



finances and you

Sld Mittra

Real estate can shelter income

A real estate tax shelter partnership pools money it receives from limited partner investors to buy office buildings, shopping centers, apartment houses or so on. The rent paid by the tenants is passed along to the limited partners after the expenses have been paid.

This surplus is referred to as a positive cash flow. Because the buildings in the partnership are depreciated, that income is generally tax sheltered.

Since depreciation is a deductible expense, the building owners can say that the building is worth less each year because of wear and tear and take that amount as a deduction when computing their tax bill.

ON ONE SIDE of the balance sheet, there is a loss due to depreciation, and on the other, there is the income from the rent paid by the tenants. The limited partner receives his share of the rental income as additional taxable income but also his share of the loss caused by depreciation.

The result is that the loss is generally equal to the income, so while he received cash, he also benefits from the paper loss so that he won't have any additional tax liability.

The true advantage in a real estate program is that if the buildings can be sold for more than they were purchased, the limited partner stands to realize a long-term capital gain.

The difference between what the buildings are sold for and what they are worth after the total amount of depreciation has been subtracted from the original cost of the buildings is the capital gain or loss.

THERE ARE a host of risks in real estate tax-sheltered programs. There are competent general managers as well as those who don't belong in the business.

There is the risk that the tenants will leave, and the building will stand unrented. It is conceivable that, despite inflation, the building actually loses value or that the rents won't keep up with the expenses.

It is also possible that no one would want to buy the building when the partnership wishes to sell it.

Real estate tax shelters are not for everyone. Be sure that you understand the risks involved and the potential gains before investing in them.

By all means check with your CPA or your financial planner before you make the decision.

EDUCATIONAL SEMINAR: The Observer & Eccentric Newspapers and I will conduct our next financial planning seminar 8-10 p.m. Wednesday, July 13, at the Michigan State University Management Center, Troy. Subjects may include: Budget analysis, children's education, tax shelters, stocks and bond investments, wills and trusts, financial independence, inflation problems, interest rates, mutual funds, and estate planning. The seminar is free, but registration is required. For more details, call 543-8888.

Sld Mittra is president of Coordinated Financial Planning Inc. in Troy and a professor of management at Oakland University in Rochester.

datebook

PROFESSIONAL CORPORATIONS?

Thursday, June 23 — "Are P.C.'s Still Viable?" will examine tax considerations of professional corporations and compare corporate and non-corporate employee benefit plans. The course will be offered from 8:45 a.m. to 12:15 p.m. by Walsh College of Accountancy and Business Administration in Troy. For further information, call the college at 689-8282.

SMALL BUSINESSES

Thursday, June 23 — "How to Run a Successful Small Business" and "Managing for Profit" will be offered 7-10 p.m. Thursdays for six weeks at Small Business Management Schools in Royal Oak. For more information, call the school at 542-4220 during normal business hours.

MICROCOMPUTERS

Thursday, June 23 — "Microcomputers: Hardware and Software Systems for the Accountant and CPA" will study purchase and use of computer

hardware and software. The program is designed for people in small accounting firms. The course will be offered 1-4:30 p.m. by Walsh College of Accountancy and Business Administration in Troy. For further information, call the college at 689-8282.

COMPUTER-ASSISTED INSTRUCTION

Monday, June 27 — Individualized programs for preschool through high school age people begin at Success Learning Systems in Rochester. Other courses include introduction to computers and beginning BASIC. For more information, call the company at 652-9222.

FLAT-RATE TAXES

Tuesday, June 28 — Tom Hibler will discuss flat-rate taxes at the American Society of Women Accountants dinner meeting at 6:30 p.m. at Bolshoi Inn in Farmington Hills. Hibler is with the GM tax section. Women interested in attending may make reservations through Shirley Preden at 281-5511.

GINNIE-MAE

Wednesday, June 29 — The advantages of Government National Mortgage Association (Ginnie-Mae) pass-through certificates will be discussed by representatives of the Ohio Co. at 7:30 p.m. in the company's Birmingham office, 244 E. Brown. For further information, call Dick Broomham at 642-1800.

GINNIE-MAE

Wednesday, July 6 — The advantages of Government National Mortgage Association (Ginnie-Mae) pass-through certificates will be discussed by representatives of the Ohio Co. at 7:30 p.m. in the company's Birmingham office, 244 E. Brown. For further information, call Dick Broomham at 642-1800.

BUSINESS IN JAPAN

Thursday-Friday, July 7-8 — Executives thinking of doing business in Japan will be introduced to social cus-

oms, non-verbal communication, corporate decision-making patterns and business practices in Meadow Brook Hall outside Rochester. Offered through Oakland University. For more information, call William Schwab at 377-2175.

AUTO CONGRESS

Sunday-Wednesday, July 10-13 — Eighth annual World Congress convenes at Westin Hotel in Detroit. Thirty-six speakers will address registrants. For further information, call Tony Merpi at 587-9520.

COMPUTER GRAPHICS

Monday-Friday, July 25-29 — "Greater Productivity Through Computer Graphics" will be the theme of Siggraph '83, the annual conference of computer graphics at Cobo Hall. An exhibition will be held Tuesday-Thursday, July 26-28, at Cobo. The conference and exhibition is sponsored by the Association for Computer Machinery.

Marketers

name officers

The Industrial Marketers of Detroit Chapter of the Business/Professional Advertising Association has announced their new officers and directors.

