

January 1, 2018

Dear Client:

Thank you for selecting Argy & Company to assist you in preparing your personal income tax returns. This letter confirms the terms of our engagement and the nature, timing, and limitations of the services we will provide.

We will prepare your 2017 federal and state personal income tax returns from information you furnish us. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification and/or documentation of some of the information. Generally, we will rely on your representation that you have maintained the documentation required by law to support the information you provide, including expenses for meals, entertainment, travel, gifts, vehicle use, charitable contributions, etc. If you are not clear regarding what documentation is needed for any given item of income or deduction, we'd be happy to discuss it with you or you can look it up on our website at www.argyco.com. Note that you have the final responsibility for the income tax returns and, therefore, you should carefully review them before you sign and file them.

We have provided an organizer for your use. While we don't require its use, it may serve as a useful "tickler" to remind you of items to provide to us. Nonetheless, provide us with originals or copies of originals of all government tax documents including W-2s, 1099s, 1098s, and property tax statements. If you mail us your documents, we recommend using a company that provides tracking of the shipment.

We will use professional judgment in resolving issues when the tax law is unclear or when there is conflict among the authorities.

The filing deadline for the tax returns is April 17, 2018. In order to meet this filing deadline, we must receive your information in substantially complete form by April 1.

If an extension of time to file is required, we will use the information available to us at the time to prepare the extension. To prepare a valid, accurate extension, we need as much information as is available. We also need your express approval to file the extension on your behalf. An extension, however, only provides you with an extension to file, not an extension to pay. Taxes paid after April 17 will result in penalties and interest.

Under both federal and California law, we are required to electronically file your returns. However, you may opt out of electronically filing without explanation. If you would rather not e-file please let us know and we will provide you with the government opt-out forms you must sign and return to us.

If a joint return is prepared, tax returns and copies of all supporting documentation will be made available to either spouse without the consent or notification of the other spouse.

You are responsible for reporting foreign activities. By signing this letter you acknowledge that you will inform us if you have income from foreign sources or if you have signatory authority over any foreign account. If you are unsure whether income or an account is foreign, we will review it. Note that the penalties for failure to report foreign activities are severe.

By signing this agreement, you authorize Argy & Company to execute the Online Account View Access Authorization on the Franchise Tax Board's website. You understand Argy & Company will have view only access to all the tax year information available on the FTB's website that is associated with you. This authorization remains in effect until you revoke it in writing.

Everyone must have health insurance in 2017 and everyone required to file a tax return must report their health insurance. This was true last year, but there are additional changes for this year. You will need proof of your insurance. In 2017, everyone covered by insurance should receive a Form 1095, either 1095-A, 1095-B, or 1095-C. It's possible you and your family members will receive more than one. If you did not receive one of these forms, please forward to us any proof of insurance that you have.

Your tax returns may be selected for review by the taxing authorities. If the government selects your return for examination, we will be available to assist you. At our discretion, there may be additional fees for this service.

We generally retain, for seven years, the final work product generated for our clients. After the retention period, the documents are destroyed. We do not keep original documents — they are returned to you after completion of the returns. It is your responsibility to retain your records for possible future use, including possible examination by the taxing authorities.

Our fees for tax preparation services are based on the amount of time required at our standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to our office. Work cannot commence until a signed copy of this document is returned. If this is a joint return, both spouses must sign.

Very truly yours,



Vincent P. Argy, CPA

Acknowledged:

TAXPAYER

SPOUSE

Signature: _____

Signature: _____

Print name: _____

Print name: _____

Date: _____

Date: _____

ADDITIONAL ITEMS YOU SHOULD BRING TO YOUR TAX INTERVIEW (THAT YOUR ORGANIZER MIGHT NOT LIST)

