

To the Board of Trustees  
of the Fort Monroe Authority

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Fort Monroe Authority (the "Authority") for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audits. We have communicated such information in our letter to you dated December 8, 2016. Professional standards also require that we communicate to you the following information related to our audits.

## **SIGNIFICANT AUDIT FINDINGS**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. There were no significant, new accounting standards adopted during the year ended June 30, 2016. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There are no significant accounting estimates in the Authority's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audits, other than those that are clearly trivial, and communicate them to the appropriate level of management. During our search for unrecorded liabilities, we identified several invoices that had service periods in both FY16 and FY17, where a portion of the invoices should have been accrued in FY16. The aggregate amount of that accrual was approximately \$4,500. There were no uncorrected misstatements as management elected to record these amounts.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 8, 2016.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**OTHER MATTERS**

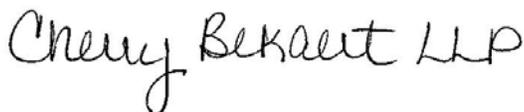
**Supplementary Information**

With respect to the required supplementary information (“RSI”) accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audits of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**New Accounting Standards**

As part of our normal audit process and as a value added service to you we would like to make you aware of some new reporting standards that will be required to be implemented in future years by the Authority. There are no new standards which we believe will be applicable to the Authority for the year ended June 30, 2017.

This information is intended solely for the use of the Board of Trustees and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.



Virginia Beach, Virginia  
December 8, 2016