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Secretary of State

State of Oregon

**DEPARTMENT OF TRANSPORTATION**

**Oregon Transportation Infrastructure Bank**

For the Fiscal Years Ended June 30, 2002 and 2001



**Audits Division**

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**Oregon Transportation Infrastructure Bank**

For the Fiscal Years Ended June 30, 2002 and 2001



**Audits Division**

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*Auditing for a Better Oregon*

The Honorable Ted Kulongoski  
Governor of Oregon  
254 State Capitol  
Salem, Oregon 97310-4047

Bruce Warner, Director  
Department of Transportation  
Transportation Building  
355 Capitol Street NE, Room 135  
Salem, Oregon 97301-3871

This report presents the results of our annual audit of the Oregon Transportation Infrastructure Bank (OTIB), a program within the Oregon Department of Transportation (department).

As required by auditing standards, we performed the audit to obtain reasonable assurance about whether the financial statements and accompanying notes have been presented fairly by management. Our Independent Auditor's Report and the financial statements for the years ended June 30, 2002 and 2001 are included in the Financial Section of this report. We concluded that the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America.

Auditing standards also require us to review OTIB's internal control and compliance with applicable laws and regulations. Our report on the results of those reviews is included in the Other Reports section of this report. We did not note any instances of noncompliance that are required to be reported under *Government Auditing Standards*. Similarly, we did not note any material weaknesses in internal control over financial reporting. We did note other matters, which we reported to department management in a separate letter.

We appreciated the cooperation and assistance of the management and staff of the Oregon Department of Transportation during the course of our audit.

OREGON AUDITS DIVISION

Cathy Pollino  
Director

February 7, 2003



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## SUMMARY

### AUDIT PURPOSE

The audit was conducted for the purpose of expressing an opinion on OTIB's financial statements as of and for the years ended June 30, 2002 and June 30, 2001, and reporting on compliance and on internal control over financial reporting.

### AUDIT RESULTS

This audit concludes that OTIB's financial statements for the years ended June 30, 2002 and June 30, 2001, which are included in this report, are fairly presented. Our report on compliance with applicable laws and regulations and internal control over financial reporting is included herein. Our review disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*, nor did we note matters involving internal control over financial reporting that we considered to be material weaknesses. However, we did note other matters that we have reported to department management in a separate letter.

### ORGANIZATION AND FUNCTIONS

The Oregon Transportation Infrastructure Bank (OTIB) is a program within the Oregon Department of Transportation (department). Established as part of a federal pilot project, OTIB provides financial assistance to local governments and state agencies for federal-aid eligible transportation projects. Funding is available for highway projects, public transit capital projects, and bike or pedestrian access along highways. Funding may take the form of loans or credit enhancements, such as security for bond financing. The Oregon Transportation Commission approved participation in the program in May 1996. OTIB operates under a cooperative agreement with the U.S. Department of Transportation.

The 1997 Oregon Legislature passed House Bill 2097, which created OTIB and allows the issuance of up to \$200 million in revenue bonds. This legislation also expands the uses of the bank to allow loans to private entities.

### FINANCIAL ACTIVITIES

OTIB has been capitalized with funds from both federal grants and state matching funds. As of June 30, 2002,

using capitalization funding and interest payments received on loans, OTIB has awarded 11 loans totaling approximately \$16.7 million. This amount includes two loans totaling over \$5.8 million to the State Highway Fund. The outstanding balance of these loans to the State Highway Fund is reported as Advances to Other Funds. No bonds have been issued under OTIB.

OTIB management negotiates loans with local jurisdictions to finance transportation projects. Repayment conditions, including the source of funds used for repayment of the loan, are specified in the agreement. OTIB establishes each borrower's account in the full amount of the loan. While the funds are for the benefit of the borrower, OTIB maintains control of the funds at all times. Interest earned while the funds are on deposit with the State Treasury is available to be used for project costs or to repay the outstanding loan.

To repay the loan, OTIB sends an invoice to the borrower for the entire loan amount. If the loan agreement cites federal funds as a source of funds for repayment, OTIB sends an invoice to the federal government and applies payments to the borrower's loan. OTIB then sends the borrower an invoice for the outstanding loan balance. Payments are deposited to the OTIB account. As loans are repaid, funds become available for new projects. OTIB is intended to be self-sustaining.

