

CARTON 2143

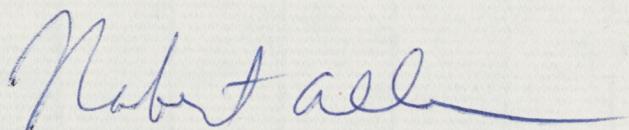
WILD TREES PRESS

FINANCES, TAXES AND ASSESSORS,
LOANS 1984-1991

2017/103
c

July 10, 1986

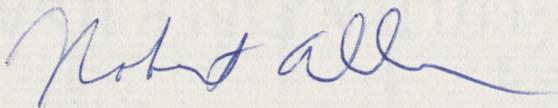
This will acknowledge an interest-free loan of \$1,500 from Alice Walker to Wild Trees Press. This loan is to be repaid in full within two years, unless otherwise agreed by the parties.

A handwritten signature in blue ink that reads "Robert Allen". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

For Wild Trees Press

July 10, 1986

This will acknowledge an interest-free loan of \$1,500 from Alice Walker to Wild Trees Press. This loan is to be repaid in full within two years, unless otherwise agreed by the parties.

A handwritten signature in blue ink, appearing to read "Robert Allen". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

For Wild Trees Press

October 30, 1985

This will acknowledge an interest-free loan of \$4,000 from Alice Walker to Wild Trees Press. This loan is to be repaid in full within two years, unless otherwise agreed by the parties.

Robert Allen

For Wild Trees Press

call mercia
2/10 to r.v. K-1s
548-022)

January 26, 1987

Mr. Malcolm Roberts
Roberts, Schultz & Co.
2140 Shattuck Ave., #204
Berkeley, CA 94704

Dear Malcolm,

Enclosed is a sheet summarizing the data you need for our tax return and K-1 forms. The profit/loss apportionment should be the same as last year, that is, 90% to Alice Walker, 10% to me.

If there is any additional information you need, please give me a call. I can be reached in Oakland at 893-7914 (or at 707 895-3681 in Mendocino).

Sincerely,

Robert Allen

Wild Tress Press Financial Report as of 12/31/86

INCOME:

Books -- \$26,289
 Cards -- 1,850
 Posters -- 539
 Foreign rights --
 royalties 579
 advance 630 (liability?)
 Interest 31 (on checking acct.)
 Other sales 200

TOTAL \$ 30,118

OTHER CASH IN:

12/85 bank balance \$192
 Loan from Alice Walker \$4,500
 (interest free)
 Loan from Robert Allen \$1,000
 (interest free)

35,810

EXPENSES:

Office expenses

Rent -- \$1,800
 Telephone 1,966
 Postage/ship. 2,051
 Supplies 578
 Small off. eqmnt--
 Computer table 60
 Computer keyboard 128
 Telephone 58
 Postage meter
 rent 1,633
 Publications 293
 Copying 188
 Utilities 160
 Other office 38
 TOTAL \$ 8,953

Production Expenses (new books)

Typesetting/lay-out \$5,825
 Printing \$11,972
 TOTAL \$ 17,797

Services

Legal/professional \$1,608
 Bank charges 79
 TOTAL \$1,687

Promotion

Advertising \$ 329
 Printing/flyers 756
 American Booksellers
 Convention expenses 1,150
 Other Book Fairs
 (booth rentals) 660
 Promo mailings 384
 New Catalog/printing 1,236
 TOTAL \$ 4,515

Royalties paid \$ 1,905
Dues 195
Business entertainment 131
Misc. bus. expenses 197

Bank Balance forward \$ 430

35,810

Page 2 --- Wild Tress Press Financial Report as of 12/31/86

ACCOUNTS PAYABLE --- \$ 1,101

ROYALTIES PAYABLE AS OF 12/31/86 --- \$510

STATE SALES TAXES PAYABLE -- \$41

ACCOUNTS RECEIVABLE --

Distributors ----- \$ 3,647

Individual sales - \$ 728

TOTAL ----- \$ 4,375

INVENTORY AS OF 12/31/86

Books ---- 3,285 copies (valued @ \$1.17 each, total value \$3,843)

1986

Profit/Loss calculation

Statement Y

Gross receipts

Ads	329
Post/br	1687
Other	38
Post/Ship	2051
Tel	1966
Catalogue	1,236
Ut.	166
Dues/pubs	488
Supplies	578
Promo	3,279
ent	131
egmt	246
copying	188
	<hr/>
	12,377

	29,649
+ A/R	4375
- AP	-1652
	<hr/>
	32,372

- Cost of	}	5,806	inv begin of yr beginning period
Goods sold		1945	
Other cost		17,727	
		<hr/>	
		25,452	
		- 3883	yr end inv
		<hr/>	
		21,615	

