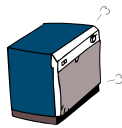


Go to the Floor—Listen to Your People



Dishwasher Needs To Be Replaced?

At a weekly manager meeting of a restaurant, managers proposed to replace a commercial grade dishwasher because periodic inspection and maintenance fee for the 20-year-old dishwasher was expensive. We agree to set up a budget of \$14,000.



Dishwasher Operator Says “No”

A few days later, I had an opportunity to talk to the dishwasher operator. I said “As you know, we are going to replace the

dishwasher and buy a new dishwasher.” He said “ I do not know. The dishwasher has been working with me for 20 years without any problems. It only needs to have its bulbs replaced every three months. We do not have to buy an expensive dishwasher now.” At the next meeting, we decided to review the running costs instead of buying a new dishwasher.

have accurate information. The dishwasher operator could be wrong. But it is extremely important to “listen to your people.” “Listening to people” gives them opportunity to participate in decision making process and you can get more accurate information for better decision making.

You cannot buy a new dishwasher without listening to the dishwasher operator.

Listen to Your People

Sometimes, people make wrong decisions because they do not



Property Tax Reduction in Los Angeles County

The application to change the property tax assessed value including personal property must be filed from July 2 through November 30 each year.

OpenAxis just helped one of our clients in the hotel industry with lowering real property assessed value by about \$10,000,000, which re-

sulted in tax saving of about \$100,000 for the tax year 2004/2005.

We have a lot of experience to determine income property’s market value. Our strong accounting and business background as well as our close relationship with bankers are our strength to negotiate with the property tax

hearing officers.

First all, we collect data from a subject property such as financial statement, budget, and etc. Then we do research for the market to find out the expected income of the property. We also search for comparative sales prices.



Inside this issue:

- Go to the Floor—listen to Your People 1
- Property Tax Reduction in Los Angeles County 1
- 2006 Summary of Federal and California Payroll Taxes 2
- 2005 Personal Income Tax Update 3
- Small Addition Makes a Huge Difference on Your ACCPAC System 4



Finally, the property's market value is calculated. In addition, we prepare reports and detailed supporting documents.

prepare for the hearing. With good experience, there is no difficulty to persuade the Board to reduce the assessed value to a reasonable value.



By reviewing the above evidences, the hearing officer know that we are professionals and we fully

OpenAxis, Inc. has opened a new office in Las Vegas to expand our business in the following areas.

- Assisting real estate developers
- Hotel management
- Incorporation of Business in Nevada State

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2006 Summary of Federal and California Payroll Taxes

<u>Federal Payroll Taxes 2006</u>	<u>Taxes Wage Bases</u>	<u>Employee Tax</u>	<u>Employer Tax</u>
Federal Income Tax (FIT) Withheld	No Limit	Yes	No
Social Security Tax (FICA SS)	\$94,200	Yes, 6.2%	Yes, 6.2%
Medicare Tax (FICA MED)	No Limit	Yes, 1.45%	Yes, 1.45%
Federal Unemployment Insurance Tax (FUTA)	\$7,000	No	Yes, 0.8% (3)

1) Employer is liable for FUI and employer's FICA SS and FICA MED payroll taxes.

2) The FUI rate is 0.8% **only** if the employer is paying State Unemployment Insurance (SUI). The FUI rate is 6.2% if the employer does not pay SUI.

3) Employer is required to withhold FIT and employee's FICA SS and FICA MED from employee wages, and deposit these withholdings with a bank or through Electronic Federal Tax Payment System (EFTPS).

To see previous versions of OpenAxis News, please go to our website, www.OpenAxis.com, and go to "About Us", and then "Newsroom".

<u>California Payroll Taxes 2006</u>	<u>Taxes Wage Bases</u>	<u>Employee Tax</u>	<u>Employer Tax</u>
State Personal Income Tax (SIT) Withheld	No Limit	Yes	No
State Disability Insurance (SDI) Withheld	\$79,418	Yes, 1.08%	No
State Unemployment Insurance (SUI)	\$7,000	No	Yes, *
State Employment Training Tax (ETT)	\$7,000	No	Yes, 0.1%

* SUI rate is 3.4% for up to three years. After that, it is based on the stability of the employer. A notice is sent to all employers by December 31, 2005.

1) The employer is liable for SUI and ETT.