## **FINANCIAL SECTION**





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## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying basic financial statements of the Oregon Transportation Infrastructure Bank, an enterprise fund of the state of Oregon, Department of Transportation (department), as of and for the years ended June 30, 2002 and 2001, as listed in the table of contents. These financial statements are the responsibility of the department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only OITB's enterprise fund and do not purport to, and do not, present fairly the financial position of the Oregon Department of Transportation, or state of Oregon, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Oregon Transportation Infrastructure Bank, an enterprise fund of the state of Oregon, Department of Transportation, as of June 30, 2002 and 2001, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2003, on our consideration of the Oregon Transportation Infrastructure Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. That report is separately presented in the other reports as listed in the table of contents.

#### OREGON AUDITS DIVISION

Bill Bradbury  
Secretary of State

February 7, 2003

STATE OF OREGON  
**DEPARTMENT OF TRANSPORTATION**  
**OREGON TRANSPORTATION INFRASTRUCTURE BANK**  
**STATEMENT OF NET ASSETS**  
JUNE 30, 2002 AND JUNE 30, 2001

<b>ASSETS</b>	<u><b>2002</b></u>	<u><b>2001</b></u>
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 10,481,775	\$ 6,051,258
Accounts Receivable – Other	1,130	202,868
Interest Receivable – State Treasury	23,892	40,409
Interest Receivable – Loans	91,536	253,416
Due from Other Funds	–	4,346
<i>Total Current Assets</i>	<u>10,598,333</u>	<u>6,552,297</u>
 <i>Noncurrent Assets:</i>		
Restricted Cash and Cash Equivalents	4,033,792	5,502,215
Advances to Other Funds	3,166,017	5,500,000
Loans Receivable	1,515,998	1,275,316
Allowance for Doubtful Accounts	(85,402)	(85,402)
<i>Total Noncurrent Assets</i>	<u>8,630,405</u>	<u>12,192,129</u>
<b>Total Assets</b>	<u><u>\$ 19,228,738</u></u>	<u><u>\$ 18,744,426</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 1,130	\$ 6,900
Due to Other Funds	61,388	96,469
<i>Total Current Liabilities</i>	<u>62,518</u>	<u>103,369</u>
 <i>Net Assets:</i>		
Restricted for Loan Commitments	4,033,792	5,502,215
Unrestricted	15,132,428	13,138,842
<i>Total Net Assets</i>	<u>19,166,220</u>	<u>18,641,057</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 19,228,738</u></u>	<u><u>\$ 18,744,426</u></u>

*The accompanying notes are an integral part of the financial statements.*



STATE OF OREGON  
**DEPARTMENT OF TRANSPORTATION**  
**OREGON TRANSPORTATION INFRASTRUCTURE BANK**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2001

	<b>2002</b>	<b>2001</b>
<b>Operating Revenues:</b>		
Interest Income on Loans	\$ 252,456	\$ 304,353
Application and Closing Fees	1,130	3,020
Total Operating Revenues	253,586	307,373
<b>Operating Expenses:</b>		
Administrative Expenses	61,388	96,469
Total Operating Expenses	61,388	96,469
 Operating Income	 192,198	 210,904
<b>Non-Operating Revenues:</b>		
Net Interest Income on Cash Balances	332,965	534,053
Total Nonoperating Revenue	332,965	534,053
 Change in Net Assets	 525,163	 744,957
Net Assets – Beginning	18,641,057	17,896,100
<b>Net Assets – Ending</b>	<b>\$ 19,166,220</b>	<b>\$ 18,641,057</b>

*The accompanying notes are an integral part of the financial statements.*



STATE OF OREGON  
**DEPARTMENT OF TRANSPORTATION**  
**OREGON TRANSPORTATION INFRASTRUCTURE BANK**  
**STATEMENT OF CASH FLOWS**  
FOR THE FISCAL YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2001

