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October 24, 2019

Management and Finance Committee  
ChildFund Alliance  
545 Fifth Avenue, Suite 1205  
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During the course of our audit of the ChildFund Alliance (the Alliance) financial statements for the year ended June 30, 2019, we observed the Alliance's significant accounting policies and procedures and certain business, financial, income tax, and administrative practices.

In planning and performing our audit of the financial statements of The Alliance as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Alliance'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 Alliance's internal control. Accordingly, we do not express an opinion of the effectiveness of the Alliance's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we have identified a deficiency in internal control that we consider to be material weakness.

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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with. 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 Alliance's financial statements will not be prevented or detected and corrected on a timely basis.

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We believe that the following deficiency constitutes a material weakness:

During performance of our detailed audit procedures for the year ended June 30, 2019, we concluded, and management agreed, that the Alliance's method of revenue recognition for one grant received during the year was not recorded correctly. This matter resulted from interpretation of the given terms of the grant outlined within the agreement between the Alliance and the donor. Per overarching revenue guidance, unconditional contributions received from donors that detail only administrative considerations should be recognized as revenue in the period received or promised. As a result, an audit adjustment of approximately \$319,000 was made to properly reflect the increase in grant revenue and receivable at June 30, 2019.



Management and Board of Directors  
ChildFund Alliance  
October 24, 2019

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

Very truly yours,

BDO USA, LLP