



Family Law and Practice Section MCLE Program Webinar October 20, 2020

12:00 PM – 1:00 PM

Welcome/Announcements and Introduction

Vicki Kelly – Family Law and Practice Section Chair

Program

Beyond Taxable Income: The Real Numbers to Maintenance
Tom Levato, CPA, CFE, CFF Levato Consulting Group

Speaker Bio – see attached

Presentation Summary

Mr. Levato will discuss how an individual's income on their federal income tax return does not equate to that individual's cash flow. He will demonstrate how to evaluate and prepare a proper cash flow and how to evaluate the difference between taxable income versus case flow. Mr. Levato will also discuss other sources of income that do not appear on the individual federal tax return.

Link to Evaluation

The evaluation must be completed in order to receive CLE credit.

<https://www.surveymonkey.com/r/FamilyLaw10202020>

Upcoming Events:

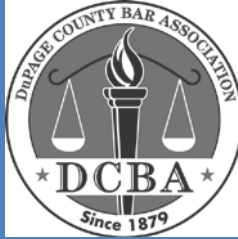
October 29th - [DCBA Family Law Bonfire and Unwind](#), Edgerton and Edgerton, West Chicago

November 19th - [Lawyers Lending a Hand Coat Drive](#) – Bar Center

December 10th - [Lawyers Lending a Hand Toy Drive](#) – Bar Center

Next Meeting:

November 17, 2020 – Pamela Rak – The Three Reasons Every Law Practice Needs a Mental Health Professional Resource



COVID Relief Fund

The DCBA and the DuPage Bar Foundation have established an assistance fund for lawyers facing personal hardship due to the downturn in work caused by the COVID-19 pandemic. Please help us promote the availability of this fund, and, if you are in need, please submit a confidential application at www.dcba.org/reliefapply. Donations to the fund are also welcome at www.dcba.org/reliefdonate."

Earn CLE Online!

DCBA OnDemand CLE is Now Powered by IICLE The Illinois Institute for Continuing Legal Education (IICLE®) and the DuPage County Bar Association (DCBA) are excited to offer a new IICLE®Share collaboration to provide DCBA members a high quality and reliable online learning experience. Members can find the link to The Illinois Institute for Continuing Legal Education (IICLE) on the DCBA website under "Legal Community" → OnDemand CLE → Online CLE Catalog. You must be logged into your DCBA Membership Profile in order to view courses for free or at a reduced price.

View & Print CLE Certificates through the DCBA Website:

Manage Profile -> Professional Development (under content & features) and choose the icon to the left of each meeting to print your certificate directly or choose to have them emailed to you to save to your computer (you MUST be logged in to view this feature)

LEVATO CONSULTING GROUP

Tom Levato, CPA, CFE, CFF

Managing Member

Tom Levato, CPA, CFE, CFF is the founder and managing member of Levato Consulting Group, a forensic accounting, financial consulting and dispute advisory firm.

Mr. Levato has 25 years of experience as an accountant, auditor and litigation consultant in the private sector and with local and national accounting firms. He has provided forensic accounting, fraud investigations, dispute advisory and financial consulting services for numerous purposes, including marital dissolutions, professional liability, shareholder disputes, commercial litigation, economic damage analysis, breach of contract, fraud investigations and other tax, corporate and litigation related matters.

Mr. Levato has testified in State court on marital dissolution, fraud, forensic analyses, economic damages and professional liability matters.

Mr. Levato's representative matters are:

- Financial consultant and testifying expert advising non-asset spouse in a marital dissolution matter with an estate in excess of \$100 million. Matter involved preparing financial analyses of 30 investment portfolios to trace money flows amongst accounts, determine cash flow and asset revenue generation and preparation of settlement analysis.
- Testifying expert in marital dissolution matter involving preparation of marital lifestyle over a 6-year period and tracing of pre-marital and post-marital assets in 4 accounts over a 15-year period.
- Financial consultant and testifying expert advising client in a marital dissolution matter involving identification and verification of assets more than \$350 million dollars; tracing assets amongst 10 separately owned entities; tracing of distributions and cash transfers amongst 5 accounts over a 7-year period.
- Financial consultant advising non-asset spouse in a marital dissolution matter with an estate more than \$100 million. Matter involved preparing financial analyses of 30 investment portfolios to determine cash flow, cash tracing and asset revenue generation, recalculate loan repayments of marital funds invested in non-marital entities and portfolio's, asset income generation, cash flow analysis, balance sheet preparation and preparation of settlement analysis.
- Performed forensic investigations involving defalcations in law firms, insurance companies, title companies, construction companies and auto dealers. Matters involved cash theft by partners and employees and asset theft. and



