

February 15, 2013

Board of Directors
USA Taekwondo, Inc.
Colorado Springs, Colorado

In planning and performing our audit of the financial statements of USA Taekwondo, Inc. as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered USA Taekwondo, Inc.'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in USA Taekwondo, Inc.'s internal control to be material weaknesses:

Operating Reserves

In previous years the Corporation suffered significant losses from operations which have depleted the Corporation's reserves. We feel it is imperative that the Corporation budget for a significant surplus in order to replenish reserves and improve the Corporation's cash flow. It is a healthy practice for non-profit organizations to have at least six months reserves set aside for future needs.

We would encourage the Corporation to evaluate opportunities that present themselves that would enable them to reduce costs and increase revenues in order to reestablish operating reserves.

We understand that during the fall of 2011 the Corporation underwent significant restructuring at the National Office, and staff reductions, as well as other changes, were made in order to permanently reduce the Corporation's overhead costs. As a result of these reductions, the Corporation generated a net income during 2012. We encourage the corporation to continue to operate in this manner.

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In addition to the items noted above, we noted the following areas which we don't consider to be material weaknesses or significant deficiencies. However, we present for your consideration the following comments and suggestions relating to internal controls, accounting procedures and financial matters:

Inventory

In 2010, the Corporation paid to have a custom motorcycle built with the intent of using it for a raffle drawing for the Corporation. However, to date the raffle has not happened and the motorcycle has not been sold.

We recommend that the Corporation sell this motorcycle as soon as possible in order to generate cash and eliminate the possibility of damage and reduction in value due to normal depreciation.

Bank Reconciliations

Currently, the CEO receives and reviews the bank statement and completed bank reconciliation.

We recommend that this process be clearly documented on these reports to indicate that the review has been completed.

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The preceding comments are based on observations made incident to our normal auditing procedures. Because our comments are not based on a special study of the matters covered, further evaluation of our suggestions may be necessary on your part as a basis for implementation.

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

Sincerely,

Wang & Goodwin, LLP