

## **AUDITOR'S REPORT**

**TO: THE EXECUTIVE BOARD, B. W. HARRIS EPISCOPAL SCHOOL ALUMNI ASSOCIATION-USA, INC.**

We have audited the accompanying financial report(s) of the D.C. Metro Chapter of the B.W. Harris Alumni Association-USA, Inc. as of July 23, 2015, comprising the chapter's statement of receipts and expenses covering the period June 2, 2015 to July 23, 2015, as well as a statement of receipts and expenses for the 23<sup>rd</sup> Annual Convention, hosted by the chapter during the eight-week period under review. These reports and statements are the responsibility of the B.W. Harris Alumni Association's DC Metro Chapter. Our responsibility is to express an opinion on these reports based on our audit.

We conducted our audit under the mandate set out in Article XI of the association's constitution (2014, as amended) and in accordance with auditing standards generally accepted in the United States of America, as well as other relevant guidelines established by the B.W. Harris Alumni Association. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial reports are free from material misstatement. Our audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the specific purpose of expressing an opinion on the effectiveness of the B.W. Harris Alumni Association's internal control over financial reporting. Accordingly, we express no opinion on the association's internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial reports, assessing the accounting principles used and significant estimates made by the DC Metro Chapter, as well as evaluating the overall financial report(s) presented. We believe that our audit provides a reasonable basis for our opinion.

### **Opinion**

Based on the results of our audit procedures, in our opinion, the DC Metro Chapter is in compliance, in all material respects, with accounting principles generally accepted in the United States of America and the B.W. Harris Alumni Association's financial guidelines. We have noted certain instances in which procedures and controls could be improved. These specific instances are deemed to be non-material and are highlighted in the Control Findings and Recommendations section of our report.

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**Deston Francis**  
Audit Committee Chair  
B.W. Harris Alumni Association-USA, Inc.  
June 17, 2016

## CONTROL FINDINGS AND RECOMMENDATIONS

The following audit findings and management action plans have been discussed with and agreed to by DC Metro Chapter and, in certain instances, corrective action has already been taken. DC Metro Chapter's responses to our audit findings have been included in the body of this report.

<b>Issue 1: Strengthen the process of internal controls over purchasing and the handling of cash</b>	
<b>Issue</b>	<b>Chapter Action Plan</b>
<p>We noted that a purchase was made for drinks at a vendor (Total Wine) and receipt in the amount of \$93.95. However, there was a handwritten amount on the receipt for \$48.97, representing the actual amount applicable to the association's activities. The total amount of \$93.95 on the face of the receipt had been struck-through.</p> <p>We recommend that care be taken to ensure that there is adequate explanation for each item/receipt that does not directly reconcile to amount(s) recorded in the association's financial report(s)</p>	<p><b>Comments and Action by Metro Chapter</b></p> <p><b>This was a purchase made by Mohamedu Jones on July 2, 2015. Mr. Jones was not provided any chapter funds in advance. He made the purchase for the chapter while he was doing his personal purchase as a convenient courtesy to the chapter. The receipt total was \$93.95, however only \$48.97 of the amount represents chapter's goods. The amount of \$48.97 was for five bottles of wine:</b></p> <ol style="list-style-type: none"> <li><b>1. Rondel Semi Seco Cava-750ml: \$9.99</b></li> <li><b>2. Cloud Break Moscato-750ml: \$8.99</b></li> <li><b>3. Bougrier Rose d'Anjou-750ml: \$10.99</b></li> <li><b>4. Columbia Crest Grand Estate Merlo-750ml: \$6.97</b></li> <li><b>5. Happy Camper Cabernet-750ml: \$7.99</b></li> </ol> <p><b>The tax amount for the above items was \$4.04.</b></p> <p><b>The total amount reimbursed to Mohamedu Jones was \$48. 97.</b></p> <p><b>***This issue has been noted and is</b></p>

	<p>addressed as follows:</p> <p>Going forward, to the extent possible, personal purchases will be made separately from those relating to the association.</p>
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**Issue 2: Ensure the Separation of Personal Purchases from Purchases Related to Activities of the Association**