	<u>2002</u>	<u>2001</u>
<b>Cash Flows from Operating Activities:</b>		
Loan Principal Repayments	\$ 4,301,046	\$ 1,666,671
Loan Interest Received	627,908	488,505
Loan Fees Received	-	6,900
Payments to Employees	(77,916)	(51,252)
Payments to Suppliers	(18,543)	(14,570)
Loans Made	(1,828,367)	(2,051,226)
Advances Made	(375,000)	(5,500,000)
Net Cash Provided/(Used) in Operating Activities:	<u>2,629,128</u>	<u>(5,454,972)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Transfers from Other Funds	4,346	302,000
Net Cash Provided by Noncapital Financing Activities:	<u>4,346</u>	<u>302,000</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Capital Contributions	-	50,619
Net Cash Provided by Capital and Related Financing Activities:	<u>-</u>	<u>50,619</u>
<b>Cash Flows from Investing Activities:</b>		
Interest on Cash Balances	328,620	567,310
Net Cash Provided by Investing Activities:	<u>328,620</u>	<u>567,310</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,962,094	(4,535,043)
Cash and Cash Equivalents - Beginning	11,553,473	16,088,516
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 14,515,567</u>	<u>\$ 11,553,473</u>
<b>Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:</b>		
Operating Income	\$ 192,198	\$ 210,904
Adjustments to Reconcile Operating Income to Net Cash Provided/(Used) by Operating Activities:		
(Increase)/Decrease in Accounts Receivable	201,738	(202,868)
(Increase)/Decrease in Interest Receivable - State Treasury	16,517	9,993
(Increase)/Decrease in Due from Other Funds	4,346	472,972
(Increase)/Decrease in Loan Interest Receivable	161,880	(159,781)
(Increase)/Decrease in Advances to Other Funds	2,333,983	(5,500,000)
(Increase)/Decrease in Loans Receivable	(240,683)	(175,747)
Increase/(Decrease) in Accounts Payable	(5,770)	(141,092)
Increase/(Decrease) in Due to Other Funds	(35,081)	30,647
Total Adjustments	<u>2,436,930</u>	<u>(5,665,876)</u>
Net Cash Provided/(Used) by Operating Activities:	<u>\$ 2,629,128</u>	<u>\$ (5,454,972)</u>

*The accompanying notes are an integral part of the financial statements.*



STATE OF OREGON  
DEPARTMENT OF TRANSPORTATION  
OREGON TRANSPORTATION INFRASTRUCTURE BANK  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002 AND JUNE 30, 2001

**1. Summary of Significant Accounting Policies**

**a. Reporting Entity**

The Oregon Transportation Infrastructure Bank (OTIB) is a program administered by the Department of Transportation (Department). The Department is an agency within the Executive Branch of the State of Oregon. OTIB operates under the authority of *Oregon Revised Statutes* (ORS) 367.010 to 367.060, and other related provisions. OTIB also is governed by a State Infrastructure Bank Cooperative Agreement dated August 20, 1996 between the Department, the Federal Highway Administration and the Federal Transit Administration. The Cooperative Agreement authorizes the Department to operate a State Infrastructure Bank pursuant to Section 350 of the National Highway System Designation Act of 1995.

The administrative responsibility for OTIB is divided between the Oregon Transportation Commission (OTC) and the Department. The OTC has adopted Administrative Rules and other policies to govern project selection and approval. The OTC has approval authority for all projects funded through OTIB. Responsibility for the day-to-day management of OTIB has been delegated to the Department's Chief Financial Officer.

Capitalization for OTIB is made available through federal funds, state funds and, if necessary, the sale of revenue bonds. In general, these funds are restricted in use for specific types of transportation projects.

OTIB uses its resources to make loans and other forms of financial assistance available to cities, counties, ports, transit providers, special districts, tribal governments and state agencies for eligible transportation projects. OTIB loans involving the use of federal funds are restricted to use for highway and transit capital projects eligible under Titles 23 and 49 of the Code of Federal Regulations.

As of January 1, 2000, OTIB cash balances were transferred from the State Highway Fund to a cash account established for OTIB in the State Treasury. The State Highway Fund was created by ORS 366.505 to clarify the intent of Article IX of the Oregon Constitution. The Department of Administrative Services includes the financial activity of the State Highway Fund in the State Financial Report in an administratively created fund called the Public Transportation Fund. No reporting information is provided in this report for the State Highway Fund or the Department as a whole.

