

September 21 2021

OFFICERS

Chair:
Richard Randolph

Incoming chair
Patricia Armstrong

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Christopher Puttock

Executive Director
Katrina Zavalney

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, 2021. This letter is based on an examination of certain financial records of ESRAG and discussions with the Treasurer, Larry Hands on September 21st 2021, 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. We reviewed the Board resolution for Disbursements policy approved by the Board November 20th, 2019 to determine if those practices were being adhered to. In addition, the Treasurer indicated that Rodney Huggins had been reviewing the monthly bank statements for the year. We discussed the cash receipts system and found that the majority of checks are received through Paypal or Strike and that only 8-10 checks are received by the Treasurer each year. Risk of loss is minimal and the cost of mitigation would outweigh the benefits of control for these checks. All major gifts and grants should be acknowledged in the Board minutes so that receipt could be verified by the audit committee each year. We discussed the new staff person and her employment status as an independent contractor, and found its treatment was consistent with employment laws for employment status. We recommend that the accounting system be documented an Accounting Policies and Procedure manual in the coming year.

We noted that a new system is being developed in I-Member to maintain the membership database and to integrate with the accounting system. This system should be document in the Accounting manual.

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 30th bank statements online and traced the reconciling items into the bank reconciliations.

No discrepancies were noted in the reconciliations.

ENVIRONMENTAL SUSTAINABILITY ROTARIAN ACTION GROUP (ESRAG)
2 South Carroll Street, Suite 255, Madison, Wisconsin 53703
Email: info@esrag.org www.esrag.org

DIRECTORS

Jorge Calderon
Ludovic Grosjean
Rodney Huggins
Clari Nolet
Michael Terrelonge
Keith Tovey
Deniz Vural
Yasar Atacik
Ludwig Kalthoff
Steve Solbrack
Peter L. Moralee
Joey O'Brien
Gunilla Ostbergs
Richard Randolph
Karen Kendrick-Hands
Larry Hands
Carlos Montoya

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 summary of restricted accounts. At this time is not separately reported in the balance sheet..

Restricted Grants

The organization has a restricted grant funded project funded by Jubitz. As of June 30, 2021, \$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. We discussed future restricted gifts and grants and recommend that they be tracked in the spreadsheet in the same way that the Jubitz grant is tracked.

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.

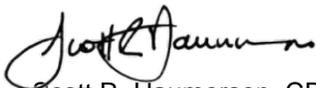
There were no significant variations which would require further investigation.

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 September 17th, 2020.

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

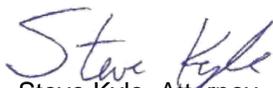
Sincerely,



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