Dr. Bryce T. Bradley and Associates

CERTIFIED PUBLIC ACCOUNTANTS, P.L.L.C.

Decades of experience serving independent business owners at all levels

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ANNUAL SUMMARY OF COST INFORMATION

For decades we have prepared the tax returns and financial records of independent business owners such as yourself. Feel free to photocopy this ANNUAL SUMMARY OF COST INFORMATION and share with others.

With all of your business costs, the key element of support is the documentation provided by your personal daily planning and appointment calendar, (2) a guest book for your residence, (3) separate checking accounts for your business, (4) proof of purchase such as receipts and cancelled checks, and (5) written contemporaneous records of all travel, entertainment, automobile expenses and mileage.

We recommend that you establish two checking accounts. One for your company's **business** operations and products, and the other for **association** supplies/tickets/tools. All items should be paid by check whenever possible, thus establishing a source of reference. Items you personally pay cash for should be reimbursed to you in the form of a check written from your business account. This will provide a record in your business checking account. We recommend that separate credit cards be used for personal and business expenses, as they aid in accountability of business expenses.

Please complete an ANNUAL SUMMARY OF COST INFORMATION for each distribution business checking account that you have.

If you wish to consider deductions for (1) entertainment facilities, airplanes, beach houses, country clubs, boats, condominiums, (2) foreign travel, (3) gifts, (4) second homes, (5) samples, (6) home office deduction, and/or (7) income transfers, please consult with us for specifics. A *"glossary – explanation of accounts"* is available at no charge.

Your Name(s) ______________________________ Your Business Name______________________________

Upline Diamond ______________________ Emerald______________________ Platinum______________________

Which months of this year were you a platinum independent business owner (IBO)? ________ What year did you start your business?__________/__________/_____

On which of the past five years tax returns have you reported your business? (Please circle) 20_____, 20_____, 20_____, 20_____, 20_____

Do IBOs in your group buy directly from the **warehouse/e-commerce** and/or the **catalogs?** yes no If yes, what is your group **IBO's** total volume IN DOLLARS for these **warehouse/e-commerce** and/or **catalog** purchases? Do not include your own personal **warehouse/e-commerce** and/or **catalog** purchases. $_____________________

You obtain this amount by adding up the "total price" figure of all **their** CONSOLIDATED INVOICE ACTIVITY REPORTs received from Ada/or upline each month before you pass the CONSOLIDATED INVOICE ACTIVITY REPORTs downline. (If you have not done this for this year, please do so for next year.)

Do IBOs in your group buy directly from someone other than yourself (usually a platinum)? yes no If yes, how much a year? $ ___________________

Please complete a separate SUMMARY OF COST INFORMATION sheet for each business checking account that you have. As you are preparing your SUMMARY OF COST INFORMATION sheets for your distribution business, you may have questions. Feel free to contact Gayle or myself. Gayle's private number during the hours of 12 noon - 4 PM (Mountain Time), Monday through Friday is (208) 344-7015. The best time to reach Dr. Bradley is 11 AM - 1 PM and after 4 PM (Mountain Time) at (208) 342-3733. A "glossary – *explanation of accounts"* is available at no charge.

INVENTORY is **ALL** products **and** tools that you have available for sale. Please count all your inventory and enter its total cost here. All product **and** tool inventory on your shelves: Beginning of the year **(required)**	$
End of the year **(required)**	$
HOME OFFICE ALLOCATION (Please detail below **ALL** expenses for the full year) Residence: total rent paid for the year if you rent your home	$
Home: real estate taxes	$
Home: mortgage interest	$
Residence: utilities (heating, electricity, garbage, water, sewer)	$
Residence: insurance	$
Residence: repairs, maintenance, pest control, housekeeper	$
Home: original **cost** of land (lot)	$
Home: original **cost** of building plus improvements to building (exclude cost of land)	$
Residence: square footage of building and garage used exclusively and regularly for business	__________sq. ft.
Residence: total square footage of building and garage	__________sq. ft.
TELEPHONE 1. Business: Communikate®/Voice Mail/Internet	$
2. Business long distance calls	$
3. Separate business phone/FAX	$
4. Business ISP (Internet provider)	$__________
Total Telephone (Line 1 + Line 2 + Line 3 + Line 4)	$

