

<b>A Check if:</b> <b>1 a</b> Consolidated return (attach Form 851) <input type="checkbox"/> <b>b</b> Life/nonlife consolidated return <input type="checkbox"/> <b>2</b> Personal holding co. (attach Sch. PH) <input type="checkbox"/> <b>3</b> Personal service corp. (see instrs) <input type="checkbox"/> <b>4</b> Schedule M-3 attached <input type="checkbox"/>	<b>TYPE OR PRINT</b>  JOHNS AND LAWRENCE, INC. B53 1234 UNIVERSITY AVENUE GAINESVILLE,, CA 32611	<b>B Employer identification number</b> 76-3456789 <b>C Date incorporated</b> 6/01/2003 <b>D Total assets (see instructions)</b> \$ 479,324.
<b>E Check if:</b> (1) Initial return (2) Final return (3) Name change (4) Address change		

<b>INCOME</b>	<b>1 a</b> Gross receipts or sales	<b>1 a</b>	869,658.	
	<b>b</b> Returns and allowances	<b>1 b</b>	29,242.	
	<b>c</b> Balance. Subtract line 1b from line 1a	<b>1 c</b>	840,416.	
	<b>2</b> Cost of goods sold (attach Form 1125-A)	<b>2</b>	540,204.	
	<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b>	300,212.	
	<b>4</b> Dividends (Schedule C, line 19)	<b>4</b>	1,000.	
	<b>5</b> Interest	<b>5</b>		
	<b>6</b> Gross rents	<b>6</b>		
	<b>7</b> Gross royalties	<b>7</b>		
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))	<b>8</b>		
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>9</b>	2,400.	
<b>10</b> Other income (see instructions — attach statement)	<b>10</b>			
<b>11 Total income.</b> Add lines 3 through 10	<b>11</b>	303,612.		
<b>DEDUCTIONS SEE INSTRUCTIONS</b>	<b>12</b> Compensation of officers (see instructions — attach Form 1125-E)	<b>12</b>	36,000.	
	<b>13</b> Salaries and wages (less employment credits)	<b>13</b>	52,000.	
	<b>14</b> Repairs and maintenance	<b>14</b>	4,800.	
	<b>15</b> Bad debts	<b>15</b>	4,000.	
	<b>16</b> Rents	<b>16</b>	36,000.	
	<b>17</b> Taxes and licenses	<b>17</b>	16,000.	
	<b>18</b> Interest	<b>18</b>	8,000.	
	<b>19</b> Charitable contributions	<b>19</b>	7,694.	
	<b>20</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	<b>20</b>	12,476.	
	<b>21</b> Depletion	<b>21</b>		
	<b>22</b> Advertising	<b>22</b>	13,000.	
	<b>23</b> Pension, profit-sharing, etc., plans	<b>23</b>	2,000.	
	<b>24</b> Employee benefit programs	<b>24</b>	4,000.	
	<b>25</b> Domestic production activities deduction (attach Form 8903)	<b>25</b>	6,169.	
	<b>26</b> Other deductions (attach statement) SEE STATEMENT 1	<b>26</b>	38,400.	
	<b>27 Total deductions.</b> Add lines 12 through 26	<b>27</b>	240,539.	
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	<b>28</b>	63,073.	
	<b>29 a</b> Net operating loss deduction (see instructions)	<b>29 a</b>		
	<b>b</b> Special deductions (Schedule C, line 20)	<b>29 b</b>	700.	
	<b>c</b> Add lines 29a and 29b	<b>29 c</b>	700.	
<b>TAXES AND REFUNDABLE CREDITS</b>	<b>30 Taxable income.</b> Subtract line 29c from line 28 (see instructions)	<b>30</b>	62,373.	
	<b>31</b> Total tax (Schedule J, Part I, line 11)	<b>31</b>	10,593.	
	<b>32</b> Total payments and refundable credits (Schedule J, Part II, line 21)	<b>32</b>	14,000.	
	<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>33</b>		
	<b>34 Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed	<b>34</b>		
	<b>35 Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	<b>35</b>	3,407.	
	<b>36</b> Enter amount from line 35 you want: Credited to 2016 estimated tax 3,407. Refunded	<b>36</b>	0.	

