

March 20, 2015

Ms. Debbie Dugger
CASA
Liberty, Texas



Dear Debbie,

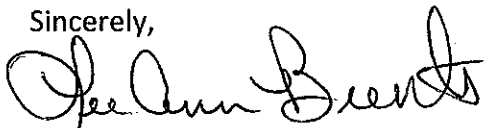
This letter is in reference to your request for our opinion regarding the changes in certain fundraising activities by CASA that are being discussed.

Without specific knowledge of your contract with any fundraising organization, my thoughts are as follows:

- 1) If at all possible, do not "net" donations with expenses. Netting makes it more difficult from a recording perspective for you, as well as, from an auditing perspective. Additionally, it is more difficult to identify donations that need to be receipted and it is not as transparent in your records. People donating generally would like to know that their donations are going to the organization in full. By handling it in this manner, that answer would be 100%.
- 2) Paying all costs directly from CASA's accounts would ensure that amounts are properly recorded and that you have proper documentation for those costs.
- 3) From an audit and tax return perspective, fundraising activities have to be shown broad, i.e., gross revenue and detailed expenses by category.
- 4) From an internal control perspective, CASA needs to know that it has received all of the amounts that it should have. It also needs to understand the fundraising costs incurred in order to make sure that it was worth the effort.

The above, of course, is my opinion from a general perspective. We can work with CASA to achieve its needs as it further develops these projects.

Sincerely,


Lee Ann Brents, CPA

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