Gross profit 10,757

+ interest 31

Total 10,788

Less Rent 1800

Other deduction, 12,377

Statement Y 14,177

Loss - 3,389

WTP

12/31/84

Income

Books \$ 26,289 (6,411 books)

Posters \$ 539

Cards \$ 1850

Taxable
\$ 664.64
TX 40.08

\$ 12.00
0.72

Foreign rights \$ 630 + 579 = \$ 1209

interest 31

other 200 (envelopes to Pyagur)

30,118

Loans

AW 4,500

RA 1,000

5,500

Carryover from 1985
\$ 192

~~Cost in 1985 \$ 192.17~~

Expenses

Office: \$ 8,984

Rent 1800

Tel 1926

Post/ship 2051

Supplies 578

Equipment 246

Maintenance 1663

pubs/print 293

copying 188

utilities 160

other 38

Computer tabs 60

back-up copies 728

telephone 58

Production/printing
\$ 17,796

type/layout
5,825

printing
11,972

Services \$ 1703

^{part} / Legal \$ 1608

Bank chg \$ 79

Promotion \$ 4,589

Advertising \$ 329

Printing 756

ABA expenses 1150

Mailing/Agens 384

Catalog 1236

Other ~~736~~ 660

Royalties: \$ 1905

~~Amendment~~ \$ 131

Dues 195

Misc \$ ~~178~~ 197

sales tax 41

Exp
total = 35,651

12/31/52 Inventory

Apom 96 + 192 + 96 =

BBBA/p 20 + 400 + 32 =

BBBA/h 15 + 168

RFW 15 + 1100

CA 150

Total 3,285

Cards: 24 boxes
papers 15

A/R 12/31/12

Royalties owed as of 12/31

ROBERTS, SCHULTZ & CO.

Certified Public Accountants

Malcolm Roberts, CPA

Lee Schultz, CPA

Marcia Hymer, CPA

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

January 5, 1987

Dear Client:

Along with the new year comes a brand new tax law (the Internal Revenue Code of 1986) and the enclosed Systemizers which we hope will be of assistance to you in gathering your income tax return data. Nineteen eighty-five information is filled in, and may be used as a guide. Please complete these Systemizers at your earliest possible convenience and forward them to us. Please do not wait for that one last piece of information, that one missing Form 1099, in order to send this to us. Please do, however, note the items that you are missing. If you enclose original documents, we will return them to you, but we would greatly appreciate receiving photocopies rather than originals. Many clients find it helpful to send us copies of statements of interest paid or received, notices from stockbrokers, partnership K-1 forms, and receipts for charitable contributions and the like so we may document the information that appears on their tax return. As ever, the Internal Revenue Service is increasingly concerned that you have good documentation for entertainment, travel and auto expense deductions. Note carefully the questions asked on Page 2; we are required to obtain positive affirmation from you that you do have the appropriate documents and logs to verify entertainment, travel, and auto expenses claimed.

Because the 1986 tax law changes affect these returns, as well as returns in 1987 and beyond, we expect tax return preparation this year to be more complex than ever, with a requirement that we pay increasing attention to the interrelationship of various items, documentation of transactions, and affirmation that you have received the maximum tax benefit. You can help us by providing information as soon as possible, or accepting a suggestion to apply for an extension of time to file the tax return.

Naturally, we would be pleased to respond to any questions that you have on the new tax law, but probably it is advisable to separate tax preparation sessions from 1987 and future tax planning sessions. I am sure you can appreciate the monumental changes that we all are facing.

Sincerely,

Roberts, Schultz + Co.

Roberts, Schultz & Co.

ROBERTS, SCHULTZ & CO.

Malcolm Roberts, CPA
Lee Schultz, CPA
Anthony T. Saris, CPA
0145

Certified Public Accountants
2140 Shattuck Ave., Suite 204, Berkeley, CA 94704
Telephone 415-548-0223

Robert Allen
P.O. Box 378
Navarro, Ca. 95463

September 5, 1986

For Services and Payments Through August 31, 1986

Analysis of new tax law proposal

	\$ 25
Balance forward	402
Interest/service charge	6

Balance now due	\$ 433
	=====

_____ 100 8/31

333
_____ 100 9/12

233

Amounts not received by the last day of this month will accrue interest/service charge at the rate of 1.5% per month, 18% per annum. The minimum service charge is \$1.00 per month.

ROBERTS, SCHULTZ & CO.

