

U.S. Income Tax Return for an S Corporation

Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

2016

▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

For calendar year 2016 or tax year beginning _____, 2016, ending _____, 20

A S election effective date 04-14-2003	TYPE OR PRINT	Name National Real Estate Recruiting Inc	D Employer identification number 20-0008994
B Business activity code number (see instructions) 561300		Number, street, and room or suite no. If a P.O. box, see instructions. 1148 Heritage Drive	E Date incorporated 04-14-2003
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code Shakopee MN 55379	F Total assets (see instructions) \$ 184,690

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	1 a	Gross receipts or sales	1a	144,275		
	b	Returns and allowances	1b			
	c	Balance. Subtract line 1b from line 1a	1c		144,275	
	2	Cost of goods sold (attach Form 1125-A)	2			
	3	Gross profit. Subtract line 2 from line 1c	3		144,275	
	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		144,275	
Deductions <small>(see instructions for limitations)</small>	7	Compensation of officers (see instructions - attach Form 1125-E)	7		50,224	
	8	Salaries and wages (less employment credits)	8			
	9	Repairs and maintenance	9			
	10	Bad debts	10			
	11	Rents	11			
	12	Taxes and licenses ATT. STL.	12		2,964	
	13	Interest	13			
	14	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14			
	15	Depletion (Do not deduct oil and gas depletion.)	15			
	16	Advertising	16			
	17	Pension, profit-sharing, etc., plans	17		5,000	
	18	Employee benefit programs	18			
	19	Other deductions (attach statement) Statement #2.	19		16,502	
	20	Total deductions. Add lines 7 through 19 ▶	20		74,690	
	21	Ordinary business income (loss). Subtract line 20 from line 6	21		69,585	
Tax and Payments	22 a	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			
	23 a	2016 estimated tax payments and 2015 overpayment credited to 2016	23a			
	b	Tax deposited with Form 7004	23b			
	c	Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d	Add lines 23a through 23c	23d			
	24	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>	24			
	25	Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25			
	26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26			
27	Enter amount from line 26 Credited to 2017 estimated tax ▶ Refunded ▶	27				

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)? Yes No

Sign Here Jerry Lindeen Signature of officer Date _____ President Title

Paid Preparer Use Only	Print/Type preparer's name Debora Reimer	Preparer's signature	Date 04-25-2017	Check <input type="checkbox"/> if self-employed	PTIN P00245979
	Firm's name ▶ Arlyce Cleveland Ltd	Firm's EIN ▶ 41-1975782		Phone no.	
	Firm's address ▶ 11943 Lever Street NE Minneapolis MN 55449	(763) 786-4626			

For Paperwork Reduction Act Notice, see separate instructions.

Schedule B Other Information (see instructions)

1 Check accounting method: a [X] Cash b [] Accrual c [] Other (specify)
2 See the instructions and enter the: a Business activity Executive Recruiting b Product or service Employment Search
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

Table with 5 columns: (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

Table with 5 columns: (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

5 a 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 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$

10 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.

11 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 \$

12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions

13 a Did the corporation make any payments in 2016 that would require it to file Form(s) 1099? b If "Yes," did the corporation file or will it file required Forms 1099?

Schedule K		Shareholders' Pro Rata Share Items	Total amount	
Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)	1	69,585
	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	
Income (Loss)	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	
	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	Passive category	14d	
	e	General category	14e	
	f	Other (attach statement)	14f	
		Deductions allocated and apportioned at shareholder level		
	g	Interest expense	14g	
	h	Other	14h	
		Deductions allocated and apportioned at corporate level to foreign source income		
	i	Passive category	14i	
	j	General category	14j	
k	Other (attach statement)	14k		
	Other information			
l	Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m	Reduction in taxes available for credit (attach statement)	14m		
n	Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) items	15a	Post-1986 depreciation adjustment	15a	
	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	391
	d	Distributions (attach statement if required) (see instructions)	16d	
	e	Repayment of loans from shareholders	16e	

Schedule K		Shareholders' Pro Rata Share Items (continued)	Total amount	
Other Information	17 a	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 14l	18	69,585

