

## Required Communications Letter

January 15, 2015

To the Audit Committee  
Washington, D.C. Convention and  
Tourism Corporation & Affiliate

We have audited the consolidated financial statements of Washington, D.C. Convention and Tourism Corporation & Affiliate (the Organization) as of and for the year ended September 30, 2014, and have issued our report thereon dated January 15, 2015. 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 engagement letter dated June 20, 2013. Professional standards also require that we communicate to you the following information related to our audit.

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

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in the notes to the consolidated financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated 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 consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

Management's estimate of the allowance for doubtful accounts is based on historical collection rates and an analysis of the collectibility of individual customer balances.

Management's estimate of the asset and liability for pension benefits is based on actuarial assumptions, such as service length, life expectancies, etc.; estimated future market returns; and discount rates.

Management's estimate of the useful lives for property and equipment is based on historical trends of lives for assets of similar type.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the consolidated financial statements taken as a whole.

## **Qualitative Aspects of Accounting Practices – Continued**

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

The disclosure of investments in Note C to the consolidated financial statements includes the asset allocation of the investments and information about how they are valued.

The disclosure of the retirement plans in Note D to the consolidated financial statements includes information related to the assets and liabilities of the retirement plans.

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

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

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

## **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. During our audit we did not propose any audit adjustments. We noted no uncorrected misstatements during our audit.

## **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 consolidated 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 January 15, 2015.

## **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 Organization's consolidated 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 Organization'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**

With respect to the consolidating information accompanying the consolidated 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 U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the consolidating information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the consolidating information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

This information is intended solely for the use of the Audit Committee and management of Washington, D.C. Convention and Tourism Corporation & Affiliate and is not intended to be and should not be used by anyone other than these specified parties.