Certified Public Accountants

Malcolm Roberts, CPA

Lee Schultz, CPA

Anthony T. Saris, CPA

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

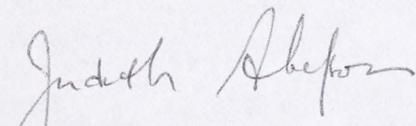
July 1, 1986

Robert Allen
P.O. Box 378
Navarro, Ca. 95463

Dear Bob:

Just after speaking with you, this bill came across my desk along with a memo from our billing service that the bill was never credited for \$100 because your check was not received. That is why the enclosed statement does not reflect any credit. I'm afraid we never received the check; it must have gone astray in the mails.

Sincerely,


Judith Abelson
Office Manager

ROBERTS, SCHULTZ & CO.

Certified Public Accountants

Malcolm Roberts, CPA

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Lee Schultz, CPA

Telephone 415-548-0223

Anthony T. Saris, CPA

June 27, 1986

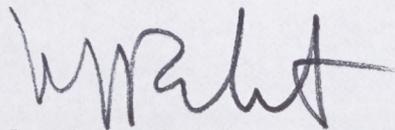
Mr. Robert Allen
P.O. Box 378
Navarro, California 95463

Re: Outstanding Billing

Dear Robert:

In going through our accounts receivable in preparation for our upcoming July 1st billing I note with concern that your account is seriously delinquent. It has now been more than 90 days since service was rendered, and we prepared your income tax return. We would appreciate your check by return mail in the provided envelope in the amount of \$496, the amount that will show on the upcoming bill. Unfortunately, in a small firm, we are not able to carry accounts receivable for such lengthy periods of time and it creates an undue burden on our administrative processes. We would much rather prepare tax returns, do accounting, and render good accounting service than write collection letters! I am sure you can understand our problem.

Sincerely,



Malcolm Roberts

*Call
7/1
re payment
made
6/14
called
7/16
said they
found
check*

ROBERTS, SCHULTZ & CO.

Malcolm Roberts, CPA
Lee Schultz, CPA
Anthony T. Saris, CPA

Certified Public Accountants
2140 Shattuck Ave., Suite 204, Berkeley, CA 94704
Telephone 415-548-0223

0145

Robert Allen
P.O. Box 378
Navarro, Ca. 95463

June 28, 1986

For Services Through 6/25/86 and Payments Through 6/28/86

Balance forward	\$ 489
Interest/service charge	7

Balance now due	\$ 496
	=====

Amounts not received by the last day of this month will accrue interest/service charge at the rate of 1.5% per month, 18% per annum. The minimum service charge is \$1.00 per month.

ROBERTS, SCHULTZ & CO.

Malcolm Roberts, CPA

Lee Schultz, CPA

Anthony T. Saris, CPA

Certified Public Accountants

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

0145

Robert Allen
~~P.O. Box 9926~~
Oakland, Ca. 94613

June 5, 1986

=====
For Services and Payments Through May 31, 1986

Balance forward	\$ 482
Interest/service charge	7

Balance now due	\$ 489
	=====

6/12

100

389

Amounts not received by the last day of this month will accrue interest/service charge at the rate of 1.5% per month, 18% per annum. The minimum service charge is \$1.00 per month.

ROBERTS, SCHULTZ & CO.

Certified Public Accountants

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

May 31, 1985

Robert Allen
Post Office Box 9926
Oakland, California 94613

Dear Robert:

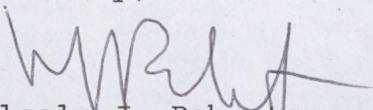
We received your call, but I was unable to reach you by telephone.

Your business may make payments on your auto to any extent you believe appropriate, but this will be considered as "draw" to you and not tax deductible by the partnership. If the partnership does claim it as a deduction, the partnership will have to report as "guaranteed payments" (income) the payments made to you. That is, the partnership will take a tax deduction, but it will be considered as pure income to you, just as if you had received a fee for services. Under any circumstances the title of the auto is still in your name, and I assume you are not transferring title to the partnership. You will have to report all of your expenses related to the car on your personal income tax return.

The only way this would not be so is if the car was owned by the partnership. If you transfer the auto to the partnership, obviously, there is a taxable event to you (you may have a gain); the responsibility for documenting full business use benefits is to the partnership. You may well find that your insurance payments substantially increase, because the car will now be registered to a commercial entity. I suggest you check with your insurance agent if you wish to consider this.

I hope this is helpful; if you wish to discuss it further please call again and leave good times with my secretary for me to reach you.

Sincerely,



Malcolm J. Roberts
Certified Public Accountant

MJR:sc

ROBERTS, SCHULTZ & CO.

