Elizabeth Comfort
Finance Director

Department of Finance
Public Services Building
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

October 23, 2025

BCC Agenda Date/Item: _______________

Board of County Commissioners
Acting as the Board of Service District No. 5
Clackamas County

Acknowledging the Service District No. 5 Fiscal Year 2025 Audit Findings and Approving the Plan of Corrective Action to address the findings. No fiscal impact. No County General Funds are involved.

Previous Board Action/Review	Presented at Issues Oct. 21, 2025		
Performance Clackamas	This item Builds Trust through Good Government by increasing transparency and access of public information.		
Counsel Review	Yes	**Procurement Review**	No
Contact Person	Elizabeth Comfort	**Contact Phone**	503-936-5345

EXECUTIVE SUMMARY: As part of the annual audit each year, the County's external audit firm reports on compliance with various Oregon statues. One of these requirements is to report upon any significant deficiency internal controls over financial reporting in the financial statements. This finding will be included in the ACFR as part of the Schedule of Findings and Reponses.

ORS 297.466 requires that the governing body of the Clackamas County adopt a resolution acknowledging the Financial Statement Findings and describing the corrective actions implemented. Corrective action is commencing now and will continue into the future.

RECOMMENDATION: Staff respectfully recommends the Board approve this resolution acknowledging the Financial Statement Findings for fiscal year 2025 and describing corrective action in accordance with ORS 297.466.

Respectfully submitted,

Elizabeth Comfort

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Finance Director

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BEFORE THE BOARD OF COUNTY COMMISSIONERS

Acting as the Service District No. 5 Board of Directors

OF CLACKAMAS COUNTY, STATE OF OREGON

In the Matter of a Resolution Acknowledging Financial Statement Findings for Fiscal Year 2024-2025 and Describing Corrective Action in Accordance with ORS 297.466	Board Order No. *Page 1 of 1*

Whereas, the Board of County Commissioners is the governing body of Service District No. 5, this matter coming before the Board at this time; and

Whereas, the Clackamas County Service District No. 5 Annual Comprehensive Financial Report “(ACFR)” for the fiscal year ending June 30, 2025, contained a Financial Statement Finding 2025-001 (the “Financial Statement Finding”), as defined therein, that noted a “significant deficiency”; and

Whereas, the ACFR defines a significant deficiency as “a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.” And

Whereas, ORS 297.466(2) requires the governing body of Clackamas County Service District No. 5 to determine measures considered necessary for corrective action and a period of time estimated to complete them; and

Whereas, ORS 297.466(3) requires Clackamas County Service District No. 5 to submit an adopted resolution of corrective measures to the Secretary of State’s Office within 30 days from the submission of the ACFR to the Secretary of State; and

NOW THEREFORE, the Clackamas County Board of Commissioners do hereby resolve and affirm that:

Clackamas County resolves that in order to ensure current and future improvements in internal controls, Clackamas County Service District No. 5 will implement the recommended procedures outlined in the ACFR, the relevant portion of which is attached hereto Exhibit A and incorporated by this reference herein, by the summer of 2026.

DATED this _____ day of ____________, 2025

BOARD OF COUNTY COMMISSIONERS

____

Chair

____

Recording Secretary

Elizabeth Comfort
Finance Director

Department of Finance
Public Services Building
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

October 23, 2025

Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite
#500 Salem, OR 97310

Plan of Action for Clackamas County

Clackamas County respectfully submits the following corrective action plan in response to deficiency reported in our audit of fiscal year ended June 30, 2025. The audit was completed by the independent auditing firm Baker Tilly (FKA Moss Adams) and reported the deficiency listed below. The plan of action was adopted by the governing body at their meeting on October 21, 2025, as indicated by signatures below.

The deficiency is listed below, including the adopted plan of action and timeframe.

1. Deficiency #1
    a. The District received services from a vendor during the period July 1, 2025 – July 8, 2025. While these services occurred during the District's FY2025-26, the District improperly recorded these services as assets (prepaid expenses) and liabilities (accounts payable) as of June 30, 2025. Auditors recommend the County provide staff education and training on properly reporting transactions crossing over a month-end. To address the deficiency, County Finance has added procedures to review all submitted documentation for prepaid and accrual transactions for year-end processing.
    b. The County has reviewed with staff the differences in the processing of prepaid and accruals. County Finance has also added a procedure to review all submitted documentation for prepaid and accrual transactions for year end.
    c. The County has implemented the plan of action effective immediately.

Governing Body Chair, Craig Roberts ____________ Signature ____________

County Administrator, Gary Schmidt ____________ Signature ____________