

December 9, 2025

**To Management and Board of Directors  
CaringMatters, Inc.**  
518 S Frederick Ave  
Gaithersburg, MD 20877

In planning and performing our audit of the financial statements of CaringMatters, Inc. as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered CaringMatters, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of CaringMatters, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of CaringMatters, Inc.'s financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiency in the entity's internal control to be a significant deficiency:

- During our audit of the 2025 financial statements, we noted that deferred revenue and accounts receivable in 2024 were overstated at year-end. An adjustment was required to correct prior period balances, resulting in a decrease of \$70,200 in both deferred revenue and accounts receivable. Similarly, an adjustment was required for this same reason for 2025 to decrease both deferred revenue and accounts receivable by \$49,620. Given the nature and size of these adjustments, it is considered a significant deficiency. We recommend that management perform an analysis of all deferred revenue at year-end to ensure proper recognition in accordance with accounting standards.



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During our audit, we became aware of the following other matters that are opportunities for strengthening internal controls or operating efficiency:

- During our audit, we noted some areas for potential strengthening of internal controls in the following areas:
  - We recommend that the controls around receipt of funds during special events be strengthened. During the event, all funds should be collected and handled by at least two designated staff or volunteers who work together to record each transaction, issue receipts (if necessary), and keep cash and checks secured. At the end of the event, the same two individuals should jointly count and reconcile all funds against receipts and logs, document any discrepancies, and prepare the deposit. After the event, a manager or finance officer who was not involved in collection should review the reconciliation and deposit records for accuracy, ensure funds are deposited promptly, and retain all documentation for audit and reporting purposes.
  - Currently, the net assets schedule and fixed asset depreciation schedule are not being tracked internally. In prior years, these supporting schedules were prepared by the auditor. Moving forward, we recommend these schedules be prepared internally and tracked throughout the year. Net assets should be reviewed to verify appropriate categorization of contributions received, and any releases or reclassifications should be documented. Fixed asset depreciation schedule should be tracked to maintain accurate financial records, ensure compliance with accounting standards, and help prevent loss or theft.
  - Credit card transactions for the Chief Executive Officer and Chief Operating Officer are not currently being reviewed by the Board of Directors. We recommend that a member of the Board of Directors review the transactions of the Chief Executive Officer and the Chief Operating Officer at least once or twice a year. This is a key internal control that helps prevent the misuse of organizational funds, ensures accountability, and strengthens financial oversight for small nonprofit organizations.
  - Employee's salaries for government grants are allocated as a percentage of estimated time dedicated to each grant. We recommend that the Organization implement a time sheet system for employees working on these grants, as certain grant agreements require timesheet documentation to support the services provided. This would ensure proper support in the event these items are requested from the grantor.
- The following areas are not deficiencies, rather they are suggestions based upon what other organizations your size are doing:
  - Utilizing bank, credit and payroll feeds in QuickBooks in order to export transactions into the accounting system.
  - Utilizing software, such as BILL or RAMP, that automates vendor payment process, including approvals, as well as utilizes technology to export and code transactions into QuickBooks.

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

Very truly yours,

A handwritten signature in black ink that reads "Snyder Cohn, PC". The signature is written in a cursive, flowing style.

SNYDER COHN, PC  
North Bethesda, Maryland