Certified Public Accountants

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

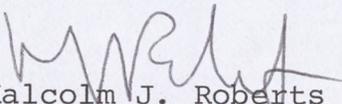
May 31, 1985

Robert Allen
Post Office Box 9926
Oakland, California 94613

Dear Robert:

We received your phone call, and tried to call several times, with no luck. We requested our bank to reprocess the check you sent for the partnership, but have not as yet received a response. I suggest you stop payment on the original check and mail us a new one. An envelope is provided for your convenience.

Sincerely,



Malcolm J. Roberts
Certified Public Accountant

MJR:sc

ROBERTS, SCHULTZ & CO.

Certified Public Accountants

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

0145

Robert Allen
P.O. Box 9926
Oakland, Ca. 94613

April 5, 1985

For Professional Services Rendered Through March 31, 1985

Current Charges

CPA Services - Partners	\$	366	
Costs		106	
Total Current Charges			472
Balance Due By May 1, 1985	\$		472

gd
4/25/85

Amounts not received prior to the above due date will accrue interest/service charge at the rate of 1.5% per month, 18% per annum. The minimum service charge is \$1.00 per month.

ROBERTS, SCHULTZ & CO
CERTIFIED PUBLIC ACCOUNTANTS
2140 SHATTUCK AVENUE, SUITE 204
BERKELEY, CALIFORNIA 94704
TELEPHONE (415) 548-0223

9534

Wild Trees Press
P.O. Box 9926
Oakland, Ca. 94613

March 6, 1985

=====
For Professional Services Rendered
=====

Payments received -500

-500

Current Charges

CPA Services - Partners \$ 432

Staff Accountant Services 12

Costs 104

Total Current Charges ----- 548

Balance Due By April 1, 1985 \$ 48

3/13
CU 234

Amounts not received prior to the above due date will accrue interest/service charge at the rate of 1.5% per month, 18% per annum. The minimum service charge is \$1.00 per month.

MALCOLM J. ROBERTS

Certified Public Accountant

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

February 1, 1985

Mr. Robert Allen
Wild Trees Press
P.O. Box 378
Navarro, California 95463

Dear Robert:

This letter will serve as an Engagement Letter for the services we are to render you, based on my discussions with you.

My office will be called upon from time to time to render Management Advisory Services to you relating to your tax matters and general business affairs.

If we are asked to prepare tax returns due to various government agencies, we will go over, but not verify, the data you submit, and may ask for clarification of certain items. We will use our judgment in matters involving application of pertinent tax rules, and will resolve any questions in your favor if there is a reasonable justification for the position being taken. We will process your returns through an outside computer service bureau.

Our fees for these services will be billed monthly at our standard office billing rates, plus costs (computer charges, postage, telephone toll charges, etc.). Travel time and phone calls will be billed at our standard hourly rates. Invoices are due upon presentation, and must be paid before the end of the month. Unpaid invoices, upon subsequent billing, will draw interest at the rate of 1.5% per month, 18% per annum, plus collection costs and attorneys fees if necessary. It is not our practice to continue work when clients have unpaid balances. Our minimum annual retainer fee of \$500 is now due and payable.

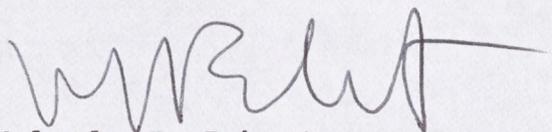
This engagement agreement encompasses the preparation of the tax returns only. Should your returns subsequently be selected for examination by a taxing authority, we will represent you or offer whatever assistance you may require. Such additional service is not, however, included in the fee for preparing your returns. It will be billed separately at the rates then in effect.

Robert Allen
February 1, 1985
Page 2

If this is acceptable to you, please sign the copy of this letter as indicated and return it for our files. The original is for your records.

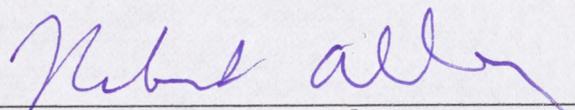
We appreciate your confidence in retaining us as your Certified Public Accountants, and look forward to working with you.

