EXAMPLE 4

Frank Finance

1040 U.S. Individual Income Tax Return 2011

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

See separate instructions.

Your first name and initial	Last name
Frank Finance	
If a joint return, spouse's first name and initial	Last name
Felicia Finance	
Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.
1234 My Way Avenue Cloud Nine, CA 12312	
Foreign country name	Foreign province/county / Foreign postal code

Your social security number: 323-44-6789

Spouse's social security no.: 563-29-1212

▲ Make sure the SSN(s) above and on line 6c are correct.

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status Check only one box.

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
b ☒ Spouse
c Dependents:

(1) First name Last name	(2) Dependent's social security no.	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instr.)
Francine Finance	236-99-4587	DAUGHTER	X
Fred Finance	611-75-9841	SON	X
Fatima Finance	325-65-3256	DAUGHTER	

If more than four dependents, see instr. and check here ▶ ☐

Boxes checked on 6a and 6b: 2
No. of children on 6c who:
• lived with you: 3
• did not live with you due to divorce or separation (see instr.): 0
Dependents on 6c not entered above: 0
Add numbers on lines above ▶: 5

d Total number of exemptions claimed

Income

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

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	2,243.
8a	Taxable interest. Attach Schedule B if required		8a	38.
b	Tax-exempt interest. Do not include on line 8a	8b		
9a	Ordinary dividends. Attach Schedule B if required		9a	
b	Qualified dividends	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes		10	21.
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	31,155.
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	IRA distributions 15a	b Taxable amount	15b	
16a	Pensions and annuities 16a	b Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
18	Farm income or (loss). Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits 20a	b Taxable amount	20b	
21	Other income. List type and amount (see instr.)		21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶		22	33,457.

Adjusted Gross Income

23	Educator expenses	23		
24	Certain business expenses of reservists, performing artists, and fee-basis gov. officials. Attach Form 2106 or 2106-EZ	24		
25	Health savings account deduction. Attach Form 8889	25		
26	Moving expenses. Attach Form 3903	26		
27	Deductible part of self-employment tax. Attach Schedule SE	27	2,200.	
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	Tuition and fees. Attach Form 8917	34		
35	Domestic production activities deduction. Attach Form 8903	35		
36	Add lines 23 through 35		36	2,200.
37	Subtract line 36 from line 22. This is your adjusted gross income ▶		37	31,257.

Frank and Felicia Finance 323-44-6789

Form 1040 (2011) Page 2

Tax and Credits	38	Amount from line 37 (adjusted gross income)		38	31,257.
	39a	Check if: You were born before Jan. 2, 1947, Blind; Spouse was born before Jan. 2, 1947, Blind. Total boxes checked ▶ 39a			
		b If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b			
Standard Deduction for— • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, $5,800; Married filing jointly or Qualifying widow(er), $11,600; Head of household, $8,500	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)		40	11,600.
	41	Subtract line 40 from line 38		41	19,657.
	42	Exemptions. Multiply $3,700 by the number on line 6d		42	18,500.
	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		43	1,157.
	44	Tax (see instructions). Check if any tax is from: a Form(s) 8814 b Form 4972 c 962 election		44	116.
	45	Alternative minimum tax (see instructions). Attach Form 6251		45	
	46	Add lines 44 and 45		46	116.
	47	Foreign tax credit. Attach Form 1116 if required	47		
	48	Credit for child and dependent care expenses. Attach Form 2441	48		
	49	Education credits from Form 8863, line 23	49		
	50	Retirement savings contributions credit. Attach Form 8880	50		
	51	Child tax credit (see instructions)	51	116.	
	52	Residential energy credits. Attach Form 5695	52		
	53	Other credits from Form: a 3800 b 8801 c	53		
	54	Add lines 47 through 53. These are your total credits		54	116.
	55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-		55	
Other Taxes	56	Self-employment tax. Attach Schedule SE		56	3,826.
	57	Unreported social security and Medicare tax from Form: a 4137 b 8919		57	
	58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		58	
	59a	Household employment taxes from Schedule H		59a	
	b	First-time homebuyer credit repayment. Attach Form 5405 if required		59b	
	60	Other taxes. Enter code(s) from instructions		60	
	61	Add lines 55 through 60. This is your total tax		61	3,826.
Payments	62	Federal income tax withheld from Forms W-2 and 1099	62	30.	
If you have a qualifying child, attach Schedule EIC	63	2011 estimated tax payments and amount applied from 2010 return	63		
	64a	Earned income credit (EIC)	64a	3,749.	
	b	Nontaxable combat pay election 64b			
	65	Additional child tax credit. Attach Form 8812	65	1,884.	
	66	American opportunity credit from Form 8863, line 14	66		
	67	First-time homebuyer credit from Form 5405, line 10	67		
	68	Amount paid with request for extension to file	68		
	69	Excess social security and tier 1 RRTA tax withheld	69		
	70	Credit for federal tax on fuels. Attach Form 4136	70		
	71	Credits from Form: a 2439 b 8839 c 8801 d 8885	71		
	72	Add lines 62, 63, 64a, and 65 through 71. These are your total payments		72	5,663.
Refund	73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid		73	1,837.
	74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ▶		74a	1,837.
▶ Direct deposit? See instructions.	b	Routing number ▶ c Type: Checking Savings			
	d	Account number			
	75	Amount of line 73 you want applied to your 2012 estimated tax ▶	75		
Amount You Owe	76	Amount you owe. Subtract line 72 from line 61. For details on how to pay, see inst. ▶		76	
	77	Estimated tax penalty (see instructions)	77		

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. X No

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here 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.

