

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 Tax purposes. Comparing the tax returns to the QB= files this gives us a comfort level on the validity of the data. I will perform some substantial testing to verify salaries etc.

(I will also question Catherine on some of the classification of 2011 expenses)

I will keep you updated as I make progress.

Regards,

John.

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John Murphy

COO/CFO

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