AUTO/PRIVATE AIRPLANE/MOTORHOME SUMMARY – It is to your tax advantage to complete this information in **complete** detail:	VEHICLE #1	VEHICLE #2	VEHICLE #3 OR MOTORHOME
Make			
Model year of auto	20__________	20__________	20__________
Date purchased (leased)	_____/_____/____	_____/_____/____	_____/_____/____
Date sold if sold this year	_____/_____/20____	_____/_____/20____	_____/_____/20____
Purchase price	$	$	$
Sales price if you sold auto this year	$	$	$
Auto expenses (please detail below **all** expenses for the **full** year per vehicle for the **total** miles driven):			
(a) Fuel/oil/lubrication/etc.	$	$	$
(b) Repairs/tune ups	$	$	$
(c) Insurance	$	$	$
(d) Tires/batteries/accessories	$	$	$
(e) Licenses/registration	$	$	$
(f) Washing/waxing	$	$	$
(g) Lease payments	$	$	$
(h) Sales tax on purchase price if purchased this year	$	$	$
(i) Interest payments on auto this year	$	$	$
Lender's name:	__________	__________	__________
(j) Principal payments on auto this year	$	$	$
(k) Tolls/parking fees (business use only)	$	$	$
Mileage at end of the year			
Less Mileage at beginning of year	( )	( )	( )
Total miles driven during the year			
How many miles were driven for IBO business purposes?			
How many miles were driven for farm business purposes?			
How many miles were driven for rental business purposes?			
How many miles were driven for **employee** business expense purposes?			
How many miles were driven for commuting purposes?			
Number of years you intend to keep vehicle			

Annual Summary of Cash In and Cash Out

A "glossary – explanation of accounts" is available at no charge.

ATTACH 1099-MISC RECEIVED FROM YOUR UPLINE HERE

CASH IN (CASH RECEIVED) from deposit register

I. *BONUSES/PROFITS RECEIVED BEFORE ADJUSTMENTS:*

- **** Gross performance bonus received*** .... $
- ***** All other bonuses received such as MCI, VISA, etc.*** .... $+
- ********* .... $+

1. Total Gross bonuses/profits received **before adjustments** - see INDEPENDENT BUSINESS OWNER BONUS/PROFIT RECAP sheet **(please send 1099-MISC)** .... $=

Less adjustments for:
- (a) standing order charges .... $( )
- (b) shortages/overages .... $( )
- (c) service charges .... $( )
- (d) shipping charges .... $( )
- (e) other (please detail amounts received) .... $( )

(f) Net performance bonuses/profits **received** from upline or the company .... $

2.	Retail product and/or retail catalog sales made to customers that were deposited in your business, including sales tax	$
3.	Personal use sales, i.e. retail product/tool and/or retail catalog/e-commerce sales made to yourself that were deposited in your business account	$
4.	4% Bonuses **(please send us your 1099-MISC)**	$
5.	Profit sharing and all other bonuses **(please send us your 1099-MISC)**	$
6.	Collection of door fees for functions and collection of monies for rental of equipment/supplies	$
7.	Money received from independent business owners for company products/tools with tax and shipping (deposits made from down line money submitted **TO** you)	$
8.	Money received from independent business owners for Association supplies/tickets/tools w/tax and shipping (deposits made from down line money submitted **TO** you)	$
9.	Other business monies received, usually reimbursements for postage, gas, etc. (please detail categories and amounts received)	$
10.	Personal or bank loans deposited in your business and non business (personal) monies received (please detail categories and amounts received)	$
11.	TOTAL CASH IN (CASH RECEIVED) (add lines 1 through 10)	$

CASH OUT (CASH DISBURSED) Part I items purchased through upline/warehouse/catalog/e-commerce

12.	Money paid to upline for company products/tools including their tax and shipping (checks written to your upline)	$
13.	Money paid to upline for Association supplies/tickets/tools including their tax and shipping (checks written to your upline)	$
14.	Money/bank drafts paid for warehouse purchases made by you (consolidated invoice activity report computer print outs)	$
15.	Money/bank drafts paid to company for catalog/e-commerce purchases made by you	$
	SUBTOTAL (add lines 12 through 15)	(A) $

PURCHASES DETAIL

PURCHASE DETAIL is a breakdown of lines 12 through 15 which contain various types of business costs that must be detailed. In order to prepare your taxes to your best advantage, the following reconciliation should be filled out. **All of these items were purchased by you through upline/warehouse/catalog/e-commerce ONLY.**

D. Items **used** by you to build your business
- (1) Information pack products/tools **used** by you in your business .... $
- (2) Sales, promotion, demonstration, and/or training aids **used** by you in your business .... $
- (3) Business gifts such as Christmas gifts to prospects and/or IBOs ($25/each person maximum) .... $
- (4) Office equipment, shelves, furniture, filing cabinets, etc.
  - (a) costing over $300 each (please detail categories and amounts paid) .... $
  - (b) costing under $300 each .... $
- (5) Tools **used** by you in your business this year
  - (a) Tapes, blank .... $
  - (b) Tapes, prerecorded .... $
  - (c) Books .... $
  - (d) Recorders .... $
  - (e) Boards and easels .... $
  - (f) Literature/price lists/catalogs/etc. .... $
- (6) Office supplies .... $

