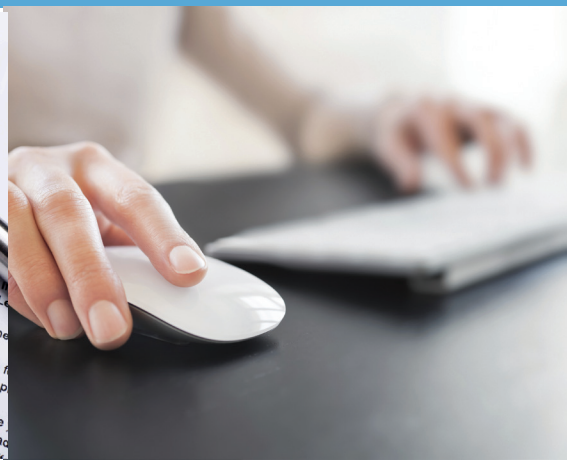
2018 Tax Return Case Study

S Corp Income

Genworth Mortgage Insurance Customer Training



Genworth®

11049422.1015 MREV 02.26.2019
Genworth Mortgage Insurance Corporation

a Employee's SSN 213-xx-xxxx	b Employer ID No. (EIN) 22-xxxxxxx	OMB No. 1545-0008

c Employer's name, address, and ZIP code	1 Wgs, tips, other compn	2 Fed inc tax withheld	3 Social security wages	Form **W-2**
LIFE FITT EQUIPMENT, INC	70799.94	11851.22	59999.94	**Wage and Tax Statement**
	4 SS tax withheld	5 Medicare wages & tips	6 Medicare tax withheld	
999 LIFT WAY	3720.00	59999.94	870.00	
BERKELEY CA 94710	7 Social security tips	8 Allocated tips	9 Verification code	**2018**
d Control No.	10 Depdnt care benefits	11 Nonqualified plans	12a	
e Employee's name, address, and ZIP code Suff.	13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	14 Other CASDI 540.00	12b 12c 12d	**Copy B To Be Filed with Employee's FEDERAL Tax Return** This information is being furnished to the Internal Revenue Service.
MARK E FITT 76655 ROCKY TRAIL BERKELEY CA 94710				

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
CA	244-xxxx-x	70799.94	3866.30			

Department of the Treasury — IRS

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MARK E FITT 76655 ROCKY TRAIL BERKELEY CA 94710				

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CA	244-xxxx-x	70799.94	3866.30			

Form **1040** Department of the Treasury—Internal Revenue Service (99)

U.S. Individual Income Tax Return

2018 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status: [X] Single [ ] Married filing jointly [ ] Married filing separately [ ] Head of household [ ] Qualifying widow(er)

Your first name and initial	Last name	Your social security number
Mark E	Fitt	XXX-XX-XXXX

Your standard deduction: [ ] Someone can claim you as a dependent [ ] You were born before January 2, 1954 [ ] You are blind

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

Spouse standard deduction: [ ] Someone can claim your spouse as a dependent [ ] Spouse was born before January 2, 1954 [ ] Spouse is blind [ ] Spouse itemizes on a separate return or you were dual-status alien

[X] Full-year health care coverage or exempt (see inst.)

Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.	Presidential Election Campaign (see inst.) [ ] You [ ] Spouse
76655 Rocky Trail		
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6.		If more than four dependents, see inst. and ✓ here ▶ [ ]
Berkeley CA 94710		

Dependents (see instructions): (1) First name Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.): Child tax credit	Credit for other dependents
			[ ]	[ ]
			[ ]	[ ]
			[ ]	[ ]
			[ ]	[ ]

Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
		Gym Owner/Body Builder	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Preparer's name	Preparer's signature	PTIN	Firm's EIN	Check if:
				[ ] 3rd Party Designee
Firm's name ▶ Self-Prepared		Phone no.		[ ] Self-employed
Firm's address ▶				

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040** (2018)

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.

