To the Board of Directors
Global Relief, Recovery and Reconstruction (GER3)
Winchester, Virginia

This letter is to inform the Board of Directors about significant matters related to the conduct of our audit as of and for the year ended December 31, 2017, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

The Auditor’s Responsibility under Applicable Auditing Standards

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 9, 2018. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated January 9, 2018 regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

Management has the ultimate responsibility for the appropriateness of the accounting policies used by GER3. GER3 did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period which should be brought to your attention for approval.

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

There were no accounting estimates included in the financial statements.

Audit Adjustments

A trial balance was given to us at the onset of our audit fieldwork. There were two audit adjustments made to the original trial balance presented to us to begin our audit, including one PBC entry, and are as follows: to adjust bank fees to actual (PBC) ($32) and to adjust payables to zero, for financial statement reporting purposes ($10,450). Payables were adjusted to prepare the statements on the modified cash basis of accounting.
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**Uncorrected Misstatements**  
We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

**Disagreements with Management**  
We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

**Consultations with Other Accountants**  
We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Significant Issues Discussed with Management**  
No significant issues were discussed with management prior to our retention, arising from the audit or were the subject of correspondence with management.

**Difficulties Encountered in Performing the Audit**  
As often occurs with an organization’s first time audit, the availability and organization of supporting documentation could be improved.

**Letter Communicating Significant Deficiencies and Material Weaknesses**  
We did not identify any material weaknesses during our audit of the financial statements.

**Certain Written Communications between Management and Our Firm**  
Certain written communications between our firm and the management of GER3 have been signed by Carolyn Mellone with CSM Accounting and the CEO.

**Closing**  
We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to GER3.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified parties.

Yours truly,  
Barlow, P.C.

Winchester, Virginia  
March 11, 2019
To the Board of Directors  
Global Emergency Relief, Recovery and Reconstruction  
Winchester, Virginia

In planning and performing our audit of the financial statements of Global Emergency Relief, Recovery and Reconstruction (GER3) as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered GER3’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GER3’s internal control. Accordingly, we do not express an opinion on the effectiveness of GER3’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control during our audit that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in GER3’s internal control to be significant deficiencies:

**Accounting Limitations**

As is common in not-for-profit organizations, GER3’s accounting department currently does not prepare its financial statements, complete with notes, in accordance with accounting principles generally accepted in the United States of America. Accordingly, GER3 is unable to, and has not established internal controls over the preparation of financial statements.
We are required to report this deficiency. The standard does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports. Accordingly, you may decide that curing the deficiencies described above would not be cost effective and take no action.

*Management Response:* as noted by YHB, there is a cost associated with the preparation of financial statements and notes by an accounting department. GER³ relies upon the accounting firm of CSM Accounting for all of its accounting services. It is agreed that it is not cost effective to prepare financial statements, complete with notes, in accordance with accounting principles generally accepted in the United States of America.

**Policies and Procedures**

We noted a lack of written policies and procedures in place. In terms of policies, we recommend for the following written policies to be developed: endowment policy, including endowment spending policy, as well as policies identified on the Form 990. Policies identified on the 990 include the following: whistleblower policy, document retention policy as well as conflict of interest policy.

We recommend for written procedures to also be developed. Written procedures should be developed around the main financial processes of GER3.

We recommend to develop these policies and procedures to not only guide staff in the day-to-day operations of GER3 but also to portray to donors that GER3 is good stewards of the funds it receives.

*Management Response:* GER³ has worked diligently to formalize and integrate twenty-two (22) different internal policies aimed at strengthening organizational systems, controls, processes and accountability. In 2017, when GER³ first started as an organization, some of these policies were not in place. All of these policies are all now in place and are an important part of GER³’s regular working practices. Specific policies, including whistleblower, document retention, conflict of interest and financial procedures, all currently exist.

**Segregation of Duties**

We noted a lack of segregation of duties in GER3. For receipts, it was noted that the CEO is solely involved in the receipt of deposits as well as taking the deposits to the bank. For disbursements, it was noted that the CEO is also solely involved in the receipt of invoices as well as the approval of invoices, including processing the invoices for payment. We recommend for other individuals to be involved in the receipts and disbursements process to ensure proper segregation of duties.

*Management Response:* The GER3 volunteer President previously managed the organization’s receipt of deposits and disbursements. The receipt of deposits has now been taken on by another individual to ensure the segregation of duties.
Recording Transactions

We noted minimal information provided to CSM Accounting in order to record transactions. We recommend for the staff of GER3 to provide CSM Accounting with sufficient documentation for recording transactions. Sufficient documentation includes copies of checks received, agreements/contracts, invoices and any other supporting documentation to substantiate the receipts and disbursements of GER3.

Management Response: GER3 management has increased its efforts since 2017 to address this issue. GER3 staff, per financial procedures now in place, are required to maintain copies of checks received, agreements/contracts, invoices and all related supporting documentation to substantiate receipts and disbursements.

