

California S Corporation Franchise or Income Tax Return

For calendar year 2002 or fiscal year beginning month day year 2002, and ending month day year 20. California corporation number Federal employer identification number Corporation name Address including Suite or Room no. City State ZIP Code

Table with columns for State Adjustments, Calif. Net Income, Taxes, Payments, and Refund - Direct Deposit of Refund - or Amount Due. Rows include items 1-41 with descriptions and checkboxes.

Schedule F Computation of Trade or Business Income. See instructions.

Income	1	a) Gross receipts or sales _____ b) Less returns and allowances _____ c) Balance .	1c	
	2	Cost of goods sold from Schedule V, line 8	2	
	3	Gross profit. Subtract line 2 from line 1c	3	
	4	Net gain (loss). Attach schedule	4	
	5	Other income (loss). Attach schedule	5	
	6	Total income (loss). Combine line 3 through line 5	6	
Deductions	7	Compensation of officers. Attach schedule. See instructions	7	
	8	Salaries and wages	8	
	9	Repairs	9	
	10	Bad debts	10	
	11	Rents	11	
	12	Taxes	12	
	13	Interest	13	
	14	a) Depreciation _____ b) Less depreciation reported elsewhere on return _____ Balance	14	
	15	Depletion	15	
	16	Advertising	16	
	17	Pension, profit-sharing plans, etc.	17	
	18	Employee benefit programs	18	
	19	a) Total travel and entertainment _____ b) Deductible amount	19b	
	20	Other deductions. Attach schedule	20	
	21	Total deductions. Add line 7 through line 20	21	
	22	Ordinary income (loss) from trade or business. Subtract line 21 from line 6. Enter here and on Side 1, line 1	22	

Schedule V Cost of Goods Sold

1	Inventory at beginning of year		5	Other costs. Attach schedule	
2	Purchases		6	Total. Add line 1 through line 5	
3	Cost of labor		7	Inventory at end of year	
4	Other IRC Sec. 263A costs. Attach schedule		8	Cost of goods sold. Subtract line 7 from line 6	

Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory? Yes No
 If "Yes," attach an explanation. Enter California seller's permit number, if any _____ Method of inventory valuation _____
 Check if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970
 If the LIFO inventory method was used for this taxable year, enter the amount of closing inventory computed under LIFO _____

Schedule J Add-On Taxes or Recapture of Tax Credits. See instructions.

1	LIFO recapture due to S corporation election (IRC Sec. 1363(d) deferral: \$ _____)	1	
2	Interest computed under the look-back method for completed long-term contracts (attach form FTB 3834)	2	
3	Interest on tax attributable to installment: a) Sales of certain timeshares and residential lots _____ b) Method for nondealer installment obligations _____	3a 3b	
4	IRC Section 197(f)(9)(B)(ii) election	4	
5	Credit recapture name: _____	5	
6	Combine line 1 through line 5. Revise the amount on Side 1, line 36 or line 37, whichever applies, by this amount. Write "Schedule J" to the left of line 36 or line 37	6	

<p>E Does this tax return include Qualified Subchapter S Subsidiaries? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F Date incorporated: _____ Where: State _____ Country _____</p> <p>G Maximum number of shareholders in the corporation at any time during the year: _____</p> <p>H Date business began in California or date income was first derived from California sources: _____</p> <p>I Is the corporation under audit by the IRS or has it been audited in a prior year? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>J Effective date of federal S election: _____</p>	<p>K Were total receipts (see page 44 of the instructions) for the taxable year and total assets at the end of the taxable year less than \$250,000? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>L Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other</p> <p>M Location of principal accounting records: _____</p> <p>N "Doing business as" name: _____</p> <p>O Have all required information returns (e.g., federal Form 1099, 8300, etc.) been filed with the Franchise Tax Board? <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>P Is this corporation apportioning income to California using Schedule R? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
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Please Sign Here	Under penalties of perjury, I declare that I have examined this tax 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	Title	Date	Telephone ()
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Paid preparer's SSN/PTIN
	Firm's name (or yours, if self-employed) and address	Telephone ()		FEIN +

Schedule K S Corporation Shareholders' Shares of Income, Deductions, Credits, etc.

