



STATE OF NORTH CAROLINA
Office of the State Auditor

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

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January 28, 2008

Ms. Jeanne S. Wakefield, Director
Wee Care, Inc.
1702 Legion Road
Chapel Hill, NC 27517

RE: State Grants from the Department of Health and Human Services
State Fiscal Year 2005, \$50,874,
State Fiscal Year 2006, \$53,912.

Dear Ms. Wakefield:

We have completed an examination of grant funds, encompassing certain procedures¹ as described below. This examination related to management of state grant funds by Wee Care, Inc. was conducted between November 16, 2007 and December 18, 2007. Our objective was to identify whether or not deficiencies in internal controls, instances of noncompliance with laws, regulations, and/or deficiencies in the management of financial resources existed. North Carolina statutes authorize the Office of the State Auditor to have ready access to all records related to State and Federal funds. See N.C.G.S. § 147-64.7(a).

At the time of the review, Wee Care was no longer in operation and did not have a facility to conduct an on-site review. Thus, all grant documentation was delivered to the Office of the State Auditor. Our procedures included, but were not limited to, interviewing personnel; examining accounting and other grant records for the purpose of identifying state grant transactions; reviewing available policies and procedures; and reviewing available board minutes.

The results of the examination conducted during November and December 2007 did not disclose internal control deficiencies, instances of non-compliance and/or other matters of concerns. Since no significant matters of concerns were detected, we do not require a response from your entity.

¹ 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.

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 management of the Wee Care, Inc, the Governor, the General Assembly, the Office of State Budget and Management and grantor agency 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/jef

CC: Secretary Dempsey Benton
Department of Health and Human Services
Ms. Laketha Miller, Controller
Department of Health and Human Services