



STATE OF NORTH CAROLINA
Office of the State Auditor

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

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August 14, 2007

Ms. Linda Spain, Owner
The Kid's Place Day Care
425 Hammond Street
Rocky Mount, NC 27804

RE: State Grants—

Department of Health and Human Services—State Fiscal Year 2005, \$24,588.85,
State Fiscal Year 2006, \$16,740.94.

Grant Overview:

NC Department of Health and Human Services-Division of Public Health—The grant is provided under the USDA Child and Adult Care Food Program. Its purpose is to provide nutritious meals and snacks to eligible children and adults who are enrolled in participating child care centers, day care homes, and adult day care centers.

Dear Ms. Spain:

We completed an examination of grant activities for The Kid's Place Day Care consisting of certain limited procedures listed below. This examination, conducted on June 29, 2007, was related to the 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 at that time.

The procedures employed 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 and other grant records for the purpose of identifying state grant transactions;
- Examining documentation supporting selected transactions and balances;
- Reviewing available policies and procedures.

The results of the examination did not disclose internal control deficiencies, instances of noncompliance, and/or other matters of concern at that point in time. Thus, you do not need to provide a written response to this letter.

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This letter is intended solely for the information and use of the board of directors, management of The Kid's Place Day Care, 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,



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

LWMjr/rfm

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