1	Wages, salaries, tips, etc. Attach Form(s) W-2				1	70,800.
2a	Tax-exempt interest	2a		b Taxable interest	2b	1,877.
3a	Qualified dividends	3a		b Ordinary dividends	3b	
4a	IRAs, pensions, and annuities	4a		b Taxable amount	4b	
5a	Social security benefits	5a		b Taxable amount	5b	
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22 108,067.				6	180,744.
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6				7	180,744.
8	**Standard deduction or itemized deductions** (from Schedule A)				8	12,322.
9	Qualified business income deduction (see instructions)				9	
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-				10	168,422.
11	a Tax (see inst.) 35,585. (check if any from: 1 [ ] Form(s) 8814 2 [ ] Form 4972 3 [ ])					
	b Add any amount from Schedule 2 and check here ▶ [ ]				11	35,585.
12	a Child tax credit/credit for other dependents			b **Add** any amount from Schedule 3 and check here ▶ [ ]	12	
13	Subtract line 12 from line 11. If zero or less, enter -0-				13	35,585.
14	Other taxes. Attach Schedule 4				14	0.
15	Total tax. Add lines 13 and 14				15	35,585.
16	Federal income tax withheld from Forms W-2 and 1099				16	11,851.
17	Refundable credits: a EIC (see inst.) No b Sch. 8812 c Form 8863					
	Add any amount from Schedule 5				17	
18	Add lines 16 and 17. These are your total payments				18	11,851.

Standard Deduction for—
- Single or married filing separately, $12,000
- Married filing jointly or Qualifying widow(er), $24,000
- Head of household, $18,000
- If you checked any box under Standard deduction, see instructions.

Refund

19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you **overpaid**	19	
20a	Amount of line 19 you want **refunded to you.** If Form 8888 is attached, check here ▶ [ ]	20a	
▶ b	Routing number X X X X X X X X X ▶ c Type: [ ] Checking [ ] Savings		
▶ d	Account number X X X X X X X X X X X X X X X X		
21	Amount of line 19 you want **applied to your 2019 estimated tax** ▶ 21		

Direct deposit? See instructions.

Amount You Owe

22	**Amount you owe.** Subtract line 18 from line 15. For details on how to pay, see instructions ▶	22	23,734.
23	Estimated tax penalty (see instructions) ▶ 23		

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

► **Attach to Form 1040.**
► **Go to *www.irs.gov/Form1040* for instructions and the latest information.**

OMB No. 1545-0074

2018

Attachment Sequence No. **01**

Name(s) shown on Form 1040
Mark E Fitt

Your social security number
XXX-XX-XXXX

Additional Income	**1–9b**	Reserved		**1–9b**	
	10	Taxable refunds, credits, or offsets of state and local income taxes		**10**	
	11	Alimony received		**11**	
	12	Business income or (loss). Attach Schedule C or C-EZ		**12**	
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ► ☐		**13**	
	14	Other gains or (losses). Attach Form 4797		**14**	
	15a	Reserved		**15b**	
	16a	Reserved		**16b**	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		**17**	108,067.
	18	Farm income or (loss). Attach Schedule F		**18**	
	19	Unemployment compensation		**19**	
	20a	Reserved		**20b**	
	21	Other income. List type and amount ►		**21**	
	22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23		**22**	108,067.
Adjustments to Income	**23**	Educator expenses	**23**		
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	**24**		
	25	Health savings account deduction. Attach Form 8889	**25**		
	26	Moving expenses for members of the Armed Forces. Attach Form 3903	**26**		
	27	Deductible part of self-employment tax. Attach Schedule SE	**27**		
	28	Self-employed SEP, SIMPLE, and qualified plans	**28**		
	29	Self-employed health insurance deduction	**29**		
	30	Penalty on early withdrawal of savings	**30**		
	31a	Alimony paid **b** Recipient's SSN ►	**31a**		
	32	IRA deduction	**32**		
	33	Student loan interest deduction	**33**		
	34	Reserved	**34**		
	35	Reserved	**35**		
	36	Add lines 23 through 35		**36**	

SCHEDULE A (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

▶ Go to *www.irs.gov/ScheduleA* for instructions and the latest information.
▶ Attach to Form 1040.
Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

