BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR COLUMBIA COUNTY, OREGON

In the Matter of Responding to Issues Raised in the Fiscal Year 2001-2002 Audit Report	)))	RESOLUTION NO. 44-2003

WHEREAS, the fiscal year 2001-2002 audit report listed compliance and accountability issues in the audit comments and disclosures on page 98 of the annual report; and

WHEREAS, ORS 297.466 requires the governing body to adopt a resolution responding to such issues as raised in an audit; and

NOW, THEREFORE, IT IS RESOLVED as follows:

1. The Board of County Commissioners directs the Director of Finance to contact the banks to assure that the collateral coverage provisions for deposits will be met throughout the tax season; and

2. That for future bond financing supplemental budget procedures will be followed if necessary.

DATED in St. Helens, Oregon this 11th day of June, 2003.

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By: Joe Corsiglia
Chair

By: Rita M. Bernhard
Commissioner

By:
Commissioner

Approved as to form

By: John K. Knight
Office of County Counsel

RESOLUTION NO. 44-2003

COLUMBIA COUNTY

RUTH M. BAKER, DIRECTOR

DEPARTMENT OF FINANCE AND TAXATION

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ST. HELENS, OREGON 97051

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June 10, 2003

Mr. Philip L. Hopkins, CPA, Audit Administrator
Audit Division
255 Capitol Street NE, Suite 500
Salem, OR 97310

Dear Mr. Hopkins:

This letter is in response to your letter of April 2, 2003, concerning the deficiency in Columbia County's June 30, 2002, audit report. The deficiency was the audit comments (p.98) report on violation of collateral requirements for deposits and excess appropriations in violation of Local Budget Law.

As a result of these comments we have contacted the bank where the collateral requirements were insufficient and have requested an increase for the coming year.

The second item related to an unusual circumstance. The County elected to finance its unfunded actuarial liability regarding the PERS pension plan. This financing was done by an outside bond placement firm which paid the proceeds directly to PERS. We understood from discussions with our audit firm and with other entities that this process was handled correctly at the time. We do not plan on repeating this kind of bond financing in the near future. However, should it ever occur again we will make sure that a supplemental budget will be generated properly.

Sincerely,

Ruth M. Baker