

September 14<sup>th</sup> 2020

To the Board of Directors  
Environmental Sustainability Rotarian Action Group, Inc.  
2 South Carrol St, Suite 255  
Madison, Wisconsin 53718

RE: Environmental Sustainability Rotarian Action Group, Inc. ("ESRAG")

The undersigned members of the ESRAG Audit Committee are pleased to provide the Board with this letter containing results of our review of the financial statements of ESRAG for the year ended June 30, 2020. This letter is based on an examination of certain financial records of ESRAG and discussions with the Treasurer, Larry Hands on September 14<sup>th</sup> 2020, and is based on the procedures as outlined in the following paragraphs.

#### Scope of Review

We provided these services to the Board for the purposes of complying with Rotary International Code of Policies 42.030.9 *Independent Review of Financial Statements*. Although this review included an examination of some accounting records and a sample of some of ESRAG's transactions, it was not intended to be an audit or review as prescribed by the American Institute of Certified Public Accountants and therefore we are not providing an opinion or other level of assurance on the financial statements.

#### Procedures

##### *Internal Controls over receipts and disbursements*

We reviewed the system of controls over receipts and disbursements and discussed with the Treasurer current internal controls. He indicated that the ESRAG formally adopted the changes proposed by the ESRAG Audit Committee following our review for the year ended June 30, 2019 at its meeting November 20<sup>th</sup>, 2019. He also indicated that Rodney Huggins had been reviewing the monthly bank statements for the year. We recommend that this secondary review be documented by completing the attached Monthly Bank Statement Review form or similar evidence that the control was performed. We also noted that that Resolution 3 at the January 17<sup>th</sup> 2018 Board meeting required two signatures on checks and electronic payments if the amount is more than \$500. Since there are no written checks and only electronic payments, we recommend that this control be documented by the Treasurer retaining emails indicating approval.

We noted that a new system has been developed in Zoho that has now allowed the Treasurer to discontinue some of the spreadsheets and allows for full integration of the membership database and the Stripe payment system. The Treasurer has indicated that more consulting is needed to fix some integration issues.

##### *Checking /Savings accounts*

We obtained the bank reconciliations for the checking account and compared the balance to that reflected in the financial statements. We also reviewed the June 30<sup>th</sup> bank statements online and traced the reconciling items into the bank reconciliations.

No discrepancies were noted in the reconciliations.

##### *Prepaid Dues*

Prepaid dues for members who pay the 5 year memberships is being tracked in a spreadsheet. We continue to recommend that the carryover balance be computed as of the year end and disclosed in the balance sheet report.

*Restricted Grants*

The organization has a restricted grant funded project funded by Jubitz. As of June 30, 2020, \$20,000 had been received and \$1,800 spent and is being tracked in a spreadsheet. The carryover balance should be reported in the balance sheet report as of the end of the year.

*Income*

We compared the current balances in the income accounts to the annual budget. In instances where there was a significant balance, we inquired of the Treasurer for an explanation of the variance.

There were no significant variations which would require further investigation.

*Expenses*

We compared the current balances in the expense accounts to the annual budget. In instances where there was a significant balance, we inquired of the Treasurer for an explanation of the variance.

There were no significant variations which would require further investigation.

*Action Group Minutes*

We reviewed the minutes for the group for items that may impact the financial statements or that could be verified as having been processed through the group's accounts. We noted that the Board approved the annual budget at its meeting on May 8, 2020.

These comments and recommendations are based upon the scope of our review. It has been our privilege to serve ESRA.

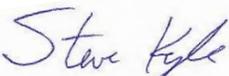
Sincerely,



Scott R. Haumersen, CPA  
Rotary Club of Madison  
Madison, Wisconsin



Robert Stroud, Attorney  
Past District Governor  
Rotary Club of Madison  
Madison, Wisconsin



Steve Kyle, Attorney  
Ambassadors Rotary Club  
Kansas City, Missouri