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
1	Cash		85,911		184,690		
2a	Trade notes and accounts receivable						
b	Less allowance for bad debts	()		()			
3	Inventories						
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						
b	Less accumulated depreciation	()		()			
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		85,911		184,690		
Liabilities and Shareholders' Equity							
16	Accounts payable						
17	Mortgages, notes, bonds payable in less than 1 year						
18	Other current liabilities (attach statement)	Statement #22	14,885	Statement #22	434		
19	Loans from shareholders		0		44,035		
20	Mortgages, notes, bonds payable in 1 year or more						
21	Other liabilities (attach statement)						
22	Capital stock		1,000		1,000		
23	Additional paid-in capital						
24	Retained earnings		70,026		139,221		
25	Adjustments to shareholders' equity (attach statement)						
26	Less cost of treasury stock		()		()		
27	Total liabilities and shareholders' equity		85,911		184,690		

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	69,194	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 14l (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a Depreciation \$ _____		a Depreciation \$ _____	
b Travel and entertainment \$ <u>391</u>		7 Add lines 5 and 6	
	391	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	69,585
4 Add lines 1 through 3	69,585		

Schedule M-2

Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	70,026		
2 Ordinary income from page 1, line 21	69,585		
3 Other additions Statement #29	1		
4 Loss from page 1, line 21	()		
5 Other reductions Statement #30	(391)		
6 Combine lines 1 through 5	139,221		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	139,221		

Schedule K-1 (Form 1120S)

2016

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning ending , 2016 , 20

Shareholder's Share of Income, Deductions, Credits, etc. See page 2 of form and separate instructions.

Part I Information About the Corporation
Part II Information About the Shareholder
A Corporation's employer identification number 20-0008994
B Corporation's name, address, city, state, and ZIP code National Real Estate Recruiting Inc 1148 Heritage Drive Shakopee MN 55379
C IRS Center where corporation filed return OGDEN
D Shareholder's identifying number 469-86-9242
E Shareholder's name, address, city, state, and ZIP code Jerry Lindeen 1148 Heritage Drive E Shakopee MN 55379
F Shareholder's percentage of stock ownership for tax year 100.00000 %

Table with 4 columns: Line number, Description, Amount, and Category. Includes rows for Ordinary business income (69,585), Net rental real estate income, Qualified dividends, Section 179 deduction, and Other deductions. Total Credits: 13. Total Foreign transactions: 14. Total Alternative minimum tax (AMT) items: 15. Total Items affecting shareholder basis: 16 (STMT). Total Other information: 17.

For IRS Use Only



* See attached statement for additional information.

Schedule K-1 Supplemental Information

2016

Shareholder's name

Jerry Lindeen

Shareholder's ID Number

469-86-9242

Name of S Corporation

National Real Estate Recruiting Inc

S Corporation's EIN

20-0008994

Form 1120S Schedule K-1 - Line 16

Code	Description	Amount
C	Other Nondeductible Expenses	391
	Meals and Entertainment	391
	Total	<u>391</u>

Shareholder's Adjusted Basis Worksheet

2016

Keep for your records.

Shareholder Number:	TIN: 469-86-9242	Tax year ending: 12-31-2016	Ownership %: 100.000000
Shareholder Name: Jerry Lindeen			
Corporation Name: National Real Estate Recruiting Inc			EIN 20-0008994