Suburbs

304 S. 9th Ave
La Grange, Illinois
60525

Chicago

2453 S. Archer,
Unit 1C
Chicago, Illinois
60616

Affiliations

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners

Education

- Bachelor of Science in Accounting, University of Illinois at Chicago
- Master of Accountancy, DePaul University
- Certified Fraud Examiner
- Certified in Financial Forensics



Beyond Taxable Income
The Real Numbers Behind Maintenance
Tom Levato, CPA, CFE, CFF

Learning Objectives

- What are key sources of income on the tax return
- How certain sources could be over- or under-represented
- Why cash flow may be better than taxable income
- Where extra cash flow can be found

Note: For this presentation, federal and state income taxes and the effect on the cash flow will not be discussed in detail.

Little bit about me

- Tom Levato CPA, CFE, CFF is the founder and managing member of Levato Consulting Group, a forensic accounting, financial consulting and dispute advisory firm.
- Mr. Levato has 24 years of experience as an accountant, auditor and litigation consultant in the private sector and with local and national accounting firms. He has provided forensic accounting, dispute advisory and financial consulting services for numerous purposes, including marital dissolutions, professional liability, shareholder disputes, commercial litigation, economic damage analysis, breach of contract, fraud investigations and other tax, corporate and litigation related matters.
- Mr. Levato lives in La Grange with his wife and four children. He is active in his community as the Treasurer and Board member for the LaGrange Business Association and a commissioner on the LaGrange Board of Fire and Police.

Taxable Income versus Cash Flow

- Taxable income as reported on an individual income tax return does not necessarily represent cash received by the taxpayer. This is especially true of the taxable income related to a person's ownership interests in partnerships, limited liability companies, S corporations and other 'flow-through' or 'pass-through' entities. Pass-through entities are generally not subject to tax on income at the entity level. Rather, income (interest, dividend and ordinary income) generated by these entities is passed through to the shareholders, members, or partners of the entity, and subsequently taxed on the federal and state returns of the shareholder, member or partner, even if the interest holder does not receive the cash proceeds. Conversely, distributions made by a pass-through entity to its shareholders, members, or partners generally represent cash amounts paid to those shareholders, members or partners.

Federal 1040 Return: Sources of Income

Sources of Income

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2019** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status ☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial _____ Last name _____ Your social security number _____
If joint return, spouse's first name and middle initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). _____
Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1955 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1955 ☐ Is blind

Dependents (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

1 Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a Tax-exempt interest	2a
3a Qualified dividends	3a
4a IRA distributions	4a
c Pensions and annuities	4c
5a Social security benefits	5a
6 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	6
7a Other income from Schedule 1, line 9	7a
b Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income	7b
8a Adjustments to income from Schedule 1, line 22	8a
b Subtract line 8a from line 7b. This is your adjusted gross income	8b
9 Standard deduction or itemized deductions (from Schedule A)	9
10 Qualified business income deduction. Attach Form 8995 or Form 8995-A	10
11a Add lines 9 and 10	11a
b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-	11b

Standard Deduction for—
• Single or Married filing separately, \$12,200
• Married filing jointly or Qualifying widow(er), \$24,400
• Head of household, \$18,350
• If you checked any box under Standard Deduction, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 113208 Form **1040** (2019)

- Wages
- Interest Income
- Dividends
- Capital Gains
- Other Income (Schedule 1)
 - Business Income or Loss (Schedule C)
 - Rental real estate, royalties, partnerships, S-Corporations, trusts, etc. (Schedule E)

Federal 1040 Return

Wages

a Control number		OMB No. 1545-0008		This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.		
b Employer identification number		1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld		
		5 Medicare wages and tips		6 Medicare tax withheld		
		7 Social security tips		8 Allocated tips		
d Employee's social security number		9 Advance EIC payment		10 Dependent care benefits		
e Employee's first name and initial Last name		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b		
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement

Department of the Treasury—Internal Revenue Service

- W-2 Wages**
 - Box 1 of the W-2 identifies the individuals W-2 income only. It excludes any elective retirement amount.
- Elective deferrals**
 - Most common deferral is the traditional 401(k). This amount is excluded from Box 1 of the W-2 but should be included in cash flow.

Federal 1040 Return

Wages

- A 401 (k) deferral is a voluntary contribution which reduces the individuals taxable W-2 income, therefore, adding back the deferral gives a true indication of W-2 cashflow

	2017		2018		2019	
	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>
Income						
Wages, Salaries, Tips, etc.						
Mr./Mrs XXXX's Wages (XXXX Inc)	\$ 76,491	\$ 94,491	\$ 87,200	\$ 105,200	\$ 120,800	\$ 139,800

- Increased cash flow by maximum deferral allowed per year.

