

Local Unit Audit Report

An audit for Kent Gardens Elementary PTA, on record with EIN, 54-1060871 was completed on September 20, 2011 by Wegley, Higginbotham & Associates, PLC. The audit was presented to the Kent Gardens Elementary PTA board on November 11, 2011 and adopted by the general membership on November 15, 2011. The audit period was from 07/01/10 to 06/30/11. The date of the last audit was 08/16/10. A Form 990 will be filed as a result of total receipts for the reporting year.

Council Membership: Fairfax County Council District: Northern Virginia

Signed: [Signature] President
 Signed: [Signature] Treasurer
 AM phone number: () [Redacted]
 PM phone number: () [Redacted]
 Email: [Redacted]

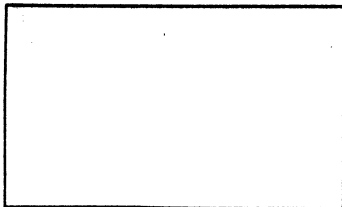
AUDITOR or AUDIT COMMITTEE:

- The records of the treasurer of Kent Gardens Elementary PTA are correct.
- The records of the treasurer of _____ were found to be inadequate to complete the audit after attempting to locate missing records. Please see attached comments.

<p>Auditor:</p> <p>Signed: <u>[Signature]</u></p> <p>Printed Name: Patricia Higginbotham Organization: Wegley, Higginbotham & Assoc Address: 4010 University Drive, Suite 102 Fairfax, VA 22030 Phone number: 703-591-7301</p>	<p>Audit Committee:</p> <p>Signed: _____ Audit Committee Chair</p> <p>Signed: _____ Audit Committee Member</p> <p>Signed: _____ Audit Committee Member</p>
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 (Space below for use by the VAPTA Treasurer or designee only).

Verified as a valid local unit audit by: _____



Print Name: _____
 Signature _____
 Date _____

Kent Gardens PTA
 Audit Report Form
 Date of Audit: July 19, 2011

Beginning balance per books 07/01/10	\$	89,362.52
Receipts 07/01/10- 06/30/11		366,500.08
Disbursements 07/01/10 - 06/30/11		<u>(430,058.11)</u>
Ending balance per books 06/30/11	\$	<u>25,804.49</u>

BB&T bank account 06/30/11 per bank	\$	66,223.61
Deposit in transit		0.00
Outstanding checks:		
4858		15.00
4860		25.57
4865		1.75
4873		101.24
4874		55.10
4881		70.14
4886		87.72
4892		366.43
4891		160.00
4890		102.93
4889		50.46
4895		472.50
4902		6,818.75
4899		4,765.32
4900		4,081.86
4898		1,638.00
4901		1,330.46
4896		755.25
4897		546.00
4905		6,000.00
4903		1,512.80
4904		348.42
4907		10,000.00
4908		920.26
4906		<u>193.16</u>
Total outstanding checks at 06/30/11		<u>40,419.12</u>

BB&T account reconciled 06/30/11	\$	<u>25,804.49</u>
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Kent Gardens PTA
Audit Report Form
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PayPal	
Beginning balance per books 07/01/10	9,644.15
Receipts 07/01/10- 06/30/11	136,800.56
Disbursements 07/01/10- 06/30/11	(133,329.31)
Ending balance per books and bank 06/30/11	<u>\$ 13,115.40</u>

BB&T Money Market	
Beginning balance per books 07/01/10	83,046.89
Receipts 07/01/10- 06/30/11	76,595.43
Disbursements 07/01/10- 06/30/11	(30,000.00)
Ending balance per books and bank 06/30/11	<u>\$ 129,642.32</u>

I have examined the books of the treasurer of the Kent Gardens PTA and find them to be correct.


Patricia K. Higginbotham, CPA

WEGLEY, HIGGINBOTHAM & ASSOCIATES, PLC.

CERTIFIED PUBLIC ACCOUNTANTS
4010 UNIVERSITY DRIVE • SUITE 102
FAIRFAX, VIRGINIA 22030



PRINCIPALS

WILLIAM E. WEGLEY, CPA
PATRICIA K. HIGGINBOTHAM, CPA

November 10, 2011

Kent Gardens Elementary School PTA Board of Directors
1717 Melbourne Drive
McLean, Virginia 22101-5133

RE: Review of Treasurer Books for 07/01/10 – 06/30/11

We have provided agreed upon procedures for the Kent Gardens Elementary School PTA as outlined in the national PTA guide to review the accuracy of the books and records of the organization and to review the manner in which the PTA funds have been managed for the fiscal year ending June 30, 2011.