Loan with Global Emergency Group (GEG)

We noted GEG pays for various expenses of GER3. However, we noted a lack of a written agreement between the parties regarding this transaction between the entities. We recommend for GER3 and GEG to document this loan between the parties.

Management Response: GEG provided a loan to help GER3 cover expenses on a limited basis ($7,236.53) in 2017 as GER3 had limited liquidity and challenges with payments from the United Nations Development Programme in 2017. This loan was subsequently repaid to GEG and no additional loans have been made. Any future loans will be documented. Further, GER3 has benefitted from the recent legal advice from the law offices of Lewis Baach Kaufmann Middlemiss PLLC related to the relationship between GEG and GER3. Their non-profit practice, led by Mr. Jeffrey Tenenbaum Esq., has been providing guidance to the GER3 Board of Directors that includes the development of policies, processes and statements to clearly define this relationship.

Schedule of Restricted Net Assets

We noted GER3’s restricted net asset schedule is prepared by CSM Accounting. However, there is no review and sign off of this schedule by the CEO. We recommend for the schedule to be reviewed and approved by the CEO, on at least a quarterly basis.

Management Response: This issue is well noted and has now been addressed through the revision of GER3’s financial policies and processes.

Monthly Bank Reconciliations

We noted GER3’s bank reconciliations are prepared by CSM Accounting. However, there is no review and sign off on the bank reconciliation indicating a review took place. We recommend for the bank reconciliation to be reviewed and approved by the CEO.

Management Response: This issue is well noted and has now been addressed through the revision of GER3’s financial policies and processes.
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Manual Journal Entries

We noted the manual journal entries for GER3 are prepared by CSM Accounting. However, there is no review and sign off on the manual journal entries indicating a review took place. We recommend for the manual journal entries to be reviewed and approved by the CEO.

Management Response: This issue is well noted and has now been addressed through the revision of GER3’s financial policies and processes.

This communication is intended solely for the information and use of management, the Board of Directors and others within GER3, and is not intended to and should not be used by anyone other than these specified parties.

Yancey, Hyde & Bankson, P.C.

Winchester, Virginia
March 11, 2019
March 11, 2019

Yount, Hyde & Barbour, P.C.
P.O. Box 2560
Winchester, Virginia 22604

This representation letter is provided in connection with your audit of the financial statements of Global Emergency Relief, Recovery & Reconstruction (the Organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2017, the related statement of revenue, expenses and change in net assets – modified cash basis for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting, as described in Note 1 to the financial statements.

We confirm, to the best of our knowledge and belief, that as of March 11, 2019:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 9, 2018, for the preparation and fair presentation of the financial statements referred to above in accordance with the modified cash basis of accounting.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the modified cash basis of accounting.
6. All events subsequent to the date of the financial statements and for which the modified cash basis of accounting requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with the modified cash basis of accounting.

8. The following, if applicable, have been properly recorded and/or disclosed in the financial statements:

   a. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
   b. Lines of credit or similar arrangements.
   c. Agreements to repurchase assets previously sold.
   d. Security agreements in effect under the Uniform Commercial Code.
   e. Amounts of contractual obligations for plant construction and/or purchase of real property, equipment, other assets, and intangibles.
   f. Investments in debt and equity securities, including their classification.
   g. All liabilities that are subordinated to any other actual or possible liabilities of the Organization.
   h. All leases and material amounts of rental obligations under long-term leases.
   i. Derivative financial instruments.
   j. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification, including split interest agreements.
   k. All current and deferred assets and liabilities related to the accounting for income taxes. Additionally, we have evaluated the tax positions under the two-step approach for recognition and measurement of uncertain tax positions required by the Income Taxes Topic of the FASB Accounting Standards Codification.
   l. All recordable contributions, by appropriate net asset class.
   m. Reclassifications between net asset classes.
   n. Allocations of functional expenses based on reasonable basis.
   o. Composition of assets in amounts needed to comply with all donor restrictions.
   p. Deferred revenue from exchange transactions.
   q. Refundable advances.
   r. Board designated unrestricted net assets.
   s. Concentrations of credit risk.

9. We have no knowledge of any uncorrected misstatements in the financial statements.
Information Provided

10. We have provided you with:

a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;

b. Additional information that you have requested from us for the purpose of the audit;

c. Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence; and

d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

11. All transactions have been recorded in the accounting records and are reflected in the financial statements.

12. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of allegations of fraud or suspected fraud, affecting the Organization’s financial statements involving:

a. Management.

b. Employees who have significant roles in the internal control.

c. Others where the fraud could have a material effect on the financial statements.

14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization’s financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.

15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

16. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.

17. We have disclosed to you the identity of the Organization’s related parties and all the related-party relationships and transactions of which we are aware.
18. We are not aware of any material weaknesses in the design or operation of internal controls that could adversely affect the Organization’s ability to record, process, summarize, and report financial data.

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

GLOBAL EMERGENCY RELIEF, RECOVERY & RECONSTRUCTION

[Signature]

Mr. Langdon Greenhalgh

[Signature]

Carolyn Mellone, Outsourced Accountant