

WATKINS | MEEGAN

October 28, 2014

To The Board of Regents of Gunston
Hall, Incorporated and Affiliate
10709 Gunston Road
Mason Neck, VA 22079

In planning and performing our audit of the consolidated financial statements of The Board of Regents of Gunston Hall, Incorporated and Affiliate (the Organization) as of and for the year ended June 30, 2014 in accordance with auditing standards generally accepted in the United States of America, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization's internal control.

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 consolidated 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, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We do have the following comments for your consideration:

Other Matters

Reconciliation of Restricted Contributions

During our audit, we noted that the restricted contributions recorded to the general ledger did not agree to the restricted contributions recorded to DonorPerfect, the donor database software. An important check and balance to ensure the completeness and accuracy of contributions recorded to the general ledger is the reconciliation of the general ledger to the donor database. We recommend that the donor database and general ledger be reconciled on a monthly or quarterly basis, not only in total, but based on restrictions. This will provide additional reliance that donor contributions are appropriately reported by restriction.

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Debit Cards

During our review of the organization's debit card charges, we noted that no one above the Executive Director position was reviewing the Executive Director's charges and receipts. We recommend that the Board Treasurer be provided with the debit card statement and receipts on a quarterly basis for review of unusual charges.

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

Sincerely,

Watkins Megan LLC