



Auditing for a Better Oregon

February 8, 2005

Laurie Warner, Acting Director
Department of Administrative Services
155 Cottage St. NE
Salem, OR 97301

Dear Ms. Warner:

The statewide single audit that included selected financial accounts and federal awards at the Department of Administrative Services for the year ended June 30, 2004, has been completed.

This statewide single audit work is not a comprehensive audit of your agency. Instead, this audit permits us to give an opinion on the statewide financial statements contained in the State of Oregon's Comprehensive Annual Financial Report and to report on internal control and the state's compliance with laws and regulations. Regular audits of the Department of Administrative Services will continue on a periodic basis.

The following Department of Administrative Services accounts and transactions were audited to determine their fair presentation in accordance with generally accepted accounting principles in relation to the statewide financial statements.

<u>SFMA Account</u>	<u>Description</u>	<u>Audit Amount</u>
<u>Special Revenue – Educational Support Fund 1105</u>		
0070	Cash On Deposit – Treasury	81,861,536
1405	Transfers To Counties	32,769,772
<u>Special Revenue – Environmental Management Fund 1107</u>		
1302	Lottery Transfers In	(55,694,222)
<u>Special Revenue – Health And Social Services Fund 1108</u>		
0070	Cash On Deposit With Treasurer	106,447,228
<u>Special Revenue – Public Transportation Fund 1111</u>		
1405	Transfer To Counties	108,186,978
<u>Internal Service – Central Services Fund 5001</u>		
0075	Cash On Deposit – Suspense Account	121,058,410
<u>Government-Wide Reporting Fund 8500</u>		
1276	Bonds Payable – Current	(25,848,353)

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1714	Bonds Payable – Non-Current	(2,701,197,298)
1501	General Obligation Bonds	2,193,525,000
<u>State General Fund Agency 999</u>		
0065	Unreconciled Deposit	1,007,452
0070	Cash On Deposit With Treasurer	1,293,642,779
1540	Tax Anticipation Notes Payable	(741,680,000)

We determined whether the Department of Administrative Services substantially complied with the federal requirements relevant to the following federal program.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Audit Amount</u>
10.665	Schools and Roads Cluster	140,719,466

Based on our audit, we did not identify any reportable conditions related to the accounts and program audited. Should you have any questions, feel free to contact Mark Winter or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

KLO:bk
enclosures
cc: Bill Fink, Administrator, Operations Division
George Dunford, Internal Auditor