Our procedures began with a review of the 2010/2011 activity posted in the accounting software used by the PTA Treasurer. We reviewed the opening cash balance and the reconciliation of activity for the year. The Local Audit Unit Report including the required cash account reporting is also included with this report and needs to be completed by the Audit Committee and sent to the Virginia PTA in Richmond, Virginia. There were no adjustments at June 30, 2011 as a result of our review of the books and records.

Additional testing of transactions was performed as described below. The detail report of activity for the fiscal year from the PTA accounting software was used as the beginning source document for the testing. This document is referred to as the general ledger in the testing descriptions below.

- Testing of all checks written to individuals with check signing authority – The General Ledger was sorted by name and we reviewed the supporting documentation for all checks written to individuals with check signing authority. These individuals for 2010/2011 were Anne-Marie Walker, Treasurer; Erika Keough, President; Mariasol Herrera-Garcia, 1st Vice-President; Orchid Rushenas, 2nd Vice-President; and Adrianna Marks, Secretary. There were a total of 24 checks for the fiscal year written to individuals with check signing authority. We reviewed checks for dual signature and supporting documentation. Each supporting document consisted of a reimbursement request/check request with supporting receipts attached. With the exception of one check displaying only one signature, no other problems were found and the documentation was deemed adequate.
- Testing of large disbursements – The General Ledger was sorted by amount and we reviewed supporting documentation for all disbursements greater than \$3,000 in the three cash accounts: BB&T Money Market, BB&T checking account, and the PayPal account. The transactions reviewed accounted for 82% of all disbursements during the fiscal year. There was a reimbursement request/check request properly completed for each disbursement greater than \$3,000. Additionally, all disbursements had sufficient supporting documents.

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- Transfers –During the fiscal year there were periodic transfers of deposit funds received in the PayPal account into the PTA’s main operating account. All transfers between the two bank accounts were traced for the fiscal year. No problems were found.
- Testing of dues - There are three areas to be tracked for payment – National, State and County PTA dues. The requirements state that National, State and County PTA dues are to be tracked separately from that portion of the contribution that Kent Gardens PTA keeps for its own operations. The dues disbursed were properly maintained as a separate expense line item in the General Ledger and the PTA Membership contributions received were properly maintained in a separate income line item in the General Ledger. Dues were paid to the State (this includes National dues) and to the County for 506 members. Membership dues collected were for 506 members. The PTA Membership Committee maintains the dues spreadsheet. This spreadsheet was sorted by membership type to reconcile to total membership income and expenses. Following prior year recommendations, the suggested method of tracking memberships remains effective in reconciling to the General Ledger. We recommend this model be passed on to future membership chairs to ensure continued success in reconciling memberships during our review at year end.
- PayPal Account – The PayPal account is being reconciled monthly per our prior recommendation. We reviewed the reconciliations performed from the date of the last audit through June 30, 2011. No problems were noted and the reconciled cash balance is included on the audit report attached.

Additional procedures performed included testing of Bookfair deposits for proper supporting documentation and a review of the Finance Committee meeting minutes and the PTA meeting minutes for the fiscal year.

Additional Findings

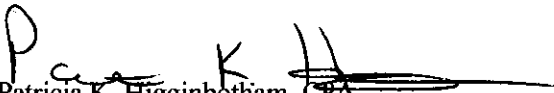
We recommend that every board member be required to read Section 4 Financial Management of the Virginia Local Unit Resource Guide. The stated purpose of a PTA is to promote the welfare of children through educational means. There is a huge gray area in exactly what that means. Certainly the desire to provide for schools the best educational opportunities possible for children would seem to fall within that stated purpose. The Virginia PTA Local Unit Resource Guide states that fundraising is not a primary function of a PTA and that material aid to the school is not the function of the PTA. However the National PTA guide does state that “PTAs are often called upon to finance programs and purchase needed equipment that tight school budgets do not have the money for, and each PTA must decide what it will do. Before approving proposals for material aid to the school or community, a PTA should consider whether or not the proposed equipment or service is a public responsibility.” There is no definition of material aid.

All Board members need to have a united understanding of the primary function of the PTA and understand the Virginia PTA position on fundraising and suggested use of PTA funds. Please note specifically that for equipment purchases the PTA should pay the vendor directly when possible. If the equipment must be purchased through school division, a copy of the invoice must be supplied for PTA financial records.

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If you have any questions concerning the above, please feel free to contact me.

Sincerely,


Patricia K. Higginbotham, CPA