



October 26, 2018

Board of Directors
Chris Kyle Frog Foundation
Midlothian, Texas

In planning and performing our audit of the financial statements of Chris Kyle Frog Foundation (the "Foundation") 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 the Foundation'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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been 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. We consider the following internal control deficiencies:

1. The December WePay detail of online contributions showed pledge commitments totaling \$950 to be received during 2018. These contributions were not recorded as pledges. We recommend tracking these pledge commitments.
 - Management's response: The Foundation implemented cutoff procedures around the recording of these. We will continue to monitor them on an annual basis and assess the materiality of tracking these pledge commitments at year end.
2. The Mastering Your Marriage event requires participants to pay a registration fee of \$75 which will be reimbursed upon completion of the program. These type of registrations could result in overstatement of revenue if a course is not complete in the same fiscal year as registration occurred. At year end the program director, director of finance and partnership, and RSM Finance and Accounting Outsourcing should reconcile records. We recommend that a program director track registration for courses that stipulate reimbursement upon completion of the course and amounts be appropriately recorded as revenue or deferred revenue at year end.
 - Management's response: The Foundation implemented cutoff procedures around the recording of these and deemed the impact to be immaterial. We will continue to monitor them on an annual basis and assess the materiality of tracking these registration fees at year end.

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.

A significant deficiency is a deficiency, or a 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 control deficiencies to be significant deficiencies:

1. There were two invoices totaling \$34,339 related to 2016 recorded in 2017. This created an overstatement of expenses for the same amount and an overstatement of beginning net assets. We recommend that a thorough review be done at year end to ensure that expenses are recorded in the correct year.
 - Management's response: The Foundation brought on RSM during 2017 to assist with ongoing finance and accounting matters. As such a narrowly scoped cleanup of 2016 and 2017 activity took place. These invoices came in well after the cleanup was complete and were outside our parameters of scope. Going forward into future years RSM's process and procedures will accurately reflect expenses recorded in the correct year.
2. The Director of Finance and Partnerships and Chief Operating Officer Consultant have access to debit cards for which an expense report or approval is not required prior to each transaction. Without proper documentation supporting the business expense the IRS could consider this taxable compensation. We recommend that debit cards and/or credit cards charges be approved, require expense report, and supporting receipts or invoices.
 - Management's response: All debit card transactions are approved by the Chief Operating Officer. The Foundation has also moved to credit cards in 2018 as we were not able to apply for them based on being a new business prior.
3. The Operations Officer opens mail, creates direct deposit slip and takes checks to the bank for deposit. There should be segregation between the task of receiving revenue and depositing that revenue. The following scenario is an example of how these duties could be separated: the person who opens the mail creates a log of checks received and prepare the direct deposit slip. The log of checks will be sent to RSM Finance and Accounting Outsourcing. The deposit slip and the checks are given to a second person to make the bank deposit and return the validated deposit slip to RSM. RSM could assist in reconciling the validated deposit slip and the check log.
 - Management's response: The Foundation's procedures have been modified. The Operations Officer will open mail and electronically sends checks and deposits slips to Chief Operating Officer as well as Director of Finance and Partnerships for review. The Operations Officer will deposit the checks to the bank and return the deposit slip to the Chief Operating Officer and Director of Finance and Partnerships for review. The Director of Finance and Partnerships sends the deposit slip and back up to RSM to record in the bank account.



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This letter is intended solely for the information and use of management and the Board of Directors and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate serving Chris Kyle Frog Foundation and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

Rylander, Clay & Opitz, LLP

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