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

Frank Finance 07/11/13 — Your occupation: SELF-EMPLOYED — Daytime phone number: 909-989-9898

Spouse's signature. If a joint return, both must sign. Date — Spouse's occupation: EMPLOYED — If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Felicia Finance 07/11/13

Paid Preparer's Use Only

Print/Type preparer's name: Tina Alltime — Preparer's signature — Date: 02/10/2012 — Check if self-employed — PTIN: P00397940

Firm's name ▶ Always on Time Prep Services
111 Easy Street
Vista, CA 32323

Firm's EIN ▶ 33-0593205

Phone no. 210-123-2103

BCA

Form 1040 (2011)

Schedule C (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

▶ For information on Schedule C and its instructions, go to www.irs.gov/schedulec

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

OMB No. 1545-0074

2011

Attachment Sequence No. 09

Name of proprietor: Frank Finance

Social security number (SSN): 323-44-6789

A Principal business or profession, including product or service (see instructions): Franks Fine Flowers

B Enter code from instructions: 113000

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

D Employer ID no. (EIN) (see instr.)

E Business address (including suite or room no.) ▶

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

F Accounting method: (1) [X] Cash (2) [ ] Accrual (3) [ ] Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2011? If "No," see instructions for limit on losses [X] Yes [ ] No

H If you started or acquired this business during 2011, check here ▶ [ ]

I Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions) [ ] Yes [X] No

J If "Yes," did you or will you file all required Forms 1099? [ ] Yes [ ] No

Part I Income

Line	Description	Box	Amount
1a	Merchant card and third party payments. For 2011, enter -0-	1a	
b	Gross receipts or sales not entered on line 1a (see instructions)	1b	39,911.
c	Income reported to you on Form W-2 if the "Statutory Employee" box on that form was checked. Caution. See instr. before completing this line	1c	
d	**Total gross receipts.** Add lines 1a through 1c	1d	39,911.
2	Returns and allowances plus any other adjustments (see instructions)	2	
3	Subtract line 2 from line 1	3	39,911.
4	Cost of goods sold (from line 42)	4	
5	**Gross profit.** Subtract line 4 from line 3	5	39,911.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7	**Gross income.** Add lines 5 and 6 ▶	7	39,911.

Part II Expenses.

Enter expenses for business use of your home only on line 30.

Line	Description	Box	Amount	Line	Description	Box	Amount
8	Advertising	8		18	Office expense (see instructions)	18	
9	Car and truck expenses (see instructions)	9	7,062.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions): a Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11			b Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		22	Supplies (not included in Part III)	22	
14	Employee benefit programs (other than on line 19)	14		23	Taxes and licenses	23	65.
15	Insurance (other than health)	15	812.	24	Travel, meals, and entertainment: a Travel	24a	
16	Interest: a Mortgage (paid to banks, etc.)	16a			b Deductible meals and entertainment (see instructions)	24b	
	b Other	16b		25	Utilities	25	
17	Legal and professional services	17		26	Wages (less employment credits)	26	
				27a	Other expenses (from line 48)	27a	817.
				b	**Reserved for future use**	27b	

Line	Description	Box	Amount
28	**Total expenses** before expenses for business use of home. Add lines 8 through 27a ▶	28	8,756.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	31,155.
30	Expenses for business use of your home. Attach Form 8829. Do not report such expenses elsewhere	30	
31	**Net profit or (loss).** Subtract line 30 from line 29. • If a profit, enter on both **Form 1040, line 12** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. If you entered an amount on line 1c, see instr. Estates and trusts, enter on Form 1041, line 3. • If a loss, you **must** go to line 32.	31	31,155.

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 **Form 1040, line 12,** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2.** If you entered an amount on line 1c, see the instructions for line 31. Estates and trusts, enter on **Form 1041, line 3.**
- If you checked 32b, you **must** attach **Form 6198.** Your loss may be limited.

32a [ ] All investment is at risk.

32b [ ] Some investment is not at risk.

Part III **Cost of Goods Sold** (see instructions)

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36 Purchases less cost of items withdrawn for personal use	36	
37 Cost of labor. Do not include any amounts paid to yourself	37	
38 Materials and supplies	38	
39 Other costs	39	
40 Add lines 35 through 39	40	
41 Inventory at end of year	41	
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	

Part IV **Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ► 01/01/2010

44 Of the total number of miles you drove your vehicle during 2011, enter the number of miles you used your vehicle for:

a Business 13847 b Commuting (see instr.) c Other

45 Was your vehicle available for personal use during off-duty hours? ☒ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☒ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☒ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V **Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

CELL PHONE TO WORK	817.
48 Total other expenses. Enter here and on page 1, line 27a 48	817.