OMB No. 1545-0074

2018

Attachment Sequence No. **07**

Name(s) shown on Form 1040: Mark E Fitt

Your social security number: XXX-XX-XXXX

Medical and Dental Expenses		**Caution:** Do not include expenses reimbursed or paid by others.			
	1	Medical and dental expenses (see instructions)	1		
	2	Enter amount from Form 1040, line 7	2	180,744.	
	3	Multiply line 2 by 7.5% (0.075)	3	13,556.	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4
Taxes You Paid	5	State and local taxes.			
	a	State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box ▶ ☐	5a	4,406.	
	b	State and local real estate taxes (see instructions)	5b		
	c	State and local personal property taxes	5c		
	d	Add lines 5a through 5c	5d	4,406.	
	e	Enter the smaller of line 5d or $10,000 ($5,000 if married filing separately)	5e	4,406.	
	6	Other taxes. List type and amount ▶	6		
	7	Add lines 5e and 6			7 4,406.
Interest You Paid	8	Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box ▶ ☐			
Caution: Your mortgage interest deduction may be limited (see instructions).	a	Home mortgage interest and points reported to you on Form 1098	8a		
	b	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶	8b		
	c	Points not reported to you on Form 1098. See instructions for special rules	8c		
	d	Reserved	8d		
	e	Add lines 8a through 8c	8e		
	9	Investment interest. Attach Form 4952 if required. See instructions	9		
	10	Add lines 8e and 9			10
Gifts to Charity	11	Gifts by cash or check. If you made any gift of $250 or more, see instructions	11	7,916.	
If you made a gift and got a benefit for it, see instructions.	12	Other than by cash or check. If any gift of $250 or more, see instructions. You **must** attach Form 8283 if over $500	12		
	13	Carryover from prior year	13		
	14	Add lines 11 through 13			14 7,916.
Casualty and Theft Losses	15	Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions			15
Other Itemized Deductions	16	Other—from list in instructions. List type and amount ▶			16
Total Itemized Deductions	17	Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040, line 8			17 12,322.
	18	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ ☐			

SCHEDULE B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

▶ **Go to *www.irs.gov/ScheduleB* for instructions and the latest information.**
▶ **Attach to Form 1040.**

OMB No. 1545-0074

2018

Attachment Sequence No. **08**

Name(s) shown on return
Mark E Fitt

Your social security number
XXX-XX-XXXX

Part I Interest

(See instructions and the instructions for Form 1040, line 2b.)

Note: If you received a Form 1099-INT, 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.

			Amount
1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶ Investment World	1	1,877.
2	Add the amounts on line 1	2	1,877.
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, line 2b ▶	4	1,877.

Note: If line 4 is over $1,500, you must complete Part III.

Part II Ordinary Dividends

(See instructions and the instructions for Form 1040, 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 the ordinary dividends shown on that form.

			Amount
5	List name of payer ▶	5	
6	Add the amounts on line 5. Enter the total here and on Form 1040, line 3b ▶	6	

Note: If line 6 is over $1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See instructions.)

You must complete this part if you **(a)** had over $1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

		Yes	No
7a	At any time during 2018, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions		X
	If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements		
b	If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶		
8	During 2018, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions		X

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Mark E Fitt

Your social security number XXX-XX-XXXX

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations — Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column **(e)** on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column **(f)** on line 28 and attach **Form 6198** (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section . . . . . ☐ **Yes** ☒ **No**

28	**(a)** Name	**(b)** Enter **P** for partnership; **S** for S corporation	**(c)** Check if foreign partnership	**(d)** Employer identification number	**(e)** Check if basis computation is required	**(f)** Check if any amount is not at risk
A	Life Fitt Equipment Inc	S	☐	22-7654321	☐	☐
B			☐		☐	☐
C			☐		☐	☐
D			☐		☐	☐

	Passive Income and Loss		**Nonpassive Income and Loss**		
	(g) Passive loss allowed (attach **Form 8582** if required)	**(h)** Passive income from **Schedule K-1**	**(i)** Nonpassive loss from **Schedule K-1**	**(j)** Section 179 expense deduction from **Form 4562**	**(k)** Nonpassive income from **Schedule K-1**
A					108,067.
B					
C					
D					
29a Totals					108,067.
b Totals					

30	Add columns (h) and (k) of line 29a	**30**	108,067.
31	Add columns (g), (i), and (j) of line 29b	**31**	( )
32	**Total partnership and S corporation income or (loss).** Combine lines 30 and 31	**32**	108,067.

