

Office of the Secretary of State

Kate Brown
Secretary of State

Brian Shipley
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Audits Division

Gary Blackmer
Director

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January 9, 2013

Tim Wood, Director
Oregon Parks and Recreation Department
725 Summer Street NE, Suite C
Salem, Oregon 97301

Dear Mr. Wood:

We have completed audit work of selected financial accounts at the Oregon Parks and Recreation Department (department) for the year ended June 30, 2012.

This audit work was not a comprehensive audit of the department. We performed this audit work as part of our annual statewide financial audit. The objective of the statewide audit was to 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.

In planning and performing our audit of the selected financial accounts at the department as of and for the year ended June 30, 2012, 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 and determined 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 1107 – Environmental Management Fund</u>		
0065	Unreconciled Deposits	\$ 965,932
0070	Cash on Deposit with Treasurer	52,346,011
0220	Park User Fees	18,587,296
13xx	Transfers In	71,009,149
14xx, 18xx	Transfers Out	8,325,517

<u>SFMA Account</u>	<u>Description</u>	<u>Audit Amount</u>
3111	Regular Employees	\$ 22,823,288
3210	Public Employees Retirement Contribution	3,158,984
3212	Pension Bond Assessment	1,304,171
3221	Social Security Taxes	1,840,064
3263	Medical, Dental, Life Insurance	7,600,011
4xxx	Services and Supplies	22,376,053
6xxx	Special Payments	8,965,801

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

We would like to express our appreciation to Rebecca Jasso and department staff for their assistance and cooperation during the audit. Should you have any questions, please contact Jason Butler or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

Julianne Kennedy, CPA
Audit Manager

JK:JAB:nmj

cc: Davis Moriuchi, Chair, Oregon Parks and Recreation Commission
Lisa VanLaanen, Assistant Director of Administration
Rebecca Jasso, Financial Services Manager
Bevin Clapper, Internal Auditor - Quality Assurance Coordinator
Michael J. Jordan, Director, Department of Administrative Services