6

SCHEDULE EIC
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Earned Income Credit

Qualifying Child Information

1040A
1040
EIC

Complete and attach to Form 1040A or 1040 only if you have a qualifying child.

OMB No. 1545-0074

2011

Attachment Sequence No. 43

Your social security number

Frank Finance & Felicia Finance

323-44-6789

Before you begin:

- See the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

CAUTION

- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See instructions for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.

Qualifying Child Information	Child 1	Child 2	Child 3
1 Child's name If you have more than three qualifying children, you only have to list three to get the maximum credit.	First name Last name Francine Finance	First name Last name Fred Finance	First name Last name Fatima Finance
2 Child's SSN The child must have an SSN as defined in the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, unless the child was born and died in 2011. If your child was born and died in 2011 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate, death certificate, or hospital medical records.	236-99-4587	611-75-9841	325-65-3256
3 Child's year of birth	Year 1998 If born after 1992 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.	Year 1995 If born after 1992 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.	Year 1993 If born after 1992 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.
4a Was the child under age 24 at the end of 2011, a student, and younger than you (or your spouse, if filing jointly)?	☐ Yes. Go to line 5. ☐ No. Go to line 4b.	☐ Yes. Go to line 5. ☐ No. Go to line 4b.	☐ Yes. Go to line 5. ☐ No. Go to line 4b.
b Was the child permanently and totally disabled during any part of 2011?	☐ Yes. Go to line 5. ☐ No. The child is not a qualifying child.	☐ Yes. Go to line 5. ☐ No. The child is not a qualifying child.	☐ Yes. Go to line 5. ☐ No. The child is not a qualifying child.
5 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	DAUGHTER	SON	DAUGHTER
6 Number of months child lived with you in the United States during 2011 • If the child lived with you for more than half of 2011 but less than 7 months, enter "7." • If the child was born or died in 2011 and your home was the child's home for the entire time he or she was alive during 2011, enter "12."	12 months Do not enter more than 12 months.	12 months Do not enter more than 12 months.	12 months Do not enter more than 12 months.

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

Schedule EIC (Form 1040A or 1040) 2011

BCA

USRIC15

7

Form 8812

Additional Child Tax Credit

1040
1040A
1040NR
8812

OMB No. 1545-0074

2011

Attachment Sequence No. 47

Department of the Treasury
Internal Revenue Service (99)

Complete and attach to Form 1040, Form 1040A, or Form 1040NR.

Name(s) shown on return: Frank Finance & Felicia Finance

Your social security number: 323-44-6789

Part I All Filers

1 **1040 filers:** Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040, line 51).
1040A filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040A, line 33).
1040NR filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040NR, line 48).

If you used Pub. 972, enter the amount from line 8 of the Child Tax Credit Worksheet in the publication. — 1: 2,000.

2 Enter the amount from Form 1040, line 51, Form 1040A, line 33, or Form 1040NR, line 48 — 2: 116.

3 Subtract line 2 from line 1. If zero, stop; you cannot take this credit — 3: 1,884.

4 a Earned income (see instructions) — 4a: 31,198.
b Nontaxable combat pay (see instructions) — 4b:

5 Is the amount on line 4a more than $3,000?
☐ No. Leave line 5 blank and enter -0- on line 6.
☒ Yes. Subtract $3,000 from the amount on line 4a. Enter the result — 5: 28,198.

6 Multiply the amount on line 5 by 15% (.15) and enter the result — 6: 4,230.

Next. Do you have three or more qualifying children?
☒ No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the smaller of line 3 or line 6 on line 13.
☐ Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.

Part II Certain Filers Who Have Three or More Qualifying Children

7 Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see the instructions — 7:

8 **1040 filers:** Enter the total of the amounts from Form 1040, lines 27 and 57, plus any taxes that you identified using code "UT" and entered on line 60.
1040A filers: Enter -0-
1040NR filers: Enter the total of the amounts from Form 1040NR, lines 27 and 55, plus any taxes that you identified using code "UT" and entered on line 59. — 8:

9 Add lines 7 and 8 — 9:

10 **1040 filers:** Enter the total of the amounts from Form 1040, lines 64a and 69.
1040A filers: Enter the total of the amount from Form 1040A, line 38a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 41 (see the instructions).
1040NR filers: Enter the amount from Form 1040NR, line 65. — 10:

11 Subtract line 10 from line 9. If zero or less, enter -0- — 11:

12 Enter the larger of line 8 or line 11. — 12:
Next, enter the smaller of line 3 or line 12 on line 13.

Part III Additional Child Tax Credit

13 This is your additional child tax credit — 13: 1,884.

1040
1040A
1040NR

Enter this amount on Form 1040, line 65, Form 1040A, line 39, or Form 1040NR, line 63.