Federal 1040 Return

Dividend Income (including K-1)

651118

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		

- Interest from a K-1 would be included in the tax return as taxable income under Schedule B.
- Interest income that is reported on an individual's K-1 does not get distributed to that individual. The interest income becomes part of the K-1 distribution. This will become clearer (I HOPE) when I discuss the Partnership K-1 cash flow.

Federal 1040 Return

Interest Income (including K-1)

	2017		2018		2019	
	Tax-Basis	Cash Flow	Tax-Basis	Cash Flow	Tax-Basis	Cash Flow
Taxable Interest (Schedule B)						
Charles Schwab #xxx4	474	474	432	432	402	402
Charles Schwab #xxx5	152	152	372	372	160	160
Charles Schwab #xxx6	3	3	1	1	2	2
Charles Schwab #xxx7	832	832	804	804	49	49
JP Morgan #xxx2	5	5	29	29	127	127
JP Morgan-Chase Bank	33	33	340	340	15	15
JP Morgan-Chase Bank	47	47	49	49	52	52
JP Morgan #xxx3	57	57	60	60	63	63
KBB & Co LP (K-1 Interest)	138	-	152	-	175	-
BBK & Co LP (K-1 Interest)	350	-	425	-	395	-
Merrill Lynch #xxxx5	54	54	258	258	369	369
Merrill Lynch #xxxx6	25	25	71	71	32	32
LCG & Co LP (K-1 Interest)	275	-	432	-	448	-
MST & Co LP (K-1 Interest)	185	-	196	-	168	-
Morgan Stanley #xxxxx7	53	53	49	49	63	63
Tax-Exempt Interest	5,748	5,748	7,772	7,772	5,318	5,318
	\$ 8,431	\$ 7,483	\$ 11,442	\$ 10,237	\$ 7,838	\$ 6,652

- As shown in table above, K-1 interest income should be excluded from the cash flow column. Again-I will clear this up a bit later in partnerships.

Federal 1040 Return

Dividend Income (including K-1 dividends)

1099-DIV, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1	Dividend income from Form 1099-DIV, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.	
2	Add the amounts on line 1	2
3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.	3
4	Subtract line 3 from line 2. Enter the result here and on Form 1040 or 1040-SR, line 2b	4
Note: If line 4 is over \$1,500, you must complete Part III.		Amount
Part II	5 List name of payer ▶	
Ordinary Dividends		
(See instructions and the instructions for Forms 1040 and 1040-SR, line 3b.)		
Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter		

If the individual has ownership interest in a C-Corporation whether in part or at a 100% level, the dividend income will be included in Part II and will be part of cash flow. The taxpayer may opt for dividend re-investment but that does not change the fact that the dividend was paid in some form. There is no difference in taxable income or cash flow.

Federal 1040 Return Dividend Income (including K-1)

	2017		2018		2019	
	Tax-Basis	Cash Flow	Tax-Basis	Cash Flow	Tax-Basis	Cash Flow
Ordinary Dividends						
Charles Schwab #0672	7,887	7,887	31,972	31,972	33,250	33,250
Charles Schwab #2504	9,105	9,105	8,500	8,500	7,905	7,905
Chase Schwab #6101	353	353	1	1	2	2
Chase Schwab #6102	22,435	22,435	23,497	23,497	24,635	24,635
Charles Schwab #9218	34,023	34,023	32,867	32,867	36,033	36,033
KBB & Co LP (K-1 Dividend)	1,802	1,802	1,203	1,203	2,465	2,465
BBK & Co LP (K-1 Dividend)	7,454	7,454	6,429	6,429	7,872	7,872
Merrill Lynch #20625	7,892	7,892	6,958	6,958	5,986	5,986
Merrill Lynch #27514	4,952	4,952	6,170	6,170	76	76
Merrill Lynch #20635	10,863	10,863	11,732	11,732	7,861	7,861
Morgan Stanley #167677	1,333	1,333	1,285	1,285	1,396	1,396
LCG & Co LP (K-1 Dividend)	3,726	3,726	4,367	4,367	4,218	4,218
MST & Co LP (K-1 Dividend)	5,898	5,898	5,835	5,835	4,935	4,935
	\$ 117,723	\$ 117,723	\$ 140,816	\$ 140,816	\$ 136,634	\$ 136,634

- As shown in the display above, dividend income is both included in the taxable income column as well as the cash flow column.

