



# Oregon Annual Comprehensive Financial Report

**Michael Kaplan**, Deputy Secretary of State

**Steve Bergmann**, Audits Director



# Overview

- Primary financial audit for our office.
- Involves all financial auditors for up to 7 months.
- Audit work performed at 25 state agencies.
- Department of Administrative Services (DAS) responsible for preparing the financial statements.
- Findings will be published in Statewide Single Audit Report usually issued by end of March.

# Opinion Units

Figure 1

Government-Wide Statements	Major Governmental Funds	Major Enterprise Funds	Other
<p>(excludes fiduciary and component units)</p> <ul style="list-style-type: none"><li>• Governmental activities</li><li>• Business-type activities</li></ul>	<ul style="list-style-type: none"><li>• General Fund</li><li>• Health and Social Services</li><li>• Public Transportation</li><li>• Educational Support</li><li>• Common School</li></ul>	<ul style="list-style-type: none"><li>• Housing and Community Services</li><li>• Veterans' Loan</li><li>• Lottery Operations</li><li>• Unemployment Compensation</li></ul>	<ul style="list-style-type: none"><li>• Aggregate Remaining (all other funds not included above)</li><li>• Discretely Presented Component Units (not state agencies e.g. SAIF, OHSU and other universities) – rely on work of other audit firms</li></ul>

# List Of State Agencies Where Financial Audit Work Performed

Figure 2

Department of Human Services  
Oregon Health Authority  
Department of Revenue  
Oregon Department of Transportation  
Oregon Education Department  
Higher Education Coordinating Commission  
Department of Early Learning and Care  
Department of Administrative Services  
Department of Consumer and Business Services  
Oregon Liquor Control Commission  
Department of Environmental Quality  
Oregon Department of Forestry  
Oregon Department of Fish and Wildlife  
Oregon Military Department

Department of Corrections  
Office of Public Defense Services  
Department of Justice  
Oregon Judicial Department  
Oregon Department of Emergency Management  
Oregon Business Development Department  
Oregon Employment Department  
Oregon Housing and Community Department  
Department of Veterans' Affairs  
Oregon State Lottery  
Oregon State Treasury  
Department of State Lands (contract – Common School Fund)  
Public Employees Retirement System (contract audit)

# Dollars Audited By Primary Financial Statement Category

Figure 3

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## Governmental and Business Type Activities

- Assets – over \$50 billion
- Liabilities – over \$24 billion
- Revenues – over \$43 billion
- Expenses – over \$40 billion

# Audit Methodology

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We gather **sufficient, appropriate** audit evidence to gain **reasonable assurance** the accounts are **materially correct**.

Some of these procedures include:

- Inquiring of agency management and others to gain an understanding of the agency;
- Evaluating and understanding the agency's financial internal controls;
- Performing analytical procedures;
- Testing sampled documentation supporting account balances; and
- Confirming account balances with a third party.

# Proposed Audit Adjustments

Figure 4

State Agency	Amount
Department of Human Services	\$ 102,885,004
Department of Administrative Services	81,250,667
Oregon Business Development Department	82,361,802
Department of Justice	46,405,823
Department of Military	44,772,978
Oregon Judicial Department	10,615,644
Oregon State Police	4,203,570
Oregon Department of Emergency Management	3,107,553
Department of Consumer and Business Services	110,441,545
Oregon Health Authority	1,195,599,146
Oregon Employment Department	1,851,922
Higher Education Coordinating Commission	4,660,000
Oregon Department of Forestry	4,988,322
Department of Environmental Quality	16,247,110
Department of Early Learning and Care	2,140,301
Department of Forestry	4,988,322
Liquor and Cannabis Commission	2,230,000
Housing and Community Services Department	44,004,929
<b>Total</b>	<b>3,413,093,540</b>

# Audit Conclusion

Clean (unmodified) opinion

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The statements conform to Generally Accepted Accounting Principles and are fairly stated.

More details on internal control findings, accounting errors, and agency response will be outlined in the forthcoming **Statewide Single Audit Report.**

# Atypical Item of Note

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As discussed in Note 18 to the financial statements, **the State determined its accounting for the tax surplus credit, known as the kicker, was not in accordance with generally accepted accounting principles** resulting in a correction of an error of \$5.6 billion, decreasing beginning net position in the Governmental Activities and beginning fund balance in the General Fund. **Our opinion is not modified with respect to this matter.**



# Questions?

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