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

Form 8812 (2011)

BCA

U5681251

1040 U.S. Individual Income Tax Return

Department of the Treasury—Internal Revenue Service (99) | **2012** | OMB No. 1545-0074 | IRS Use Only—Do not write or staple in this space.

See separate instructions.

For the year Jan. 1–Dec. 31, 2012, or other tax year beginning 2012, ending 20

Your first name and initial: **Frank Finance** | Last name | Your social security number: **323-44-6789**

If a joint return, spouse's first name and initial: **Felicia Finance** | Last name | Spouse's social security no.: **563-29-1212**

Home address (number and street). If you have a P.O. box, see instructions. | Apt. no.

1234 My Way Avenue
Cloud Nine, CA 12312

Make sure the SSN(s) above and on line 6c are correct.

Foreign country name | Foreign province/county | Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status (Check only one box.)

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
b ☒ Spouse
c Dependents:

(1) First name / Last name	(2) Dependent's social security no.	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instr.)
Francine Finance	236-99-4587	DAUGHTER	☒
Fred Finance	611-75-9841	SON	
Fatima Finance	325-65-3256	DAUGHTER	

If more than four dependents, see instr. and check here ▶ ☐

Boxes checked on 6a and 6b: 2
No. of children on 6c who:
• lived with you: 3
• did not live with you due to divorce or separation (see instr.): 0
Dependents on 6c not entered above: 0
Add numbers on lines above ▶: 5

d Total number of exemptions claimed

Income

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

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8a (8b)		
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends (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	30,123.
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	IRA distributions (15a)	b Taxable amount	15b
16a	Pensions and annuities (16a)	b Taxable amount	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits (20a)	b Taxable amount	20b
21	Other income. List type and amount (see instr.)	21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	30,123.

Adjusted Gross Income

23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis gov. officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	2,128.
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	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	2,128.
37	Subtract line 36 from line 22. This is your adjusted gross income ▶	37	27,995.

Frank and Felicia Finance 323-44-6789 Page 2

Form 1040 (2012)

				27,995.
Tax and Credits	38 Amount from line 37 (adjusted gross income)			
	39a Check if: [ ] You were born before Jan. 2, 1948, [ ] Blind. [ ] Spouse was born before Jan. 2, 1948, [ ] Blind. Total boxes checked ▶ 39a [ ] ▶ 39b [ ]			
Standard Deduction for- • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, $5,950 Married filing jointly or Qualifying widow(er), $11,900 Head of household, $8,700	b If your spouse itemizes on a separate return or you were a dual-status alien, check here			
	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)		40	11,900.
	41 Subtract line 40 from line 38		41	16,095.
	42 Exemptions. Multiply $3,800 by the number on line 6d		42	19,000.
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		43	0
	44 Tax (see instructions). Check if any tax is from: a [ ] Form(s) 8814 b [ ] Form 4972 c [ ] 962 election		44	
	45 Alternative minimum tax (see instructions). Attach Form 6251		45	
	46 Add lines 44 and 45		▶ 46	
	47 Foreign tax credit. Attach Form 1116 if required	47		
	48 Credit for child and dependent care expenses. Attach Form 2441	48		
	49 Education credits from Form 8863, line 19	49		
	50 Retirement savings contributions credit. Attach Form 8880	50		
	51 Child tax credit. Attach Schedule 8812, if required	51		
	52 Residential energy credits. Attach Form 5695	52		
	53 Other credits from Form: a [ ] 3800 b [ ] 8801 c [ ]	53		
	54 Add lines 47 through 53. These are your total credits		▶ 54	
	55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-		55	
Other Taxes	56 Self-employment tax. Attach Schedule SE		56	3,700.
	57 Unreported social security and Medicare tax from Form: a [ ] 4137 b [ ] 8919		57	
	58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		58	
	59a Household employment taxes from Schedule H		59a	
	b First-time homebuyer credit repayment. Attach Form 5405 if required		59b	
	60 Other taxes. Enter code(s) from instructions		60	
	61 Add lines 55 through 60. This is your total tax		▶ 61	3,700.
Payments	62 Federal income tax withheld from Forms W-2 and 1099	62		
If you have a qualifying child, attach Schedule EIC.	63 2012 estimated tax payments and amount applied from 2011 return	63		
	64a Earned income credit (EIC)	64a	4,695.	
	b Nontaxable combat pay election 64b			
	65 Additional child tax credit. Attach Form 8812	65	1,000.	
	66 American opportunity credit from Form 8863, line 8	66		
	67 Reserved	67		
	68 Amount paid with request for extension to file	68		
	69 Excess social security and tier 1 RRTA tax withheld	69		
	70 Credit for federal tax on fuels. Attach Form 4136	70		
	71 Credits from Form: a [ ] 2439 b [ ] Reserved c [ ] 8801 d [ ] 8885	71		
	72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments		▶ 72	5,695.
Refund	73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid		73	1,995.
	74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ▶ [ ]		74a	1,995.
Direct deposit? See instructions.	▶ b Routing number [ ] ▶ c Type: [ ] Checking [ ] Savings ▶ d Account number [ ]			
	75 Amount of line 73 you want applied to your 2013 estimated tax ▶ 75			
Amount You Owe	76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see inst.		▶ 76	
	77 Estimated tax penalty (see instructions)	77		

