



Dixie Wilson, CPA
Craig Blom, CPA

WILSON HANSON & BLOM, LLP

INDIVIDUAL TAX RETURN ENGAGEMENT LETTER

We appreciate the opportunity to work with you. The Internal Revenue Service imposes penalties upon taxpayers and tax return preparers for failure to observe due care in reporting for income tax returns. This letter is to specify the terms of our engagement, clarify the nature and extent of the services we will provide, and confirm an understanding of our mutual responsibilities.

We will prepare your 2016 federal income tax return and, if appropriate, your 2017 federal estimated tax vouchers. You are responsible for providing true, correct and complete information about your tax matters. We will make no audit or other verification of the data you submit, although we may need to ask you for clarification of some of the information. We will furnish you with organizers to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked and keep our fee to a minimum. Please advise us of any state tax returns you are required to file and provide all the information necessary to prepare state/local tax returns.

You represent that the information you are supplying is accurate and complete to the best of your knowledge and that records as required by law support your expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use. You should retain all documents, cancelled checks and other data that form the basis of income and deductions. All original client documents will be returned to you. It is your responsibility to retain and protect your records for possible future use, including any potential examinations by any governmental or regulatory agency. If you have any questions as to the type of records required, please ask for advice. We will rely, without further verification, upon information you provide to us and information provided from third parties including, but not limited to, W2s, K1s, 1099s, and 1098s and other similar documentation. We will rely on your answers and any forms you may have received regarding mandatory health insurance coverage and other related information for you, your spouse and dependents under the Affordable Care Act (ACA). You have final responsibility for your income tax return(s) and, therefore, you should carefully review your return(s) before you sign and file.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover fraud, thefts, or other irregularities, should any exist. We will contact you if during the engagement we become aware of any such material errors. We will render such accounting and bookkeeping assistance as we find necessary for the preparation of your income tax returns. We will use our judgment to resolve questions in your favor where a tax law is unclear if there is reasonable justification for doing so. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (ie. IRS or Courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the current codes and regulations and their interpretations. If the IRS or state tax authorities should later contest the position taken, there may be an assessment of additional tax, interest and penalties. We assume no liability for any such additional tax, interest, and penalties or other fees and assessments. When a self-employed taxpayer reduces taxable income by electing accelerated depreciation (Sec 179) there is a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. You acknowledge understanding and agree to current tax reduction elections and the potential negative effects on future social security benefits for you, your spouse and any dependents.

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your return is selected for examination or audit, you may request that we assist you in responding to such inquiry. Any items that may be resolved against you by the examining agent are subject to certain rights of appeal. However, our fees for preparing your tax returns do not include representing you in the case of an examination of your tax return or responding to any other inquiry regarding your tax return.

2640 Jackson Blvd., Suite 2 ❖ Rapid City, SD 57702
605-342-8681 ❖ Fax: 605-342-8658 ❖ www.whbcpa.com

Privacy laws established by the IRS prohibit us from providing confidential information or copies to anyone other than you without your specific written authorization. To comply with these regulations a copy of your tax return will be accessible in a secure web portal. Your access to the portal will be terminated and all information within your portal will be deleted 30 days after any notification of termination of services. Our office can assist you in accessing your tax return from the portal. At times we may communicate with you or third parties (at your direction) by fax, email or by web portal and these communications may include confidential information. While we use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent.

In order to comply with rules regarding privacy we are no longer able to give refund amounts or amounts due on the telephone or by email. Please pick up your tax return as soon as possible after notification of its completion to access this information.

It is our policy to retain tax returns and related documents for a period of seven years, after which time we will commence the process of destroying the contents of our files. If you no longer use our services we will destroy your records after a period of three years.

Our fees for services will be based upon our standard billing rates plus any out-of-pocket expenses incurred. All invoices will be due and payable upon completion of your tax return unless other arrangements are made. Fees charged for tax preparation do not include tax planning or responding to IRS inquiries. Please indicate on the organizer that you would like to direct deposit your refund and provide your banking information. If your return has been completed and processed there will be an additional charge to change your return.