E. Cost of items sold to independent business owners
- (1) Amount on line 7 above .... $
- (2) Amount on line 8 above .... $
- (3) Bad debts (products distributed that you have no hope of being paid for) .... $
- (4) Damaged goods you were not reimbursed for .... $
- (5) (a) **Cost** of retail sales **sold** to customers on line 2 (usually your wholesale cost, freight and sales tax) .... $
  - (b) **Cost** of retail sales **sold** to yourself (personal use sales) on line 3 (usually your wholesale cost, freight and sales tax) .... $

F. Items **used** personally
- (1) **Cost** of product/catalog/e-commerce purchases **used** by yourself for personal use that are not included in E(5)(b) (usually your wholesale cost, freight and sales tax) .... $

G. Changes in inventory
- (1) Increase/(decrease) in inventory on December 31 compared to what you had on January 1 .... $

H. Other (please detail categories and amounts) .... $
Other (please detail categories and amounts) .... $

TOTAL (be certain that A equals B) .... (B) $

CASH OUT (CASH DISBURSED) from check register Part II Items NOT purchased through upline/warehouse/catalog/e-commerce

These include reimbursing yourself for cash slips

16.	Airline tickets and other commercial transportation	$
17.	Auto expenses (please detail on page 1)	$
18.	Bank charges on your business account	$
19.	Breakfasts/lunches/dinners/entertaining – local	$
20.	Door fees for seminars, rallies, open meetings, SLMs, etc.	$
21.	Dues, subscriptions, renewal fees	$
22.	Family wages: clean stock room, answer business phone, fill orders, etc. (time sheets are needed)	$
23.	Business gifts such as Christmas gifts to prospects and/or IBOs ($25/each person maximum) not purchased through upline/warehouse/catalog/e-commerce	$
24.	Interest related to the business	$
25.	Meals while away from home – overnight	$
26.	Office equipment, repair, shelves, furniture, filing cabinets, etc. not purchased through upline/warehouse/catalog/e-commerce	
	(a) costing over $300 each (please detail categories and amounts paid)	$
	(b) costing under $300 each	$
27.	Office supplies not purchased through upline/warehouse/catalog/e-commerce	$

II. *BONUSES/PROFITS EARNED BY IBOs BEFORE ADJUSTMENTS:*

- **** Gross performance bonus earned by downline*** .... $
- ***** All other bonuses earned such as MCI, VISA, etc.*** .... $+
- ********* .... $+

28. Total Gross bonuses/profits earned by IBOs **before adjustments** - see INDEPENDENT BUSINESS OWNER BONUS/PROFIT RECAP sheet (1099-MISC's reported to IRS must agree with this amount) **(please send us your copies)** .... $=

Less adjustments for:
- (a) standing order charges .... $( )
- (b) shortages/overages .... $( )
- (c) service charges .... $( )
- (d) shipping charges .... $( )
- (e) other (please detail amounts paid) .... $( )

(f) Net performance bonuses/profits **paid** to independent business owners .... $

29.	Postage, freight, UPS, Federal Express	$
30.	Professional fees (legal, accounting, etc.)	$
31.	Promotional/advertising/literature not purchased through upline/warehouse/catalog/e-commerce	$
32.	Rental of meeting room/business equipment/supplies	$
33.	Rental of private airplane, autos, taxis, and other transportation	$
34.	Returned checks not reimbursed (bad checks)	$
35.	Rooms/lodging/registrations – including dream nights, family reunions, etc.	$
36.	Telephone/Voice Mail/FAX/*KATE*®	$
37.	Tools for your use not purchased through upline/warehouse/catalog/e-commerce, i.e., books, blank tapes, etc.	$
38.	Xeroxing, photocopying, printing, film, etc.	$
39.	Other business monies disbursed, usually for refunds, product insurance, etc. (please detail categories and amounts disbursed)	$
40.	Loans paid back to yourself or the bank and non business (personal) monies disbursed (please detail categories and amounts disbursed)	$
41.	SUBTOTAL (add lines 16 through 40)	$
42.	TOTAL CASH OUT (CASH DISBURSED) (add lines 12 through 41)	$

To the best of my knowledge, the enclosed information is correct and includes all income, deductions, and other information necessary for the preparation of this year's income Tax Return for which I have adequate contemporaneous records.

SIGNATURE DATE