Sincerely,



Malcolm J. Roberts

Agreed to, as above:



Robert Allen, General Partner

2/18/85

Date

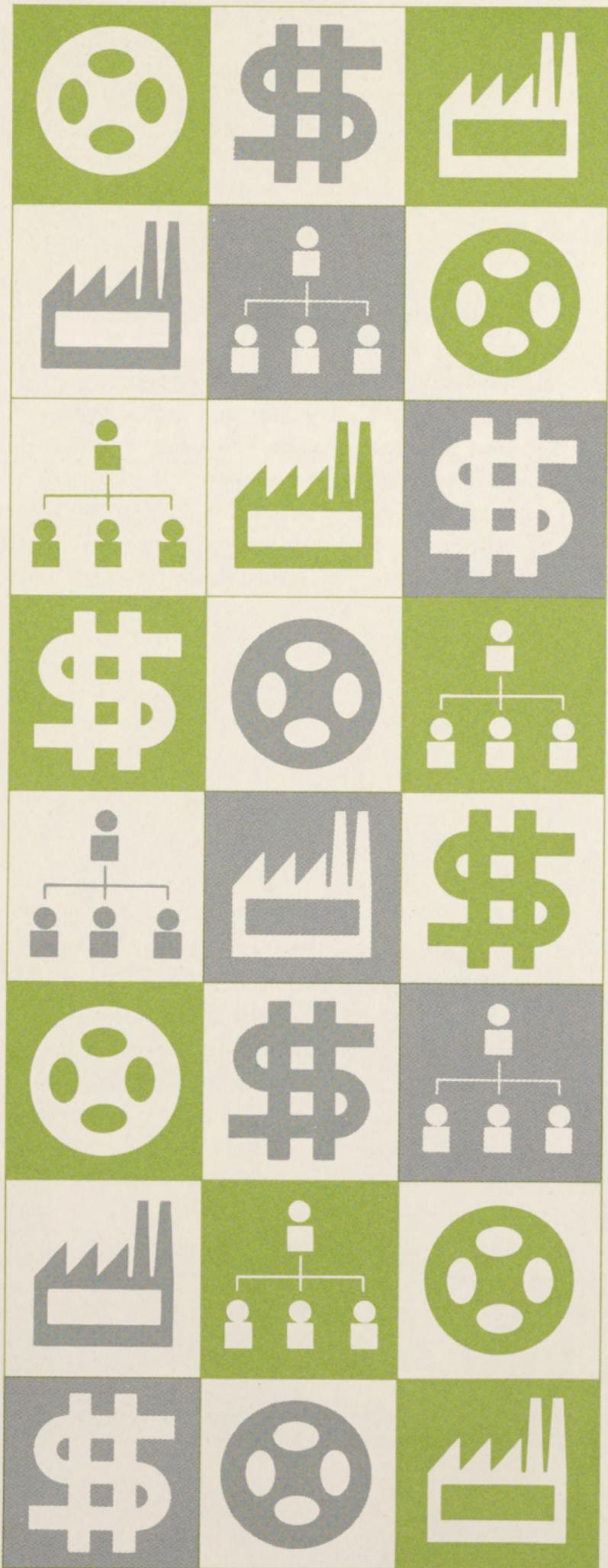
PARK SQUARE BOND

25% COTTON FIBER

**The CPA
and
Management
Consulting**

**CPA
MIAS**

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



The CPA and Management Consulting

An organization can benefit significantly by using its certified public accountant as a business advisor and management consultant. Long recognized for their accounting, auditing, and tax services, CPAs are equally skilled in dealing with a wide range of other business or operating problems. In fact, the CPA can be an important source of advice and assistance for the entire management team.

CPA
MAS

**Management
Advisory
Services**

Management advisory services (MAS), the term CPAs use for their management consulting services, are based on an understanding of a client's organization, finances, and operations and the problems and challenges that must be faced in today's complex business, financial, and regulatory environment. Certified public accountants — and the other professionals on the staffs of CPA firms — have historically provided such services in response to a client's need for a readily available source of business advice and assistance.

The management consulting services performed by CPAs are not limited to the areas of finance and accounting. CPAs may provide advice on or assist with projects involving all major business functions. Their services often

include assistance in organizing, planning, and monitoring business activities and in developing and implementing data processing and management information systems.

The breadth of management advisory services reflects a clear response to clients' changing needs. For example, rapid developments in the use of computers for business systems have demanded broader CPA capabilities. The effective use of the computer requires an understanding of data processing technology, business planning processes, the use of management information for planning and control, and the application of accounting and other controls essential to an effective system.

Today, CPAs bring their clients a wider range of professional competence as well as a commitment to professional standards and quality performance. This capability is increasingly important as management systems become more complex and more critical to overall business success.

CPA MAS

The Nature of Management Advisory Services

CPAs' technical knowledge and business experience enable them to provide a broad range of management advisory services, including —

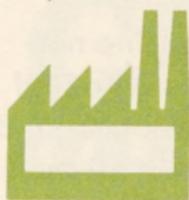
Developing Information Systems. These services often involve reviewing, developing, and assisting with the implementation of computer or manual systems and procedures that might pertain to such matters as accounting and management information, manufacturing controls, material requirements planning, product costing, and cash and asset management.



