,908.77	
951-711-30100	Invested - Assets Net of Debt		64,937.00	
9187-30600	Fund Balance - Unassigned			221,423.77
9187-711-31100	Property Taxes - Current			221,423.77
9187-711-99981	Unappropriated Fund Balance			64,937.00
951-711-16002	Building & Improvements - Accum Depreciation			63,523.00
951-711-16004	Mach & Equip - Accum Depreciation			1,414.00
Total			<u>572,721.54</u>	<u>572,721.54</u>
GASB 34 Entries JE # 364		3770.364		
To record radio fund FA.				
9345-211-218-16003	Machinery & Equip		2,463,215.00	
9345-211-218-89100	Depreciation Expense		348,463.00	
9345-211-218-16004	Accumulated Deprec - Mach & Equip			536,633.00
9345-211-218-30100	Invested - Assets Net of Debt			1,926,582.00
9345-211-218-99981	Unappropriated Fund Balance			348,463.00
Total			<u>2,811,678.00</u>	<u>2,811,678.00</u>
GASB 34 Entries JE # 365		3770.365		
To remove BLM FA from the Drainage District.				
9140-16008	Infrastructure - Acc Depreciation		515,142.00	
9140-30100	Invested - Assets Net of Debt		6,210,214.00	
9140-16007	Infrastructure			6,725,356.00
Total			<u>6,725,356.00</u>	<u>6,725,356.00</u>
GASB 34 Entries JE # 1000				
To adjust for debt service payments for GW presentation.				
960-30100	Invested - Assets Net of Debt		2,052,816.56	
340-325-99940	Bond Principal			1,440,000.00
350-325-99940	Bond Principal			600,000.00
730-451-473-99910	Note Payable Principal			6,408.28
960-451-473-99970	Government-Wide Reporting Adjustment			6,408.28
Total			<u>2,052,816.56</u>	<u>2,052,816.56</u>

Client: **51079 - Klamath County, Oregon**
Engagement: **AUD10 - Klamath County**
Period Ending: **6/30/2010**
Trial Balance: **T B**
Workpaper: **3730 - GASB 34 Entries Report**

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Account	Description	W/P Ref	Debit	Credit
GASB 34 Entries JE # 1002		3770.336		
JE336 To record FA additions and deletions.				
100-000-99981	Unappropriated Fund Balance		470,005.00	
100-211-101-99981	Unappropriated Fund Balance		7,000.00	
100-271-99981	Unappropriated Fund Balance		17,649.00	
100-592-99981	Unappropriated Fund Balance		25,000.00	
150-151-104-99981	Unappropriated Fund Balance		128,095.19	
150-151-105-99981	Unappropriated Fund Balance		11,500.02	
150-16003	Machinery and Equipment		139,595.21	
150-30100	Invested - Assets Net of Debt		213,684.11	
230-310-311-99981	Unappropriated Fund Balance		1,033,969.11	
230-310-312-99981	Unappropriated Fund Balance		403,037.35	
240-310-313-99981	Unappropriated Fund Balance		157,901.59	
421-310-315-99981	Unappropriated Fund Balance		9,283,013.60	
439-585-99981	Unappropriated Fund Balance		23,878.00	
520-16004	Mach & Equip - Acc Depreciation		2,811.00	
530-16004	Mach & Equip - Acc Depreciation		2,519.00	
603-260-262-99981	Unappropriated Fund Balance		11,804.00	
605-552-553-99981	Unappropriated Fund Balance		27,380.00	
613-175-281-99981	Unappropriated Fund Balance		28,952.00	
730-451-101-99981	Unappropriated Fund Balance		359,873.62	
730-451-466-99981	Unappropriated Fund Balance		12,152.89	
730-451-470-99981	Unappropriated Fund Balance		67,293.00	
740-593-99981	Unappropriated Fund Balance		9,000.00	
950-000-16001	Building and Improvements		193,966.00	
950-000-16003	Machinery and Equipment		276,039.00	
950-112-30100	Invested - Assets Net of Debt		13,729.00	
950-113-30100	Invested - Assets Net of Debt		2,817.20	
950-161-30100	Invested - Assets Net of Debt		812.00	
950-162-30100	Invested - Assets Net of Debt		13,960.00	
950-169-30100	Invested - Assets Net of Debt		1,556.00	
950-170-171-30100	Invested - Assets Net of Debt		26,474.95	
950-170-173-30100	Invested - Assets Net of Debt		5,419.00	
950-170-174-30100	Invested - Assets Net of Debt		200.00	
950-175-16005	Vehicles		28,952.00	
950-175-30100	Invested - Assets Net of Debt		19,904.94	
950-211-101-16003	Machinery and Equipment		7,000.00	
950-211-101-30100	Invested - Assets Net of Debt		123,825.98	
950-211-217-16005	Vehicles		23,398.00	
950-230-30100	Invested - Assets Net of Debt		7,393.00	
950-231-30100	Invested - Assets Net of Debt		9,333.00	
950-251-30100	Invested - Assets Net of Debt		25,017.00	
950-260-261-30100	Invested - Assets Net of Debt		161.00	
950-260-262-16003	Machinery and Equipment		11,804.00	
950-260-262-30100	Invested - Assets Net of Debt		23,897.00	
950-260-266-30100	Invested - Assets Net of Debt		7,430.00	
950-271-16003	Machinery and Equipment		17,649.00	
950-310-15500	Construction in Progress		9,151,782.49	
950-310-16001	Building and Improvements		221,374.00	
950-310-16003	Machinery and Equipment		581,184.01	
950-310-16005	Vehicles		99,706.00	
950-310-16007	Infrastructure		823,875.15	
950-413-30100	Invested - Assets Net of Debt		1,157.80	

Client: **51079 - Klamath County, Oregon**
Engagement: **AUD10 - Klamath County**
Period Ending: **6/30/2010**
Trial Balance: **T B**
Workpaper: **3730 - GASB 34 Entries Report**

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Account	Description	W/P Ref	Debit	Credit
950-440-30100	Invested - Assets Net of Debt		26,529.00	
950-451-16001	Building and Improvements		359,873.62	
950-451-16003	Machinery and Equipment		12,152.89	
950-451-16005	Vehicles		67,293.00	
950-552-553-16001	Building and Improvements		27,380.00	
950-585-16005	Vehicles		23,878.00	
950-592-16001	Building and Improvements		25,000.00	
950-592-30100	Invested - Assets Net of Debt		1,500.00	
950-593-16003	Machinery and Equipment		9,000.00	
950-712-30100	Invested - Assets Net of Debt		2,141.00	
950-770-30100	Invested - Assets Net of Debt		195.00	
950-780-30100	Invested - Assets Net of Debt		879.00	
100-000-88070	Office Equipment			28,755.00
100-000-88170	Facilities Improvement			9,931.00
100-000-88360	Equipment			124,119.00
100-000-88371	Construction Costs			184,035.00
100-000-88760	Computer Equipment			40,521.00
100-000-88765	Computer Software			82,644.00
100-211-101-88360	Vehicles - Other			7,000.00
100-271-88190	Communications Equipment			17,649.00
100-592-88340	Building & Improvements			25,000.00
150-151-104-88765	Computer Software			128,095.19
150-151-105-88760	Computer Equipment			11,500.02
150-16003	Machinery and Equipment			353,279.32
230-310-311-88000	Vehicles - Other			99,706.00
230-310-311-88070	Office Equipment			12,835.89
230-310-311-88220	Rights of Way			221,374.00
230-310-311-88900	Heavy Equipment			547,478.12
230-310-311-88948	Sprague River Bridge			131,705.10
230-310-311-88970	Survey Equipment			20,870.00
230-310-312-88931	Patterson Street			17,020.41
230-310-312-88932	Foothills Boulevard			15,227.42
230-310-312-88933	Summers Lane			20,722.05
230-310-312-88936	Pepperwood Drive			138,953.82
230-310-312-88937	Myrtlewood Drive			202,229.00
230-310-312-88938	Loosley Road			8,884.65
240-310-313-88350	Bike Ways Construction			157,901.59
421-310-315-88890	Bridge Construction			131,231.11
421-310-315-88891	Road Dept Building			9,151,782.49
439-585-88000	Vehicles - Other			23,878.00
520-16003	Machinery and Equipment			2,811.00
530-16003	Machinery and Equipment			2,519.00
603-260-262-88070	Office Equipment			11,804.00
605-552-553-88170	Facilities Improvement			27,380.00
613-175-281-88000	Vehicles - Other			28,952.00
730-451-101-88371	Construction Costs			359,873.62
730-451-466-88070	Office Equipment			12,152.89
730-451-470-88000	Vehicles Other			67,293.00
740-593-88360	Equipment			9,000.00
950-000-16003	Machinery and Equipment			3,246.00
950-000-30100	Invested - Assets Net of Debt			466,759.00
950-112-16003	Machinery and Equipment			13,729.00
950-113-16003	Machinery and Equipment			2,817.20
950-161-16003	Machinery and Equipment			812.00
950-162-16003	Machinery and Equipment			13,960.00

Client: **51079 - Klamath County, Oregon**
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Account	Description	W/P Ref	Debit	Credit
950-169-16003	Machinery and Equipment			1,556.00
950-170-171-16003	Machinery and Equipment			26,474.95
950-170-173-16003	Machinery and Equipment			5,419.00
950-170-174-16003	Machinery and Equipment			200.00
950-175-16003	Machinery and Equipment			26,042.94
950-175-16005	Vehicles			22,814.00
950-211-101-16003	Machinery and Equipment			104,038.98
950-211-101-16005	Vehicles			26,787.00
950-211-217-16003	Machinery and Equipment			968.00
950-211-217-16005	Vehicles			20,500.00
950-211-217-30100	Invested - Assets Net of Debt			1,930.00
950-230-16003	Machinery and Equipment			7,393.00
950-231-16001	Building and Improvements			9,333.00
950-251-16003	Machinery and Equipment			6,047.00
950-251-16005	Vehicles			18,970.00
950-260-261-16003	Machinery and Equipment			161.00
950-260-262-16003	Machinery and Equipment			12,701.00
950-260-262-16005	Vehicles			23,000.00
950-260-266-16003	Machinery and Equipment			7,430.00
950-271-30100	Invested - Assets Net of Debt			17,649.00
950-310-16003	Machinery and Equipment			368,761.20
950-310-16005	Vehicles			142,905.00
950-310-16007	Infrastructure			95,767.00
950-310-30100	Invested - Assets Net of Debt			10,270,488.45
950-413-16003	Machinery and Equipment			1,157.80
950-440-16003	Machinery and Equipment			26,529.00
950-451-16003	Machinery and Equipment			55,721.95
950-451-30100	Invested - Assets Net of Debt			383,597.56
950-552-553-16003	Machinery and Equipment			4,327.00
950-552-553-30100	Invested - Assets Net of Debt			23,053.00
950-585-16003	Machinery and Equipment			5,761.00
950-585-16005	Vehicles			17,649.00
950-585-30100	Invested - Assets Net of Debt			468.00
950-592-16001	Building and Improvements			26,500.00
950-593-16003	Machinery and Equipment			3,100.00
950-593-30100	Invested - Assets Net of Debt			5,900.00
950-712-16003	Machinery and Equipment			2,141.00
950-770-16003	Machinery and Equipment			195.00
950-780-16003	Machinery and Equipment			879.00
Total			<u>24,711,752.72</u>	<u>24,711,752.72</u>

GASB 34 Entries JE # 1003

3770.337

JE337 To correct rounding issues with capital outlay accounts.

605-552-553-36330	Trans - General Fund		0.38	
730-451-470-88000	Vehicles Other		0.50	
740-593-88360	Equipment		0.30	
605-552-553-88170	Facilities Improvement			0.38
730-451-470-44260	Vehicle Maintenance & Repair			0.50
740-593-44300	Equip Maintenance & Repair			0.30
Total			<u>1.18</u>	<u>1.18</u>

GASB 34 Entries JE # 1004

3770.338

JE338 To correct JE336.

Client: **51079 - Klamath County, Oregon**
 Engagement: **AUD10 - Klamath County**
 Period Ending: **6/30/2010**
 Trial Balance: **T B**
 Workpaper: **3730 - GASB 34 Entries Report**

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Account	Description	W/P Ref	Debit	Credit
100-211-212-88000	Vehicles - Other		23,398.00	
700-211-212-99981	Fund Balance - Unappropriated		23,398.00	
100-211-212-99981	Unappropriated Fund Balance			23,398.00
700-211-212-88000	Vehicles - Other			23,398.00
Total			46,796.00	46,796.00

GASB 34 Entries JE # 1005 **1208**

To eliminate IFS internal profit.

99910	GW Equity Lookback Adjustment - Gov		819,027.00	
99913	GW Due From Others Lookback Adjustment		19,081.05	
99901	GW General Government Lookback Adjustment			169,383.90
99902	GW Public Safety Lookback Adjustment			313,886.17
99903	GW Public Works Lookback Adjustment			90,301.16
99904	GW Human Service Lookback Adjustment			85,088.01
99905	GW Community Services Lookback Adjustment			87,689.39
99906	GW Community Development Lookback Adjustment			37,574.31
99907	GW Agriculture Lookback Adjustment			16,023.01
99908	GW Solid Waste Lookback Adjustment			14,807.15
99909	GW Weed Control Lookback Adjustment			4,273.90
99912	GW Due to Others Lookback Adjustment			19,081.05
Total			838,108.05	838,108.05

GASB 34 Entries JE # 1006 **3770.339**

JE339 To record depreciation expense for the year.

100-000-89100	Depreciation Expense		706,370.00	
100-592-89100	Depreciation Expense		3,725.00	
120-170-171-89100	Depreciation Expense		453.00	
150-151-104-89100	Depreciation Expense		23,386.00	
150-151-105-89100	Depreciation Expense		2,097.00	
150-16004	Mach & Equip - Acc Depreciation		486,557.00	
150-30100	Invested - Assets Net of Debt		25,483.00	
220-230-89100	Depreciation Expense		788.00	
222-170-174-89100	Depreciation Expense		986.00	
230-310-311-89100	Depreciation Expense		6,885,707.00	
230-310-312-89100	Depreciation Expense		20,488.00	
240-310-313-89100	Depreciation Expense		1,579.00	
245-211-215-89100	Depreciation Expense		2,253.00	
421-310-315-89100	Depreciation Expense		438,924.00	
439-585-89100	Depreciation Expense		7,778.00	
465-570-572-89100	Depreciation Expense		5,213.00	
520-16004	Mach & Equip - Acc Depreciation		431,056.00	
520-30100	Invested - Assets Net of Debt		241,304.00	
520-510-511-89100	Depreciation Expense		241,304.00	
521-30100	Invested - Assets Net of Debt		10,123.00	
521-30100	Invested - Assets Net of Debt		45,010.00	
521-510-512-89100	Depreciation Expense		10,123.00	
530-16004	Mach & Equip - Acc Depreciation		134,031.00	
530-30100	Invested - Assets Net of Debt		15,526.00	
530-594-89100	Depreciation Expense		15,526.00	
603-260-261-89100	Depreciation Expense		14,842.00	
604-780-89100	Depreciation Expense		89.00	
605-552-553-89100	Depreciation Expense		756.00	
613-175-281-89100	Depreciation Expense		19,737.00	

Client: **51079 - Klamath County, Oregon**
Engagement: **AUD10 - Klamath County**
Period Ending: **6/30/2010**
Trial Balance: **T B**
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Account	Description	W/P Ref	Debit	Credit
640-770-89100	Depreciation Expense		183.00	
700-211-217-89100	Depreciation Expense		13,452.00	
710-251-89100	Depreciation Expense		2,898.00	
720-440-101-89100	Depreciation Expense		9,779.00	
730-451-101-89100	Depreciation Expense		98,629.00	
730-451-466-89100	Depreciation Expense		3,323.00	
730-451-470-89100	Depreciation Expense		18,460.00	
740-593-89100	Depreciation Expense		202,132.00	
760-712-89100	Depreciation Expense		2,289.00	
950-000-30100	Invested - Assets Net of Debt		706,370.00	
950-000-30100	Invested - Assets Net of Debt		9,166,560.00	
950-170-171-30100	Invested - Assets Net of Debt		453.00	
950-170-171-30100	Invested - Assets Net of Debt		10,144.00	
950-170-174-30100	Invested - Assets Net of Debt		986.00	
950-170-174-30100	Invested - Assets Net of Debt		29,144.00	
950-175-30100	Invested - Assets Net of Debt		19,737.00	
950-175-30100	Invested - Assets Net of Debt		389,467.00	
950-211-215-30100	Invested - Assets Net of Debt		2,253.00	
950-211-215-30100	Invested - Assets Net of Debt		39,892.00	
950-211-217-30100	Invested - Assets Net of Debt		13,452.00	
950-211-217-30100	Invested - Assets Net of Debt		98,419.00	
950-230-30100	Invested - Assets Net of Debt		788.00	
950-230-30100	Invested - Assets Net of Debt		19,046.00	
950-251-30100	Invested - Assets Net of Debt		2,898.00	
950-251-30100	Invested - Assets Net of Debt		53,342.00	
950-260-261-30100	Invested - Assets Net of Debt		14,842.00	
950-260-261-30100	Invested - Assets Net of Debt		364,838.00	
950-310-30100	Invested - Assets Net of Debt		7,346,698.00	
950-310-30100	Invested - Assets Net of Debt		144,482,610.00	
950-440-30100	Invested - Assets Net of Debt		9,779.00	
950-440-30100	Invested - Assets Net of Debt		252,686.00	
950-451-30100	Invested - Assets Net of Debt		120,412.00	
950-451-30100	Invested - Assets Net of Debt		2,326,930.00	
950-552-553-30100	Invested - Assets Net of Debt		756.00	
950-570-572-30100	Invested - Assets Net of Debt		5,213.00	
950-570-572-30100	Invested - Assets Net of Debt		77,599.00	
950-585-30100	Invested - Assets Net of Debt		7,778.00	
950-585-30100	Invested - Assets Net of Debt		194,257.00	
950-592-30100	Invested - Assets Net of Debt		3,725.00	
950-592-30100	Invested - Assets Net of Debt		87,813.00	
950-593-30100	Invested - Assets Net of Debt		202,132.00	
950-593-30100	Invested - Assets Net of Debt		3,672,444.00	
950-712-30100	Invested - Assets Net of Debt		2,289.00	
950-712-30100	Invested - Assets Net of Debt		68,527.00	
950-770-30100	Invested - Assets Net of Debt		183.00	
950-770-30100	Invested - Assets Net of Debt		3,171.00	
950-780-30100	Invested - Assets Net of Debt		89.00	
950-780-30100	Invested - Assets Net of Debt		2,426.00	
100-000-99981	Unappropriated Fund Balance			706,370.00
100-592-99981	Unappropriated Fund Balance			3,725.00
120-170-171-99981	Unappropriated Fund Balance			453.00
150-151-104-99981	Unappropriated Fund Balance			23,386.00
150-151-105-99981	Unappropriated Fund Balance			2,097.00
150-16004	Mach & Equip - Acc Depreciation			25,483.00
150-30100	Invested - Assets Net of Debt			486,557.00

Client: **51079 - Klamath County, Oregon**
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Account	Description	W/P Ref	Debit	Credit
220-230-99981	Unappropriated Fund Balance			788.00
222-170-174-99981	Unappropriated Fund Balance			986.00
230-310-311-99981	Unappropriated Fund Balance			6,885,707.00
230-310-312-99981	Unappropriated Fund Balance			20,488.00
240-310-313-99981	Unappropriated Fund Balance			1,579.00
245-211-215-99981	Unappropriated Fund Balance			2,253.00
421-310-315-99981	Unappropriated Fund Balance			438,924.00
439-585-99981	Unappropriated Fund Balance			7,778.00
465-570-572-99981	Unappropriated Fund Balance			5,213.00
520-16002	Accumulated Depreciation - Bldg & Improvement			3,933.00
520-16002	Accumulated Depreciation - Bldg & Improvement			42,429.00
520-16004	Mach & Equip - Acc Depreciation			48,212.00
520-16006	Accumulated Depreciation - Vehicles			189,159.00
520-16006	Accumulated Depreciation - Vehicles			377,026.00
520-30100	Invested - Assets Net of Debt			11,601.00
520-510-511-99981	Unappropriated Fund Balance			241,304.00
521-16004	Mach & Equip - Acc Depreciation			5,984.00
521-16004	Mach & Equip - Acc Depreciation			15,784.00
521-16006	Accumulated Depreciation - Vehicles			4,139.00
521-16006	Accumulated Depreciation - Vehicles			29,226.00
521-510-512-99981	Unappropriated Fund Balance			10,123.00
530-16002	Accumulated Depreciation - Bldg & Improvements			2,608.00
530-16002	Accumulated Depreciation - Bldg & Improvements			26,403.00
530-16004	Mach & Equip - Acc Depreciation			5,585.00
530-16006	Accumulated Depreciation - Vehicles			7,333.00
530-16006	Accumulated Depreciation - Vehicles			74,218.00
530-30100	Invested - Assets Net of Debt			33,410.00
530-594-99981	Unappropriated Fund Balance			15,526.00
603-260-261-99981	Unappropriated Fund Balance			14,842.00
604-780-99981	Unappropriated Fund Balance			89.00
605-552-553-99981	Unappropriated Fund Balance			756.00
613-175-281-99981	Unappropriated Fund Balance			19,737.00
640-770-99981	Unappropriated Fund Balance			183.00
700-211-217-99981	Unappropriated Fund Balance			13,452.00
710-251-99981	Unappropriated Fund Balance			2,898.00
720-440-101-99981	Unappropriated Fund Balance			9,779.00
730-451-101-99981	Unappropriated Fund Balance			98,629.00
730-451-466-99981	Unappropriated Fund Balance			3,323.00
730-451-470-99981	Unappropriated Fund Balance			18,460.00
740-593-99981	Unappropriated Fund Balance			202,132.00
760-712-99981	Unappropriated Fund Balance			2,289.00
950-000-16002	Accumulated Depreciation - Bldg & Improvements			208,990.00
950-000-16002	Accumulated Depreciation - Bldg & Improvements			6,373,139.00
950-000-16004	Accumulated Depreciation - Machinery & Equipment			497,380.00
950-000-16004	Accumulated Depreciation - Machinery & Equipment			1,717,988.00
950-000-16006	Accumulated Depreciation - Vehicles			1,075,433.00
950-170-171-16004	Accumulated Depreciation - Machinery & Equip			453.00
950-170-171-16004	Accumulated Depreciation - Machinery & Equip			10,144.00
950-170-174-16004	Accumulated Depreciation - Machinery & Equip			986.00
950-170-174-16004	Accumulated Depreciation - Machinery & Equip			29,144.00
950-175-281-16002	Accumulated Depreciation - Bldg & Improvements			1,204.00
950-175-281-16002	Accumulated Depreciation - Bldg & Improvements			23,796.00
950-175-281-16004	Accumulated Depreciation - Machinery & Equip			4,462.00
950-175-281-16004	Accumulated Depreciation - Machinery & Equip			88,007.00
950-175-281-16006	Accumulated Depreciation - Vehicles			14,071.00

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Account	Description	W/P Ref	Debit	Credit
950-175-281-16006	Accumulated Depreciation - Vehicles			277,664.00
950-211-215-16004	Accumulated Depreciation - Machinery & Equip			2,253.00
950-211-215-16004	Accumulated Depreciation - Machinery & Equip			27,347.00
950-211-215-16006	Accumulated Depreciation - Vehicles			12,545.00
950-211-217-16002	Accumulated Depreciation - Bldg & Improvements			1,346.00
950-211-217-16002	Accumulated Depreciation - Bldg & Improvements			9,854.00
950-211-217-16004	Accumulated Depreciation - Machinery & Equip			7,395.00
950-211-217-16004	Accumulated Depreciation - Machinery & Equip			31,776.00
950-211-217-16006	Accumulated Depreciation - Vehicles			4,711.00
950-211-217-16006	Accumulated Depreciation - Vehicles			56,789.00
950-230-16004	Accumulated Depreciation - Machinery & Equip			788.00
950-230-16004	Accumulated Depreciation - Machinery & Equip			19,046.00
950-251-16004	Accumulated Depreciation - Machinery & Equip			1,218.00
950-251-16004	Accumulated Depreciation - Machinery & Equip			22,422.00
950-251-16006	Accumulated Depreciation - Vehicles			1,680.00
950-251-16006	Accumulated Depreciation - Vehicles			30,920.00
950-260-261-16004	Accumulated Depreciation - Machinery & Equip			3,249.00
950-260-261-16004	Accumulated Depreciation - Machinery & Equip			79,834.00
950-260-261-16006	Accumulated Depreciation - Vehicles			11,593.00
950-260-261-16006	Accumulated Depreciation - Vehicles			285,004.00
950-310-16002	Accumulated Depreciation - Bldg & Improvements			20,847.00
950-310-16002	Accumulated Depreciation - Bldg & Improvements			403,107.00
950-310-16004	Accumulated Depreciation - Machinery & Equip			248,833.00
950-310-16004	Accumulated Depreciation - Machinery & Equip			4,811,538.00
950-310-16006	Accumulated Depreciation - Vehicles			242,532.00
950-310-16006	Accumulated Depreciation - Vehicles			4,689,714.00
950-310-16008	Accumulated Depreciation - Infrastructure			6,834,486.00
950-310-16008	Accumulated Depreciation - Infrastructure			134,578,251.00
950-440-101-16004	Accumulated Depreciation - Machinery & Equip			5,015.00
950-440-101-16004	Accumulated Depreciation - Machinery & Equip			129,564.00
950-440-101-16006	Accumulated Depreciation - Vehicles			4,764.00
950-440-101-16006	Accumulated Depreciation - Vehicles			123,122.00
950-451-101-16002	Accumulated Depreciation - Bldg & Improvements			98,629.00
950-451-101-16002	Accumulated Depreciation - Bldg & Improvements			1,592,809.00
950-451-466-16004	Accumulated Depreciation - Machinery & Equip			3,323.00
950-451-466-16004	Accumulated Depreciation - Machinery & Equip			402,864.00
950-451-470-16006	Accumulated Depreciation - Vehicles			18,460.00
950-451-470-16006	Accumulated Depreciation - Vehicles			331,257.00
950-552-553-16002	Accumulated Depreciation - Bldg & Improvements			756.00
950-570-572-16002	Accumulated Depreciation - Bldg & Improvements			176.00
950-570-572-16002	Accumulated Depreciation - Bldg & Improvements			2,624.00
950-570-572-16004	Accumulated Depreciation - Machinery & Equip			2,385.00
950-570-572-16004	Accumulated Depreciation - Machinery & Equip			35,498.00
950-570-572-16006	Accumulated Depreciation - Vehicles			2,652.00
950-570-572-16006	Accumulated Depreciation - Vehicles			39,477.00
950-585-16002	Accumulated Depreciation - Bldg & Improvements			943.00
950-585-16002	Accumulated Depreciation - Bldg & Improvements			23,557.00
950-585-16004	Accumulated Depreciation - Machinery & Equip			4,761.00
950-585-16004	Accumulated Depreciation - Machinery & Equip			49,091.00
950-585-16006	Accumulated Depreciation - Vehicles			2,074.00
950-585-16006	Accumulated Depreciation - Vehicles			121,609.00
950-592-16004	Accumulated Depreciation - Machinery & Equip			3,725.00
950-592-16004	Accumulated Depreciation - Machinery & Equip			86,604.00
950-592-16006	Accumulated Depreciation - Vehicles			1,209.00
950-593-16002	Accumulated Depreciation - Bldg & Improvements			123,543.00

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Account	Description	W/P Ref	Debit	Credit
950-593-16002	Accumulated Depreciation - Bldg & Improvements			2,244,667.00
950-593-16004	Accumulated Depreciation - Machinery & Equip			72,747.00
950-593-16004	Accumulated Depreciation - Machinery & Equip			1,321,336.00
950-593-16006	Accumulated Depreciation - Vehicles			5,842.00
950-593-16006	Accumulated Depreciation - Vehicles			106,441.00
950-712-16004	Accumulated Depreciation - Machinery & Equip			2,289.00
950-712-16004	Accumulated Depreciation - Machinery & Equip			68,527.00
950-770-16004	Accumulated Depreciation - Machinery & Equip			183.00
950-770-16004	Accumulated Depreciation - Machinery & Equip			3,171.00
950-780-16004	Accumulated Depreciation - Machinery & Equip			89.00
950-780-16004	Accumulated Depreciation - Machinery & Equip			2,426.00
Total			179,942,507.00	179,942,507.00

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To record deferred property tax.

100-21510	Deferred Revenue - Taxes		767,226.32	
212-21510	Deferred Revenue - Taxes		15,657.68	
340-21510	Deferred Revenue - Taxes		162,918.00	
350-21510	Deferred Revenue - Taxes		58,012.00	
100-000-31100	Property Taxes - Current			42,005.96
100-30600	Fund Balance - Unassigned			720,892.68
212-30600	Fund Balance - Unassigned			18,970.86
212-413-31100	Property Taxes - Current			1,105.42
340-30300	Fund Balance - Restricted			151,766.88
340-325-31100	Property Taxes - Current			8,843.36
350-30300	Fund Balance - Restricted			56,912.58
350-325-31100	Property Taxes - Current			3,316.26
Total			1,003,814.00	1,003,814.00