C. Waldo Scott Center for H.O.P.E.

AUDITORS' COMMUNICATIONS WITH
THOSE CHARGED WITH GOVERNANCE

JUNE 30, 2016

A. ROHM, SMITH & COMPANY
Certified Public Accountants and Consultants

January 27, 2017

To the Board of Directors
C. Waldo Scott Center for H.O.P.E.
Newport News, Virginia

We have audited the financial statements of C. Waldo Scott Center for H.O.P.E. ("Scott Center") for the year ended June 30, 2016, and have issued our report thereon dated January 27, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter dated November 15, 2015. 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 Scott Center are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2016. We noted no transactions entered into by Scott Center 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. The most sensitive estimates affecting the financial statements were determining the value of contributed services, facilities and materials.

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. The following material misstatement detected as a result of audit procedures was corrected by management:

- Recording depreciation expense totaling approximately $12,608, which had not been recorded.

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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 auditors' 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 January 25, 2017.

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

Scholarship – Edwards Investment Fund

The earnings in the current year were $892 and a Scholarship was provided in the amount of $1,000, which was $108 greater than the amount allowed. We recommend that an amount of $108 be transferred into the Edwards Investment account as soon as possible.

We appreciate the opportunity to be of continuing service to you. This information is intended solely for the use of the Board of Directors and management of C. Waldo Scott Center for H.O.P.E. and is not intended to be and should not be used by anyone other than these specified parties.

A. Rohm, Smith & Company