



Management Letter

To the Board of Directors of
The KBOO Foundation
Portland, Oregon

During our audit of The KBOO Foundation (the Organization) for the years ended September 30, 2010 and 2009, we noted certain matters of lesser severity involving internal control and other operational matters that are presented for your consideration. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies or improvements. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

Current Year Comments Involving Internal Control:

CD-1 Fixed Assets Physical Inventory

We noted that a physical inventory of fixed assets has not been completed, although it is in process.

Recommendation

We recommend that a physical inventory of assets be completed. Although most of the assets are not easily portable, a periodic inventory starting with the portable assets would improve internal control over those assets.

We appreciate the courtesy and cooperation provided by the employees of the Organization during the course of the audit. We will be happy to discuss the details of this report and assist in any way possible. This report is intended solely for the information and use of management, and is not intended to be and should not be used by anyone other than these specified parties.

Kern & Thompson, LLC

Portland, Oregon
September 15, 2011