

November 29, 2018

Strong McPherson & Co.

5865 Tyrone Road, Suite 102

Reno, NV 89502

This representation letter is provided in connection with your audit of the financial statements of Brewery Arts Center, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 29, 2018, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 12, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) There are no uncorrected misstatements that are immaterial, both individually and in the aggregate, to the financial statements as a whole. We have adjusted our accounting records to reflect the adjusting journal entries that are attached to this representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have discussed with you our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- 20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 22) Brewery Arts Center is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Signature: _____

Title: _____

ZCBR500 - BREWERY ARTS CENTER

AJEs

July 1, 2017 - June 30, 2018

Date	Reference	Account	Description	Debit	Credit
06/30/18	AJE 1	326	DEPRECIATION EXPENSE	36,552.00	
		55	ACCUMULATED DEPRECIATION Depreciation		36,552.00
06/30/18	AJE 2	6	OPERATING ACCOUNT - 9319		357.08
		323.1	OFFICE SUPPLIES adjust account balance	357.08	
06/30/18	AJE 3	60	COMMUNITY FOUNDATION OF WN		19.34
		310	BANK & CC FEES adjust fund balance	19.34	
06/30/18	AJE 4	73	PAYROLL LIABILITIES	143.52	
		319.2	PAYROLL TAXES accrue payroll liab		143.52
06/30/18	AJE 5	80	PERFORMANCE HALL LOAN	771.72	
		312	INTEREST EXPENSE adjust loan balance		771.72
06/30/18	AJE 6	50	FURNITURE & EQUIPMENT		2,899.10
		307	EQUIP RENTAL & MAINTENANCE Reclass PP&E to Equip Expense	2,899.10	
06/30/18	AJE 7	71	LOAN-1-8121 - CURRENT PORTION		4,039.93
		72	LOC LOAN - 9953 - CURRENT PORTION		2,012.07
		81	LOAN-1-8121	4,039.93	
		82	LOC LOAN-LINE OF CREDIT - 9953 Record Current Portion of Debt	2,012.07	
06/30/18	AJE 8	308	EVENT EXPENSE	9,110.00	
		300	ARTIST FEES correct artist fees and event expenses/per client		9,110.00
06/30/18	AJE 9	305	CONTRACT LABOR	1,500.00	
		300	ARTIST FEES correct artist fees and contract labor/per client		1,500.00
Report Totals				<u>0.00</u>	<u>0.00</u>

Journal Entry count = 9