



Auditing for a Better Oregon

January 8, 2007

Lindsay Ball, Director
Department of Administrative Services
155 Cottage Street NE
Salem, Oregon 97310

Dear Mr. Ball:

The statewide single audit that included selected financial accounts at the Department of Administrative Services for the year ended June 30, 2006, 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>GAAP Fund</u>	<u>Comp Obj/GL</u>	<u>Description</u>	<u>Audit Amount</u>
0001	1853	Transfer out to OR University System	\$356,537,737.00
	0065	Unreconciled Deposits	\$5,309,229.98
	0070	Cash on Deposit with Treasurer	\$875,873,148.20
1102	1322	Transfer in from Lottery Commission	(\$509,345,274.99)
1107	1302	Transfer in Lottery Proceeds	(\$91,903,410.38)
	0586	Due from Other Funds	\$19,901,765.89
1108	0065	Unreconciled Deposit	\$971,348.57
	0070	Cash on Deposit with Treasurer	\$110,072,691.01
	0075	Cash on Deposit-Suspense Account	\$24,827,333.63
	1401	Transfer out to Other Fund	\$59,020,472.03

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<u>GAAP Fund</u>	<u>Comp Obj/GL</u>	<u>Description</u>	<u>Audit Amount</u>
1111	1405	Transfer to Counties	\$113,550,726.09
5001	GL 0065	Unreconciled Deposit	\$3,247,022.73
	GL 0070	Cash on Deposit with Treasurer	\$73,991,643.52
	GL 0075	Cash on Deposit-Suspense Account	(\$9,388,386.77)
	GL 0852	Buildings and Building Improvements	\$265,887,543.92
8500	GL 0967	Net Pension Asset	\$1,925,100,000
	GL 1714	Bonds Payable-Noncurrent	(\$2,634,110,093.27)

Based on our audit, we did not identify any reportable conditions related to the accounts audited. Should you have any questions, please contact Amy Palacios or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

V. Dale Bond, CPA, CISA, CFE
Audit Manager

VDB:brk
cc: John Radford, State Controller
Bret West, Operations Division Administrator
Erin Haney, Internal Auditor