

Office of the Secretary of State

Bill Bradbury
Secretary of State

Jean Straight
Deputy Secretary of State



Audits Division

Charles A. Hibner, CPA
Director

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January 30, 2008

Bob Jester, Director
Oregon Youth Authority
530 Center Street, Suite 200
Salem, Oregon 97310

Dear Mr. Jester:

We have completed the statewide single audit that included selected financial accounts at Oregon Youth Authority (department) for the year ended June 30, 2007.

This audit work was not a comprehensive audit of the department. Instead, the audit work performed allowed us, in part, to achieve the following objectives: (1) express an opinion on whether the financial statements contained in the State of Oregon's Comprehensive Annual Financial Report were fairly presented, in all material respects, in conformity with generally accepted accounting principles; (2) determine whether the state's internal controls provided reasonable assurance of proper accounting, financial reporting, and legal compliance of transactions; and (3) determine whether the state has complied with applicable legal requirements that may have a direct and material effect on the state's financial statements.

In planning and performing our audit of the selected financial accounts at the department as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the department's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements of the State of Oregon, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

We audited the following accounts and transactions at the department and determined they were fairly presented 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>General Fund</u>		
3111	Regular Employees	\$40,492,496
3210	Public Employees Retirement Contribution	6,112,677
3212	Pension Bond Assessment	2,621,729
3221	Social Security Taxes	3,383,911
3263	Medical, Dental, Life Insurance	10,842,943
3264	Medical, Dental, Life Insurance-Agency Subsidy	126,895
4XXX	Various Services and Supplies	11,861,398
<u>Community Protection Fund</u>		
3111	Regular Employees	\$1,380,439
3210	Public Employees Retirement Contribution	201,385
3212	Pension Bond Assessment	86,014
3221	Social Security Taxes	106,818
3263	Medical, Dental, Life Insurance	328,983
3264	Medical, Dental, Life Insurance-Agency Subsidy	5,192
<u>Government-Wide Fund</u>		
0852	Buildings and Building Improvements	\$58,067,312

This communication is intended solely for the information and use of management, governor of the State of Oregon and the Oregon Legislative Assembly, and others within the department, and is not intended to be and should not be used by anyone other than the specified parties.

Should you have any questions, please contact Michelle Rock or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

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

VDB:brk

cc: George Dunford, Business Division Assistant Director
Melanie Tozier, Accounting Manager
Kris Kautz, Interim Director, Department of Administrative Service