

Office of the Secretary of State

Kate Brown
Secretary of State

Barry Pack
Deputy Secretary of State



Audits Division

Gary Blackmer
Director

255 Capitol Street NE, Suite 500
Salem, OR 97310

(503) 986-2255

fax (503) 378-6767

January 11, 2010

Cory Streisinger, Director
Department of Consumer and Business Services
350 Winter Street NE
Salem, Oregon 97301

Dear Ms Streisinger:

We have completed audit work of selected financial accounts at Department of Consumer and Business Services (department) for the year ended June 30, 2009.

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, 2009, 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 at the department 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 6405 – Custodial Agency Fund</u>		
0330	Securities Held in Trust	1,651,049, 536
0335	Savings and TCD in Trust	1,978,167
1575	Trust Funds Payable	(1,718,657,038)
<u>GAAP Fund 8500 – Government-wide Reporting Fund</u>		
1617	Claims & Judgments Payable – Current	(91,804,607)
1717	Claims & Judgments Payable	(795,605,772)

This communication is intended solely for the information and use of management, others within the organization, and is not intended to be and should not be used by anyone other than the specified parties.

We appreciate your staff's assistance and cooperation during the audit. Should you have any questions, please contact Jamie Ralls or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

Kelly L. Olson, CPA
Audit Manager

KLO:sms

cc: Kay Erickson, Administrator, Fiscal and Business Services Division
David Miller, Fiscal Services Manager
Betty Gambone, Internal Auditor
Scott Harra, Director, Department of Administrative Services