Stock basis

1 Stock basis, beginning of year (Not less than zero)	1	<u>71,025</u>		
2 Additional Capital Contributions of Stock Purchased	2			
3 Increases for income and gain items:				
a Ordinary Income (Sch K-1, Line 1)	a	<u>69,585</u>		
b Real Estate Rental Income (Sch K-1, Line 2)	b			
c Other Rental Income (Sch K-1, Line 3c)	c			
d Interest, Dividends & Royalties (Sch K-1, Lines 4, 5 & 6)	d			
e Capital Gain (Sch K-1, Lines 7 & 8a)	e			
f Other Portfolio Income (Sch K-1, Line 10a)	f			
g Section 1231 Gain (Sch K-1, Line 9)	g			
h Other Income (Sch K-1, Line 10)	h			
Total Income and Gain Items (Total lines 3a-3h)	3a-h	<u>69,585</u>		
i Increase for Non-Taxable Income (Sch K-1, Lines 16a & b)	3i			
j Increase for Excess Depletion Adjustment	3j			
k Increase from Recapture of Business Credits (See IRC § 49(a), 50(a), 50(c)(2) & 1371(d))	3k			
l Gain from 179 asset disposition	3l			
4 Stock Basis Before Distributions (Add lines 1 through 3)			4	<u>140,610</u>
5 Reduction for Non-Taxable Distributions (Sch K-1, Line 16d)			5	
6 Stock Basis Before Non-Ded. Expense & Depletion (Cannot be negative)			6	<u>140,610</u>
7a Decrease for Non-Deductible Expense/Credit Adj (Sch K-1, Line 16c & 13)	a	<u>391</u>		
b Decrease for Depletion (Sch K-1, Line 17r)	b		7	<u>391</u>
8 Stock Basis Before Allowable Losses & Deductions (Cannot be negative)			8	<u>140,219</u>
9 Decreases for Loss and Deduction items:				
a Ordinary Loss (Page 2, Col e, Line 9a)	a			
b Real Estate Rental Loss (Page 2, Col e, Line 9b)	b			
c Other Rental Loss (Page 2, Col e, Line 9c)	c			
d Capital Loss (Page 2, Col e, Line 9d)	d			
e Other Portfolio Loss (Page 2, Col e, Line 9e)	e			
f Section 1231 Loss (Page 2, Col e, Line 9f)	f			
g Other Loss (Page 2, Col e, Line 9g)	g			
h Charitable Contributions (Page 2, Col e, Line 9h)	h			
i Section 179 Expense (Page 2, Col e, Line 9i)	i			
j Portfolio Income Expenses (Page 2, Col e, Line 9j)	j			
k Other Deductions (Page 2, Col e, Line 9k)	k			
l Interest Expense on Investment Debt (Page 2, Col e, Line 9l)	l			
m Total Foreign Taxes Paid/Accrued (Page 2, Col e, Line 9m)	m			
n Section 59(e) Expenditures (Page 2, Col e, Line 9n)	n			
Total Loss and Deduction Items (Total Lines 9a-9n)	9a-n			
o Other decreases (Page 2, Col e, Line 9o)	9o			
p Loss from 179 asset disposition (Page 2, Col e, Line 9p)	9p			
Total Decrease for Loss and Deductions Items and Business Credits			9	
10 Less: net increase applied to debt basis			10	
11 Stock Basis at End of Year (Cannot be negative)			11	<u>140,219</u>

Debt Basis

12 Debt basis at beginning of year (not less than zero)	12			
13 New loans to corporation during year	13	<u>44,035</u>		
14 Restoration of Debt Basis (Line 10)	14			
15 Less: Loans repaid by corporation during the year	15			
16 Less: Applied against excess loss and deductions / non-deductible items	16			
17 Debt basis at the end of tax year (combine lines 12-16) (not less than zero)			17	<u>44,035</u>
18 Shareholder's total basis at end of tax year (combine lines 11 and 17)			18	<u>184,254</u>

Carryover

	Total Disallowed Losses		Debt Basis Applied Against Excess Losses and Deductions
19 Total Beginning of year			
20 Add: Losses and deductions this year	<u>391</u>		
21 Less: Applied this year	<u>391</u>		
22 End of year (Not less than zero)	<u>0</u>		

Allocation of Losses and Deductions

2016

Keep for your records.

Shareholder Number:	TIN: 469-86-9242	Year Ended: 12-31-2016	Ownership %: 100.000000
Shareholder Name: Jerry Lindeen			
Corporation Name: National Real Estate Recruiting Inc			EIN 20-0008994