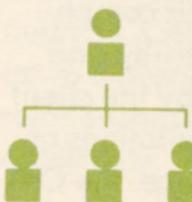
Evaluating and Forecasting. Assistance of this type relates to planning and financial analysis and might involve economic evaluations, projections and forecasts, long- and short-range planning, merger or acquisition studies, financial feasibility studies, or arrangements for financing.



Improving Profitability. These services generally result in identifying, evaluating, and recommending ways to reduce operating costs and improve profitability. They might involve cost analyses, equipment evaluations, budgetary and cost control development, or inventory and production planning system development.



Improving Organizational Responsiveness. Services in this area might involve analyzing an organization's operations and then assisting in a planning and implementation process that might result in changes in organizational structure, staffing, or compensation programs.



MAS services are based not only on CPAs' functional knowledge, but also on their understanding of the particular concerns of a given industry. These concerns may relate to such critical areas as the economic, accounting, organizational, managerial, or regulatory requirements of that industry.

CPA **MAS** Why Organizations Use Their CPAs for MAS

- **Service.** CPAs' consulting services are timely, knowledgeable, and cost-effective.

- **Confidence.** Professional CPA standards contribute to client confidence in CPAs' consulting services.
- **Perspective.** CPAs have broad experience dealing with business problems.

MAS is cost-effective because CPAs have knowledge of their clients' organization, operations, finances, personnel, and tax situation, which enables them to provide timely, effective advice.

An existing professional relationship not only helps a client assess the CPA's skills and reliability but enables the CPA to monitor and appraise the results of management advisory services over a period of time. The CPA's continued accessibility is important to clients.

CPAs adhere to a code of professional ethics and to technical practice standards. In undertaking a management advisory service, CPAs consider such matters as their competence to complete the task successfully and whether the benefits envisioned by the client are likely to result. If there are limitations or qualifications concerning the service, the CPA will discuss them.

The standards for quality of the practicing CPA and the in-depth knowledge of a client's organization that the CPA has acquired over a period of time provide a strong base for the successful completion of a management consulting engagement.

The CPA can bring to bear a wide range of business knowledge and skills beyond those required for accounting, auditing, and tax services. This broad business background, plus knowledge of the client, permits management advisory services to be based on an understanding of both the specific and overall needs of the organization and its personnel.

At times, depending upon the client's needs, the CPA may call upon other professionals who are experienced in other techni-

cal disciplines or are familiar with specific techniques, industries, or government programs. In some instances, the CPA might direct a client to someone else qualified to deal with a specific request. In any case, the CPA is a reliable source for obtaining qualified assistance.



**Objectivity
and
Independence**

All CPAs are required to maintain objectivity in performing their work. They are bound by a code of professional ethics to guard against subordinating their judgments to others. Further, in their role as independent auditors, CPAs cannot have a financial interest in a client's company or have certain relationships that might cast doubt on their objectivity.

A consulting relationship does not impair an auditor's independence. A consultant does not act as a member of the client's management or as an employee. In fact, MAS can improve the performance of CPAs as auditors because it permits them to acquire a greater knowledge of client companies.

* * * *

Historically, the CPA has provided advice and technical assistance to clients on business and management matters. These services have grown to meet the increasing demands of a complex business environment. As professionals, CPAs will continue to meet the needs of their clients while adhering to a code of professional ethics and technical standards that foster quality services.

American Institute of
Certified Public Accountants
1211 Avenue of the Americas
New York, N.Y. 10036

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34567890 MAS 898765432

338585

The Engagement Letter

An Agreement
Between
the Client
and the CPA

AICPA

It's unlikely that you would enter into an important business relationship without a written agreement. Good business sense dictates that you "get it in writing." In the past, services provided by your CPA may have been performed on the basis of an oral agreement. But the significance of the relationship between your CPA and you does warrant a written agreement. More accountants are committing these agreements to writing; they take the form of Engagement Letters.

On the five panels of this leaflet, Engagement Letters are explained for business people who may be unfamiliar with them.

An Engagement Letter Benefits Management

In a professional engagement, the CPA agrees, on the one hand, to comply with professional and ethical standards; you, on the other hand, agree to cooperate, to render assistance, and to compensate the CPA. An Engagement Letter clarifies these mutual obligations; it insures that the CPA and staff members understand the type of engagement to be performed and the expectations they agree to fulfill.

