



tax and emerging business services

TCBA's Tax Department has an extensive clientele of high net-worth individuals and business entities for which the Firm provides the following range of tax services:

- Corporate and personal income tax planning.
- Preparing and reviewing tax returns for individuals, partnerships, corporations and tax-exempt entities.
- Developing and presenting seminars on tax issues relating to tax-exempt organizations, corporations, and individual tax filers.
- Structuring pension and profit-sharing plans.
- Providing payroll tax services, including quarterly and annual tax informational reporting.
- Monitoring changes in tax rules and interpretations, and their impact on clients.
- Analyzing the tax consequences of financial decisions, such as mergers and acquisitions.
- Researching and providing memoranda on various tax issues.

This department also provided services to emerging businesses including preparation of compilations, reviews, audits, management and financial consulting computer systems consulting, risk management, business plan preparation, cash flow projections, preparation of financial proposals and assistance in securing debt and equity financing.

Significant engagements performed by TCBA's Tax Department include the following.

1098/1099 Statement Preparation Services

This engagement for 1098 and 1099 tax return processing for 1992 and 1993 consisted of five separate phases. During the first phase of the engagement, we assisted the Resolutions Trust Corporation (RTC) Asset Operations Department in performing all the necessary processing and control functions required to meet year-end tax reporting needs for those assets that were directly or indirectly controlled by the RTC.

The second phase of the engagement required TCBA to analyze the RTC FIN Servicer System of Record loan portfolio balances. The objectives of our analysis were to determine the accuracy of loan balances and to provide recommendations for corrective action where necessary. TCBA reviewed 130 RTC loan servicer portfolios consisting of 9,833 loans with a book value of approximately \$508 million.

The third phase of the engagement required TCBA to review loan conversion reconciliation worksheets prepared by another firm. The objectives of our review were to analyze the variances reported on the reconciliation worksheets and determine the impact of the variances on RTC's current accounting records and whether additional funds were due to the RTC from the servicers.

During the fourth phase of the engagement, we tested interest paid-through dates converted from RTC FIN databases to determine whether this information was accurately transmitted, thereby reducing the risk of miscalculations of accrued interest due. Our analysis disclosed that this information was accurately converted in each instance for the sample items tested.

The final phase of this engagement included the preparation of a report that analyzed the results of the 1098/1099 statement preparation services phase of the engagement from the perspective of providing information to the RTC regarding how the current year's engagement should be conducted, including our recommendations for improvements.

Preparation of Receivership Tax Returns

TCBA prepared receivership federal and state tax returns for RTC's Tax Department as a subcontractor to Grant Thornton, LLP. We were engaged to prepare consolidated Federal and State tax returns for 13 thrifts and

subsidiaries under RTC supervision. In addition, we also:

- Calculated Federal financial assistance (FFA) received under RTC draft procedures for determining the annual amount of Federal financial assistance provided for federal tax purposes.
- Calculated taxable and deferred FFA under Internal Revenue Service Code Section 597 and the related Proposed Regulations.
- Drafted disclosure statements under Proposed Section 597 regulations and other pertinent Internal Revenue Code Sections.

FDIC Benefit Plan Termination Services

TCBA assisted the Federal Deposit Insurance Corporation in timely termination of employee benefit plans for failed financial institutions. As part of this contract TCBA performed all actions necessary to efficiently terminate and distribute the employee benefit plan assets and provided oversight of the duties assigned to other service providers of the plan. The types of plans that we terminated included defined benefit plans (standards and distressed), defined contribution plans, and employee stock ownership plans. The project also required TCBA to automate employee payroll information, severance, travel, and relocation payments. This computerized information was used by TCBA at year-