
JANUARY 22, 2009

NEXT WEEK:

The **next meeting** of the Tri-Valley Executives' Association will be held on **January 29** at Vic's All-Star Kitchen at 7:00am.

You will be GREETED by **Mark Van Slambrook** of The Swenson Group and **Manny Martin** of Amador Valley Property Management.

The LEAD CHALLENGE: Real Estate Appraiser, **Larry Brumm**, will be giving a lead or singing to Estate Planning Attorney, **Beverly Hoey**.

The CLASSIFICATION will be given by **Mary Tuttle** of Best of Coupon Books.

ELECTIONS:

We need volunteers! It's time to choose a new Board. It's an easy gig – get involved!

If you are interested in getting more involved or want to know more how the organization works, please contact Cristin.

We'd like 3 or more new nominees for elections in March.

DID YOU GIVE A REFERRAL THIS WEEK?

CLASSIFICATION:

Since the age of 2 **Jim Pease** has lived in the Tri-Valley, where as a teen he worked with the Streets Department for the City of Pleasanton, mainly doing leaf vacuuming and repairing potholes. In the summers he would take off two weeks to work for the Alameda County Fair as a parking attendant in the jockey lot.

He played a lot of sports growing up and went to St. Mary's on a football scholarship. Having enjoyed writing, he studied journalism and thought of becoming a sports writer, but ended up getting an accounting degree.

After graduating in 1985, he worked with his grandfather at his accounting business. He found accounting was in his "blood", and needing outside experience began his accounting career working for Arthur Young (now Ernst & Young) where he worked as an auditor. He became a CPA in 1990 and went to work for W.H. Mayer Accountancy Corp. where he has been ever since. W. H. Mayer Accountancy Corp. was started by the grandfather of Jim Pease 50 years ago.

Personally, he met his wife in the 6th grade and married her in 1987 after attending St. Mary's together. They have 4 children: a daughter who is a freshman at Chico State, a 16-year-old daughter, a 14-year-old son, and an 11-year-old daughter.

Jim has been a CPA for the past 15+ years and got his master's degree in taxation in 1997.

The accounting industry has changed since 2000 with the accounting scandals of Enron, among others. The Financial Accounting Standards Board has reviewed the rules, which are being followed, but disclosure is where companies failed. They were moving debt to partnerships, and not disclosing it to shareholders thereby hiding their true financial status.

In 2002 the Sarbanes-Oxley Act, public company accounting reform, was passed to protect investors of publicly traded companies and hold boards of directors and accounting firms responsible for disclosure. Because of the stringent new rules, there are less students enrolling in accounting programs and there is predicted to be a shortage of qualified accountants in the future.

Another significant change on the horizon in the accounting industry is the harmonization of the US financial statement format with that of most of the rest of the world.

There are three types of financial statements: audited, reviewed and compiled. W.H. Mayer does reviews and compiles, but does not do audited financial statements.

To stay current, CPAs must have 80 hours of continuing education in accounting and fraud detection every two years. To avoid fraud, although difficult in small companies, make sure that there is some separation of duties and manage oversight.

With the new administration just getting its feet wet, we should expect many changes in taxation as they begin to try to “fix” the economy. Jim believes that the tax bracket will likely go from 35% to 39% as many tax breaks that are set to expire in 2010 will not be renewed. They will likely fix the estate taxes at \$3.5 million for singles and \$7 million for married couples. It is also likely that capital gains taxes will begin being taxed as regular income instead of 15%. As far as California goes, they are losing \$1 billion a month and could go bankrupt, so expect changes to the state tax code as well as the federal.

Important Tax Information:

- Alternative Minimum Tax (AMT) was fixed again this year; saving those that fall into it about \$4,000
- First-time home buyers (those who have not owned a home in the past 3 years) can get a credit of \$7,500, which may or may not have to be paid back to the government
- Personal energy credits that were suspended in 2008 are back in 2009
- The surviving spouse now has 2 years (up from 1 year) to sell their home and get the full \$500,000 exemption
- In 2009, those who are 70 ½ or older do not have to take the required IRA distribution

- Standard mileage rate is at \$0.555 for 2009
- Starting in 2009 there will be many changes to the tax strategy for selling rental property
- In 2010 financial planners will have to begin providing cost basis for all gains.
- Funding your IRA remains the best way to save taxes.

Make sure you consult Jim before you make any significant financial changes that could have tax consequences as the laws and tax code are changing rapidly.

To make Jim Pease your tax professional or to refer friends and family, call him at W.H. Mayer Accountancy at 846-2600 to set up an appointment.

HODGE PODGE:

A good way to find employees is to post an ad on www.craigslist.org. Harvey even did it and is getting an overwhelming response. Another good site is www.trivalleyjobs.com.

A good way to get rid of “stuff” is to post an ad on www.freecycle.org. But beware; you’ll be inundated with e-mail from people who think your trash is their treasure!

If you have any questions about using the Internet, call Harvey. Happy posting!