		(a) Beginning of Year Losses and Deductions	(b) Current Year Losses and Deductions	(c) Total Losses and Deductions	(d) %	(e) Allocable Losses and Deductions in Current Year	(f) Disallowed Losses and Deductions (Carryover to Next Year)
9a Ordinary losses from trade or business	(Sch K, Line 1)	_____	_____	_____	_____	_____	_____
b Net losses from rental real estate activities	(Sch K, Line 2)	_____	_____	_____	_____	_____	_____
c Net losses from other rental activities	(Sch K, Line 3c)	_____	_____	_____	_____	_____	_____
d Net short-term capital losses	(Sch K, Lines 7 & 8a)	_____	_____	_____	_____	_____	_____
d Net long-term capital losses		_____	_____	_____	_____	_____	_____
e Other portfolio losses	(Sch K, Line 10a)	_____	_____	_____	_____	_____	_____
f Net losses under Section 1231	(Sch K, Line 9)	_____	_____	_____	_____	_____	_____
g Other losses	(Sch K, Line 10e)	_____	_____	_____	_____	_____	_____
h Charitable contributions	(Sch K, Line 12a-g)	_____	_____	_____	_____	_____	_____
i Section 179 expense deduction	(Sch K, Line 11)	_____	_____	_____	_____	_____	_____
j Portfolio income expenses	(Sch K, Line 12l)	_____	_____	_____	_____	_____	_____
k Other deductions	(Sch K, Ln 12, i,m-o,s)	_____	_____	_____	_____	_____	_____
l Interest expense on investment debts	(Sch K, Line 12h)	_____	_____	_____	_____	_____	_____
m Foreign taxes paid or accrued	(Sch K, Line 14l & m)	_____	_____	_____	_____	_____	_____
n Section 59(e) expenditures	(Sch K, Line 12j)	_____	_____	_____	_____	_____	_____
o Other decreases		_____	_____	_____	_____	_____	_____
p Loss from 179 asset		_____	_____	_____	_____	_____	_____
Total deductible losses and deductions		_____	_____	_____	_____	_____	_____
7a Nondeductible expenses & credit adj	(Sch K, Line 16c & 13)	_____	391	391	100.000000	391	_____
b Oil and gas depletion	(Sch K, Line 17r)	_____	_____	_____	_____	_____	_____
Total nondeductible losses and deductions		_____	391	391	_____	391	_____
Totals		_____	391	391	_____	391	_____

Summary of Stock Ownership

2016

CORPORATION NAME					EIN	
National Real Estate Recruiting Inc					20-0008994	
Shareholder Information			Shares		% Ownership	
Name	EIN/SSN	Type	Beginning	Ending	Beginning	Ending
Jerry Lindeen	469-86-9242		<u>1,000</u>	<u>1,000</u>	100.00000	100.00000
Total			<u><u>1,000</u></u>	<u><u>1,000</u></u>		

Federal Supporting Statements

2016 PG01

Name(s) as shown on return

FEIN

National Real Estate Recruiting Inc

20-0008994

Form 1120S - Line 19 - Other Deductions

Statement #2

Description	Amount
Automobile and Truck Expense	2,692
Bank Charges	20
Commissions	1,450
Computer	2,319
Dues and Subscriptions	3,733
Education and Training	326
Liability Insurance	640
Legal and Professional	970
Marketing	3,357
50% Meals and Entertainment	391
Office Expense	568
Postage/Shipping	<u>36</u>
Total	<u><u>16,502</u></u>

Schedule K - Line 16c - Nondeductible Expenses **PG01**
Statement #16c

Description	Amount
Meals and Entertainment	<u>391</u>
Total	<u><u>391</u></u>

Schedule L - Line 18 - Other Current Liabilities **PG01**
Statement #22

Description	Beg Of Year	End Of Year
Payroll Liabilities	11,885	434
SEP Payable	<u>3,000</u>	<u> </u>
Total	<u><u>14,885</u></u>	<u><u>434</u></u>

Federal Supporting Statements

2016 PG01

Name(s) as shown on return

FEIN

National Real Estate Recruiting Inc

20-0008994

Schedule M-2 - Line 3 - Other Adjustments

Statement #29

Description

Amount

Rounding

1

Total

1

Schedule M-2 - Line 5 - Other Deductions

PG01
Statement #30

Description

Amount

Nondeductible Expenses

391

Total

391

(Keep for your records)

S CORPORATION NAME

EIN

National Real Estate Recruiting Inc

20-0008994

Description	Schedule K	K-1 Totals	Difference
1 Ordinary business income (loss)	<u>69,585</u>	<u>69,585</u>	
16 C Nondeductible expenses	<u>391</u>	<u>391</u>	

