

Tax returns files and John Murphy comparison of tax return to excel P&L.  
I have not discussed with him - not clear on the other expenses on the "trend" file, first tab - row 42.

From: John Murphy [mailto: ]  
Sent: Friday, August 01, 2014 4:45 PM  
To: Richard Joslin; Eileen Alexanderson  
Subject: Trends and Reconciliation to Tax Returns

Richard/Eileen,

I have created a simple spreadsheet (ArtSpace Trends) that shows the major =  
Income statements and Balance Sheet items by month. I will look at this to =  
verify where the cash is going.

In the meantime I also used this file to tie back the QB financials to the =  
Tax Returns and highlight any differences.

Note 2013 is based on accruals, while 2011 and 2012 was on a Cash basis.

As I look at 2012 and 2013 the major differences are disallowable T&E for T=  
ax purposes. Comparing the tax returns to the QB files this gives us a comf=  
ort level on the validity of the data. I will perform some substantial test=  
ing to verify salaries etc.

(I will also question Catherine on some of the classification of 2011 expen=  
ses)

I will keep you updated as I make progress.

Regards,

John.

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