



Tax Supervising & Conservation Commission

PO Box 8428
Portland, Oregon
97207-8428

Telephone: (503) 988-
3054

Fax: (503) 988-3053

E-Mail:
TSCC@multco.us

Web Site:
www.tscmultco.com

Commissioners

David Barringer, Chair
Brendan P. Watkins
Margo Norton
James Ofsink
Dr. Mark Wubbold

June 4, 2019

Ms. Michelle Vo
Board of Directors
Corbett School District No. 39
35800 E. Historic Columbia River Highway
Corbett, Oregon 97019

Chair Vo and the Board of Directors:

The Tax Supervising and Conservation Commission has completed its review and consideration of the 2019-20 Approved Budget for the Corbett School District No. 39. This review was undertaken pursuant to ORS 294.605-705.

The Commission has no objections to the budget as prepared but finds two deficiencies in the District's budget process.

1. Timely Filing of the Approved Budget with TSCC

The deadline for filing the Budget with TSCC is May 15. The district's budget was approved on May 8 and filed on May 16. Commissioners recommend closely monitoring the district calendar to ensure timely submittals of budget documents

2. Expenditures that exceed legal limits.

The audit for the year ending June 30, 2018 noted the following over-expenditures:

General Fund:

Instruction	\$262,482
Support Services	\$241,300
Food Service Fund	
Enterprise and Community Services	\$ 38,803

For a district of Corbett's size, the General Fund's over expenditures are an extreme and significant oversight. This is exacerbated by the district's history of overspending its legal appropriations. Only once in the past several years has the district stayed within its legal appropriations. While the TSCC recognizes that there has been a high turnover rate among finance staff, the Board and Superintendent must prioritize the hiring and retention of professional financial management staff. **This is essential for the sound management of the district.**

The Commission hereby certifies by a majority vote that it has no objection to the district's 2019-20 Approved Budget. This is not, however, without reservation. We strongly recommend that the Board require increased financial reporting and accountability through quarterly reports assessing budget-to-actual performance in order to increase the likelihood that the board can take preemptive action to amend the budget and/or manage the spending authority to stay within legal appropriations. Whether the district improves its financial accountability by continuing the services of the Multnomah ESD, by hiring a financial firm to review the unaudited financial statements during the year, by hiring professional staff with higher level financial skills, or by some combination of approaches, the board must pursue an effective strategy that produces improvement.

TSCC's Approved Budget recommendations must be addressed in writing in your 2019-2020 budget resolution. Please contact the Commission's staff if you need further assistance in meeting this requirement.

The budget estimates and levy amounts, as shown in the approved budget, were as follows:

Corbett School District	2019-20 Approved Budget		
	<u>Appropriated</u>	<u>Unappropriated</u>	<u>Total Budget</u>
General Fund	13,538,222	1,030,000	14,568,222
Food Services Fund	406,000	0	406,000
Energy Projects Fund	51,349	0	51,349
Federal Program Fund	312,257	0	312,257
Student Activity Fund	406,457	0	406,457
Capital Improvement Fund	869,006	0	869,006
Total	15,583,291	1,030,000	16,613,291

Tax Levy: General Fund - Permanent Rate \$ 4.5941 / \$1,000

Please file a complete copy of the adopted budget with the Commission no later than July 15, 2019.
If extra time is needed please request an extension in writing.

Yours truly,

TAX SUPERVISING & CONSERVATION COMMISSION

A handwritten signature in blue ink, appearing to read 'Craig L. Gibons', with a long horizontal line extending to the right.

Craig L. Gibons

Executive Director