

**Office of the Secretary of State**  
Bill Bradbury  
Secretary of State

Jean Straight  
Deputy Secretary of State



**Audits Division**  
Charles A. Hibner, CPA  
Director

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January 25, 2007

Stephanie Hallock, Director  
Oregon Department of Environmental Quality  
811 SW 6<sup>th</sup> Avenue  
Portland, Oregon 97204

Dear Ms. Hallock:

The Audits Division has completed the constitutionally mandated audit of agencies that had Measure 66 expenditures for the 2003-05 biennium. The purpose of our audit was to determine the following: (1) whether agencies receiving Measure 66 funds spent them as the constitution intended and reported expenditures accurately for the 2003-05 biennium; and (2) whether agencies have established performance measures and are gathering the necessary Measure 66 data relevant to those performance measures.

We found that the Oregon Department of Environmental Quality expended its Measure 66 funds for the 2003-05 biennium in compliance with laws and regulations. The department has developed performance measures and is gathering the related data. Please refer to audit report No. 2007-01 for the results of our Measure 66 audit.

Should you have any questions, please contact me at (503) 986-2349.

Sincerely,  
OREGON AUDITS DIVISION

Kelly L. Olson, CPA  
Audit Manager

KLO:brk

cc: Lauri Aunan, Administrator, Water Quality Division  
Judy Hatton, Accounting Manager  
Lindsay Ball, Director, Department of Administrative Services