



May 21, 2019

Kattell and Company, P.L  
808-B NW 16<sup>th</sup> Avenue  
Gainesville, FL 32601

This representation letter is provided in connection with your audit of the financial statements of Matheson History Museum, Inc. (the Museum), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 (U.S. GAAP).

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 May 21, 2019, the following representations made to you during your audit.

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 11, 2018.
- The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles (GAAP.)
- 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions, if any, have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 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, if any.
- You have proposed the attached adjusting journal entries that will be posted to the Organization's accounts. We are in agreement with those adjustments. There were no uncorrected misstatements.
- The effects of all known actual or possible litigation, claims, and assessments, if any, have been accounted for and disclosed in accordance with U.S. GAAP.
- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the organization is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

**Information Provided**

- We have provided you with:
  - 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.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by volunteers, former volunteers, grantors, regulators, or others.
- 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.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 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, if any.
- 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.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- The Organization 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.
- As part of your audit, you assisted with the following non-attest services:
  - Preparation of the financial statements and related notes.
  - Preparation of certain financial schedules.
  - Preparation of certain adjusting journal entries.
  - Preparation of the IRS Form 990.

We acknowledge our responsibility as it relates to those non-attest services, including that we assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed, and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. Specifically, we have:

- Made all management decisions and performed all management functions.
- Designated an individual with suitable skill, knowledge, or experience to oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

Signature: Paul Owen

Signature: Diane Gibson

Title: Treasurer

Title: Museum Director

## Journal Entries

Client **Matheson History Museum**  
 File Name **MHM**  
 Period Ending **12/31/2017**

Account	Description	Debit	Credit
<b>Adjusting Journal Entry JE-1</b>			
To adjust BOY Net assets			
12100	Grants Receivable		134,319.49
21310	Payroll Liabilities	532.92	
21400	Department of Revenue Payable	10.64	
45300	Grants	500.00	
45320	Grants:Cultural Affairs	9,493.00	
45340	Grants:Visit Gainesville	1,524.78	
72000	Payroll Expenses		532.92
87100	Sales taxes on Museum Shop sales		10.64
90050	Special Category Grant - State of Florida Division of Historical Resour	122,801.71	
<b>Total</b>		<b>134,863.05</b>	<b>134,863.05</b>
<b>Adjusting Journal Entry JE-2</b>			
Assisted client with correction of incorrect posting			
11500	Capital City Bank (deleted)	21,457.09	
15100	Buildings		4,830.00
45310	Grants:AEC Trust		4,629.42
52110	Memberships:Other Memberships		99.00
81410	Dues and Fees	99.00	
82610	Repair & Maintenance:Other Repair & Maintenance		238.48
82630	Repair & Maintenance:Landscape Maintenance	4,830.00	
85200	Insurance		14,589.19
90600	Museum and Program Costs Not Reimbursed		2,000.00
<b>Total</b>		<b>26,386.09</b>	<b>26,386.09</b>
<b>Adjusting Journal Entry JE-3</b>			
Adjust CFNCF Assets and contributions			
11200	Community Foundation of North Central Florida	10,120.60	
12000	Donations Receivable	9,039.30	
42130	Donations:Other Donations Operating	900.00	
44000	Donations:Community Foundation NCF		9,939.30
44000	Donations:Community Foundation NCF	1,680.35	
53210	Change in Value CFNCF		11,800.95
<b>Total</b>		<b>21,740.25</b>	<b>21,740.25</b>
<b>Adjusting Journal Entry JE-4</b>			
Refunded tax overpayment miss posted			
21330	Payroll Liabilities:FL Unemployment Tax	89.12	
72100	Payroll Expenses:Taxes		89.12
<b>Total</b>		<b>89.12</b>	<b>89.12</b>

## Journal Entries

Client **Matheson History Museum**  
 File Name **MHM**  
 Period Ending **12/31/2017**

Account	Description	Debit	Credit
<b>Adjusting Journal Entry JE-5</b>			
To accrue Grant revenue			
12100	Grants Receivable	10,137.58	
12100	Grants Receivable	25,566.62	
21300	Accounts Payable		7,288.95
45340	Grants:Visit Gainesville		875.10
45340	Grants:Visit Gainesville		10,137.58
45340	Grants:Visit Gainesville		25,566.62
81110	Supplies	2,363.20	
84300	Exhibits	463.23	
85700	Advertising/Promotional	875.10	
85700	Advertising/Promotional	4,462.52	
<b>Total</b>		<b>43,868.25</b>	<b>43,868.25</b>

**Adjusting Journal Entry JE-6**

To reclassify Fundraising revenues			
42130	Donations:Other Donations Operating	19,889.23	
58100	Fundraisers		6,500.00
58100	Fundraisers		19,889.23
81500	Development	6,500.00	
<b>Total</b>		<b>26,389.23</b>	<b>26,389.23</b>

**Adjusting Journal Entry JE-7**

Assist client with Fixed Assets			
15000	Accumulated Depreciation		12,845.00
15100	Buildings	684,369.32	
15500	CIP		684,369.32
82700	Depreciation	12,845.00	
<b>Total</b>		<b>697,214.32</b>	<b>697,214.32</b>

**Adjusting Journal Entry JE-8**

Reclassify Revenues			
42130	Donations:Other Donations Operating	2,000.00	
52110	Memberships:Other Memberships		600.00
53410	Rental Income:Matheson House Apartment		2,000.00
53410	Rental Income:Matheson House Apartment	600.00	
<b>Total</b>		<b>2,600.00</b>	<b>2,600.00</b>

**Adjusting Journal Entry JE-9**

Reclassify functional expenses to natural			
45340	Grants:Visit Gainesville		875.10
75310	Archival Supplies	7,308.00	

## Journal Entries

Client **Matheson History Museum**File Name **MHM**Period Ending **12/31/2017**

Account	Description	Debit	Credit
75310	Archival Supplies	3,564.77	
75310	Archival Supplies	12,159.36	
75510	Honorarium	5,659.98	
75520	Independent Contractor	19,408.75	
81410	Dues and Fees	180.00	
82610	Repair & Maintenance:Other Repair & Maintenance	8,440.50	
84000	Storage	312.00	
84300	Exhibits	530.00	
85700	Advertising/Promotional	24,795.03	
90070	Costs Charged to Grants		29,746.38
90090	Costs Charged to Grants:Visit Gainesville		51,716.16
90600	Museum and Program Costs Not Reimbursed		3,453.92
91000	Other Miscellaneous Expenditure	456.27	
91000	Other Miscellaneous Expenditure	2,976.90	
<b>Total</b>		<b>85,791.56</b>	<b>85,791.56</b>

**Adjusting Journal Entry JE-10****Clean up old account**

10300	MHC Rental		500.00
30100	Opening Balance Equity	500.00	
<b>Total</b>		<b>500.00</b>	<b>500.00</b>

**Adjusting Journal Entry JE-11****Adjust cost of goods sold**

84500	MHM Publications	5,600.00	
87000	Cost of goods sold		5,600.00
<b>Total</b>		<b>5,600.00</b>	<b>5,600.00</b>