Third Party Designee: Do you want to allow another person to discuss this return with the IRS (see instructions)? [ ] Yes. Complete below. [X] No

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here

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: Frank Finance Date: 03/07/13 Your occupation: SELF-EMPLOYED Daytime phone number: 909-989-9898

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

Spouse's signature. If a joint return, both must sign. Felicia Finance Date: 03/07/13 Spouse's occupation: EMPLOYED If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer's Use Only

Print/Type preparer's name: Tina Alltime Preparer's signature: Date: 03/07/2013 Check [ ] if self-employed PTIN: P00397940

Firm's name ▶ Always On Time Prep Services Firm's EIN ▶ 33-0593275

Firm's address ▶ 1111 Easy Street, Vista, CA 32323 Phone no. 210-123-2103

Schedule C (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

▶ For information on Schedule C and its instructions, go to www.irs.gov/schedulec.
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2012

Attachment Sequence No. 09

Name of proprietor: **Frank Finance**

Social security number (SSN): **323-44-6789**

A Principal business or profession, including product or service (see instructions): **Franks Fine Flowers**

B Enter code from instructions ▶ **113000**

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

D Employer ID no. (EIN) (see instr.)

E Business address (including suite or room no.) ▶

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

F Accounting method: (1) [X] Cash (2) [ ] Accrual (3) [ ] Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2012? If "No," see instructions for limit on losses ▶ [X] Yes [ ] No

H If you started or acquired this business during 2012, check here ▶ [ ]

I Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) [ ] Yes [X] No

J If "Yes," did you or will you file required Forms 1099? [ ] Yes [ ] No

Part I Income

1a	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 ▶ [ ]	1 44,472.
2	Returns and allowances (see instructions)	2
3	Subtract line 2 from line 1	3 44,472.
4	Cost of goods sold (from line 42)	4
5	Gross profit. Subtract line 4 from line 3	5 44,472.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7	Gross income. Add lines 5 and 6 ▶	7 44,472.

Part II Expenses

Enter expenses for business use of your home only on line 30.

8	Advertising	8	18	Office expense (see instructions)	18
9	Car and truck expenses (see instructions)	9 9,086.	19	Pension and profit-sharing plans	19
10	Commissions and fees	10	20	Rent or lease (see instructions)	
11	Contract labor (see instructions)	11 2,010.	a	Vehicles, machinery, and equipment	20a
12	Depletion	12	b	Other business property	20b
13	Depreciation and sec. 179 expense deduction (not included in Part III) (see instructions)	13	21	Repairs and maintenance	21
14	Employee benefit programs (other than on line 19)	14	22	Supplies (not included in Part III)	22 1,524.
15	Insurance (other than health)	15 801.	23	Taxes and licenses	23
16	Interest:		24	Travel, meals, and entertainment	
a	Mortgage (paid to banks, etc.)	16a	a	Travel	24a
b	Other	16b	b	Deductible meals and entertainment (see instructions)	24b
17	Legal and professional services	17	25	Utilities	25
			26	Wages (less employment credits)	26
			27a	Other expenses (from line 48)	27a 928.
			b	Reserved for future use	27b
28	Total expenses before expenses for business use of home. Add lines 8 through 27a ▶				28 14,349.
29	Tentative profit or (loss). Subtract line 28 from line 7				29 30,123.
30	Expenses for business use of your home. Attach Form 8829. Do not report such expenses elsewhere				30
31	Net profit or (loss). Subtract line 30 from line 29.				31 30,123.

- If a profit, enter on both Form 1040, line 12 (or Form 1040NR, 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.

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 Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the 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 [ ] All investment is at risk.
32b [ ] Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle.

Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ 01/01/2010

44 Of the total number of miles you drove your vehicle during 2012, enter the number of miles you used your vehicle for:

a Business 16372 b Commuting (see instr.) c Other

45	Was your vehicle available for personal use during off-duty hours?	☒ Yes	☐ No
46	Do you (or your spouse) have another vehicle available for personal use?	☒ Yes	☐ No
47a	Do you have evidence to support your deduction?	☐ Yes	☒ No
b	If "Yes," is the evidence written?	☐ Yes	☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

CELL PHONE TO WORK		928.
48 Total other expenses. Enter here and on line 27a	48	928.

SCHEDULE 8812 (Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Child Tax Credit

▶ Attach to Form 1040, Form 1040A, or Form 1040NR.

▶ Information about Schedule 8812 and its separate instructions is at www.irs.gov/form1040.