We are required to file your return electronically with the Internal Revenue Service. You must review your tax return and sign IRS Form 8879 before we can electronically transmit your return to the IRS. Both taxpayers must sign a jointly filed tax return. We are not responsible for the length of time it takes the IRS to process your return. You may prefer to mail your return and if so, please discuss this with your preparer at your tax interview or let our personnel know when you drop off your tax return information so all necessary documentation can be obtained.

If an extension to file is requested, any tax due must be paid with the extension. It is your responsibility to determine the amount to be sent with your extension. Any amounts not paid by April 18, 2017 will be subject to interest and late payment penalties. Please note that tax returns whose information is received too closely to the filing deadline most likely will have to be extended. It is your responsibility to make your quarterly estimated tax payments for the current year even if your tax return for the prior year is extended.

We appreciate the opportunity to be of service to you. **Please sign and date this engagement letter.** We will begin the preparation of your return after we have a signed engagement letter.

Wilson Hanson & Blom, LLP

Wilson Hanson & Blom, LLP

Please sign below if the terms described in this letter are acceptable and are hereby agreed to.

SIGNATURE _____ **DATE** _____

Please Print Name _____

If filing a joint tax return as a married couple, the signer is assumed to have his/her spouse's full agreement and permission to sign on their behalf.

Please check the box for any additional services requested:

State Income Tax Return(s) Which states are required? _____

Bookkeeping assistance for tax preparation

Form FinCen 114 . A return must be filed if you have a financial interest in any foreign accounts

Additional services-please indicate _____



2016 INDIVIDUAL INCOME TAX ORGANIZER

WILSON HANSON & BLOM, LLP

If your information is the same as last year, please check the box marked Same As Last Year (SALY)

<input type="checkbox"/> SALY		PERSONAL INFORMATION	
YOUR NAME _____		SSN _____	Birthdate _____
SPOUSE'S NAME _____		SSN _____	Birthdate _____
YOUR OCCUPATION _____		SPOUSES OCCUPATION _____	
ADDRESS _____		CITY/STATE ZIP _____	
EMAIL ADDRESS: _____			
PHONE # - HUSBAND <input type="checkbox"/> WIFE <input type="checkbox"/> HOME OFFICE CELL _____			
PHONE # - HUSBAND <input type="checkbox"/> WIFE <input type="checkbox"/> HOME OFFICE CELL _____			

Do you wish to contribute \$3 to the Presidential Election Fund? YES NO Does your spouse? YES NO

<input type="checkbox"/> SALY		DEPENDENTS				
DEPENDENT'S NAME	BIRTHDATE	SOCIAL SECURITY NUMBER	RELATIONSHIP	Months lived in home in 2016?	Full time Student?	Child provide >50% support?
					Y N	Y N
					Y N	Y N
					Y N	Y N

Are any children mentally/physically disabled? YES NO A child claimed as a dependent must either be younger than 19 OR be a student and younger than 24.