1. 1099-Ks for merchant charges. Reconcile amounts on 1099s to amounts reported by the client for Schedules C or E (or business entity return)
 2. 1099-Bs for sales of stock or securities. Reconcile amounts on 1099s to amounts shown on client reports, if any.
 3. Property tax statements: Look at property tax bills and estimate of value of real property in California to verify that the county has properly computed tax based on reduced property values.
 4. Review government documents (W-2s, 1099s) for federal/California differences.
 5. Paycheck stubs to review 2018 withholding.
 6. Statements and instructions from mutual fund companies breaking down U.S. government and state tax-exempt income information
 7. All tax information broken out separately for both members of a registered domestic partnership
 8. Notices, bills, etc., from the IRS or California
 9. New clients should bring the past two years' California returns.
 10. For the Child and Dependent Care Expenses Credit:
 - Nontaxable funds received, including child support and public assistance;
 - Percentage of time the qualifying dependent lives in the California home of the taxpayer;
 - Address, telephone number, and Social Security number or Employer Identification Number of the care providers;
 - Expenses paid to California providers; and
 - Nonresident military spouse's military income
 11. California K-1 and accompanying correspondence (check for California differences and possible state tax paid by S corporation, partnership, trust, or LLC).
 12. Withholding paid through escrow on sales of property reported on FTB Form 593-B and closing statements. Keep a copy of the escrow closing statement and Form 593-B.
 13. Withholding for residents and nonresidents reported on FTB Form 592-B
 14. Invoices from purchases made over the Internet, by mail, or by phone order where no California sales or use tax was paid (or, if the use tax table amount is used, only individual purchases of more than \$1,000).
 15. Any activity pertaining to a Health Savings Account, including contributions to, earnings or losses from, distributions from, and rollovers to that account
 16. Rollover or distribution amounts from Medical Savings Accounts, FSAs, HRAs, and Roth IRA conversions
 17. Did the taxpayer form a business entity this year, does the taxpayer own an inactive business, or does he or she plan to terminate a business this year?
 18. Payroll records for 2016 if number of employees increased in 2017 (for businesses operating in designated geographic areas (DGAs)).
 19. Change of ownership of business entity
 20. Title change information for property that changed hands due to gift or death of an owner.
 21. For employers with no more than 25 full-time equivalent employees, review for possible federal Health Insurance Credit. If credit is taken, there will be a federal/California difference in the expense amount for employee health insurance.
 22. For Schedule C and other business returns, alert the taxpayer of the requirement for a city business license.
 23. Identity Protection PIN (IP PIN): If you received a CP101A Notice from the IRS in December, your IP PIN is located in the left column. Please provide a copy of this letter.
 24. For all documents, please provide a scan, photocopy, or fax. Do not send photos taken with a cell phone.
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2017	1040	US	Tax Organizer
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Argy & Company
 10231 Slater Ave., Suite 112
 Fountain Valley, CA 92708
 Telephone number: (714) 964-1748
 Fax number: (714) 965-2876
 E-mail address: vinceargy@aol.com

Tax Return Appointment
 Date:
 Time:
 Location:

This tax organizer will assist you in gathering information necessary for the preparation of your 2017 tax return. Please enter all pertinent 2017 information.

NOTE: If you claim the earned income credit, please provide proof that your child is a resident of the United States. This proof is typically in the form of: school records or statement, landlord or property management statement, health care provider statement, medical records, child care provider records, placement agency statement, social service records or statement, place of worship, Indian tribal office statement, or employer statement.

NOTE: If your child is disabled, please provide one of the following forms of proof of disability: doctor statement, other health care provider statement, or social services agency or program statement.

CLIENT INFORMATION

Taxpayer

Spouse

First name and initial		
Last name		
Title/suffix		
Social security number		
Occupation		
Date of birth (m/d/y)		
Date of death (m/d/y)		
1=blind		
Home phone		
Work phone		
Work extension		
Cell phone		
E-mail address		

Address

In care of

Street address

Apartment number

City

State

ZIP code

DEPENDENTS

Dependent No.

Dependent No.

First name		
Last name		
Title/suffix		
Date of birth (m/d/y)		
Date of death (m/d/y)		
Date of adoption (m/d/y)		
Social security number		
Relationship		
Months lived at home		

Dependent No.

Dependent No.

First name		
Last name		
Title/suffix		
Date of birth (m/d/y)		
Date of death (m/d/y)		
Date of adoption (m/d/y)		
Social security number		
Relationship		
Months lived at home		

2017 1040 US Tax Organizer

Please enter all pertinent 2017 information. If you have attached a government form for an item, check the box and do not enter a 2017 amount.

