

February 28, 2001

### Audit Committee Report

The audit committee met on February 28, 2001 to review all of the financial records for Local 2040.

We noted the following items:

The National roster reflected the following individuals not on the roster for Local 2040:

Deborah Love	Last payment Pay Period 9/23/00
Shonta Trotman	Last payment Pay Period 8/26/00
Steven Patton	Last payment Pay Period 12/02/00
Carissa Carter	Last payment Pay Period 10/21/00
Debra Sabbell	Last payment Pay Period 12/02/00

The following were on Local 2040's roster but not on the roster for National:

Leonard Cooley	Last payment Pay Period 6/03/00(He is now making direct payments to our Local)
Dianne Barnum	Last payment Pay Period 12/30/00

The National roster reflected the following individuals but they were not on any payment listing or local roster:

Terry Hoffman  
Lavern Harrell

The following discrepancies in names were noted:

Christina Burke was shown as Christiana Burke  
George Brown was shown as George AZ, Brown  
Debra Sabell was shown as Debra Sabbell

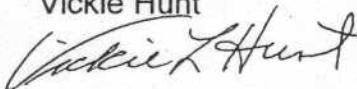
We found that the bond coverage of \$17,500 is adequate based on the notation from Mark for 2000. We do not recommend any change at this time.

We found all IRS forms were completed in accordance with IRS requirements.

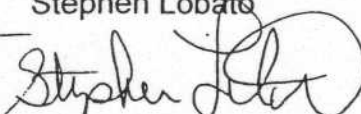
We noted one discrepancy in the checkbook. Check 8652 was written to Tim Hynes for \$10.00. In the checkbook and on the voucher it was listed as being paid to Cheryl Williamson-Brown.

This report is offered respectfully by the undersigned:

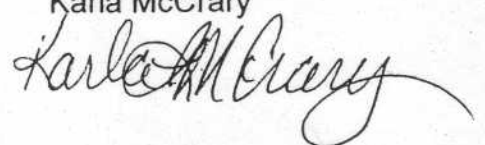
Vickie Hunt



Stephen Lobato



Karla McCrary



2000 Financial Audit Notes

I would like to thank you for your willingness to serve on the Local's audit committee. Please take a few minutes to review these notes and the attached Audit requirements provided by AFGE National.

Please be sure to annotate any discrepancies you find for the final audit report to be turned into AFGE National as per the bond insurance policy and to be read to the membership at the next membership meeting.

If you need anything, please ask me and I will do my best to assist you.

Thank you,

Mark McDonald, Treasurer AFGE Local 2040

The following checks issued in 2000 have not yet been cashed:

1/31 8600	Dennis Thomas	PerDiem for AFL TRAINING:Legislat	-25.00
1/31 8601	Anna Joyce	PerDiem - AFLCI TRAINING:Legislat	-25.00
5/16 8743	Erika MidgetteLigon	Signing Mike Ti ORGANIZING:Signer	-10.00
7/10 8799	Leslie Duran	Signing Walczyk ORGANIZING:Signer	-20.00
8/24 8876	Erika Midgetteligon	Reissue ORGANIZING:Signer	-10.00

The Following checks were cashed without a second signature:

- 8585 - Officer did not get Marilyn to sign the check. In the future I will not issue checks to officers until I have obtained a second signature.
- 8760 - Marilyn failed to sign her check.
- 8762 - Marilyn failed to sign her check.
- 8819 - No officer was available to sign check - Needed to be into National ASAP for national convention fees.
- 8940 - Marilyn failed to sign her check.

As you audit the checks returned by the Bank, you will notice that several are copies of checks. AFGE Local 2040 has been required to turn selected records over to a Federal agency as a part of an investigation. You will find that the corresponding vouchers and bank statements for these checks are also copies. The Eboard members are aware of this.

As per the Local's Constitution, the following Officers are able to sign checks: Marilyn Hick, Mark McDonald, Francisco Terrones and Roberto Trinidad. Terry Cole has refused to be authorized to sign checks.

2 March 2001

Response to Audit Committee Report of 28 February 2001

Differences between the National Roster and the Local's Data Base are known. Change and Drop forms have been sent and will continue to be sent in until National catches up.

Mr. Leonard Cooley is on the National Roster, 5th line.

Check #8652 has been corrected.

In addition other discreptancies were identified by the Treasurer and presented to the Audit Committee. Those are attached to this respose.

I wish to thank to Audit Committee for their hard work and dedication in performing the annual audit of the Financial records and Meeting notes.

A handwritten signature in cursive script, appearing to read "Mark S. McDonald". The signature is written in dark ink and is positioned above the typed name.

Mark S. McDonald  
Treasurer AFGE Local 2040