



STATE OF NORTH CAROLINA
Office of the State Auditor

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

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February 22, 2008

Mr. Darrel Little, Executive Director
Micro-Enterprise Loan Program of Winston-Salem
301 N. Main Street
Suite 2601
Winston-Salem, NC 27101

RE: State Grants from the Department of Commerce
State Fiscal Year 2006, \$20,000.

Dear Mr. Little:

We have completed an examination of grant funds, encompassing certain procedures¹ as described below. This examination related to management of state grant funds by Micro-Enterprise Loan Program of Winston-Salem and was conducted on October 18, 2007 and revisited on February 13, 2008. Our objective was to identify whether or not deficiencies in internal control, instances of noncompliance with laws, regulations, and/or deficiencies in the management of financial resources existed. In addition to the fiscal year listed above, we also reviewed documentation for the 2007 fiscal year. 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).

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 on October 18, 2007 and subsequently revisited on February 13, 2008 did not disclose internal control deficiencies, instances of noncompliance and/or other matters of concern. Since no significant matters of concern 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 Micro-Enterprise Loan Program of Winston-Salem, 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 Jim Fain
Department of Commerce