

From: Jon Tomlinson <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
Subject: Re: CPA Meeting Today
Date: Tue, 23 May 2017 09:29:43 +0000

So... what do I tell the CPA about this letter from LB accountant? Is it coming by Thursday? Faxed directly to the CPA or the auditor?

On May 22, 2017, at 6:10 PM, jeffrey E. <jeevacation@gmail.com> wrote:

when is the meeting scheduled. anastasyia can provide a letter that 641 is a gift. and for verification we will fax the agent a letter of confirmation from lb accountant. -- good work on the reconciliation. was the salary picked up?

On Mon, May 22, 2017 at 6:02 PM, Jon Tomlinson <[REDACTED]> wrote:
i met with the CPA today to go over the auditor's document request.

I went over all of the items of the document request. I had already given them item #s 1, 2, 3, 6, 7, and the COGS backup. Everything reconciles to the penny. The auditor had asked for copies of two checks (item #4 & 5). These are both salary payments from Sublime to Anastasiya for the period 7/2014 - 12/2014). I've requested copies of these checks from the bank so should have those shortly.

Item #8 covers the worksheets that were referenced. The glaring item is the "Understatement of Income" as totaled on the Bank Deposit Analysis for AS' personal bank accounts. The total "Understatement of Income" is \$698,446 (again, for AS' personal accounts, not Sublime Arts). Of this, \$641,000 is gifts from the LB Trust. See my attached breakdown (again, reconciles to the penny).

The CPA said we could ask for an extension but he saw no reason for it. They have all of the documents requested. As far as the \$641k from the Trust, the CPA keeps asking if I have some sort of documentation that is non-taxable. Of course, I don't so I'll leave that up to you on how to handle that.

I am now puzzling through the "Understatement of Income" total of \$52,136, which comes from the Bank Deposit Analysis Worksheet for the Sublime Arts bank accounts. Of this, \$50k is the salary payment to Anastasiya for the period 7/14 - 12/14 as referenced earlier. Not sure why this wouldn't have been reported because it was always classified as salary. As for the remaining \$2,136, I'm sure I'll figure it out within the next couple of hours.

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please note

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