

**Office of the Secretary of State**

Kate Brown  
Secretary of State

Barry Pack  
Deputy Secretary of State



**Audits Division**

Gary Blackmer, CIA  
Director

255 Capitol Street NE, Suite 500  
Salem, OR 97310

(503) 986-2255

**fax** (503) 378-6767

March 5, 2010

Tim McCabe, Director  
Oregon Business Development Department  
775 Summer St. NE, Suite 200  
Salem, Oregon 97301-1280

Dear Mr. McCabe:

We have completed the statewide single audit that included a selected federal program at the Oregon Business Development Department (department) for the year ended June 30, 2009.

This audit work is not a comprehensive audit of your federal program. Instead, the audit work performed allowed us, in part, to achieve the following objectives: (1) determine whether the state has complied with laws, regulations, contracts or grants that could have a direct and material effect on the major federal program and (2) determine whether the state has effective internal controls over compliance with the laws, regulations, contracts and grants applicable to the federal program.

We audited the following federal program at the department to determine whether the department substantially complied with the federal requirements relevant to the federal program. Our audit does not provide a legal determination of the department's compliance with those requirements.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Audit Amount</u>
66.468	Safe Drinking Water Revolving Loan Fund	\$19,174,491

In planning and performing our audit, we considered the department's internal control over compliance with requirements that could have a direct and material effect on the federal program in order to determine our auditing procedures for the purpose of expressing our opinion on the department's compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the department's internal control over compliance.

This communication is intended solely for the information and use of management, others within the organization, Oregon Business Development Commission and the Infrastructure Finance Authority Board and is not intended to be and should not be used by anyone other than the specified parties.

Tim McCabe, Director  
Oregon Business Development Department  
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We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Sarah Anderson or me at (503) 986-2255.

Sincerely,  
OREGON AUDITS DIVISION

Kelly L. Olson, CPA  
Audit Manager

KLO:sms

cc: Daniel T. Bradley, Infrastructure Finance Authority Board, Chair  
E. Walter Van Valkenburg, Oregon Business Development Commission, Chair  
Phil Johanson, IFA Financial Services Division Administrator  
Del Little, Safe Drinking Water Revolving Loan Fund Program Specialist  
Scott Harra, Director, Department of Administrative Services