

# STATE OF NORTH CAROLINA

## AUDIT RESULTS FROM CAFR AND SINGLE AUDIT PROCEDURES

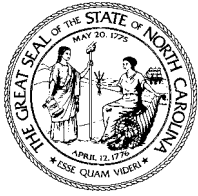
DEPARTMENT OF REVENUE

FOR THE YEAR ENDED JUNE 30, 2003

OFFICE OF THE STATE AUDITOR

RALPH CAMPBELL, JR.

STATE AUDITOR



STATE OF NORTH CAROLINA  
Office of the State Auditor

Ralph Campbell, Jr.  
State Auditor

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November 12, 2003

The Honorable Michael F. Easley, Governor  
Members of the North Carolina General Assembly  
Mr. E. Norris Tolson, Secretary  
Department of Revenue

We have completed certain audit procedures at the Department of Revenue related to the State's *Comprehensive Annual Financial Report (CAFR)* and the State's *Single Audit Report*, for the year ended June 30, 2003. Our audit was performed under the authority of North Carolina General Statute 147-64.

We are pleased to advise you that these procedures, as described below, yielded no audit findings and recommendations that require disclosure in the aforementioned reports.

The accounts and operations of the Department of Revenue are an integral part of the State's reporting entity presented 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 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. Our 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 funds and accounts of the State were subjected to audit procedures at the Department of Revenue as we considered necessary:

- General Fund – General Statewide Revenues and Related Accounts
- Agency Fund – Sales Taxes Collected for Local Governments and Related Accounts
- Highway and Highway Trust Funds – Taxes and Related Accounts

The individual funds and accounts subjected to audit at the Department of Revenue are substantially less in scope than would be necessary to express an opinion on the financial statements that relate solely to the Department. Therefore, we do not express such an opinion.

*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.

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

Ralph Campbell, Jr.  
State Auditor

## **DISTRIBUTION OF AUDIT REPORT**

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In accordance with General Statutes 147-64.5 and 147-64.6(c)(14), copies of this report have been distributed to the public officials listed below. Additional copies are provided to other legislators, state officials, the press, and the general public upon request.

### **EXECUTIVE BRANCH**

The Honorable Michael F. Easley	Governor of North Carolina
The Honorable Beverly M. Perdue	Lieutenant Governor of North Carolina
The Honorable Richard H. Moore	State Treasurer
The Honorable Roy A. Cooper, III	Attorney General
Mr. David T. McCoy	State Budget Officer
Mr. Robert L. Powell	State Controller
Mr. E. Norris Tolson	Secretary, Department of Revenue

### **LEGISLATIVE BRANCH**

Appointees to the Joint Legislative Commission on Governmental Operations

Senator Marc Basnight	Senate President Pro Tem
Representative James B. Black	Speaker of the NC House of Representatives
Representative Richard Morgan	Speaker of the NC House of Representatives
Members of the Local Legislative Delegation	NC House and Senate
Mr. James D. Johnson	Director, Fiscal Research Division

November 24, 2003

## ORDERING INFORMATION

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Copies of this report may be obtained by contacting the:

Office of the State Auditor  
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