2) The employer is required to withhold SIT and SDI from employee wages.



2005 Personal Income Tax Update

Year 2005 is almost over and the new tax season is around the corner. You need to file your income tax returns by April 15, 2006. Here we summarize some significant changes that may affect your tax liabilities.



- (1) The 2005 personal exemption is increased from \$3,100 in 2004 to \$3,200 in 2005.
- (2) The 2005 standard deduction is increased from \$4,850 in 2004 to \$5,000 in 2005 for a single taxpayer. It is increased from \$9,700 in 2004 to \$10,000 in 2005 for a married couple filing joint return. An additional \$1,250 standard deduction amount is allowed for a taxpayer who is age 65 or over. An additional \$1,000 standard deduction amount is allowed for a taxpayer who is blind. If a taxpayer

who is age 65 or over and blind, an additional \$2,500 standard deduction amount is allowed.

- (3) The social security wage base is \$90,000 in 2005 and is increased to \$94,200 in 2006.
- (4) \$1,000 credit is allowed for each qualifying child under the age of 17.



- (5) If you purchased a hybrid vehicle in 2005, you can deduct \$2,000 from taxable income.
- (6) If you made cash contributions to qualified charities between 8/28/05 and 12/31/05, your deduction is not subject to the 50% AGI limitation.
- (7) The IRA contribution amount is increased from \$3,000 in 2004

to \$4,000 in 2005. You must contribute to your IRA account by April 15, 2006. Taxpayers who are 50 or over can make additional \$500 catch-up IRA contributions.

- (8) The 401(k) maximum contribution is \$14,000 in 2005 and increased to \$15,000 in 2006. If a taxpayer is 50 or over, he or she can contribute an additional \$4,000 to the 401(k) in 2005.



- (9) Up to \$250,000 of gain (\$500,000 for married filing jointly) realized on the sale or exchange of a principal residence is not taxable if the taxpayer owns the home as his or her principal residence for a total of two years during the five-year period ending on the date of the sale or exchange.



OpenAxis Assists Hotels with the Following issues:

Property Tax Reduction:

OpenAxis helps hotels save hundreds of thousands of dollars through property tax appeal and through better managed fixed assets.

Income Tax Reduction:

A hotel saved \$300,000 income tax through better managed fixed assets using Worth It program that OpenAxis assisted to install and implement.

At OpenAxis, we focus on the implementation of IT solutions for small- and medium-sized businesses.

We provide management and computer consulting services by identifying issues, implementing solutions, and managing all your IT needs.

Comprehensive Solution:

- Accounting Solution
- Operation Solution
- Manufacturing Solution
- Other Integrated Solution
- Customized Solution
- EDI and E-Commerce Solution
- Returned Merchandize Authorization

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Small Addition Makes a Huge Difference on Your ACCPAC System

OpenAxis has been an ACCPAC solution provider for more than 7 years now, and we have extensive experiences in dealing with your issues and providing solutions using ACCPAC.

We know from our experience that ACCPAC sometimes cannot provide full satisfaction to you if it is just out of box. You may need additional modules from the Third Party vendors, customized report (like Crystal Report), or some enhancement to make your ACCPAC more suitable for your specific operation and needs.

The followings are some example of small enhancement programs that OpenAxis can provide to you.

1) Credit Approval Customization - On OE order entry screen, if a sales order credit has been approved, the credit approval screen will not popup when posting/ shipping/ invoicing the order in the future. We can make credit approval screen even if a sales order credit was ap-

proved already.

- 2) Display of Outstanding Sales Orders during OE Process: This component enables a user to view outstanding sales to a customer while entering a sales order. There is an option on the Order Entry screen, which displays all the outstanding sales orders created for that customer using a pop up screen.
- 3) Hot Key (F8) feature: Order Entry screen pops up a screen showing customer's outstanding balance, credit limit and available credit (credit limit amount minus outstanding AR balance) while entering the customer number on the screen.
- 4) Accounts Receivable Invoice Recurrence: This component creates a copy of a current entry in AR batch to a different period.

These are small components that we can add to your ACCPAC, and it usually costs around \$1,000.

Hence, these enhancements are small investment but directly improves efficiency of your operation. As a result, the Return on Investment could become higher.

These are just a few examples. For your specific enhancement request, please contact (323) 265-3000 and ask Yuji for the details.