OMB No. 1545-0074

2012

Attachment Sequence No. 47

Your social security number

323-44-6789

Frank Finance & Felicia Finance

Name(s) shown on return

Part I Filers Who Have Certain Child Dependent(s) with an ITIN (Individual Taxpayer Identification Number)

CAUTION

Complete this part only for each dependent who has an ITIN and for whom you are claiming the child tax credit.
If your dependent does not qualify for the credit, you cannot include that dependent in the calculation of this credit.

Answer the following questions for each dependent listed on Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c, who has an ITIN (Individual Taxpayer Identification Number) and that you indicated qualified for the child tax credit by checking column (4) for that dependent.

A For the first dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.

☐ Yes ☐ No

B For the second dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.

☐ Yes ☐ No

C For the third dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.

☐ Yes ☐ No

D For the fourth dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.

☐ Yes ☐ No

Note. If you have more than four dependents identified with an ITIN and listed as a qualifying child for the child tax credit, see the instructions and check here ▶ ☐

Part II Additional Child Tax Credit Filers

1	1040 filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the instructions for Form 1040, line 51). 1040A filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the instructions for Form 1040A, line 33). 1040NR filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the instructions for Form 1040NR, line 48). If you used Pub. 972, enter the amount from line 8 of the Child Tax Credit Worksheet in the publication.		1	1,000.
2	Enter the amount from Form 1040, line 51; Form 1040A, line 33; or Form 1040NR, line 48		2	
3	Subtract line 2 from line 1. If zero, stop; you cannot take this credit		3	1,000.
4a	Earned income (see separate instructions)	4a 27,995.		
b	Nontaxable combat pay (see separate instructions)	4b		
5	Is the amount on line 4a more than $3,000? ☐ No. Leave line 5 blank and enter -0- on line 6. ☒ Yes. Subtract $3,000 from the amount on line 4a. Enter the result.	5 24,995.		
6	Multiply the amount on line 5 by 15% (.15) and enter the result		6	3,749.

Next. Do you have three or more qualifying children?

☒ No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part III and enter the smaller of line 3 or line 6 on line 13.

☐ Yes. If line 6 is equal to or more than line 3, stop; skip Part III and enter the amount from line 3 on line 13. Otherwise, go to line 7.

 Frank Finance & Felicia Finance 323-44-6789

Part III Certain Filers Who Have Three or More Qualifying Children

7	Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see separate instructions		7	
8	1040 filers: Enter the total of the amounts from Form 1040, lines 27 and 57, plus any taxes that you identified using code "UT" and entered on line 60. 1040A filers: Enter -0-. 1040NR filers: Enter the total of the amounts from Form 1040NR, lines 27 and 55, plus any taxes that you identified using code "UT" and entered on line 59.		8	
9	Add lines 7 and 8		9	
10	1040 filers: Enter the total of the amounts from Form 1040, lines 64a and 69. 1040A filers: Enter the total of the amount from Form 1040A, line 38a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 41 (see separate instructions). 1040NR filers: Enter the amount from Form 1040NR, line 65.		10	
11	Subtract line 10 from line 9. If zero or less, enter -0-			11
12	Enter the larger of line 6 or line 11 Next, enter the smaller of line 3 or line 12 on line 13.			12

Part IV Additional Child Tax Credit

13	This is your additional child tax credit	13	1,000.

Enter this amount on Form 1040, line 65; Form 1040A, line 39; or Form 1040NR, line 63.

8

SCHEDULE EIC
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Earned Income Credit
Qualifying Child Information

1040A
1040
EIC

OMB No. 1545-0074

2012

Attachment Sequence No. 43

▶ Complete & attach to Form 1040A or 1040 only if you have a qualifying child.
▶ Information about Sch EIC (Form 1040A or 1040) & its instructions is at www.irs.gov/form1040.

Name(s) shown on return

Frank Finance & Felicia Finance

Your social security number

323-44-6789

Before you begin:

- See the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

CAUTION

- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See instructions for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.

Qualifying Child Information	Child 1	Child 2	Child 3
	First name Last name	First name Last name	First name Last name
1 Child's name If you have more than three qualifying children, you only have to list three to get the maximum credit.	Francine Finance	Fred Finance	Fatima Finance
2 Child's SSN The child must have an SSN as defined in the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, unless the child was born and died in 2012. If your child was born and died in 2012 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate, death certificate, or hospital medical records.	236-99-4587	611-75-9841	325-65-3256
3 Child's year of birth	Year 1998 If born after 1993 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.	Year 1995 If born after 1993 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.	Year 1995 If born after 1993 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.
4a Was the child under age 24 at the end of 2012, a student, and younger than you (or your spouse, if filing jointly)?	☐ Yes. Go to line 5. ☐ No. Go to line 4b.	☐ Yes. Go to line 5. ☐ No. Go to line 4b.	☒ Yes. Go to line 5. ☐ No. Go to line 4b.
b Was the child permanently and totally disabled during any part of 2012?	☐ Yes. Go to line 5. ☐ No. The child is not a qualifying child.	☐ Yes. Go to line 5. ☐ No. The child is not a qualifying child.	☐ Yes. Go to line 5. ☐ No. The child is not a qualifying child.
5 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	DAUGHTER	SON	DAUGHTER
6 Number of months child lived with you in the United States during 2012 • If the child lived with you for more than half of 2012 but less than 7 months, enter "7." • If the child was born or died in 2012 and your home was the child's home for more than half the time he or she was alive during 2012, enter "12."	12 months Do not enter more than 12 months.	12 months Do not enter more than 12 months.	12 months Do not enter more than 12 months.