Part III Income or Loss From Estates and Trusts

33	**(a)** Name	**(b)** Employer identification number
A		
B		

	Passive Income and Loss		**Nonpassive Income and Loss**	
	(c) Passive deduction or loss allowed (attach **Form 8582** if required)	**(d)** Passive income from **Schedule K-1**	**(e)** Deduction or loss from **Schedule K-1**	**(f)** Other income from **Schedule K-1**
A				
B				
34a Totals				
b Totals				

35	Add columns (d) and (f) of line 34a	**35**	
36	Add columns (c) and (e) of line 34b	**36**	( )
37	**Total estate and trust income or (loss).** Combine lines 35 and 36	**37**	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	**(a)** Name	**(b)** Employer identification number	**(c)** Excess inclusion from **Schedules Q,** line 2c (see instructions)	**(d)** Taxable income (net loss) from **Schedules Q,** line 1b	**(e)** Income from **Schedules Q,** line 3b

39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below	**39**	

Part V Summary

40	Net farm rental income or (loss) from **Form 4835.** Also, complete line 42 below	**40**	
41	**Total income or (loss).** Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18 ▶	**41**	108,067.
42	**Reconciliation of farming and fishing income.** Enter your **gross** farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code AC; and Schedule K-1 (Form 1041), box 14, code F (see instructions) .	**42**	
43	**Reconciliation for real estate professionals.** If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules . .	**43**	

671117

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

Schedule K-1 (Form 1120S)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Shareholder's Share of Income, Deductions, Credits, etc.

► See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
22-xxxxxxx

B Corporation's name, address, city, state, and ZIP code
Life Fitt Equipment, Inc.
999 Lift Way
Berkeley, CA 94710

C IRS Center where corporation filed return
e-file

Part II Information About the Shareholder

D Shareholder's identifying number
XXX-XX-XXXX

E Shareholder's name, address, city, state, and ZIP code
Mark E Fitt
76655 Rocky Trail
Berkeley, CA 94710

F Shareholder's percentage of stock ownership for tax year . . . . . 100 %

For IRS Use Only

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

1	Ordinary business income (loss) 108,067	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss) 0		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	183
11	Section 179 deduction	16	Items affecting shareholder basis
		C	5,806
12	Other deductions		
A	2,916	D	213,995
		17	Other information