**Notes to the Financial Statements (continued)**  
**June 30, 2002 and June 30, 2001**

**b. Basis of Presentation**

These statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA). In accordance with GASB Statement No. 20, OTIB does not apply FASB pronouncements issued after November 30, 1989, unless GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

OTIB is accounted for as a Proprietary Fund Type. The Proprietary Fund Type used is an Enterprise Fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of providing goods and services to the general public be financed or recovered primarily through user charges.

GASB Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, was effective with this reporting period. As a result, the presentation of financial position and cash flows has been changed to comply with the new requirements. The traditional balance sheet approach in presenting the financial position of the entity has changed. Contributed capital and retained earnings are no longer presented as the principal components of fund equity. The new statement is titled the Statement of Net Assets and the term "net assets" is used instead of retained earnings and contributed capital. Net assets is, simply stated, the difference between assets and liabilities. Net assets are required to be shown as either restricted or unrestricted on the face of the statement and the investment in capital assets must be presented net of related debt. The term restricted is defined as net assets with restrictions imposed by constitutional provisions or other laws, debt covenants, grantors, donors and any other legally imposed restrictions. Net assets are not allowed to be restricted administratively. Net assets not meeting the test for restrictions are to be presented as unrestricted.

The statement of cash flows is now required to be presented using the direct cash flow method based on the provisions of GASB Statement 9. This includes the presentation of a reconciliation of operating cash flows to operating income.

**c. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Proprietary Fund Types are accounted for on a flow of economic resources focus. With this measurement focus, all assets and all liabilities associated with the operation of these Fund Types are included on the Statement of Net Assets. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net assets. Proprietary Fund Types utilize the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Notes to the Financial Statements (continued)**  
**June 30, 2002 and June 30, 2001**

Proprietary Fund Types distinguish operating revenues and expenses from non-operating items. Operating revenues for OTIB are primarily loan interest and fees. Operating expenses are all expenses that finance the administration of the programs in the Fund. Interest income on cash in the State Treasury and all contributions and donations are reported as non-operating revenue.

**d. Budgetary Accounting**

Agency budgets are approved by the Legislature biennially. The Emergency Board of the Legislature approves any increases in the budgets that may be necessary during the interim. Legislatively approved limitations are financed from general governmental revenues or revenues of self-supporting activities of the State of Oregon. Limitations, except for Capital Construction, lapse at the end of each biennium.

Appropriated budgets include expenditure authority created by appropriation bills and related estimated revenues. All funds are subject to legislative approval. Non-appropriated budgets and some non-limited financial activities are also subject to allotment control by the Department of Administrative Services. Non-limited budgets are used to administer programs with either expenditures beyond the control of the program (i.e. debt service) or, as in the case of OTIB, loan programs. Beginning July 1, 1999, OTIB lending activities were included in the non-limited portion of the Department's budget.

**e. Receivables**

Receivables represent revenues earned or accrued in the current period. "Due to/from other funds" represents interfund receivables and payables from Other Funds within the Department. All of the due to/from amounts represent accruals to or from the State Highway Fund.

**f. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and cash and investments held by the State Treasury in the Oregon Short Term Fund (OSTF).

**g. Restricted Cash and Cash Equivalents**

Restricted Cash and Cash Equivalents represents the cash held by the Infrastructure Bank on behalf of the borrowers. These assets are generally not available to the Infrastructure Bank for anything other than payments for project costs.

**h. Loans Receivable**

Loans receivable are presented net of the cash restricted for the loan commitments.

**Notes to the Financial Statements (continued)**  
**June 30, 2002 and June 30, 2001**

**2. Provision for Loan Losses**

As of June 30, 2002, all loans in the OTIB portfolio were current. In order to provide a reserve for potential future loan losses, the Department has implemented a policy that requires 1 percent of each new loan to be expensed to establish the reserve account. The policy also allows the Department to adjust that percentage and/or increase or reduce the cumulative loss reserve to reflect changes in portfolio status. For the year ended June 30, 2002, the Department's analysis of the portfolio determined that an adequate level of reserves could be obtained without charging any expense for the year.

**3. Restricted Net Assets for Loan Commitments**

OTIB distributes loan proceeds when specific conditions are met by the borrower, as evidenced in the loan agreement and subsequent to the signing of a Promissory Note for the full amount of the loan. OTIB acts as the agent for the borrower to distribute the loan proceeds throughout the construction project.