An Engagement Letter Is Desirable

CPAs provide such services as audit, review, compilation, tax and management advisory services. Each service yields benefits, and in each instance the CPA assumes certain responsibilities.

An Engagement Letter spells out those services.

- The type and extent of the services to be provided.
- Any limitations of these services agreed to.
- The timing and deadlines for performance.

The Letter may describe what is expected of you, the client.

- What assistance will you provide?
- What are the payment terms?
- How will the fee be determined?

It is in both your interest and your CPA's interest that there be a clear, written statement and understanding of the services to be provided.

Signing an Engagement Letter Does Not Change the Relationship Between Management and the CPA

Signing an Engagement Letter does not alter the relationship between the client and the CPA, nor does it change the obligations of either party. What the letter does do is commit to writing precisely what is involved in an agreement, and thereby reduce the possibility of misunderstandings later.

Engagement Letters Should Be Kept Current

Even if there are no changes in the services provided, Engagement Letters should be reviewed periodically. This is because professional standards for CPAs change, and the scope of their services may be modified. In addition, your situation may change, which could affect your needs for CPA services. Renewal of the Engagement Letter permits reassessment of your needs for professional services.

An Engagement Letter Is Important: READ IT!

Read the Engagement Letter with care. Give it the same careful attention given to any significant agreement. Discuss its content with your CPA. Be sure you understand the services described, the limitations of the services, the fee arrangements, and any other significant provision. When you sign the Engagement Letter, be aware that you are accepting the terms of the agreement. Retain a copy of the signed Engagement Letter as you would any other written agreement.

**American Institute of
Certified Public Accountants**
1211 Avenue of the Americas
New York, N.Y. 10036

34567890 AudS 8987654321

MALCOLM J. ROBERTS

Certified Public Accountant

January 15, 1985

2140 Shattuck Ave., Suite 204, Berkeley, CA 94704

Telephone 415-548-0223

Dear Client:

As you may know, the Tax Reform Act introduced changes which affect many areas of tax law. We would like to take this opportunity to provide you with highlights of these changes, which could affect your personal tax situation.

The first item regards business travel, entertainment, and auto expenses. Starting January 1, 1985, you are required to maintain written records of all travel and entertainment expenses and business gifts. The IRS requires that these records be "contemporaneous" (that is, written at the time the expense is incurred). If these records have not been maintained, all related deductions will be disallowed. In fact, the IRS requires us to obtain, at the time the 1985 tax return is prepared, written confirmation from our clients that such records were kept. This written confirmation will not be required for your 1984 tax return.

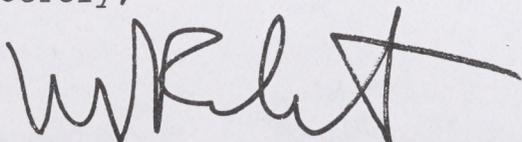
The deadline date for an IRA contribution has been changed to April 15. Last year, you were able to make a contribution up until the time your return was filed, including extensions. For 1984, extensions of time to file will not extend the date for IRA contributions beyond April 15.

Some other areas to be considered both for 1984 and subsequent years:

1. Capital assets purchased after June 22, 1984, will be considered long term after being held for six months.
2. Automobiles costing over \$16,000, used in business, will have limited deductions for depreciation and investment tax credit.
3. The treatment of deductions for home computers has changed. Employees who purchased home computers after June 18, 1984, have very restricted tax breaks. Those who purchased the computer prior to that date can get limited tax breaks, but must maintain contemporaneous records of usage.
4. The accelerated depreciation deduction on real estate acquired after March 15, 1984, has changed.
5. The treatment of low interest or no-interest loans has changed. (These were often used by families to reduce taxes and finance college educations.)

In order to assist you in 1985 recordkeeping, I am enclosing a "log book". Use it to record the required information. As the speaker at a recent CPA conference said, "Log it or lose it!"

Sincerely,



12/31/85

Income:

Cards \$ 5,516

Books \$ 19,729

Posters \$ 2,640

Interest \$ ~~46~~ 96 (ON CHECKING ACCOUNT)

Loan (AW) \$ 4,000 (INTEREST FREE - SHOW AS LOAN)

Womens Press \$ 413
1/2 advance (copy)
Rebonds/reimb \$ 186
CASH OVER FROM 1984 \$ 33,984.4

SOLD SUBSIDIARY RITES TO GREAT BRITAIN; ~~IF~~ SHOW AS LIABILITY AGAINST ANTICIPATED PRINTING IN 1986

Cash over from 1984 (12/84 BANK BALANCE)

\$ 33,984.4

Expenses: \$ 33,793

Office: \$ 7,725

Production/Printing: \$ 18,601

Rent \$ 1200

Telephone \$ 1409

Post/ship-OUT \$ 1901

Supplies \$ 647

Letter rental \$ 1497

Books/info \$ 354

Utilities \$ 240

~~Phone~~ 240

(Signs)

Refunds \$ 3

Ans. machine 159

File cabinet 76

EXPENSE AS SMALL OFFICE EQUIP.