* See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

		Report on
1.	**Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:	
	Passive loss	See the Shareholder's Instructions
	Passive income	Schedule E, line 28, column (h)
	Nonpassive loss	See the Shareholder's Instructions
	Nonpassive income	Schedule E, line 28, column (k)
2.	**Net rental real estate income (loss)**	See the Shareholder's Instructions
3.	**Other net rental income (loss)**	
	Net income	Schedule E, line 28, column (h)
	Net loss	See the Shareholder's Instructions
4.	**Interest income**	Form 1040, line 2b
5a.	**Ordinary dividends**	Form 1040, line 3b
5b.	**Qualified dividends**	Form 1040, line 3a
6.	**Royalties**	Schedule E, line 4
7.	**Net short-term capital gain (loss)**	Schedule D, line 5
8a.	**Net long-term capital gain (loss)**	Schedule D, line 12
8b.	**Collectibles (28%) gain (loss)**	28% Rate Gain Worksheet, line 4 (Schedule D instructions)
8c.	**Unrecaptured section 1250 gain**	See the Shareholder's Instructions
9.	**Net section 1231 gain (loss)**	See the Shareholder's Instructions
10.	**Other income (loss)**	
	Code	
	A Other portfolio income (loss)	See the Shareholder's Instructions
	B Involuntary conversions	See the Shareholder's Instructions
	C Sec. 1256 contracts & straddles	Form 6781, line 1
	D Mining exploration costs recapture	See Pub. 535
	E Section 951A income	See the Shareholder's Instructions
	F Section 965(a) inclusion	
	G Subpart F income other than sections 951A and 965 inclusion	
	H Other income (loss)	
11.	**Section 179 deduction**	See the Shareholder's Instructions
12.	**Other deductions**	
	A Cash contributions (60%)	See the Shareholder's Instructions
	B Cash contributions (30%)	
	C Noncash contributions (50%)	
	D Noncash contributions (30%)	
	E Capital gain property to a 50% organization (30%)	
	F Capital gain property (20%)	
	G Contributions (100%)	
	H Investment interest expense	Form 4952, line 1
	I Deductions—royalty income	Schedule E, line 19
	J Section 59(e)(2) expenditures	See the Shareholder's Instructions
	K Section 965(c) deduction	See the Shareholder's Instructions
	L Deductions—portfolio (other)	Schedule A, line 16
	M Preproductive period expenses	See the Shareholder's Instructions
	N Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions
	O Reforestation expense deduction	See the Shareholder's Instructions
	P through **R**	Reserved for future use
	S Other deductions	See the Shareholder's Instructions
13.	**Credits**	
	A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Shareholder's Instructions
	B Low-income housing credit (other) from pre-2008 buildings	
	C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
	D Low-income housing credit (other) from post-2007 buildings	
	E Qualified rehabilitation expenditures (rental real estate)	
	F Other rental real estate credits	
	G Other rental credits	
	H Undistributed capital gains credit	Schedule 5 (Form 1040), line 74, box a
	I Biofuel producer credit	See the Shareholder's Instructions
	J Work opportunity credit	
	K Disabled access credit	
	L Empowerment zone employment credit	
	M Credit for increasing research activities	
	N Credit for employer social security and Medicare taxes	
	O Backup withholding	See the Shareholder's Instructions
	P Other credits	See the Shareholder's Instructions
14.	**Foreign transactions**	
	A Name of country or U.S. possession	Form 1116, Part I
	B Gross income from all sources	
	C Gross income sourced at shareholder level	
	Foreign gross income sourced at corporate level	
	D Section 951A category	Form 1116, Part I
	E Foreign branch category	
	F Passive category	
	G General category	
	H Other	
	Deductions allocated and apportioned at shareholder level	
	I Interest expense	Form 1116, Part I
	J Other	Form 1116, Part I
	Deductions allocated and apportioned at corporate level to foreign source income	
	K Section 951A category	Form 1116, Part I
	L Foreign branch category	
	M Passive category	
	N General category	
	O Other	
	Other information	
	P Total foreign taxes paid	Form 1116, Part II
	Q Total foreign taxes accrued	Form 1116, Part II
	R Reduction in taxes available for credit	Form 1116, line 12
	S Foreign trading gross receipts	Form 8873
	T Extraterritorial income exclusion	Form 8873
	U Section 965 information	See the Shareholder's Instructions
	V Other foreign transactions	See the Shareholder's Instructions
15.	**Alternative minimum tax (AMT) items**	
	A Post-1986 depreciation adjustment	See the Shareholder's Instructions and the Instructions for Form 6251
	B Adjusted gain or loss	
	C Depletion (other than oil & gas)	
	D Oil, gas, & geothermal—gross income	
	E Oil, gas, & geothermal—deductions	
	F Other AMT items	
16.	**Items affecting shareholder basis**	
	A Tax-exempt interest income	Form 1040, line 2a
	B Other tax-exempt income	See the Shareholder's Instructions
	C Nondeductible expenses	
	D Distributions	
	E Repayment of loans from shareholders	
17.	**Other information**	
	A Investment income	Form 4952, line 4a
	B Investment expenses	Form 4952, line 5
	C Qualified rehabilitation expenditures (other than rental real estate)	See the Shareholder's Instructions
	D Basis of energy property	See the Shareholder's Instructions
	E Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
	F Recapture of low-income housing credit (other)	Form 8611, line 8
	G Recapture of investment credit	See Form 4255
	H Recapture of other credits	See the Shareholder's Instructions
	I Look-back interest—completed long-term contracts	See Form 8697
	J Look-back interest—income forecast method	See Form 8866
	K Dispositions of property with section 179 deductions	See the Shareholder's Instructions
	L Recapture of section 179 deduction	
	M through **U**	
	V Section 199A income	
	W Section 199A W-2 wages	
	X Section 199A unadjusted basis	
	Y Section 199A REIT dividends	
	Z Section 199A PTP income	
	AA Excess taxable income	
	AB Excess business interest income	
	AC Other information	

