

Audit Committee
Winston-Salem State University Foundation
Winston-Salem, North Carolina

In planning and performing our audit of the financial statements of Winston-Salem State University Foundation (the "Foundation") as of and for the year ended June 30, 2015, in accordance with U.S. generally accepted auditing standards, we considered Winston-Salem State University Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However as discussed below, we identified 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. 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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies in Winston-Salem State University Foundation's internal control to be significant deficiencies:

In obtaining an understanding of the Organization's controls over disbursements, we determined that check sequence is not being tracked. While there is a review process for each disbursement by a responsible party who does not have general ledger access or check stock access, there are three employees who do have access to both the general ledger and the check stock. We recommend that the Foundation assign the duty of tracking check sequence to someone who is not involved in the disbursement process.

In obtaining an understanding of the Organization's controls over bank statements and reconciliations, we determined that a review is not occurring by someone outside of the Accounting Department. The Accounting Department does not have the resources to implement the necessary controls within itself, therefore it must utilize someone who is not involved in the daily accounting process to perform a thorough monthly review. We recommend that the Foundation assign the duty of a detailed and thorough review of all monthly bank statements and reconciliations to someone outside of the Accounting Department.

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

Butler & Burke LLP

Winston-Salem, North Carolina
September 25, 2015