WAGES, SALARIES AND TIPS

Employer name:

<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____

2017 Amount	2016 Amount
Attach Forms W-2	_____

INTEREST INCOME

Payer name:

<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____

Attach Forms 1099-INT	_____

DIVIDEND INCOME

Payer name:

<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____

Attach Forms 1099-DIV	_____

PENSIONS, IRA AND GAMBLING INCOME

Payer name:

<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____

Attach Forms 1099-R & W-2G	_____

Winnings not reported on W-2G	_____
Total gambling losses	_____

OTHER GOVERNMENT FORMS - INCOME

<input type="checkbox"/>	Form 1099-B - Sales of stock (also include transaction history)
<input type="checkbox"/>	Form 1099-MISC - Miscellaneous income
<input type="checkbox"/>	Form 1099-K - Merchant card and third party network payments
<input type="checkbox"/>	Form 1099-S - Sales of real estate (also include closing statements)

Attach Forms 1099

<input type="checkbox"/>	Form 1099-G - State tax refunds
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Attach Forms 1099

Taxpayer:

<input type="checkbox"/>	Form SSA-1099 - Social security benefits
<input type="checkbox"/>	Form 1099-G - Unemployment compensation
<input type="checkbox"/>	Form 1099-Q (529 Plan)
<input type="checkbox"/>	Form 1099-QA/5498-QA (ABLE Accounts)

Attach Forms 1099

Spouse:

<input type="checkbox"/>	Form SSA-1099 - Social security benefits
<input type="checkbox"/>	Form 1099-G - Unemployment compensation
<input type="checkbox"/>	Form 1099-Q (529 Plan)
<input type="checkbox"/>	Form 1099-QA/5498-QA (ABLE Accounts)

Attach Forms 1099

2017 1040 US Tax Organizer

MISCELLANEOUS INCOME

Taxpayer: Alimony received
 Spouse: Alimony received

Other: _____

RETIREMENT PLAN CONTRIBUTIONS

Taxpayer: Traditional IRA contributions (1=maximum)
 Roth IRA contributions (1=maximum)
 Self-employed, SEP, SIMPLE, & qualified plan contributions (1=maximum)
 Spouse: Traditional IRA contributions (1=maximum)
 Roth IRA contributions (1=maximum)
 Self-employed, SEP, SIMPLE, & qualified plan contributions (1=maximum)

2017 Amount 2016 Amount

2017 Amount	2016 Amount

OTHER GOVERNMENT FORMS - DEDUCTIONS

Form 1098-E - Student loan interest
 Form 1098-T - Tuition and related expenses

Attach Forms 1098

AFFORDABLE CARE ACT

Form 1095-A - Health Insurance Marketplace Statement
 Form 1095-B - Health Coverage
 Form 1095-C - Employer-Provided Health Insurance Offer and Coverage

Attach Forms 1095

ADJUSTMENTS TO INCOME

Taxpayer:
 Self-employed health insurance premiums
 Educator expenses
 Other adjustments to income:

Alimony paid - Recipient name & SSN

Spouse:
 Self-employed health insurance premiums
 Educator expenses
 Other adjustments to income:

Alimony paid - Recipient name & SSN

MEDICAL AND DENTAL EXPENSES

Prescription medicines and drugs
 Doctors, dentists and nurses
 Hospitals and nursing homes
 Insurance premiums
 Long-term care premiums - taxpayer
 Long-term care premiums - spouse
 Insurance reimbursement
 Out-of-pocket lodging and transportation expenses
 Number of medical miles
 Other: _____

TAXES PAID

State income taxes - 1/17 payment on 2016 state estimate

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2017	1040	US	Miscellaneous Questions
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If any of the following items pertain to you or your spouse for 2017, please check the appropriate box and provide additional information if necessary.