	(a) Pro-rata share items	(b) Amount from federal Schedule K (1120S)	(c) California adjustment	(d) Total amount using California law. Combine (b) and (c) where applicable
Income (Loss)	1 Ordinary income (loss) from trade or business activities			●
	2 Net income (loss) from rental real estate activities. Attach federal Form 8825			●
	3 a Gross income from other rental activities			
	b Expenses from other rental activities. Attach schedule			
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a			●
	4 Portfolio income (loss):			
	a Interest			●
	b Dividends			●
	c Royalties			●
	d Net short-term capital gain (loss). Attach schedule D (100S)			●
e Net long-term capital gain (loss). Attach Schedule D (100S)			●	
f Other portfolio income (loss). Attach schedule			●	
5 Net gain (loss) under IRC Section 1231 (other than due to casualty or theft)			●	
6 Other income (loss). Attach schedule			●	
Deductions	7 Charitable contributions			●
	8 Expense deduction for recovery property (R&TC Section 17267.2, Section 17267.6, Section 17268, and IRC Section 179). Attach Schedule B (100S)			
	9 Deductions related to portfolio income (loss). Attach schedule			●
	10 Other deductions. Attach schedule			
Investment Interest	11 a Interest expense on investment debts			●
	b (1) Investment income included on line 4a, line 4b, line 4c, and line 4f (2) Investment expenses included on line 9 above			
Credits	12 a Low-income housing credit. See instructions. Attach schedule			●
	b Credits related to rental real estate activities other than on line 12(a). Attach schedule			●
	c Credits related to other rental activities. See instructions. Attach schedule			●
	13 Other credits. Attach schedule			●
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 12/31/86			
	b Adjusted gain or loss. See instructions			
	c Depletion (other than oil and gas)			
	d (1) Gross income from oil, gas, and geothermal properties (2) Deductions allocable to oil, gas, and geothermal properties			
	e Other adjustments and tax preference items. Attach schedule			
Other State Taxes	15 a Type of income _____			
	b Name of state _____			
	c Total gross income from sources outside California. Attach schedule			
	d Total applicable deductions and losses. Attach schedule			
	e Total other state taxes. Check one: <input type="checkbox"/> Paid <input type="checkbox"/> Accrued			●
Other	16 a Total expenditures to which an IRC Section 59(e) election may apply			
	b Type of expenditures _____			
	17 Tax-exempt interest income			●
	18 Other tax-exempt income			●
	19 Nondeductible expenses			
	20 Total property distributions (including cash) other than dividend distributions reported on line 22 below			●
	21 Other items and amounts not included in line 1 through line 20 above that are required to be reported separately to shareholders. Attach schedule			●
	22 Total dividend distributions paid from accumulated earnings and profits			●
	23 Income (loss) (required only if Schedule M-1 must be completed). Combine line 1, line 2, and line 3c through line 6. From the result, subtract the sum of line 7 through line 11a and line 16a			●

The corporation is not required to complete Schedule L and Schedule M-1 if question K on Form 100S, Side 2 is answered "Yes."

Schedule L Balance Sheets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				●
4 Federal and state government obligations				
5 Other current assets. Attach schedule(s)				
6 Loans to shareholders. Attach schedule(s)				●
7 Mortgage and real estate loans				
8 Other investments. Attach schedule(s)				●
9 a Buildings and other fixed depreciable assets				
b Less accumulated depreciation	()		()	●
10 a Depletable assets				
b Less accumulated depletion	()		()	
11 Land (net of any amortization)				●
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
13 Other assets. Attach schedule(s)				
14 Total assets.		●		●
Liabilities and shareholders' equity				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule(s)				
18 Loans from shareholders. Attach schedule(s)				●
19 Mortgages, notes, bonds payable in 1 year or more				●
20 Other liabilities. Attach schedule(s)				
21 Capital stock		●		●
22 Paid-in or capital surplus		●		●
23 Retained earnings		●		●
24 Adjustments to shareholders' equity. Attach schedule(s)				
25 Less cost of treasury stock		()		()
26 Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of income (loss) per books with income (loss) per return.

1 Net income per books		5 Income recorded on books this year not included on Schedule K, line 1 through line 6 (itemize)	
2 Income included on Schedule K, line 1 through line 6, not recorded on books this year (itemize)	●	a Tax-exempt interest \$	●
3 Expenses recorded on books this year not included on Schedule K, line 1 through line 11a and line 16a (itemize)		6 Deductions included on Schedule K, lines 1 through 11 and line 16a, not charged against book income this year (itemize)	
a Depreciation \$		a Depreciation \$	
b State taxes \$		b State tax refunds \$	
c Travel and entertainment \$		7 Total. Add line 5 and line 6	
4 Total. Add line 1 through line 3	●	8 Income (loss) (Schedule K, line 23, col. d). Line 4 less line 7.	●

Schedule M-2 CA accumulated adjustments account, other adjustments account, and other retained earnings. See instructions.

Important: Use California figures and federal procedures.

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Other retained earnings (see instructions)
1 Balance at beginning of year	●		
2 Ordinary income from Form 100S, Side 1, line 1			
3 Other additions			
4 Loss from Form 100S, Side 1, line 1	()		
5 Other reductions	()	()	()
6 Combine line 1 through line 5			
7 Distributions other than dividend distributions			
8 Balance at end of year. Subtract line 7 from line 6	●		
9 Retained earnings at end of year. Add line 8, column (a) through column (c)	●		
● <input type="checkbox"/> If the corp. has C corp. E&P at the end of the taxable year, check the box and enter the amount. See instructions			●