SCHEDULE D (Form 1120) Department of the Treasury Internal Revenue Service	Capital Gains and Losses Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T. Go to www.irs.gov/Form1120 for instructions and the latest information.	OMB No. 1545-0123 <div style="font-size: 24pt; font-weight: bold;">2019</div>		
Name _____		Employer identification number _____		
Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? ▶ <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.				
Part I Short-Term Capital Gains and Losses (See instructions.)				
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term capital gain from installment sales from Form 6252, line 26 or 37				4
5 Short-term capital gain or (loss) from like-kind exchanges from Form 8824				5
6 Unused capital loss carryover (attach computation)				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column h				7
Part II Long-Term Capital Gains and Losses (See instructions.)				
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Enter gain from Form 4797, line 7 or 9				11
12 Long-term capital gain from installment sales from Form 6252, line 26 or 37				12
13 Long-term capital gain or (loss) from like-kind exchanges from Form 8824				13
14 Capital gain distributions (see instructions)				14
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h				15
Part III Summary of Parts I and II				
16 Enter excess of net short-term capital gain (line 7) over net long-term capital loss (line 15)				16
17 Net capital gain. Enter excess of net long-term capital gain (line 15) over net short-term capital loss (line 7)				17
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns				18
Note: If losses exceed gains, see <i>Capital Losses</i> in the instructions.				

Federal 1040 Return (Schedule D)

Capital Gains/(Losses)

First, capital gains or losses are an accounting metric defined as the difference between the sales price of an asset and the purchase price (or basis) of an asset. This gain or loss does not represent cash received by the holder of the property. Second, capital gains and losses are one-time events. Assuming the taxpayer is not a trader of investment assets or an investment banker, the transaction triggering the gain or loss will most likely not occur again in the future.

Federal 1040 Return (Schedule D)

Capital Gains/(Losses)

	2017		2018		2019	
	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>
Capital Gain or (Loss) (Schedule D)	(3,000)	n/a	(1,500)	n/a	182,929	n/a

- As shown in table above, Capital Gains/(Losses) should be excluded from the cash flow column.

SCHEDULE 1
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040 or 1040-SR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2019

Attachment
Sequence No. 01

Name(s) shown on Form 1040 or 1040-SR

Your social security number

At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☐ No

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1
2a	Alimony received	2a
b	Date of original divorce or separation agreement (see instructions) ▶	
3	Business income or (loss). Attach Schedule C	3
4	Other gains or (losses). Attach Form 4797	4
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5
6	Farm income or (loss). Attach Schedule F	6
7	Unemployment compensation	7
8	Other income. List type and amount ▶	8
9	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a	9

Part II Adjustments to Income

10	Educator expenses	10
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11
12	Health savings account deduction. Attach Form 8889	12
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13
14	Deductible part of self-employment tax. Attach Schedule SE	14
15	Self-employed SEP, SIMPLE, and qualified plans	15
16	Self-employed health insurance deduction	16
17	Penalty on early withdrawal of savings	17
18a	Alimony paid	18a
b	Recipient's SSN	
c	Date of original divorce or separation agreement (see instructions) ▶	
19	IRA deduction	19
20	Student loan interest deduction	20
21	Tuition and fees. Attach Form 8917	21
22	Add lines 10 through 21. These are your adjustments to income . Enter here and on Form 1040 or 1040-SR, line 8a	22

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040 or 1040-SR) 2019

**Schedule 1: Other Sources of Income
(Schedule C and Schedule E)**

Schedule C-Business Income

- Schedule C can include personal expenses.

Schedule E-Rental real estate

- Schedule E can include personal expenses.
- Partnerships: Must adjust taxable income to actual K-1 distribution.

SCHEDULE C
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2019
Attachment
Sequence No. **09**

Name of proprietor

ABC Company

Social security number (SSN)

A Principal business or profession, including product or service (see instructions)

Widget making

B Enter code from instructions

▶ 1 2 3 4

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN) (see instr.)

8 9 1 3 5 4 7 8 9

E Business address (including suite or room no.) ▶ **123 Main Street**

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses ☒ Yes ☐ No

H If you started or acquired this business during 2019, check here ☐

I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) ☒ Yes ☐ No

J If "Yes," did you or will you file required Forms 1099? ☒ Yes ☐ No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	1,862,000
2	Returns and allowances	2	62,000
3	Subtract line 2 from line 1	3	1,800,000
4	Cost of goods sold (from line 42)	4	800,000
5	Gross profit. Subtract line 4 from line 3	5	1,000,000
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	0
7	Gross income. Add lines 5 and 6 ▶	7	1,000,000

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8	100,000	18	Office expense (see instructions)	18	15,000
9	Car and truck expenses (see instructions)	9	72,000	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20a	
11	Contract labor (see instructions)	11	128,000	a	Vehicles, machinery, and equipment	20b	250,000
12	Depletion	12		b	Other business property		
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	92,000	21	Repairs and maintenance	21	
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	5,000
15	Insurance (other than health)	15		23	Taxes and licenses	23	
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a	110,000	a	Travel	24a	10,000
b	Other	16b		b	Deductible meals (see instructions)	24b	5,000
17	Legal and professional services	17	25,000	25	Utilities	25	
28	Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28	812,000	26	Wages (less employment credits)	26	
29	Tentative profit or (loss). Subtract line 28 from line 7	29		27a	Other expenses (from line 48)	27a	
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		b	Reserved for future use	27b	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	188,000				
32	If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.			32a	<input type="checkbox"/> All investment is at risk.		
				32b	<input type="checkbox"/> Some investment is not at risk.		

