

STATE OF NORTH CAROLINA

AUDIT RESULTS FROM

CAFR AND SINGLE AUDIT PROCEDURES

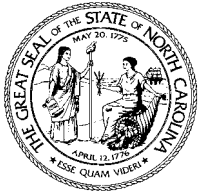
OFFICE OF STATE BUDGET, PLANNING AND MANAGEMENT

FOR THE YEAR ENDED JUNE 30, 2001

OFFICE OF THE STATE AUDITOR

RALPH CAMPBELL, JR.

STATE AUDITOR



Ralph Campbell, Jr.
State Auditor

STATE OF NORTH CAROLINA
Office of the State Auditor

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February 20, 2002

The Honorable Michael F. Easley, Governor
Members of the North Carolina General Assembly
David T. McCoy, State Budget Officer
Office of State Budget, Planning and Management

We have completed certain audit procedures at the Office of State Budget, Planning and Management related to the State's *Comprehensive Annual Financial Report (CAFR)* and the State's *Single Audit Report*, for the year ended June 30, 2001. Our audit was made by authority of Article 5A of *North Carolina General Statute § 147*.

We are pleased to advise you that these procedures, as described below, yielded no audit findings and recommendations for the Office of State Budget, Planning and Management related to the State's general-purpose financial statements or the State's federal financial assistance programs which require disclosure in the aforementioned reports.

The accounts and operations of the Office of State Budget, Planning and Management are an integral part of the State's reporting entity represented in the *CAFR* and the *Single Audit Report*. In the *CAFR*, the State Auditor expresses an opinion on the State's financial statements. In the *Single Audit Report*, the State Auditor also presents the results of tests on the State's internal control and on the State's compliance with laws, regulations, contracts, and grants applicable to the State's financial statements and to its federal financial assistance programs. The audit procedures were conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-133.

As part of the work necessary for issuance of the *CAFR* and the *Single Audit Report*, the following individual funds and federal programs of the State were subjected to audit procedures at the Office of State Budget, Planning and Management as we considered necessary:

Funds for the *Comprehensive Annual Financial Report*:

Capital Projects Fund – Reserves and Transfers

Budget Amounts for the State's General Fund and Special Revenue Fund

General Fund – Governor’s Office Budget Code 13017 Disaster Relief

Federal Programs for the *Single Audit Report*:

None

The individual funds and federal programs subjected to audit at the Office of State Budget, Planning and Management are substantially less in scope than would be necessary to report on the general-purpose financial statements that relate solely to the Office of State Budget, Planning and Management or the administration of federal programs by the Office of State Budget, Planning and Management. Therefore, we do not express such conclusions.

North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

Respectfully submitted,

A handwritten signature in black ink that reads "Ralph Campbell, Jr." in a cursive script.

Ralph Campbell, Jr.
State Auditor

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Mr. Robert L. Powell	State Controller
Mr. David T. McCoy	State Budget Officer

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Minority Leader of the N.C. Senate
Minority Leader of the N.C. House of Representatives
N. C. House Speaker Pro-Tem
Director, Fiscal Research Division
Majority Leader of the N.C. Senate

February 20, 2002

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