Issue	Chapter Action Plan
<p>We identified that a DC Metro Chapter member comingled personal purchases with those of the association. We obtained the D.C Metro Chapter’s CURFIS report and noted that one receipt for \$600.00 carried a breakdown of \$400 for DC Metro Chapter and \$200 for personal purchases.</p> <p>As a means of promoting better accountability and reporting, we recommend that to the extent possible, personal purchases be made separately from those relating to the association.</p>	<p><b>Comments and Action by Metro Chapter</b></p> <p><b>This was a purchase made by Varney Coleman, Chairman of the 2015 Convention Drinks Committee. He made the purchase for the chapter while he was doing his personal purchase as a convenient courtesy to the chapters in order for the chapter to benefit from the discount available at a Diplomatic Duty Free Shop.</b></p> <p><b>The purchase was made at the Diplomatic Duty Free Shop on May 8, 2015 as follows:</b></p> <p><b>Three (3) cases of Campari were purchased for \$600.00. Out of the three cases, only two (2) were purchased with funds issued to the drinks committee by the DC Metro Chapter. The third case was purchased by Mr. Varney Coleman for his personal use. Therefore, of the \$600.00, only \$400 (2 cases of</b></p>

	<p>Campari) was recorded as chapter funds used for this purchase.</p> <p>***The issue was noted and is addressed as follows:</p> <p>Going forward, to the extent possible, personal purchases will be made separately from those relating to the association.</p>
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<b>Issue 3: Ensure Compliance with the Association’s Record Keeping Guidelines</b>	
<b>Issue</b>	<b>Chapter Action Plan</b>
<p>We obtained the D.C Metro Chapter’s CURFIS report and associated receipts and noted that a number of receipts received were barely clear and/or unreadable.</p> <p>We recommend that care be taken to properly preserve receipts and supporting documents so that a visible audit trail is maintained. This will help to prevent any doubts as to the integrity of the association’s cash management and financial reporting activities.</p>	<p><b>Comments and Action by Metro Chapter</b></p> <p><b>Many receipts are on thermal paper, which impact their continued legibility, sometimes making it a challenge in ensuring that receipts are still legible when received by the financial team. Metro’ Treasurer made certain to make a copy of all receipts (at her own expense), so as to have legible supporting documentation for the association’s file.</b></p> <p><b>Some of the convention purchases were made starting in May 2015. The Treasurer mailed the convention report package to the</b></p>

	<p><b>Auditor in early August 2015. The package consisted of the original receipts. It appears that between the time that the auditor received the package, and the time that the audit report was prepared, some of the receipts had lost their legibility/quality. Metro Chapter underscores that the convention report submitted by the chapter contained every supporting documentation, supporting the integrity of the association’s cash management and financial reporting activities.</b></p> <p><b>Metro Chapter suggests that the Auditor consider developing a Standard Operating Procedure (SOP) across the association, that will specifically outline guidelines for preserving receipts because it cannot be the sole responsibility of a chapter’s financial team, noting the team has no control over the quality of receipts received.</b></p>
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DC Metro Chapter  
Statement of Receipts and Expenses  
For the Period June 2, 2015 – July 23, 2015

<b>Income &amp; Contributions</b>		
<b>Bank Balance as of 6/2/2015</b>		<b>\$14,109.34</b>
Membership Dues		\$200.00
Class of 1980 deposit - use of venue		\$250.00
Patron tickets		\$200.00
F & F Day park rental refund		\$175.00
Return of unused amount: \$60.00 drinks WD		\$5.00
<b>Sub Total</b>		<b>\$830.00</b>
<b>Total Income &amp; Contributions</b>		<b>\$ 14,939.34</b>

<b>Expenses</b>		
Bartender: Convention 2015		\$600.00
Tickets: Fr. Johnson: Recog. & Award		\$133.75
Photographer: Convention 2015		\$500.00
Disc Jockey: Convention 2015		\$700.00
Security Services: Convention 2015		\$250.00
Post Office Box annual rental		\$102.00
Chapter Awards: Convention 2015		\$60.92
Chapter Awards: Convention 2015		\$270.54
Food: Convention 2015		\$2,500.00
Unused balance of <b>\$218.83</b> to be returned and deposited into chapter's account		
Cleaning: Welcome and Ball		\$300.00
Dishware and glassware rental: Ball		\$397.50
U-Haul Rental		\$122.48
70's Theme decoration: Welcome P.		\$200.00
Landover Liquors: Welcome Party		\$184.11
Shoppers: Welcome-sodas, ice, water		\$83.12
Total Wine & More: Ball		\$971.58
Sam's Club: Ball - sodas, orange juice		\$135.85
Dollar Tree: Coffee Hour - Table cloth		\$22.26
Safeway: Coffee Hour - ice, water, sodas		\$62.79
A1 Liquors: Farewell		\$29.40
ATM Withdrawal		\$60.00
Orange juice: Coffee Hour: \$12.83		
Ice: Ball: \$22.19		
Gasoline: U-Haul: \$20.00		
Balance of \$60.00 unused portion returned and deposited into the account (\$5.00)		
<b>Total Expenses</b>		<b>\$7,686.30</b>
<b>Balance as of 7/23/2015</b>		<b>\$ 7,253.04</b>
<b>Account Balance as of 7/23/2015</b>		<b>\$7,253.04</b>