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11334P

Schedule C (Form 1040 or 1040-SR) 2019

**Schedule 1: Other sources of
Income (Schedule C)**

- Car and truck expense
- Contract labor
- Depreciation
- Interest/Mortgage
- Legal and professional services
- Office expense
- Rent or lease
- Supplies
- Travel and meals

Schedule 1: Schedule C

Profit or Loss from Business

- Car and truck expense: Is the business really in need of a vehicle? Does the type of vehicle match the service provided; i.e. do you need a Corvette to deliver goods? Is the company expensing 100% of the vehicle cost, lease or payment while the vehicle is used primarily for personal purposes?
- Contract labor: Is there a ghost employee? Is the spouse or other family member on payroll whose duties do not reflect the level of pay?
- Depreciation: This is a non-cash transaction that's needs to be added back since it's a reduction in the value of the asset and not a cash expenditure.
- Mortgage/Interest: This line item can be utilized as an area for additional cash from the owner of an entity. Did a new or increased mortgage appear on the books? Did the money leave the business to another business or for unusually large purchases that appear to be unrelated to the business.
- Legal and professional services: Are these all business related? Do you see the family law firm in this account? Personal tax returns?
- Supplies: This may be smaller dollar amounts, but a review of the general ledger is always warranted.
- Travel and meals: Are these all business? Is business likely to have travel and meals? Are sporting tickets included in this account?

Federal 1040 Return (Schedule C) Profit or Loss from Business

	2017		2018		2019	
	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>
Business Income or (Loss) (Schedule C)						
ABC Company	190,000	282,000	180,000	272,000	188,000	280,000

- As shown in table above, the adding back of the non-cash depreciation gives a better indication of what the taxpayer has regarding net income from the Company.
- I will be addressing personal expenses in the business later in the presentation.

SCHEDULE E (Form 1040 or 1040-SR)		Supplemental Income and Loss (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.) ▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041. ▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.		OMB No. 1545-0074 <div style="font-size: 2em; font-weight: bold; margin: 5px 0;">2019</div> Attachment Sequence No. 13	
Department of the Treasury Internal Revenue Service (99)				Your social security number	
Name(s) shown on return					
Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.					
A Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No B If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No					
1a Physical address of each property (street, city, state, ZIP code) A 123 Main street B C					
1b Type of Property (from list below)		2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.		Fair Rental Days	Personal Use Days
A 4		A 360		<input type="checkbox"/>	<input type="checkbox"/>
B		B		<input type="checkbox"/>	<input type="checkbox"/>
C		C		<input type="checkbox"/>	<input type="checkbox"/>
Type of Property: 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental 2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)					
Income:		Properties:			
3 Rents received		3		A 250,000	B
4 Royalties received		4		C	
Expenses:					
5 Advertising		5			
6 Auto and travel (see instructions)		6			
7 Cleaning and maintenance		7			
8 Commissions.		8			
9 Insurance		9			
10 Legal and other professional fees		10			
11 Management fees		11			
12 Mortgage interest paid to banks, etc. (see instructions)		12			
13 Other interest.		13			
14 Repairs.		14			
15 Supplies		15			
16 Taxes		16			
17 Utilities		17			
18 Depreciation expense or depletion		18			
19 Other (list) ▶		19			
20 Total expenses. Add lines 5 through 19		20			
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198		21			
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)		22 () () ()			
23a Total of all amounts reported on line 3 for all rental properties		23a			
b Total of all amounts reported on line 4 for all royalty properties		23b			
c Total of all amounts reported on line 12 for all properties		23c			
d Total of all amounts reported on line 18 for all properties		23d			
e Total of all amounts reported on line 20 for all properties		23e			
24 Income. Add positive amounts shown on line 21. Do not include any losses		24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here		25 ()			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040 or 1040-SR), line 5, or Form 1040-NR, line 18. Otherwise, include this amount in the total on line 41 on page 2		26			

Schedule 1: Other sources of Income Schedule E

- Auto and travel expense
- Legal and professional services
- Management fees
- Mortgage Interest
- Supplies
- Depreciation