* Typesetting/design - \$ 3,145
(Brazil book)

* printing \$ 15,156

Book #1 - APOM (3rd print)

917.13

4104 copies 3350.

\$ 4317.13

- ARQA (2nd print)

2787 copies \$ 3291.04

- Brazil bk first 1500

2nd 3897.67

Tea Lavrec \$ 2,150

* A2T \$ 300

- OVER -

Services: \$1,196

Bank charge \$ 84
Packaging \$ 88
CPA \$ 1020
Other 4
\$1,196

Promotion: \$3,236

Advertising \$ 988
Printing 686 (CATALOGUE)
ABA booth \$ 518
~~Design work~~ 465 (CATALOGUE)
(Nancy Austin)
Other 585
(copies/photos/etc)
\$3,236

Royalty \$2,366

J. Coyle

Misc: \$669

Bus exp. \$ 103
Insurance (bond) \$ 100 (STATE BOARD -
EG. AS INSURANCE COSTS)
Sales tax 393 (PAID THRU FIRST 3 QTRS)
Other 73
\$669

Receipts 14/31/25

PGW -	2146.39	} 5335	
	750.16		5335
	725.44		
	1505.64		
	607.99		
	3437		

Book people -	313.18	} 3560	
	572.62		
	494.01		
	508.27		
	est - 1612		

Other -	357.26	} 857
orders -	500	

Red Sea - 665

Book store - 665

Pegasus - 1500

\$12,522

Need Accts / Receivable

- Bookpeople / PGW	- distributors	} See over
- Ind sales	- Ind sales	
	<u>12,522</u>	

Royalties owed \$ 628
(J. Cooper)

State sales tax owed for 1/31
\$ 5.00
\$ 11

~~Number copies distributed
total cost based on unit cost~~

Mailed ~ K. B. [unclear] 548-0223

2781 copies at \$3291 (1st) ^{2nd print}
Copy Book 3rd printing (6/29)

4104 copies at

\$4317.13 (paid in full)

BKNQ First printing

Hardback 537

paper 2052
 2589

post 5362.67 - rd

Design/type { 1486.39 - 7/15
7658.47 - 4/12

prets/payable

3,594 - Andy/Edw hrs.
 528 + a Lecture
4122

Inventory

12/31/85

APOM

1st book

1248 > 5x

1536

606

3390

BKNQ (2nd book) (paper)

960 - 5x

720

1680

Costs
 1st printing

2nd: 3078 copies
 at \$3594 = \$1.17

BKNQ (handdown)

336 - 5x

51

387

Posters

100

\$1.55

WTD

Income

Analysis in 1945

Unit Sales
↓
@ \$4.18

	#	Amt	
Book Sales	4,717	\$19,729	\$4.18
Libraries	390	3,345	\$8.57/copy
Wholesalers	3662	13,076	3.57/copy
Retailers	351	1,954	@5.57
Individuals	34	312	@9.18
Authors (J. Cooper)	280	1,043	@3.73

(Approx total: 4517 \$18,453)

	gc - 254 Doz - 817	abt 11,800 copies	
Card Sales 11,800 cards			\$5516
Wholesale Pegasus	47 gc 817 doz		3,632
Retail	29 gc		132 @ 4.55
IWD	179 gc		1752 @ 9.79

Posters \$2,640

Wholesale Pegasus	\$2,364
Retail	151
Individuals	124

sub-rights → \$413

total \$28,298 (over)

5,000 books = \$20,000 price

10,000 = \$40,000

15,000 in print

WTP
Expense Analysis 1925

Office \$ 7,725

Rent 1,200
Telephone 1409
Postage 1901
Supplies 647
Equipment 1732
Pub's/info 354
Utilities 240
Other 243

Production/Printing \$ 18,601

Typing 3,145
Printing 15,156
Art 300

Promotion \$ 3,236

Advertising 988
Printing 686
A&A booth 518
Design wk 465
Photocopies/etc 585

Services \$ 1,196

~~Legal~~/CRA 1,020
Bank chg 84
Packaging 88

Royalties \$ 2,366

(J. Cooper)

Misc \$ 669

Total \$ 33,793

Deficit \$ 5,524 (loss)