Did you pay 2016 Estimated Tax payments? YES NO	BANKING INFORMATION												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">DATE PAID</th> <th style="width: 20%;">AMOUNT</th> </tr> </thead> <tbody> <tr> <td>2015 OVERPAYMENT APPLIED TO 2016</td> <td> </td> </tr> <tr> <td>PAYMENT #1-DUE APRIL 18, 2016</td> <td> </td> </tr> <tr> <td>PAYMENT #2-DUE JUNE 15, 2016</td> <td> </td> </tr> <tr> <td>PAYMENT #3-DUE SEPT 15, 2016</td> <td> </td> </tr> <tr> <td>PAYMENT #4-DUE JAN 17, 2017</td> <td> </td> </tr> </tbody> </table>	DATE PAID	AMOUNT	2015 OVERPAYMENT APPLIED TO 2016		PAYMENT #1-DUE APRIL 18, 2016		PAYMENT #2-DUE JUNE 15, 2016		PAYMENT #3-DUE SEPT 15, 2016		PAYMENT #4-DUE JAN 17, 2017		Do you want refund applied to 2017? YES NO Direct deposit refund to bank? YES NO Is the bank information same as last year? YES NO If bank information has changed, provide new info below: BANK NAME: CHOOSE ONE: CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> ACCOUNT #: ROUTING #:
DATE PAID	AMOUNT												
2015 OVERPAYMENT APPLIED TO 2016													
PAYMENT #1-DUE APRIL 18, 2016													
PAYMENT #2-DUE JUNE 15, 2016													
PAYMENT #3-DUE SEPT 15, 2016													
PAYMENT #4-DUE JAN 17, 2017													

INCOME

PROVIDE W-2s <input type="checkbox"/> PROVIDE 1099Rs <input type="checkbox"/>	Social Security Benefits	Miscellaneous Income												
State Income Tax Refund Y N W2-G Gambling Winnings/ Prizes Y N Alimony Received Y N Unemployment Y N Education Fund Distribution Y N	You: \$ _____ Spouse: \$ _____ FWH <input type="checkbox"/> *** HSA-Form 1099-SA Distribution amount? _____ Amount spent on qualified medical? _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">HW</th> <th style="width: 75%;">Description</th> <th style="width: 10%;">Amount</th> <th style="width: 10%;">SE</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> Traditional IRA converted to Roth IRA? Y N	HW	Description	Amount	SE								
HW	Description	Amount	SE											

AFFORDABLE CARE ACT	
DID YOU HAVE HEALTH INSURANCE PLAN THAT MEETS THE REQUIREMENTS OF THE AFFORDABLE CARE ACT IN 2016? YES NO Please indicate form you provided as proof of insurance: _____ 1095-A (MARKETPLACE) _____ 1095-B (TRICARE, MEDICARE, VA, PRIVATE) _____ 1095-C (EMPLOYER SPONSORED)	

INTEREST INCOME & INSTALLMENT SALES (INCLUDES TAX EXEMPT INTEREST & PROVIDE 1099s)

Do you or did you have any foreign accounts or foreign assets at any time during the year? YES NO

NAME OF PAYOR	√	T/E	INTEREST	PRINCIPAL	SPA	NAME OF PAYOR	√	T/E	INTEREST	SPA

***Totals	INTEREST	T/E	SPA
------------------	----------	-----	-----

DIVIDEND INCOME (PROVIDE 1099s)

NAME OF PAYOR	√	ORDINARY DIVIDENDS	QUALIFIED DIVIDENDS	CAP GAIN DIVIDEND	NT DIV	TE DIV		SPA	FT

***Totals									
------------------	--	--	--	--	--	--	--	--	--

STOCK & REAL ESTATE SALES (PLEASE PROVIDE BROKER STATEMENTS / CLOSING STATEMENTS)

DESCRIPTION OF ITEM SOLD	PURCHASE DATE	SALE DATE	SALES PRICE	COST	C/NC

SALES OF STOCK: YES NO RECONCILIATION: YES NO

Miscellaneous

Were any gifts made to an individual or trust of more than \$14,000 in 2016? YES NO	If yes, provide information.
Was any real property transferred to or from parents? YES NO	If yes, provide information.
School loan interest paid in 2016 (loan is for you, spouse or dependent): Form 1098-E \$	
Educator Expense - Limited to \$250 per K-12 educator:	You: \$ Spouse: \$
Alimony payments: Recipient:	SSN: Amount: \$

RETIREMENT ACCOUNT CONTRIBUTIONS

IRA CONTRIBUTIONS FOR 2016: MAXIMUM IRA CONTRIBUTION \$5,500 OR 6,500 IF 50 OR OLDER. Must be contributed by April 18, 2017.