Schedule 1: Schedule E

Rental Real Estate, royalties, partnerships, S-Corp

- Auto and travel expense: Is the business really in need of a vehicle? Does the type of vehicle match the service provided; i.e. do you need a Corvette to deliver goods? Is the company expensing 100% of the vehicle cost, lease or payment while the vehicle is used primarily for personal purposes?
- Legal and professional services: Are these all business related? Do you see the family law firm in this account? Personal tax returns?
- Management fees: Are these reasonable or fair market?
- Mortgage Interest: This line item can be utilized as an area for additional cash from the owner of an entity. Did a new or increased mortgage appear on the books? Did the money leave the business to another business or for unusually large purchases that appear to be unrelated to the business.
- Supplies: This may be smaller dollar amounts, but a review of the general ledger is always warranted.
- Depreciation: This is a non-cash transaction that's needs to be added back since it's a reduction in the value of the asset and not a cash expenditure.

Federal 1040 Return (Schedule E)

Rental Real Estate, royalties, partnerships, S-Corp

	2017		2018		2019	
	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>
S-Corp, Rental Real Estate, Partnerships, etc. (Schedule E)						
123 Main Street	75,000	125,000	78,000	128,000	82,000	132,000

- As shown in table above, This has the same effect as the Schedule C Depreciation. By adding back the non-cash depreciation, it gives a better indication of what the taxpayer has regarding net income from this partnership.
- I will be addressing personal expenses in the business later in the presentation

Schedule K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

2019

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Partner's Share of Income, Deductions, Credits, etc.
▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
12345

B Partnership's name, address, city, state, and ZIP code

C IRS Center where partnership filed return ▶

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.)

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.
Tom
234 Not main street

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H1 ☐ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN _____ Name _____

I1 What type of entity is this partner? _____

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	40 %	40 %
Loss	40 %	40 %
Capital	40 %	40 %

Check if decrease is due to sale or exchange of partnership interest ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

☐ Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account	\$ 1,000,000
Capital contributed during the year	\$ 0
Current year net income (loss)	\$ (100,000)
Other increase (decrease) (attach explanation)	\$ 0
Withdrawals & distributions	\$ (200,000)
Ending capital account	\$ 700,000

M Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

651119
OMB No. 1545-0123

☐ Final K-1 ☐ Amended K-1

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(100,000)		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital		
4c	Total guaranteed payments		
5	Interest income		
	10,000		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)	19	Distributions
		a	200,000
12	Section 179 deduction	20	Other information
13	Other deductions		
14	Self-employment earnings (loss)		
21	<input type="checkbox"/> More than one activity for at-risk purposes*		
22	<input type="checkbox"/> More than one activity for passive activity purposes*		

*See attached statement for additional information.

For IRS Use Only

Federal 1040 Return K-1 Distribution

Distributions

- This is the key number that needs to be utilized to properly identify cash flow from a K-1 entity. The assumption is that the distributions is of cash and marketable securities.
- The distributions incorporate all the income that the individual will receive from the entity, i.e. interest that was discussed prior.

Federal 1040 Return K-1 Distribution

	2017		2018		2019	
	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>	<u>Tax-Basis</u>	<u>Cash Flow</u>
S-Corp, Rental Real Estate, Partnerships, etc. (Schedule E) 12345 Company (K-1)	100,000	125,000	125,000	75,000	(100,000)	200,000

- An adjustment should be made to the taxpayers' Schedule E income in determining the taxpayers' cash flow. Schedule E income related to the taxpayers' ownership interest in any pass-through entities (and reported to them on Schedule K-1s for each entity) have been removed, as these amounts represent income on which the taxpayer are taxed and not cash amounts received by the taxpayer. Second, distributions received by the taxpayer related to the interests in any pass-through entities have been added to Schedule E cash flow, as these items represent cash received by the taxpayer that is not included in the taxpayers' taxable income.

Schedule 1: Review of General Ledger Personal Expenses, Schedule C and Schedule E