- | YES | NO | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Did your marital status change during the year? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did your address change during the year? |
| <input type="checkbox"/> | <input type="checkbox"/> | Could you be claimed as a dependent on another person's tax return? |
| <input type="checkbox"/> | <input type="checkbox"/> | Were there any changes in dependents? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you and your dependents have health care coverage for the full-year? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you receive any of the following IRS documents? Form 1095-A (Health Insurance Marketplace Statement), 1095-B (Health Coverage) or Form 1095-C (Employer Provided Health Insurance Offer and Coverage) If so, please attach. |
| <input type="checkbox"/> | <input type="checkbox"/> | If you or your dependents did not have health care coverage during the year, do you fall into one of the following exemptions categories: Indian tribe membership, health care sharing ministry membership, religious sect membership, incarceration, general hardship or unable to renew existing coverage? If you received an exemption certificate, please attach. |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you receive unreported tip income of \$20 or more in any month? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you receive any disability income? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you buy or sell any stocks, bonds or other investment property? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you purchase, sell, or refinance your principal home or second home, or did you take a home equity loan? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you make any residential energy-efficient improvements or purchases involving solar, wind, geothermal or fuel cell energy sources? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you receive a distribution from or make a contribution to a retirement plan (401(k), IRA, etc.)? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you transfer or rollover any amount from one retirement plan to another? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you convert part or all of your traditional/SEP/SIMPLE IRA to a Roth IRA? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you, your spouse, or a dependent incur any tuition expenses that are required to attend a college, university, or vocational school? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you incur a loss because of damaged or stolen property? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you use your car on the job (other than to and from work)? |
| <input type="checkbox"/> | <input type="checkbox"/> | May the IRS discuss your tax return with your preparer? |
| <input type="checkbox"/> | <input type="checkbox"/> | Was your home rented out or used for business? |
| <input type="checkbox"/> | <input type="checkbox"/> | Were you notified or audited by either the IRS or the State taxing agency? |

2017	1040	US	Business Income (Schedule C)	No. <input style="width:30px;" type="text"/>	16
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Please enter all pertinent 2017 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

Principal business/profession	
Principal business code	
Business name, if different from Form 1040	
Business address, if different from Form 1040	
City, if different from Form 1040	
State, if different from Form 1040	
ZIP code, if different from Form 1040	
Foreign region	
Foreign postal code	
Foreign country	
Employer identification number	
Other accounting method	

Accounting method: 1=cash, 2=accrual		
Inventory method: 1=cost, 2=lower cost/market, 3=other		
1=change of inventory method		
1=spouse, 2=joint		
1=first Schedule C filed for this business		
If required to file Form(s) 1099, did you or will you file all required Form(s) 1099: 1=yes, 2=no		
1=not subject to self-employment tax		
1=did not "materially participate"		
1=personal services is not a material income producing factor		
1=investment		
1=minister's Schedule C		
1=single member limited liability company		
1=trader in financial instruments or commodities		

INCOME

	2017 Amount	2016 Amount
Gross receipts or sales (Form 1099-MISC, box 7)		
Returns and allowances		
Other income:		

COST OF GOODS SOLD

Inventory at beginning of the year		
Purchases		
Cost of items for personal use		
Cost of labor		
Materials and supplies		
Other costs:		

Inventory at end of the year		

2017	1040	US	Rental & Royalty Income (Schedule E)	No. <input style="width:40px;" type="text"/>	18
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Please enter all pertinent 2017 amounts. Last year's amounts are provided for your reference.

GENERAL INFORMATION

	2017 Amount	2016 Amount														
Description of property	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> </table>								<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> </table>							
Street address																
City																
State																
ZIP code																
Type of property (see table)																
Other type of property																
Number of days rented																
Percentage of ownership if not 100% (.xxxx)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> </table>					<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> <tr><td style="text-align:center;"> </td></tr> </table>										
Percentage of tenant occupancy if not 100% (.xxxx)																
1=spouse, 2=joint																
1=qualified joint venture: 1=nonpassive activity 2=passive royalty																
If required to file Form(s) 1099, did you or will you file all required Form(s) 1099; 1=yes, 2=no																

- Type of Property**
- 1 = Single Family Residence
 - 2 = Multi-Family Residence
 - 3 = Vacation/Short-Term Rental
 - 4 = Commercial
 - 5 = Land
 - 6 = Royalties
 - 7 = Self-Rental

- 1=did not actively participate
- 1=RE prof. activity is trade or business
- 2=RE prof. not trade or business
- 1=rental other than real estate
- 1=investment
- 1=single member limited liability company

INCOME

	2017 Amount	2016 Amount
Rents or royalties received		

DIRECT EXPENSES

NOTE: Direct expenses are related only to the rental activity. These include rental agency fees, advertising, and office supplies.

