



KNOWLEDGE · QUALITY · CLIENT SERVICE

Presentation to Those Charged with Governance

July 18, 2018



Scope of Services

- Audit of the December 31, 2017 financial statements for the following plans:
 - Metropolitan Washington Airports Authority Retirement Plan for General Employees
 - Metropolitan Washington Airports Authority Retirement Plan for Police Officers and Firefighters
- Review of the financial statements prepared by management
- Available for year-round consultation



Audit Results

- Issued unmodified opinions with no exceptions on the financial statements
- Issued unmodified opinions on internal control over financial reporting in accordance with *Government Auditing Standards*
- No material weaknesses were identified
- We did not discover or were made aware of any instances of fraud
- Received full cooperation from management



Required Communications

Auditor's Responsibilities Under Generally Accepted Auditing Standards (GAAS)

The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provide for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We were engaged to perform our audit in accordance with the standards of the accounting principles generally accepted in the United States of America.

Significant Accounting Policies

Management has the responsibility for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by management are described in the notes to the financial statements.



Required Communications (continued)

Auditor's Judgments About the Quality of Accounting Principles

We discuss our judgments about the quality, not just the acceptability, of accounting principles selected by management, the consistency of their application, and the clarity and completeness of the financial statements, which include related disclosures.

We have reviewed the significant accounting policies adopted by the Plans and have determined that these policies are acceptable accounting policies.

Audit Adjustments

We are required to inform the Plans' oversight body about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the entity's financial reporting process. We also are required to inform the Plans' oversight body about unadjusted audit differences that were determined by management to be individually and in the aggregate, immaterial.

There were no passed adjustments identified during the audit process.



Required Communications (continued)

Fraud and Illegal Acts

We are required to report to the Plans' oversight body any fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.

Our procedures identified no instances of fraud or illegal acts.

Material Weaknesses in Internal Control

We are required to communicate all significant deficiencies in the Plans' systems of internal controls, whether or not they are also material weaknesses.

There were no material weaknesses noted during the audit.

Other Information in Documents Containing Audited Financial Statements

None



Required Communications (continued)

Disagreements with Management on Financial Accounting and Reporting Matters

None

Serious Difficulties Encountered in Performing the Audit

None

Major Issues Discussed with Management Prior to Acceptance

None

Management Representations

Received written representations from management as part of the audit.



Required Communications (continued)

Consultation with Other Accountants

To our knowledge, there were no consultations with other accountants since our appointment as the Plans' independent public accountants.

Independence

As part of our client acceptance process, we go through a process to ensure we are independent of the Plans. We are independent of the Plans.

Non-Audit Services

None



Required Communications (continued)

Our Responsibility Related to Fraud

- Plan and perform the audit to obtain reasonable assurance that there is no material misstatement caused by error or fraud;
- Comply with GAAS AU-C 240 “Consideration of Fraud in a Financial Statement Audit”;
- Approach all audits with an understanding that fraud could occur in any entity, at any time, by anyone; and
- Perform mandatory procedures required by GAAS and our firm policies.

Examples of Procedures Performed

- Discuss thoughts and ideas in areas where the financial statements might be susceptible to material misstatement due to fraud;
- Understand pressures on the financial statement results;
- Understand the tone and culture of the organization;
- Look for unusual or unexpected transactions, relationships, or procedures;
- Discussions with individuals outside of the Office of Finance;
- Evaluate key processes and controls; and
- Consider information gathered throughout the audit.



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