Bill Reichard (District Manager/American Machinist) is president. First vice presidency goes to Barb Corbett (Corbett Advertising). Leo Dismore (Brooks and Perkins) moves to second vice presidency. Third vice president is Mary Alice Hoskin (Darcy Mac-

Manus & Masius). Dan Luciano (Modern Machine Shop/Gardner Publications) will serve as secretary and Barry Grant, CPA, will handle the treasurer's chores.

AGORAPHOBIA

- FEAR of driving alone
- FEAR of waiting in lines
- FEAR of going far from home
- FEAR of social situations
- FEAR of crowded public places (streets, stores, restaurants)
- FEAR of shopping malls or large stores
- FEAR of being trapped
- "FEAR OF FEAR"

PATHWAYS TO RECOVERY

An Individualized Treatment Program

- Methods to overcome avoidance of fearful situations
- Techniques to reduce, eliminate or cope more effectively with phobic situations
- Systematic gradual steps toward recovery
- Home visits (if necessary)



humanistic resources

PSYCHOLOGICAL SERVICES

Ron Rice, Ph.D.
Program Director
626-2056
32910 W. 13 Mile
Farmington Hills, Michigan

The TI Computer Advantage Club announces three new adult courses.

- TI Writer — \$49.95
- Microsoft™ Multiplan™ — \$95
- TI Extended BASIC — \$75

These courses offered for a limited time only. Limited seating, too.

CALL TODAY FOR INFORMATION AND REGISTRATION
553-1622

LOCATION OF CLASSES:
BLOOMFIELD UNIVERSITY SCHOOL
BIRMINGHAM, MI

Be A Good Skate...
Come Roll With Us
Roll for Research...a roller skating benefit for the American Cancer Society



Sunday August 14, 1983

City of Birmingham

Joseph A. Bank Clothiers

Parking Lot—Pierce Street

(Rain Date: Sunday, August 21)

Every contestant will receive a T-Shirt and interesting prizes donated by the merchants of Birmingham-Bloomfield

Pre-Registration Fee.....\$5 (for those with skates)

Pre-Registration Fee.....\$7 (for those renting skates)

REGISTRATION FORM

(Check or Money Order must accompany form)

NAME _____

ADDRESS _____

CITY _____ ZIP _____ PHONE _____

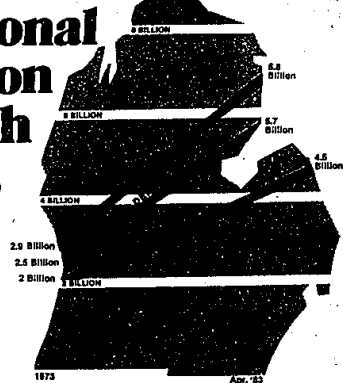
Kindly mail to: AMERICAN CANCER SOCIETY
29500 Southfield Road
Southfield, MI 48076

This space courtesy of The Eccentric Newspapers

Michigan National Corporation Banks Reach Record Highs

The Michigan National Corporation banks have reached record highs at April 30, 1983 in terms of assets, deposits, and loans. Depositor Protection Accounts for that period also reached an all time high at \$479 million which is 7.1% of total assets. This is an increase of \$10.9 million since year end 1982. Depositor Protection Accounts are made up of the sum of equity, debt capital, and reserves which are all subordinate to depositors' claims.

During its 10 year history Michigan National Corporation has grown into one of Michigan's major statewide banking groups with 383 approved banking offices serving 2.6 million customers, and has built one of the USA's largest automated teller machine (ATM) networks with over 700 ATM's statewide.



Michigan National Corporation and Subsidiaries Consolidated Statement of Condition (unaudited)

Balance at April 30 1983		Balance at April 30 1982	
Assets		Liabilities	
Cash and due from banks	\$ 418,128,000	Demand deposits	\$1,092,260,000
Interest-bearing deposits with banks	383,508,000	Consumer savings deposits	1,233,278,000
Federal funds sold and other short-term investments	333,308,000	Time deposits	1,544,782,000
Investment securities	883,537,000	Money market certificate deposits	1,122,721,000
Loans and Lease Financing	2,020,218,000	Insured money market accounts	808,432,000
Commercial, financial and agricultural	1,165,268,000	Total Deposits	6,727,477,000
Real estate — mortgage	112,847,000	Federal funds purchased	237,238,000
Real estate — construction	1,083,479,000	Securities sold under agreements to repurchase	21,081,000
Installment	174,825,000	Treasury demand notes	22,843,000
Lease financing	4,648,238,000	Accrued liabilities	184,188,000
Total Loans and Lease Financing	6,989,830,000	Long-term debt	101,268,000
Less: Unearned income	(23,328,000)	Reserve for possible loan losses of subsidiary banks	65,882,000
Valuation allowance for possible loan losses	(51,868,000)	Less: Portion included in retained earnings	(8,849,000)
Net Loans and Lease Financing	4,474,002,000	Valuation portion deducted from total loans	(1,849,000)
Premises and Equipment (net)	141,848,000	Deferred income tax portion	6,412,165,000
Other assets	143,010,000	Total Liabilities	12,000,000
TOTAL ASSETS	\$4,762,937,000	Redeemable Preferred Stock	20,000,000
		Common Shareholders' Equity	240,878,000
		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,762,937,000

The USA's 35th largest bank holding corporation in terms of deposits.



NASDAQ Traded
Over the Counter:
MNCO

Michigan National Corporation