	2017 Amount	2016 Amount
Advertising		
Association dues		
Auto and travel (not entered elsewhere)		
Cleaning and maintenance		
Commissions		
Gardening		
Insurance		
Legal and professional fees		
Licenses and permits		
Management fees		
Miscellaneous		
Mortgage interest (paid to banks, etc.)		
Qualified mortgage insurance premiums		
Excess mortgage interest		
Other interest (not entered elsewhere)		
Painting and decorating		
Pest control		
Plumbing and electrical		
Repairs		
Supplies		
Taxes - real estate		
Taxes - other (not entered elsewhere)		
Telephone		
Utilities		
Wages and salaries		
Other:		

NOTE: If you purchased or disposed of any business assets, please complete Sheet 22.

2017

1040

US

Rental & Royalty Income (Sch. E) (cont.)

No.

18 p2

Please enter all pertinent 2017 amounts. Last year's amounts are provided for your reference. The indirect expense column should only be used for vacation homes or less than 100% tenant occupied rentals.

GENERAL INFORMATION

Foreign region	<input type="text"/>
Foreign postal code	<input type="text"/>
Foreign country	<input type="text"/>

OIL AND GAS

	2017 Amount	2016 Amount
Production type (preparer use only)	<input type="text"/>	<input type="text"/>
Cost depletion	<input type="text"/>	<input type="text"/>
Percentage depletion rate or amount	<input type="text"/>	<input type="text"/>
State cost depletion, if different (-1 if none)	<input type="text"/>	<input type="text"/>
State % depletion rate or amount, if different (-1 if none)	<input type="text"/>	<input type="text"/>

VACATION HOME

Number of days personal use	<input type="text"/>
Number of days owned (if optional method elected)	<input type="text"/>

INDIRECT EXPENSES

NOTE: Indirect expenses are related to operating or maintaining the dwelling unit. These include repairs, insurance, and utilities.

Advertising	<input type="text"/>	<input type="text"/>
Association dues	<input type="text"/>	<input type="text"/>
Auto and travel (not entered elsewhere)	<input type="text"/>	<input type="text"/>
Cleaning and maintenance	<input type="text"/>	<input type="text"/>
Commissions	<input type="text"/>	<input type="text"/>
Gardening	<input type="text"/>	<input type="text"/>
Insurance	<input type="text"/>	<input type="text"/>
Legal and professional fees	<input type="text"/>	<input type="text"/>
Licenses and permits	<input type="text"/>	<input type="text"/>
Management fees	<input type="text"/>	<input type="text"/>
Miscellaneous	<input type="text"/>	<input type="text"/>
Mortgage interest (paid to banks, etc.)	<input type="text"/>	<input type="text"/>
Qualified mortgage insurance premiums	<input type="text"/>	<input type="text"/>
Excess mortgage interest	<input type="text"/>	<input type="text"/>
Other interest (not entered elsewhere)	<input type="text"/>	<input type="text"/>
Painting and decorating	<input type="text"/>	<input type="text"/>
Pest control	<input type="text"/>	<input type="text"/>
Plumbing and electrical	<input type="text"/>	<input type="text"/>
Repairs	<input type="text"/>	<input type="text"/>
Supplies	<input type="text"/>	<input type="text"/>
Taxes - real estate	<input type="text"/>	<input type="text"/>
Taxes - other (not entered elsewhere)	<input type="text"/>	<input type="text"/>
Telephone	<input type="text"/>	<input type="text"/>
Utilities	<input type="text"/>	<input type="text"/>
Wages and salaries	<input type="text"/>	<input type="text"/>
Other:	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