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

BOA

Schedule EIC (Form 1040A or 1040) 2012

Version 05102010.1	Completed By:	Kellee Smith	Date:	07/02/13	MOUNTAIN WEST FINANCIAL, INC.
	Applicant:	Frank Finance	Loan #	1011012211	

This calculator is a process tool and does not replace associate accountability for accurate determination and documentation of qualifying income consistent with established policies and requirements.

Personal 1040 Tax Return Analysis

DO NOT use the SPACE BAR - USE the DELETE KEY to delete or correct information or calculations could be compromised.

Required Documentation Must Be In Loan File To Support Income Used For Qualification.	HELP		Update Tax Years As Appropriate Older Yr	Recent Yr	Usable Cash Flow	Monthly Avg	Manual Overwrite* Adjustment	Alert	Comments Required for All Overwrite Adjustments (briefly explain adjustment in this limited space but expand as necessary in the larger comment section at bottom of sheet)
			2011	2012					
I. 1040 Personal Income Section					Auto Calcs "Lower Of"	Auto Calc	Adjustment		
1	B1 W-2 Income from Self-Employment/Seasonal	+			$0	$0			
2	B2 W-2 Wages From Self Employment/Seasonal	+			$0	$0			
2	Taxable Interest Income line 8a	+			$0	$0			
3	Non-Taxable Interest Income line 8b Enter gross-up factor in yellow box - decimal only:	+			$0	$0			
4	Dividends line 9a- Ordinary or refer to Schedule B.	+			$0	$0			
5	Alimony Received line 11	+	N/A		$0	$0			
6	Taxable IRA, Pension, Annuity Distributions lines 15b, 16b	+			$0	$0			
7	Non-Taxable IRA, Pension, Annuity lines 15a ,16a minus 15b, 16b. Enter gross-up factor in yellow box - decimal only:	+			$0	$0			
8	Recurring Unemployment Compensation line 19	+			$0	$0			
9	Social Security Benefits - Taxable line 20b	+	N/A		$0	$0			
10	Social Security Benefits - Non-Taxable line 20a minus 20b	+	N/A		$0	$0			
11	Other Income - **RECURRING ONLY** line 21								
		+			$0	$0			
		+			$0	$0			
		+			$0	$0			
		+			$0	$0			
		+			$0	$0			
II.	**Schedule A - Other Expenses** line 23	-			$0	$0			
II.	**Form 2106 - Employee Business Expenses**								
1	Total Expenses line 8 columns A plus B	-				$0			
2	Automobile Depreciation line 28 if complete or line 13 using factors - see HELP for more info	+				$0			
3	**Net Employee Business Expense** - adjust income per procedures (memo amount, not in totals)		$0	$0	$0	$0			
III.	**Schedule D Net Capital Gain/(Loss) - Recurring Personal**								
1	Recurring Capital Gains lines 1,8 column f	+			$0	$0			
2	Recurring Capital Losses lines 1,8 column f	-			$0	$0			
IV	**Schedule E - Rental Property Income**								
1	Rents - Schedule E Method (print analysis sheet for file)	+/-	$0	$0	$0	$0			
2	Rents - 75% Net Income Method (print analysis sheet for file)	+/-	N/A	N/A	$0	$0			
V.	**Form 6252 - Installment Income (Principal only)**	+	N/A		$0	$0			

Personal Cash flow Subtotal	2011	2012	ANNUAL	MONTHLY AVG
Note: Subtotal for informational purposes only - enter income line items into loan processing system per established procedures.	$0	$0	$0	$0

PERSONAL INCOME COMMENTS

Version 05102010.1	Completed By:	Kellee Smith	Date:	07/02/13			MOUNTAIN WEST FINANCIAL, INC.
	Applicant:	Frank Finance	Loan #	1011012211			

