



Auditing for a Better Oregon

January 14, 2005

Deborah Lincoln, Director
Oregon Employment Department
875 Union Street NE
Salem, Oregon 97311

Dear Ms. Lincoln:

The statewide single audit that included selected financial accounts and federal awards at Oregon Employment Department 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 Oregon Employment Department will continue on a periodic basis.

The following Oregon Employment Department 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>GAAP Fund 4015 – Unemployment Compensation Fund</u>		
Account Number 0077	Cash – In Bank	\$976,757,220
Account Number 0240	Investments – Designated	\$194,460,000
Account Number 0245	Investment Valuation Account – Designated	\$8,468,027
Account Number 0410	Taxes Receivable – Current	\$201,271,164
Comptroller Object 0151	Employment Tax	\$721,841,316
Comptroller Object 0300	Federal Revenue	\$262,120,589
Comptroller Object 6800	Distribution to Individuals	\$1,082,910,391

Management Letter No. 471-2005-01-01

We determined whether the Oregon Employment Department substantially complied with the federal requirements relevant to the following federal programs.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Audit Amount</u>
17.225	Unemployment Insurance	\$1,172,573,474
93.575	Child Care Development Block Grant	\$7,738,956
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	\$918,682

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

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

KLO:brk

cc: Glen Gephart, Business Services Manager
Lorraine Odell, Internal Auditor
Laurie Warner, Acting Director, Department of Administrative Services