EVENT: 23<sup>d</sup> Annual Convention  
Statement of Receipts and Expenses  
July 3, 2015 – July 5, 2015

<b>Income &amp; Contributions</b>					
	<b>Tickets</b>	<b>Budgeted</b>	<b>Tickets</b>	<b>ACTUAL</b>	<b>Variance</b>
<b>Entrance Fee: Welcome Party</b>					
Regular - collected on 7/3/2015				\$3,884	
Patron					
<b>Sub Total</b>				<b>\$ 3,884.00</b>	
<b>Entrance Fee: Chairman's Ball</b>					
Regular - collected on 7/4/2015				\$7,298	
Patron -collected on 7/4/2015				\$500	
<b>Sub Total</b>				<b>\$ 7,798.00</b>	
<b>Entrance Fee: Farewell Party</b>					
Regular - collected on 7/5/2015				\$1,709	
Patron					-
<b>Sub Total</b>				<b>\$1,709</b>	
<b>Entrance Fee: Sport Activity/Family Day</b>					
Regular - collected on 7/5/2015				\$748.05	
<b>Sub Total</b>				<b>\$ 748.05</b>	
<b>Total Tickets</b>				<b>\$ 14,139.05</b>	
2014 Convention Late Registration receipt				\$ 82.00	
2015 Convention Late Registration				\$1,210	
Food and Drinks: Welcome Party				\$2,753	
Food and Drinks: Chairman's Ball				\$1,552	
Food and Drinks: Farewell				\$663	
Food and Drinks: Board Meeting				\$210	
Food and Drinks: General Meeting				\$110	
Food and Drinks: Family Day (Sport activity)				\$287	
2015 Convention Sport Activity Vendors				\$330.00	
2015 Convention Souvenir Ads and DVD				\$60.00	
2014/2015 Scholarship Fund				\$100.00	
Capital Campaign (Wall of Memory)				\$650.00	
Capital Campaign (Lifetime)				\$200.00	
<b>Contributions:</b>				<b>\$8,207</b>	
<b>Total Income &amp; Contributions</b>				<b>\$ 22,346.05</b>	

<b>Expenses</b>				
<b>Hall rental</b>		\$5,800.00		\$5,800
Red Carpet Rental/Purchased		\$ 250.00		
<b>Caterer</b>		\$4,000.00		\$3,000
Drinks		\$3,000.00		\$3,451.43
Tickets (entrance)				
Raffel Tickets				
Decorations for Hall		\$1,500.00		\$1,500.00
(DJ)		\$1,000.00		\$1,000.00
Photographer		\$1,500.00		\$1,000.00
TLC Ad				
Incidentals/Misc.		\$1,000.00		
Bar Tender		\$600.00		\$600.00
Chapter Awards		\$250.00		\$331.46
Hall rental: General Meeting		\$200.00		\$300.00
Food: Friday, Saturday & Sunday		\$2,500.00		\$2,281.17
Security		\$600.00		\$250.00
Paper goods		\$500.00		
Cleaning				\$300.00
Ice		\$300.00		
Truck Rental		\$250.00		\$122.48
Convention Cake				\$125.00
Glassware & Dishware				\$397.05
70'2 Theme Decoration: Welcome Party				\$200.00
<b>Total Expenses</b>		<b>\$ 23,250.00</b>		<b>\$20,658.59</b>
<b>Net Profit</b>				<b>\$1,687.46</b>
<b>Outstanding Recievables:</b>				
Unused balance of \$2,500.00 food amount to be returned and deposited into chapter's account: <b>\$218.83</b>				\$218.83
Tickets				
Donations				
Hall Refund				218.83
<b>Total Receivables</b>				
<b>Net Profit Including Receivables</b>				<b>\$1,906.29</b>