<b>Sign Here</b>	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.		May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of officer _____ Date _____	VICE-PRESIDENT Title _____	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name MICHAEL PREPPER	Preparer's signature MICHAEL PREPPER	Date _____	Check <input type="checkbox"/> if self-employed	PTIN _____
	Firm's name CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS	Firm's EIN			
	Firm's address 1000 EAST VICTORIA CARSON, CA 90747-0005	Phone no. (310) 243-2239			

**Schedule C Dividends and Special Deductions**  
(see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
<b>1</b> Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) .....	1,000.	70	700.
<b>2</b> Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) .....		80	
<b>3</b> Dividends on debt-financed stock of domestic and foreign corporations .....		see instructions	
<b>4</b> Dividends on certain preferred stock of less-than-20%-owned public utilities .....		42	
<b>5</b> Dividends on certain preferred stock of 20%-or-more-owned public utilities .....		48	
<b>6</b> Dividends from less-than-20%-owned foreign corporations and certain FSCs .....		70	
<b>7</b> Dividends from 20%-or-more-owned foreign corporations and certain FSCs .....		80	
<b>8</b> Dividends from wholly owned foreign subsidiaries .....		100	
<b>9 Total.</b> Add lines 1 through 8. See instructions for limitation .....			700.
<b>10</b> Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 .....		100	
<b>11</b> Dividends from affiliated group members .....		100	
<b>12</b> Dividends from certain FSCs .....		100	
<b>13</b> Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 .....			
<b>14</b> Income from controlled foreign corporations under subpart F (attach Form(s) 5471) .....			
<b>15</b> Foreign dividend gross-up .....			
<b>16</b> IC-DISC and former DISC dividends not included on lines 1, 2, or 3 .....			
<b>17</b> Other dividends .....			
<b>18</b> Deduction for dividends paid on certain preferred stock of public utilities .....			
<b>19 Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4 .....	1,000.		
<b>20 Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b .....			700.

**Schedule J Tax Computation and Payment** (see instructions)**Part I – Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	10,593.
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		10,593.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834 (see instructions)	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	<b>Total credits.</b> Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	10,593.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method – completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method – income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions – attach statement)	9f	
10	<b>Total.</b> Add lines 9a through 9f	10	
11	<b>Total tax.</b> Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	10,593.

**Part II – Payments and Refundable Credits**

12	2014 overpayment credited to 2015	12	
13	2015 estimated tax payments	13	14,000.
14	2015 refund applied for on Form 4466	14	
15	Combine lines 12, 13, and 14	15	14,000.
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	<b>Total payments.</b> Add lines 15, 16 and 17	18	14,000.
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	
c	Form 8827, line 8c	19c	
d	Other (attach statement – see instructions)	19d	
20	<b>Total credits.</b> Add lines 19a through 19d	20	
21	<b>Total payments and credits.</b> Add lines 18 and 20. Enter here and on page 1, line 32	21	14,000.

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

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <u>524150</u>		
b	Business activity <u>MANUFACTURING</u>		
c	Product or service <u>FURNITURE</u>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part II of Schedule G (Form 1120) (attach Schedule G)	X	

**Schedule K** Other Information *continued* (see instructions)

<b>5</b> At the end of the tax year, did the corporation:				<b>Yes</b>	<b>No</b>
<b>a</b> Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on <b>Form 851</b> , Affiliations Schedule? For rules of constructive ownership, see instructions. ....					<b>X</b>
If 'Yes,' complete (i) through (iv) below.					
<b>(i)</b> Name of Corporation	<b>(ii)</b> Employer Identification Number (if any)	<b>(iii)</b> Country of Incorporation	<b>(iv)</b> Percentage Owned in Voting Stock		
<b>b</b> Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more 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. ....					<b>X</b>
If 'Yes,' complete (i) through (iv) below.					
<b>(i)</b> Name of Entity	<b>(ii)</b> Employer Identification Number (if any)	<b>(iii)</b> Country of Organization	<b>(iv)</b> Maximum Percentage Owned in Profit, Loss, or Capital		
<b>6</b> During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) ....					<b>X</b>
If 'Yes,' file <b>Form 5452</b> , Corporate Report of Nondividend Distributions.					
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary					
<b>7</b> At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of <b>(a)</b> the total voting power of all classes of the corporation's stock entitled to vote or <b>(b)</b> the total value of all classes of the corporation's stock? .....					<b>X</b>
For rules of attribution, see section 318. If 'Yes,' enter:					
<b>(i)</b> Percentage owned ▶ _____ and <b>(ii)</b> Owner's country ▶ _____					
<b>(c)</b> The corporation may have to file <b>Form 5472</b> , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____					
<b>8</b> Check this box if the corporation issued publicly offered debt instruments with original issue discount. .... ▶ <input type="checkbox"/>					
If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.					
<b>9</b> Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ <b>18,000.</b>					
<b>10</b> Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ <b>2</b> .....					
<b>11</b> If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. .... ▶ <input type="checkbox"/>					
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.					
<b>12</b> Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____ <b>NONE</b>					
<b>13</b> Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year <b>and</b> its total assets at the end of the tax year less than \$250,000? .....					<b>X</b>
If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶ \$ _____					
<b>14</b> Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? .....					<b>X</b>
If 'Yes,' complete and attach Schedule UTP.					
<b>15 a</b> Did the corporation make any payments in 2015 that would require it to file Form(s) 1099? .....					<b>X</b>
<b>b</b> If 'Yes,' did or will the corporation file required Forms 1099? .....					
<b>16</b> During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock? .....					<b>X</b>
<b>17</b> During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction? .....					<b>X</b>
<b>18</b> Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million? .....					<b>X</b>