Loan proceeds are held in the OTIB cash account and disbursements are made from the account for project-related costs when borrowers submit approved invoices to the Department. The loan agreement authorizes undistributed loan proceeds to earn interest at the same rate as the Local Government Investment Pool (LGIP) administered by the Oregon State Treasury. Interest earnings are credited to borrowers. The interest income is reported as non-operating revenue of OTIB on the Statement of Revenues, Expenses, and Changes in Fund Net Assets. All proceeds, including interest income, not used on project-related costs are returned to OTIB when the project is completed and applied to the outstanding loan receivable balance. The amount of cash held for the borrower is classified as restricted in the Net Assets section on the Statement of Net Assets. The total amount of cash held that was committed to financing construction projects for the fiscal years ended June 30, 2002 and 2001 was \$4,033,792 and \$5,502,215, respectively.

**4. Administrative Expenses**

The Department's Financial Services Unit provides staff and other operational support (office space, professional services, audit costs, supplies, equipment, etc.) for OTIB. The Department began charging OTIB for a portion of the Department's costs of providing this support in the fiscal year ended June 30, 2000. Administrative expenses charged to OTIB for the fiscal years ended June 30, 2002 and 2001 were \$61,388 and \$96,469, respectively.

**5. Cash and Cash Equivalents**

All funds classified as cash and cash equivalents include cash on deposit in the Oregon State Treasury – Oregon Short Term Fund (OSTF).

OSTF is maintained by the State Treasurer and is an internal cash and investment pool for state agency participants and an external cash and investment pool for local government participants. OSTF is not registered with the United States Securities and Exchange Commission as an investment company.

**Notes to the Financial Statements (continued)**  
**June 30, 2002 and June 30, 2001**

The cash balances held in the State Treasury are considered to be a Credit Risk 3 as defined by GASB Statement 3. This means that the deposits are not collateralized.

The State's investment policies are governed by ORS and the Oregon Investment Council. Cash on deposit with the State Treasury for OTIB at June 30, 2002 and 2001 was \$14,515,567 and \$11,553,473, respectively.

**6. Inter-Fund Transactions**

OTIB loaned the State Highway Fund \$375,000 in January 2002 to provide financial assistance in the construction of a highway project in Benton County. The terms of the loan require the State Highway Fund to repay the loan over a four-year period at an interest rate of 4 percent.



## **OTHER REPORTS**





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

We have audited the basic financial statements of the Oregon Transportation Infrastructure Bank (OTIB), an enterprise fund of the state of Oregon, Department of Transportation, as of and for the years ended June 30, 2002 and 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether OTIB's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered OTIB's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over

financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of OTIB in a separate letter.

This report is intended solely for the information and use of the Oregon Department of Transportation's management, the governor of the state of Oregon, and the Oregon Legislative Assembly and is not intended to be and should not be used by anyone other than these specified parties.

#### OREGON AUDITS DIVISION

Bill Bradbury  
Secretary of State

February 7, 2003

# FACTS ABOUT THE SECRETARY OF STATE AUDITS DIVISION

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The Oregon Constitution provides that the Secretary of State shall be, by virtue of his office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

## Directory of Key Officials

*Director* Cathy Pollino, CGFM, MBA  
*Deputy Director* Charles A. Hibner, CPA  
*Deputy Director* Mary E. Wenger, CPA

## Audit Team

Kelly L. Olson, CPA Audit Administrator  
Gary L. Fredricks, CPA  
Geoff M. Hill  
Virginia L. Teller

**This report, which is a public record, is intended to promote the best possible management of public resources.**

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**We invite comments on our reports through our Hotline or Internet address.**

Ph. 503-986-2255  
Hotline: 800-336-8218  
Internet: [Audits.Hotline@state.or.us](mailto:Audits.Hotline@state.or.us)

<http://www.sos.state.or.us/audits/audithp.htm>

*The courtesies and cooperation extended by officials and employees of the Department of Transportation during the course of this review were commendable and sincerely appreciated.*

***Auditing to Protect the Public Interest and Improve Oregon Government***

