

STATE OF NORTH CAROLINA
Office of the State Auditor



Beth A. Wood, CPA
State Auditor

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November 2, 2015

Lindsay Bierman, Chancellor
University of North Carolina School of the Arts
1533 South Main Street
Winston-Salem, North Carolina 27127

Dear Mr. Bierman:

We have completed our financial statement audit at the University of North Carolina School of the Arts for the year ended June 30, 2015. In planning and performing our audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the University of North Carolina School of the Arts' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we do not express an opinion on the effectiveness of the University of North Carolina School of the Arts' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, material weaknesses may exist that have not been identified. These audit results will be discussed with your staff on November 2, 2015 and will be included in a report for the University.

The purpose of this communication, which is an integral part of our audit, is to describe, for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Lindsay Bierman, Chancellor
November 2, 2015
Page 2

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

Sincerely,

BETH A. WOOD, CPA
STATE AUDITOR

A handwritten signature in cursive script that reads "Donna Allen".

Donna Allen, CPA, CIA, CFE
Audit Manager

BAW/DA:dr

cc: George Burnette, Chief Operating Officer