Form **1120S**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

► **Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.**
► **Go to *www.irs.gov/Form1120S* for instructions and the latest information.**

OMB No. 1545-0123

2018

For calendar year 2018 or tax year beginning , 2018, ending , 20

A S election effective date: 5/20/2013	**TYPE OR PRINT** Name: Life Fitt Equipment	**D** Employer identification number: 22-xxxxxxx
B Business activity code number (see instructions): 404511	Number, street, and room or suite no. If a P.O. box, see instructions.: 999 Lift Way	**E** Date incorporated: 5/20/2013
C Check if Sch. M-3 attached ☐	City or town, state or province, country, and ZIP or foreign postal code: Berkeley, CA 94710	**F** Total assets (see instructions): $ 1,320,260

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☑ No If "Yes," attach Form 2553 if not already filed

H Check if: **(1)** ☐ Final return **(2)** ☐ Name change **(3)** ☐ Address change **(4)** ☐ Amended return **(5)** ☐ S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year . . . . . ► 1

Caution: Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	**1a**	Gross receipts or sales	**1a**	1,105,852		
	b	Returns and allowances	**1b**			
	c	Balance. Subtract line 1b from line 1a			**1c**	1,105,852
	2	Cost of goods sold (attach Form 1125-A)			**2**	557,799
	3	Gross profit. Subtract line 2 from line 1c			**3**	548,053
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)			**4**	
	5	Other income (loss) (see instructions—attach statement)			**5**	
	6	**Total income (loss).** Add lines 3 through 5 ►			**6**	548,053
Deductions (see instructions for limitations)	**7**	Compensation of officers (see instructions—attach Form 1125-E)			**7**	70,800
	8	Salaries and wages (less employment credits)			**8**	24,409
	9	Repairs and maintenance			**9**	675
	10	Bad debts			**10**	
	11	Rents			**11**	79,340
	12	Taxes and licenses			**12**	22,434
	13	Interest (see instructions)			**13**	16,688
	14	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			**14**	5,581
	15	Depletion **(Do not deduct oil and gas depletion.)**			**15**	
	16	Advertising			**16**	45,391
	17	Pension, profit-sharing, etc., plans			**17**	
	18	Employee benefit programs			**18**	
	19	Other deductions (attach statement)			**19**	Ste 1 174,668
	20	**Total deductions.** Add lines 7 through 19 ►			**20**	439,986
	21	**Ordinary business income (loss).** Subtract line 20 from line 6			**21**	108,067
Tax and Payments	**22a**	Excess net passive income or LIFO recapture tax (see instructions)	**22a**			
	b	Tax from Schedule D (Form 1120S)	**22b**			
	c	Add lines 22a and 22b (see instructions for additional taxes)			**22c**	
	23a	2018 estimated tax payments and 2017 overpayment credited to 2018	**23a**			
	b	Tax deposited with Form 7004	**23b**			
	c	Credit for federal tax paid on fuels (attach Form 4136)	**23c**			
	d	Refundable credit from Form 8827, line 8c	**23d**			
	e	Add lines 23a through 23d			**23e**	
	24	Estimated tax penalty (see instructions). Check if Form 2220 is attached ► ☐			**24**	
	25	**Amount owed.** If line 23e is smaller than the total of lines 22c and 24, enter amount owed			**25**	0
	26	**Overpayment.** If line 23e is larger than the total of lines 22c and 24, enter amount overpaid			**26**	
	27	Enter amount from line 26: **Credited to 2019 estimated tax** ►		**Refunded** ►	**27**	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer | Date | President — Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☑ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name: Amy Accountant	Preparer's signature	Date	Check ☐ if self-employed / PTIN
Firm's name ► Accountants Across America			Firm's EIN ► 54-xxxxxxx
Firm's address ► 988 Hollywood Blvd, Hollywood, CA 97665			Phone no. 765-987-3200

Schedule B **Other Information** (see instructions)

		Yes	No
1	Check accounting method: **a** ☐ Cash **b** ☑ Accrual **c** ☐ Other (specify) ▶		
2	See the instructions and enter the: **a** Business activity ▶ Fitness Equipment Sales/ Gym **b** Product or service ▶ Equipment		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation		✓
4	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		✓

