

REPORT OF THE COMMITTEE ON AUDIT REVIEW
TO THE
BOARD OF DIRECTORS

Members of the Board of Directors serving on the 2005-2006 Audit Review Committee are listed below:

Dr. Millicent Goldschmidt, Chairman
Dr. William Little
Dr. John W. Prados

The Committee met on Tuesday, September 26, 2006 to review the Sigma Xi Financial Statements and the Auditors' Report for fiscal year 2006. Joining the Committee in the meeting were Dr. Philip Carter, Executive Director, Ms. Lana Barnwell, Chief of Staff and Ms. Jasmine Shah (Director of Budget & Finance) representing Sigma Xi management and Mr. Walter Davenport (Partner), Ms. Angela Poole (Senior Manager) and Mr. Lisa Rower (Senior Manager) of the auditing firm of Cherry, Bekaert and Holland, L.L.P. Copies of the financial statements and associated documents were sent to all participants for their review prior to the meeting.

Committee members asked for clarification of some entries in the financial statements. Dr. Carter, Ms. Barnwell, Ms. Shah and the auditors satisfactorily answered all questions that were raised. The Committee had subsequent closed sessions with the auditors.

The Committee, upon recommendation from the auditors, asked the management to take appropriate steps to protect the security of incoming funds in the data management area.

The Committee was pleased to receive an unqualified opinion on the financial statements from the Auditors. The auditors reported that there were no material errors or irregularities and no material weaknesses in the accounting or financial activities of the Society. The high level of openness, availability and cooperation of the Society's financial managers with the auditors was noted. The Auditors also assured the Committee that there were no significant adjustments or reclassifications recorded or significant changes in accounting policies.

In sum, the Auditors offered the opinion that: "... the financial statements referred to above present fairly, in all material respects, the financial position of Sigma Xi, The Scientific Research Society, Incorporated as of June 30, 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America." The Committee on Audit Review unanimously accepted this judgment by the Auditors.

Respectfully submitted,
Millicent Goldschmidt, Chairman
Committee on Audit Review