YOU:	ROTH IRA <input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/>	AMOUNT: \$ _____	CONTRIBUTED YET? YES NO
	Next section for self-employed individuals and partnerships ONLY. Do not report retirement funds deducted from W-2		
	401K <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/>	AMOUNT: \$ _____	CONTRIBUTED YET? YES NO
SPOUSE:	ROTH IRA <input type="checkbox"/> TRADITIONAL IRA <input type="checkbox"/>	AMOUNT: \$ _____	CONTRIBUTED YET? YES NO
	Next section for self-employed individuals and partnerships ONLY. Do not report retirement funds deducted from W-2		
	401K <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/>	AMOUNT: \$ _____	CONTRIBUTED YET? YES NO

CHILD/DEPENDENT CARE EXPENSES

Provider's Name	SSN/EIN	Address	Amount
			\$
			\$
			\$
Did you participate in a reimbursement program where you work? YES NO Amount \$ _____			\$

EDUCATION DEDUCTIONS AND CREDITS – Provide Form 1098-T

STUDENT'S NAME	Year in School: 1 st 2 nd 3 rd 4 th	LLC
STUDENT'S NAME	Year in School: 1 st 2 nd 3 rd 4 th	LLC
TUITION & FEES PAID FOR POST SECONDARY EDUCATION	\$	\$
REQUIRED COURSE MATERIAL, BOOKS & EQUIPMENT (Includes computer) - ONLY QUALIFIES FOR AOTC	\$	\$
SCHOLARSHIPS RECEIVED	\$ ()	\$ ()
	\$	\$

ENERGY CREDIT

Important information regarding the Residential Energy Credit

- The credit is only available to improvements made to your PRIMARY residence. Do not include improvements made to vacation or rental property.
- The maximum CUMULATIVE credit you can receive is \$500. If you have already received the maximum credit, STOP. You do not qualify.
- Not all energy star labeled products qualify for the credit, ask seller if property qualifies.

DID YOU MAKE ENERGY IMPROVEMENTS TO YOUR PRIMARY RESIDENCE? YES NO

Insulation Material (No installation cost)	Qualified Metal/Asphalt Roof (No installation cost)	
Exterior Windows and/or Doors (No installation cost)	Heating/Air Conditioning Systems (Includes installation)	
Air Circulating Fans (Includes installation)	Water Heaters/Pumps/ Biomass Fuel Stoves (Includes installation)	

MEDICAL EXPENSES - Do NOT include any amounts paid out of pretax medical plans (HSA or FSA) or reimbursed by insurance			
MEDICAL INSURANCE PREMIUMS-DO NOT LIST IF PREMIUMS ARE PRE-TAXED AT YOUR JOB			
LONG TERM CARE INSURANCE PREMIUMS - YOU & SPOUSE			
MEDICARE/DRUG PREMIUMS FROM SOCIAL SECURITY BENEFITS-YOU & SPOUSE			
DOCTORS, DENTISTS, PRESCRIPTION DRUGS, EYEGASSES, CONTACTS, ETC.			
TOTAL MILES DRIVEN FOR MEDICAL:			X 19¢
HSA coverage? Self-Only <input type="checkbox"/> Family <input type="checkbox"/>		Amt Contributed to HSA	\$ \$

TAXES - Sales tax is deductible. Your option is actual receipts or use of IRS Table. Sales tax paid on vehicles, motorcycles, motor homes, recreational vehicles, boats, mobile homes and home building materials can be added to the amounts on the table so provide information.			
DID YOU PAY TAX ON VEHICLES-MOTORCYCLES-MOBILE HOMES-RVS? YES NO			
DID YOU PAY SALES TAX ON HOME BUILDING MATERIALS? YES NO			
ARE YOU CLAIMING ACTUAL SALES TAX? (MUST HAVE RECEIPTS) YES NO			
REAL ESTATE TAXES		OIH	
OTHER TAXES:			