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		✓

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5a	At the end of the tax year, did the corporation have any outstanding shares of restricted stock?		✓
	If "Yes," complete lines (i) and (ii) below.		
	(i) Total shares of restricted stock ▶		
	(ii) Total shares of non-restricted stock ▶		
b	At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments?		✓
	If "Yes," complete lines (i) and (ii) below.		
	(i) Total shares of stock outstanding at the end of the tax year ▶		
	(ii) Total shares of stock outstanding if all instruments were executed ▶		
6	Has this corporation filed, or is it required to file, **Form 8918,** Material Advisor Disclosure Statement, to provide information on any reportable transaction?		✓
7	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐ If checked, the corporation may have to file **Form 8281,** Information Return for Publicly Offered Original Issue Discount Instruments.		
8	If the corporation **(a)** was a C corporation before it elected to be an S corporation **or** the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation **and (b)** has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ $		
9	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		✓
10	Does the corporation satisfy one of the following conditions and the corporation doesn't own a pass-through entity with current year, or prior year carryover, excess business interest expense? See instructions		✓
a	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year don't exceed $25 million, and the corporation isn't a tax shelter; or		
b	The corporation only has business interest expense from (1) an electing real property trade or business, (2) an electing farming business, or (3) certain utility businesses under section 163(j)(7). If "No," complete and attach Form 8990.		
11	Does the corporation satisfy **both** of the following conditions?		
a	The corporation's total receipts (see instructions) for the tax year were less than $250,000		
b	The corporation's total assets at the end of the tax year were less than $250,000		✓
	If "Yes," the corporation is not required to complete Schedules L and M-1.		

Schedule B Other Information (see instructions) *(continued)*	Yes	No
12 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		✓
If "Yes," enter the amount of principal reduction ▶ $		
13 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		✓
14a Did the corporation make any payments in 2018 that would require it to file Form(s) 1099?		✓
b If "Yes," did the corporation file or will it file required Forms 1099?		
15 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		✓
If "Yes," enter the amount from Form 8996, line 13 ▶ $		

Schedule K Shareholders' Pro Rata Share Items		Total amount
Income (Loss) 1 Ordinary business income (loss) (page 1, line 21)	1	108,067
2 Net rental real estate income (loss) (attach Form 8825)	2	
3a Other gross rental income (loss) 3a		
b Expenses from other rental activities (attach statement) 3b		
c Other net rental income (loss). Subtract line 3b from line 3a	3c	
4 Interest income	4	
5 Dividends: a Ordinary dividends	5a	
b Qualified dividends 5b		
6 Royalties	6	
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
b Collectibles (28%) gain (loss) 8b		
c Unrecaptured section 1250 gain (attach statement) 8c		
9 Net section 1231 gain (loss) (attach Form 4797)	9	
10 Other income (loss) (see instructions) Type ▶	10	
Deductions 11 Section 179 deduction (attach Form 4562)	11	
12a Charitable contributions	12a	Ste 2 2,916
b Investment interest expense	12b	
c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
d Other deductions (see instructions) Type ▶	12d	
Credits 13a Low-income housing credit (section 42(j)(5))	13a	
b Low-income housing credit (other)	13b	
c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
d Other rental real estate credits (see instructions) Type ▶	13d	
e Other rental credits (see instructions) Type ▶	13e	
f Biofuel producer credit (attach Form 6478)	13f	
g Other credits (see instructions) Type ▶	13g	
Foreign Transactions 14a Name of country or U.S. possession ▶		
b Gross income from all sources	14b	
c Gross income sourced at shareholder level	14c	
Foreign gross income sourced at corporate level		
d Section 951A category	14d	
e Foreign branch category	14e	
f Passive category	14f	
g General category	14g	
h Other (attach statement)	14h	
Deductions allocated and apportioned at shareholder level		
i Interest expense	14i	
j Other	14j	
Deductions allocated and apportioned at corporate level to foreign source income		
k Section 951A category	14k	
l Foreign branch category	14l	
m Passive category	14m	
n General category	14n	
o Other (attach statement)	14o	
Other information		
p Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	14p	
q Reduction in taxes available for credit (attach statement)	14q	
r Other foreign tax information (attach statement)		

