



STATE OF NORTH CAROLINA
Office of the State Auditor

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State Auditor

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June 8, 2007

Ms. Carolyn F. Mitchell,
Owner/Director
Save the Family Child Care
3381 Memorial Drive
Goldsboro, NC 27534

RE: State Grants from the Department of Health and Human Services—
State Fiscal Year 2005, \$17,205.10,
State Fiscal Year 2006, \$16,294.30.

Dear Ms. Mitchell:

We completed certain limited procedures listed below during an examination conducted on April 17, 2007 at Save the Family Child Care related to its management of the State grant funds referenced above. Our objective was to identify whether or not deficiencies in internal control; instances of noncompliance with laws, regulations, and provisions of contracts or grants agreements; and/or deficiencies in the management of financial resources existed 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.

The results of these procedures did not disclose internal control deficiencies, instances of noncompliance, and/or other matters of concern. Thus, you do not need to provide a written response to this letter.

This letter will be published on our Electronic Publication System (EPS) at 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 Save the Family Child Care, the Governor, the General Assembly, and grantor agency and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



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

LWMjr/jhp

Cc: Secretary Carmen Hooker Odom
Department of Health and Human Services
Ms. Laketha Miller, Controller
Department of Health and Human Services