<b>Schedule L Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
<b>Assets</b>		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
1	Cash.....		60,000.		72,600.
2a	Trade notes and accounts receivable.....	25,000.		24,000.	
b	Less allowance for bad debts.....	1,000.	24,000.	1,000.	23,000.
3	Inventories.....		64,000.		104,800.
4	U.S. government obligations.....				
5	Tax-exempt securities (see instructions)....		200,000.		200,000.
6	Other current assets (attach statement) <b>SEE ST. 2.</b>		7,000.		
7	Loans to shareholders.....				
8	Mortgage and real estate loans.....				
9	Other investments (attach statement).....				
10a	Buildings and other depreciable assets.....	151,600.		151,600.	
b	Less accumulated depreciation.....	45,200.	106,400.	72,676.	78,924.
11a	Depletable assets.....				
b	Less accumulated depletion.....				
12	Land (net of any amortization).....				
13a	Intangible assets (amortizable only).....				
b	Less accumulated amortization.....				
14	Other assets (attach statement).....				
15	Total assets.....		461,400.		479,324.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable.....		26,000.		19,000.
17	Mortgages, notes, bonds payable in less than 1 year....		4,000.		4,000.
18	Other current liabilities (attach stmt) <b>SEE ST. 3.</b>		3,600.		3,600.
19	Loans from shareholders.....				
20	Mortgages, notes, bonds payable in 1 year or more.....		130,000.		119,724.
21	Other liabilities (attach statement).....				
22	Capital stock: a Preferred stock.....				
	b Common stock.....	200,000.	200,000.	200,000.	200,000.
23	Additional paid-in capital.....				
24	Retained earnings — Approp (att stmt).....				
25	Retained earnings — Unappropriated.....		97,800.		133,000.
26	Adjmt to shareholders' equity (att stmt).....				
27	Less cost of treasury stock.....				
28	Total liabilities and shareholders' equity.....		461,400.		479,324.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return****Note:** The corporation may be required to file Schedule M-3 (see instructions).

1	Net income (loss) per books.....	63,412.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books.....	14,000.		Tax-exempt interest \$ 18,000.	
3	Excess of capital losses over capital gains..				18,000.
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation..... \$ 4,306.		a	Depreciation.. \$ 476.	
b	Charitable contributions.. \$ 4,000.		b	Charitable contribns \$	
c	Travel & entertainment .. \$			<b>SEE STMT 5</b> 6,169.	
	<b>STATEMENT 4</b> 2,000.				6,645.
		10,306.	9	Add lines 7 and 8.....	24,645.
6	Add lines 1 through 5.....	87,718.	10	Income (page 1, line 28) — line 6 less line 9.....	63,073.

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1	Balance at beginning of year.....	97,800.	5	Distributions..... a Cash.....	28,212.
2	Net income (loss) per books.....	63,412.	b	Stock..... c Property ..	
3	Other increases (itemize):		6	Other decreases (itemize):	
			7	Add lines 5 and 6.....	28,212.
4	Add lines 1, 2, and 3.....	161,212.	8	Balance at end of year (line 4 less line 7).....	133,000.

2015

## FEDERAL STATEMENTS

PAGE 1

CLIENT B-49

JOHNS AND LAWRENCE, INC. B53

76-3456789

8/09/16

02:49PM

**STATEMENT 1  
FORM 1120, LINE 26  
OTHER DEDUCTIONS**

UTILITIES .....	\$	38,400.
TOTAL	\$	<u>38,400.</u>

**STATEMENT 2  
FORM 1120, SCHEDULE L, LINE 6  
OTHER CURRENT ASSETS**

	<u>BEGINNING</u>	<u>ENDING</u>
.....	\$ 7,000.	\$ 0.
TOTAL	<u>\$ 7,000.</u>	<u>\$ 0.</u>

**STATEMENT 3  
FORM 1120, SCHEDULE L, LINE 18  
OTHER CURRENT LIABILITIES**

	<u>BEGINNING</u>	<u>ENDING</u>
.....	\$ 3,600.	\$ 3,600.
TOTAL	<u>\$ 3,600.</u>	<u>\$ 3,600.</u>

**STATEMENT 4  
FORM 1120, SCHEDULE M-1, LINE 5  
BOOK EXPENSES NOT DEDUCTED**

INTEREST .....	\$	2,000.
TOTAL	\$	<u>2,000.</u>

**STATEMENT 5  
FORM 1120, SCHEDULE M-1, LINE 8  
DEDUCTIONS NOT ON BOOKS**

DOMESTIC PRODUCTION ACTIVITIES DEDUCTION .....	\$	6,169.
TOTAL	\$	<u>6,169.</u>