ABC and 12345 Company				
FY2019 - General Ledger - Detail				
Account	Date	Document Number	Name	Debit
Recruitment & Training	11/30/2019	ER867	Smith, John	\$ 91.00
Recruitment & Training	9/28/2019	2018-09 Amex	American Express Business	61.38
Recruitment & Training	10/29/2019	2018-10 Amex	American Express Business	140.77
Selling Expense	1/29/2019	2018-01 Amex	American Express Business	710.28
Selling Expense	2/26/2019	2018-02 Amex	American Express Business	1,226.46
Selling Expense	3/29/2019	2018-03 Amex	American Express Business	1,342.64
Computer Expenses	5/29/2019	2018-05 Amex	American Express Business	639.72
Computer Expenses	6/28/2019	2018-06 Amex	American Express Business	956.57
Computer Expenses	7/29/2019	2018-07 Amex	American Express Business	164.25
ABC Family Law	11/28/2019	2017-11 Amex	American Express Business	5,599.50
Corporate Auto Expense	1/29/2019	2018-01 Amex	American Express Business	1,451.01
Corporate Auto Expense	2/28/2019	ER877	Smith, John	192.68
Corporate Auto Expense	3/29/2019	2018-03 Amex	American Express Business	259.00
Corporate Auto Expense	3/31/2019	ER891	Smith, John	142.35
Home Insurance	1/29/2019	2018-01 Amex	American Express Business	7,031.00
Home Insurance	1/31/2019	ER876	Smith, John	2,125.00
Home Insurance	2/28/2019	ER877	Smith, John	3,290.62
Employee Medical Insurance Premium	1/29/2019	2018-01 Amex	American Express Business	120.00
Employee Medical Insurance Premium	1/31/2019	ER876	Smith, John	309.17
Employee Medical Insurance Premium	2/28/2019	ER877	Smith, John	12,109.81
Office Expense	11/28/2019	2017-11 Amex	American Express Business	1,242.45
Office Expense	5/29/2019	2018-05 Amex	American Express Business	1,022.31
Office Expense	7/29/2019	2018-07 Amex	American Express Business	1,322.43
				\$ 41,550.40

Schedule 1: Review of General Ledger (Cont.)

Schedule C and Schedule E and Personal Expenses

ABC and 12345 Company				
FY2019 - General Ledger - Detail				
Account	Date	Document Number	Name	Debit
Payroll	5/29/2019	2018-05 Amex	Smith, Emily	\$ 8,520.00
Payroll	12/31/2019	ER878	Smith, Emily	14,350.00
				<u>\$22,870.00</u>
ABC and 12345 Company				
FY2019 - General Ledger - Detail				
Account	Date	Document Number	Name	Debit
Contract Labor	3/31/2019	ER891	Smith, John	\$ 7,218.33
Contract Labor	11/28/2019	2017-11 Amex	Smith, Tim	3,867.60
				<u>\$ 11,085.93</u>

Income

Wages, Salaries, Tips, etc.

Mr./Mrs XXXX's Wages (XXXX Inc)

	Tax-Basis	Cash Flow	Tax-Basis	Cash Flow	Tax-Basis	Cash Flow
Mr./Mrs XXXX's Wages (XXXX Inc)	\$ 76,491	\$ 94,491	\$ 87,200	\$ 105,200	\$ 120,800	\$ 139,800

Taxable Interest (Schedule B)

Charles Schawb #xxx4

Charles Schawb #xxx4	474	474	432	432	402	402
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Charles Schawb #xxx5

Charles Schawb #xxx5	152	152	372	372	160	160
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Charles Schawb #xxx6

Charles Schawb #xxx6	3	3	1	1	2	2
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Charles Schawb #xxx7

Charles Schawb #xxx7	832	832	804	804	49	49
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JP Morgan #xxx2

JP Morgan #xxx2	5	5	29	29	127	127
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JP Morgan-Chase Bank

JP Morgan-Chase Bank	33	33	340	340	15	15
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JP Morgan-Chase Bank

JP Morgan-Chase Bank	47	47	49	49	52	52
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JP Morgan #xxx3

JP Morgan #xxx3	57	57	60	60	63	63
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KBB & Co LP (K-1 Interest)

KBB & Co LP (K-1 Interest)	138	-	152	-	175	-
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BBK & Co LP (K-1 Interest)

BBK & Co LP (K-1 Interest)	350	-	425	-	395	-
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Merrill Lynch #xxxx5

Merrill Lynch #xxxx5	54	54	258	258	369	369
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Merrill Lynch #xxxx6

Merrill Lynch #xxxx6	25	25	71	71	32	32
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LCG & Co LP (K-1 Interest)

LCG & Co LP (K-1 Interest)	275	-	432	-	448	-
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MST & Co LP (K-1 Interest)

MST & Co LP (K-1 Interest)	185	-	196	-	168	-
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Morgan Stanley #xxxxx7

Morgan Stanley #xxxxx7	53	53	49	49	63	63
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Tax-Exempt Interest

Tax-Exempt Interest	5,748	5,748	7,772	7,772	5,318	5,318
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Ordinary Dividends

Charles Schawb #0672

Charles Schawb #0672	7,887	7,887	31,972	31,972	33,250	33,250
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Charles Schawb #2504

Charles Schawb #2504	9,105	9,105	8,500	8,500	7,905	7,905
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Chase Schwab #6101

Chase Schwab #6101	353	353	1	1	2	2
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Chase Schwab #6102

