



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

September 11, 2012

To the Board of Directors  
Hampton Roads Planning District Commission  
723 Woodlake Drive  
Chesapeake, VA 23320

We have audited the financial statements of *Hampton Roads Planning District Commission* (the "Commission") for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our discussions about planning matters on June 14, 2012. Professional standards also require that we communicate to you the following information related to our audit.

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 *Hampton Roads Planning District Commission* are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Commission 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. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no estimates that were particularly sensitive because of their significance to the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures concerning retirement plans and postretirement benefits other than pensions.

*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 audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements as summarized in the attached journal entry listing.

In addition, we have attached a schedule that summarizes the uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as 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 September 11, 2012.

*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 Commission'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 Commission'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*

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 Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Hampton Roads Planning District Commission  
September 11, 2012  
Page 3

This information is intended solely for the use of the Board of Directors and management of *Hampton Roads Planning District Commission* and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Dixon Hughes Goodman LLP*

Norfolk, Virginia  
September 11, 2012

Client: *Hampton Roads Planning District Commission*  
 Engagement: *Hampton Roads Planning District Commission*  
 Period Ending: *6/30/2012*  
 Workpaper: *Adjusting Journal Entries*

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>6212</b>		
PBC entry to adjust grandfather sick leave.				
20600	ACCRUED GRANDFATHER LEAVE		4,241.00	
50000	SALARIES			4,241.00
<b>Total</b>			<b>4,241.00</b>	<b>4,241.00</b>

<b>Adjusting Journal Entries JE # 3</b>		<b>1385</b>		
PBC entry to record FY12 GASB Retiree liability.				
90000	OPEB expenses		185,143.00	
22400	GASB 45 RETIREE			185,143.00
<b>Total</b>			<b>185,143.00</b>	<b>185,143.00</b>

