



STATE OF NORTH CAROLINA  
Office of the State Auditor

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

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December 22, 2006

Dr. James L. Oblinger, Chancellor  
North Carolina State University  
Box 7001 / Holladay Hall  
Raleigh, North Carolina 27695-7001

Dear Dr. Oblinger:

We have completed the fieldwork at North Carolina State University in connection with our financial audit of the University's financial statements, the financial audit of the State's *Comprehensive Annual Financial Report*, and our single audit of the State's federal financial assistance programs for the year ended June 30, 2006. As described in our engagement letter dated June 20, 2006, our audit was conducted in accordance with *Government Auditing Standards* and the Single Audit Act.

The results of our tests disclosed no matters involving internal control, instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Single Audit Act. These audit results were discussed with you at an exit conference on December 22, 2006, at 9 a.m. in your office and will be reported in a separate bound report for the University.

Please contact me if you have any questions about our audit. We express our appreciation to you and your staff for the cooperation extended to us.

Sincerely,

LESLIE W. MERRITT, JR., CPA, CFP  
STATE AUDITOR

*Faye Steele*

Faye Steele, CPA  
Audit Manager

LWMjr/FS:sh

cc: Mr. Charles D. Leffler, Vice Chancellor for Finance and Business  
Mr. George Burnette, Associate Vice President for Finance,  
UNC General Administration