Chase Schwab #6102	22,435	22,435	23,497	23,497	24,635	24,635
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Charles Schwab #9218

Charles Schwab #9218	34,023	34,023	32,867	32,867	36,033	36,033
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KBB & Co LP (K-1 Dividend)

KBB & Co LP (K-1 Dividend)	1,802	1,802	1,203	1,203	2,465	2,465
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BBK & Co LP (K-1 Dividend)

BBK & Co LP (K-1 Dividend)	7,454	7,454	6,429	6,429	7,872	7,872
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Merrill Lynch #20625

Merrill Lynch #20625	7,892	7,892	6,958	6,958	5,986	5,986
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Merrill Lynch #27514

Merrill Lynch #27514	4,952	4,952	6,170	6,170	76	76
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Merrill Lynch #20635

Merrill Lynch #20635	10,863	10,863	11,732	11,732	7,861	7,861
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Morgan Stanley #167677

Morgan Stanley #167677	1,333	1,333	1,285	1,285	1,396	1,396
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LCG & Co LP (K-1 Dividend)

LCG & Co LP (K-1 Dividend)	3,726	3,726	4,367	4,367	4,218	4,218
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MST & Co LP (K-1 Dividend)

MST & Co LP (K-1 Dividend)	5,898	5,898	5,835	5,835	4,935	4,935
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Tax-Exempt Interest

Tax-Exempt Interest	57,485	57,485	77,729	77,729	53,184	53,184
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Ordinary Dividends						
Charles Schwab #0672	7,887	7,887	31,972	31,972	33,250	33,250
Charles Schwab #2504	9,105	9,105	8,500	8,500	7,905	7,905
Chase Schwab #6101	353	353	1	1	2	2
Chase Schwab #6102	22,435	22,435	23,497	23,497	24,635	24,635
Charles Schwab #9218	34,023	34,023	32,867	32,867	36,033	36,033
KBB & Co LP (K-1 Dividend)	1,802	1,802	1,203	1,203	2,465	2,465
BBK & Co LP (K-1 Dividend)	7,454	7,454	6,429	6,429	7,872	7,872
Merrill Lynch #20625	7,892	7,892	6,958	6,958	5,986	5,986
Merrill Lynch #27514	4,952	4,952	6,170	6,170	76	76
Merrill Lynch #20635	10,863	10,863	11,732	11,732	7,861	7,861
Morgan Stanley #167677	1,333	1,333	1,285	1,285	1,396	1,396
LCG & Co LP (K-1 Dividend)	3,726	3,726	4,367	4,367	4,218	4,218
MST & Co LP (K-1 Dividend)	5,898	5,898	5,835	5,835	4,935	4,935
Tax-Exempt Interest	57,485	57,485	77,729	77,729	53,184	53,184
Taxable Refunds, Credits, or Offsets	-	n/a	-	n/a	-	n/a
Alimony received	-	-	-	-	-	-
Business Income or (Loss) (Schedule C)						
ABC Company	190,000	282,000	180,000	272,000	188,000	280,000
Capital Gain or (Loss) (Schedule D)	(3,000)	n/a	(1,500)	n/a	182,929	n/a
Other Gains or (Losses) (Form 4797)	-	-	-	-	-	-
IRA Distributions	-	-	-	-	-	-
Pensions and Annuities	-	-	-	-	-	-
S-Corp, Rental Real Estate, Partnerships, etc. (Schedule E)						
123 Main Street	75,000	125,000	78,000	128,000	82,000	132,000
12345 Company (K-1)	100,000	125,000	125,000	75,000	(100,000)	200,000
Farm Income or (Loss)	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-
Social Security Benefits	-	-	-	-	-	-
Other Income - Miscellaneous	-	-	-	-	-	-
Subtotal Pre-Tax Income	622,130	809,182	698,687	808,982	671,385	948,270
Personal expenses paid by ABC and 12345 Company		30,000		15,000		41,550
Excess payroll paid by ABC and 12345 Company		10,000		20,000		22,870
Excess Contract Labor paid by ABC and 12345 Company		5,000		8,000		11,086
Total Adjusted Pre-Tax Gross Income / Cash Flow	\$ 622,130	\$ 854,182	\$ 698,687	\$ 851,982	\$ 671,385	\$1,023,776
Increase in Cash Flow over Taxable Income		\$ 232,052		\$ 153,295		\$ 352,391

Added Bonus:

(As lawyers I hope you appreciate this disclosure: I am not, nor have I been qualified as a valuation expert BUT my work has been utilized to assist in the normalization of the income statements of companies-So I can give you MY view)

How can all this also affect the Valuation of the Company?

Questions?

Thank you



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