



Leslie W. Merritt, Jr., CPA, CFP  
**State Auditor**

**STATE OF NORTH CAROLINA**  
Office of the State Auditor

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March 01, 2007

Mr. Russell Shipe  
Vice President, Finance  
Brunswick Electric Membership Corp.  
P. O. Box 826  
Shallotte, NC 28459

RE: State Grants:  
Department of Crime Control and Public Safety \$621,036.75, SFY 2005

Dear Mr. Shipe:

We have completed certain limited procedures described below at Brunswick Electric Membership Corp. related to its management of state grant funds. Our objective was to identify deficiencies in internal control; instances of noncompliance with laws, regulations, or provisions of contracts or grants agreements; and/or deficiencies in the management of financial resources based solely on the performance of these procedures.

These procedures do not constitute an audit, examination or a review as described in professional standards governing those types of services. Furthermore, our procedures were not agreed upon by you or any third party. Our procedures do not provide a basis for providing any level of assurance regarding internal control, compliance, or financial management and should not be relied upon for that purpose.

Specifically, our procedures consisted of the following:

- Interviewing personnel;
- Examining accounting records for the purpose of identifying state grant transactions;
- Examining documentation supporting selected transactions and balances;
- Reviewing available policies and procedures; and
- Reviewing available board minutes.

The results of these procedures did not disclose internal control deficiencies, instances of noncompliance and/or other matters of concern. Since no deficiencies, instances of noncompliance and/or other matters of concern were detected, we do not require a response from your entity.

This letter and will be published on our Electronic Publication System (EPS) at [www.ncauditor.net](http://www.ncauditor.net). You and others who are interested in the publication should register with EPS on the web site. Registered parties will receive an email notification and a link to the publication as soon as it is available.

This letter is intended solely for the information and use of the board of directors, management of the Brunswick Electric Membership Corp., the Governor, the General Assembly, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Leslie W. Merritt, Jr." in a cursive script.

Leslie W. Merritt, Jr., CPA, CFP  
State Auditor

LWMjr/jhp

CC: Secretary Bryan E. Beatty  
Department of Crime Control and Public Safety