I. Business Income Section (Ensure P&L is obtained if required - refer to policy)		2011	2012	Usable Cash Flow	Monthly Avg	Manual Overwrite Adjustment *	Alert	Comments Required for All Overwrite Adjustments (briefly explain adjustment in this limited space but expand as necessary in the larger comment section at bottom of sheet)
VII. Schedule C - Sole Proprietor Profit/Loss				Auto Calcs Lower Of	Auto Calc			
1	+/-	$31,155	$30,123	$30,123	$2,510.25			
2	+/-	$0	$0	$0	$0.00			
3	+/-	$0	$0	$0	$0.00			
4	+/-	$0	$0	$0	$0.00			
5	+/-	$0	$0	$0	$0.00			
6 Combined Additional Sched C Income - refer to worksheets	+/-			$0	$0.00			
VIII. Net Capital Gain/(Loss) - Recurring Business								
1 Recurring Capital Gains line 1,8 column f	+			$0	$0.00			
2 Recurring Capital Losses line 1,8 column f	-			$0	$0.00			
IX. Form 4797 - Recurring Sales of Business Property	+			$0	$0.00			
X. Schedule E - Supplemental Income/Loss								
1 Net Royalty Income (refer to worksheet for details.)	+	$0	$0	$0	$0.00			
2 Estates or Trusts part III, line 37	+			$0	$0.00			
XI. Schedule F - Farm Income	+/-	$0	$0	$0	$0.00			
XII. Partnerships Schedule K-1 (Form 1065)							Alert	
1	+/-	0	0	$0	$0			
2	+/-	0	0	$0	$0			
3	+/-	0	0	$0	$0			
4	+/-	0	0	$0	$0			
5	+/-	0	0	$0	$0			
6	+/-	0	0	$0	$0			
7	+/-	0	0	$0	$0			
8	+/-	0	0	$0	$0			
9	+/-	0	0	$0	$0			
10	+/-	0	0	$0	$0			
11 Combined Additional Partnership Income - see worksheets	+/-			$0	$0			

Version 05102010.1	Completed By:	Kellee Smith		Date:	07/02/13		MOUNTAIN WEST FINANCIAL, INC.
	Applicant:	Frank Finance		Loan #	1011012211		

XIII. Sub "S" Corporations - Schedule K-1(1120s)						Alert	
1	+/-	0	0	$0	$0		
2	+/-	0	0	$0	$0		
3	+/-	0	0	$0	$0		
4	+/-	0	0	$0	$0		
5	+/-	0	0	$0	$0		
6	+/-	0	0	$0	$0		
7	+/-	0	0	$0	$0		
8	+/-	0	0	$0	$0		
9	+/-	0	0	$0	$0		
10	+/-	0	0	$0	$0		
11 Combined Additional Partnership Income - see worksheets	+/-			$0	$0		
Total Business Related Income Note: Subtotal for informational purposes only - enter income line items into loan processing system per established procedures:		$31,155	$30,123	$30,123	$2,510		
Total Income - Personal and Business Note: total for informational purposes only - follow established procedures for correct entry into EDGE:		$31,155	$30,123	$30,123	$2,510		

IMPORTANT FACTORS AND CONSIDERATIONS WHEN EVALUATING BUSINESS INCOME

- History of the applicant's income - two years required. Enter all Schedule C business's that are still active.
- Stability of the applicant's income - stable to increasing trend. Declining income should be reviewed by the appropriate level of authority.
- It may be necessary to obtain additional years' tax returns when the Applicant's self-employment income fluctuates in order to determine the stability of the income.
- Location and nature of the applicant's business, the demand for the product or service offered by the business. Financial strength of the business
- Ability of the business to continue generating sufficient income to enable the applicant to make the payments on the requested mortgage
- **Refer to policy to determine if a current P&L is required.**
- **Complete the required Comparative Income Analysis section below.** Analyze per established procedures.
- FHA - follow established FHA policies when completing this worksheet.

1040 TAX ANALYSIS - SCHEDULE C Sole Proprietor #1

Completed By	Kellee Smith	Date	7/1/2013
Applicant Name	Frank Finance	Loan #	1011012211
Business Name:			

C. Schedule C - Sole Proprietor Analysis

			2011		2012	% Change
1	Net Profit (+) or Loss (-) line 31	+/- +	$31,155.00	+/- +	$30,123.00	-3%
2	**Non - Recurring** Other (Income) line 6	+/-		+/-		
3	Depletion line 12	+		+		
4	Depreciation line 13	+		+		
5	Meals and Entertainment Exclusion line 24b	-		-		
6	Business Use of Home line 30 (may include 16a (all or part) if specific to primary residence - see note)	+		+		
7	Amortization or Casuality Loss page 2 part V	+		+		
8	Mileage Depreciation page 2, part IV line 44a or form 4562 line 30. Refer to guidance box for factors. (Sched C Line 9 must have auto expenses listed to be eligible for depreciation)	+		+		
	Schedule C Income		$31,155.00		$30,123.00	-3%

Guidance	Comparative Income Analysis					% Change
	Gross Receipts less Returns and Allowances (line 3)		$39,911.00		$44,472.00	11%
	Cost of Goods Sold (line 4) plus **Total Expenses** (line 28)		$8,756.00		$14,349.00	64%
	Expense Ratio		22%		32%	47%
	Taxable Income line 31	+/-	$31,155.00	+/-	$30,123.00	-3%

COMMENTS: