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Certified Public Accountants

Klamath County Employees' Pension Plan
305 main Street

Klamath Falls, OR 97601

Dear Commissioners:

In planning and performing our audit of the financial statements of Klamath County Employees' Pension Plan as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Klamath County Employees' Pension Plan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Klamath County Employees' Pension Plan's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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

Andrew E. Peterson

Klamath Falls, Oregon
July 15, 2011