Schedule K	Shareholders' Pro Rata Share Items *(continued)*		Total amount
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	183
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties—gross income	15d	
	e Oil, gas, and geothermal properties—deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	5,806
	d Distributions (attach statement if required) (see instructions)	16d	213,995
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 **Income/loss reconciliation.** Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p	18	105,151

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
Assets	(a)	(b)	(c)	(d)
1 Cash		837		9,378
2a Trade notes and accounts receivable	49,597		57,329	
b Less allowance for bad debts	( )	49,597	( )	57,329
3 Inventories		1,124,617		1,215,643
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets	120,263		129,845	
b Less accumulated depreciation	(117,370)	2,893	(122,951)	6,894
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)	10,819		10,819	
b Less accumulated amortization	(10,819)		(10,819)	
14 Other assets (attach statement)		Ste 3 31,016		31,016
15 Total assets		1,208,960		1,320,260
Liabilities and Shareholders' Equity				
16 Accounts payable		75,565		58,182
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement)		Ste 4 245,280		448,089
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach statement)				
22 Capital stock				
23 Additional paid-in capital		390,874		431,398
24 Retained earnings		497,241		382,591
25 Adjustments to shareholders' equity (attach statement)				
26 Less cost of treasury stock		( )		( )
27 Total liabilities and shareholders' equity		1,208,960		1,320,260

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3 (see instructions)

1	Net income (loss) per books	99,345	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)			a Tax-exempt interest $	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
a	Depreciation $			a Depreciation $	
b	Travel and entertainment $ 5,806	5,806	7	Add lines 5 and 6	0
4	Add lines 1 through 3	105,151	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	105,151

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account

(see instructions)

		(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1	Balance at beginning of tax year	393,762			
2	Ordinary income from page 1, line 21	108,067			
3	Other additions				
4	Loss from page 1, line 21	( )			
5	Other reductions	(Ste 5 8,722)			( )
6	Combine lines 1 through 5	493,107			
7	Distributions	213,995			
8	Balance at end of tax year. Subtract line 7 from line 6	279,112			

FORM 1120S | OTHER DEDUCTIONS | STATEMENT 1

DESCRIPTION	AMOUNT
AUTO AND TRUCK EXPENSE	3,707
DECORATIONS	7,206
BANK CHARGES	174
DUES AND SUBCRIPTIONS	2,046
INSURANCE	11,077
COMPUTER APPLICATIONS	10,177
LEGAL AND PROFESSIONAL	3,210
MEALS AND ENTERTAINMENT EXPENSES	5,806
CONTRACTORS	18,210
OUTSIDE SERVICES	12,022
ACCOUNTING SERVICES	1,288
RUG SAMPLES	4,621
FABRIC SAMPLES	39,249
POSTAGE	1,853
SECURITY	600
SUPPLIES	9,364
TRAVEL	30,366
UTILITIES	10,968
TELEPHONE	2,724
TOTAL TO FORM 1120S, LINE 19	174,668

FORM 1120S | CHARITABLE CONTRIBUTIONS | STATEMENT 2

CASH CONTRIBUTIONS- 50% LIMITATION	2,916
TOTAL TO FORM 1120S, SCHEDULE K, LINE 12A	2,916

FORM 1120S | 0THER ASSETS | STATEMENT 3

	BEGINNING	ENDING
ADVANCES TO EMPLOYEES/ RECEIVABLE	25,000	25,000
SECURITY DEPOSIT	6,016	6,016
TOTAL TO FORM 1120S, SCHEDULE L, LINE 14	31,016	31,016

FORM 1120S | 0THER CURRENT LIABILITIES | STATEMENT 4

	BEGINNING	ENDING
CREDIT CARDS	47,999	106,628
CREDIT LINE	197,014	120,318
INVENTORY LOAN	0	131,364
SALES TAX PAYABLE	0	89,512
SUI/ETT PAYABLE	-189	-189
WAGES TO BE ESCHEATED	456	456
TOTAL TO FORM 1120S, SCHEDULE L, LINE 18	245,280	448,089

FORM 1120S — 0THER REDUCTIONS — STATEMENT 5

CONTRIBUTIONS	2,916
DISALLOWED MEALS AND ENTERTAINMENT	5,806
	8,722