Smith Elliott Kearns & Company, LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Board of Directors of
Washington County, Maryland Convention and Visitors Bureau, Inc.
Hagerstown, Maryland

We have audited the financial statements of Washington County, Maryland Convention and Visitors Bureau, Inc. (Bureau) for the year ended December 31, 2017, and have issued our report thereon dated May 11, 2018. 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 in our letter to you dated December 31, 2017. 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 polices used by the Bureau 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 2017. We noted no transactions entered into by the Bureau 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:

> Management's estimate of grant receivables is based on expenses that have been submitted for reimbursement and related allowance for doubtful accounts.
>
> Management's estimate of useful lives for property and equipment as well as the depreciation expense is based on management's estimate of the length of time of the asset's productive use. The lives are described in Note 1 of the financial statements.
>
> Management's estimate of inventories value is at cost, using the first-in first-out method.
>
> Management's estimate of functional expenses summarizes the total expenses and the classification of management and general and program services.

We evaluated key factors and assumptions used to develop the allowance for doubtful accounts, useful lives for property and equipment and functional expense allocation determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of operating lease transactions in Note 5 of the financial statements summarizes rental agreements that the Bureau is involved with.

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The entries on the attached Summary of Adjustments were detected as a result of audit procedures. In addition, management has not disclosed to us any uncorrected financial statement misstatements.

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 May 11, 2018.

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

RESTRICTION OF USE

This report is intended solely for the information and use of the Board of Directors and management of the Bureau and is not intended to be and should not be used by anyone other than these specified parties. We welcome any questions that you may have, and look forward to continuing our relationship with Washington County, Maryland Convention and Visitors Bureau, Inc.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
May 11, 2018

Washington County, Maryland Concention and Visitors Bureau, Inc.
Summary of Adjustments
December 31, 2017

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust the grant receivable balance at 12/31/17.			
1320	Grants	$ 703	
121	Grants receivable		$ 703
Total		$ 6,258	$ 6,258
Adjusting Journal Entries JE # 2			
To adjust deferred revenue at 12/31/17.			
1325	Memberships	$ 21,085	
220	Deferred Revenue		$ 21,085
Total		$ 10,715	$ 10,715
Adjusting Journal Entries JE # 3			
To properly adjust the inventory balance at 12/31/17.			
1541	Resale Merchandise	$ 912	
131	Inventory-gift shop		$ 912
Total		$ 912	$ 912
Adjusting Journal Entries JE # 4			
To record fixed asset additions, depreciation & disposals as of 12/31/17.			
1532	Depreciation	$ 2,278	
163	Accumulated Depreciation - Office		$ 2,278
153	Office Equipment	23,920	
1559	Window display		23,920
Total		**$ 26,198**	**$ 26,198**