INTEREST EXPENSE			
Did you refinance in 2016? YES NO How many years is new loan? _____ Bring closing statement			
MORTGAGE INTEREST:		OIH	
MORTGAGE INSURANCE PREMIUMS (This is NOT your house insurance)			
INVESTMENT INTEREST PAID TO:			

DID YOU MAKE ANY CASH CONTRIBUTIONS TO QUALIFIED NONPROFIT CHARITIES? YES <input type="checkbox"/> NO <input type="checkbox"/>					
You must have a cancelled check or receipt for all monetary donations regardless of amount. For individual donations of \$250 or more (money or property) you must have written acknowledgement from the organization by the date your tax return is filed.					
DO YOU HAVE REQUIRED DOCUMENTATION? YES NO					
TOTAL DOLLARS DONATED TO CHARITY					\$
					K-1
DID YOU HAVE ANY VOLUNTEER MILES? YES NO IF YES, HOW MANY?			X 14¢		
If you made any noncash contributions to qualified non-profit organizations be aware that donated used clothing and household items must be in good or better condition. If items are not in good condition and valued over \$500, an appraisal needs to be attached to your return. Your contribution should be for the amount that a thrift store could sell the item. Donations over \$500 require full detail below. Do you have acknowledgement and/or appraisal? YES NO					
NAME OF CHARITY	ADDRESS	CONTRIBUTION DATE	DESCRIPTION OF CONTRIBUTION	FAIR MARKET VALUE	ORIGINAL COST

NONREIMBURSED EMPLOYMENT RELATED EXPENSES AND MISCELLANEOUS DEDUCTIONS			TAXPAYER AMOUNT	SPOUSE AMOUNT
DID YOU PAY FOR:				
UNION & PROFESSIONAL DUES?	YES	NO		
SMALL TOOLS / EQUIPMENT & SUPPLIES	YES	NO		
UNIFORMS & UNIFORM MAINTENANCE?	YES	NO		
CONTINUING EDUCATION / SEMINARS / WORKSHOPS?	YES	NO		
JOB SEARCH EXPENSES?	YES	NO		
IRA CUSTODIAL AND ADVISORY FEES?	YES	NO		
SAFE DEPOSIT BOX?	YES	NO		
TAX PREPARATION FEES?	YES	NO		
MEALS & ENTERTAINMENT?	YES	NO		
TRAVEL / AIRFARE / LODGING / CABS / RENTAL CARS / PARKING?	YES	NO		
REIMBURSEMENTS FOR JOB EXPENSES <u>NOT</u> INCLUDED IN W-2s:				

BUSINESS USE OF VEHICLE	#1-	#2-	#3-	#4
Travel from home to regular place of work is commuting and is not deductible. SMR - 54¢				
DATE PLACED IN SERVICE				
BEGINNING ODOMETER 1/1/16				
ENDING ODOMETER 12/31/16				
TOTAL MILES DRIVEN IN 2016				
BUSINESS MILES FROM 1/1/16-12/31/16				
DAILY COMMUTING MILES ROUND TRIP				
COMMUTING MILES DRIVEN IN 2016				
GASOLINE				
REPAIRS & MAINTENANCE				
INSURANCE				
LICENSE PLATES				
LEASE PAYMENTS				
INTEREST EXPENSE				
ACTUAL VS STANDARD				

You must have documentation such as a daily log showing miles traveled, destination and business purpose. The following questions are on the tax return and must be answered if claiming deduction for a vehicle used for business.

- 1. DO YOU OR YOUR SPOUSE HAVE ANOTHER VEHICLE FOR PERSONAL USE? YES NO
- 2. DO YOU HAVE EVIDENCE TO SUPPORT YOUR DEDUCTION? YES NO IF YES, IS THE EVIDENCE WRITTEN? YES NO

CAPITALIZATION/DEPRECIATION ELECTION? YES NO