

Office of the Secretary of State

Kate Brown
Secretary of State

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Deputy Secretary of State



Audits Division

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Director

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March 15, 2010

Matthew Garrett, Director
Oregon Department of Transportation
355 Capitol St. NE, Rm. 135
Salem, Oregon 97301-3871

Dear Mr. Garrett:

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

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. Based on the audit procedures we performed, we did not identify any fiscal year 2009 findings.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Audit Amount</u>
20.205	Highway Planning and Construction	\$407,906,005
20.205	Highway Planning and Construction - ARRA	\$ 10,368,369

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 each major federal program and (2) determine whether the state has effective internal controls over compliance with the laws, regulations, contracts and grants applicable to federal programs.

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.

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

We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Nicole Real or me at (503) 986-2255.

Sincerely,
OREGON AUDITS DIVISION

V. Dale Bond, CPA, CISA, CFE
Audit Manager

VDB:sms

cc: Clyde Saiki, Deputy Director, Central Services
Les Brodie, Chief Financial Officer
Marlene Hartinger, Chief Auditor
Gail Achterman, Chair, Oregon Transportation Commission
Scott Harra, Director, Department of Administrative Services