Schedule M-2/Retained Earnings Worksheet

Form 1120S

(Keep for your records)

2016

Name(s) as shown on return

Tax ID Number

National Real Estate Recruiting Inc

20-0008994

Analysis of Current-Year Retained Earnings

1 Beginning retained earnings per balance sheet (Schedule L, column b, lines 24 and 25)	1	70,026
2 Book income (loss) (Schedule M-1, line 1, or Schedule M-3, page 1, line 11)	2	69,194
3 Distributions (Schedule K, line 16d)	3	_____
4 Subtotal (combines lines 1 through 3)	4	139,220
5 Ending retained earnings per balance sheet (Schedule L, column d, lines 24 and 25)	5	139,221
6 Difference (line 4 minus line 5) (should be zero)	6	_____ (1)

Current-Year Change to Retained Earnings Compared to Current-Year Change to AAA & OAA

1 Ending retained earnings (Schedule L, column d, line 24)	1	139,221
2 Beginning retained earnings (Schedule L, column b, line 24)	2	70,026
3 Retained earnings change (line 1 minus line 2)	3	69,195
4 Ending AAA plus OAA	4	139,221
5 Beginning AAA plus OAA	5	70,026
6 Difference (line 4 minus line 5)	6	69,195

Current-Year Timing Adjustments per Schedule M-1

Subtractions from net income per books (Schedule M-1, lines 5 and 6 - not included on Schedule M-2)

7 Other income recorded on books not included on Schedule K	7	_____
8 Depreciation on Schedule K not included on books	8	_____
9 Other Schedule K items not included on books	9	_____
10 Total subtractions (lines 7 through 9)	10	_____

Additions to net income per books (Schedule M-1, lines 2 and 3 - not included on Schedule M-2, line 3)

11 Income included on Schedule K not recorded on books	11	_____
12 Depreciation on books not included on Schedule K	12	_____
13 Other items on books not included on Schedule K	13	_____
14 Total additions (lines 11 through 13)	14	_____
15 Sch M-1 timing adjustments not included on Schedule M-2, lines 2 thru 5 (subtract line 14 from line 10)	15	_____

Current-Year Timing Adjustments Per Schedule M-3

Permanent or temporary book-to-tax difference amounts entered on the M32, M33, 8916A, and SCH3 screens appear on line 16 and line 17 as opposite of the actual entries. For example, an entry of -100 would appear as 100.

16 Permanent differences	16	_____
17 Temporary differences	17	_____
18 Timing adjustments not included on Schedule M-2 (combine lines 16 and 17)	18	_____
19 Distributions reported on Schedule K, line 16d, not allowed on Schedule M-2, line 7	19	_____
20 Adjustments to retained earnings (Schedule L, line 25 column d minus Schedule L, line 25, column b)	20	_____
21 M-2 amount after M-1 timing adjustments (add lines 6, 15, 19, and 20)	21	69,195
22 M-2 amount after M-3 timing adjustments (add lines 6, 18, 19, and 20)	22	_____
23 Net reconciliation difference (line 3 minus line 21 or 22)	23	_____

Taxes and Licenses Attachment

Note: This information does not transmit to the IRS with e-filed returns.
Including with a paper filed return is optional.

2016

S CORPORATION NAME

EIN

National Real Estate Recruiting Inc

20-0008994

Taxes and Licenses

Form 1120S

Page 1, Line 12

1	State income taxes	1	
2	State franchise taxes	2	
3	City income taxes	3	
4	City franchise taxes	4	
5	Local property taxes	5	
6	Intangible property taxes	6	
7	Payroll taxes	7	2,964
8	Less: credit from Form 8846	8	
9	Foreign taxes paid	9	
10	Occupancy taxes	10	
11	Other miscellaneous taxes	11	
12	Built in gains tax allocated to ordinary income	12	
13	Licenses	13	
14	Total to Form 1120S, Page 1, Line 12	14	2,964

Arlyce Cleveland Ltd

11943 Lever Street NE
Minneapolis, MN 55449

Phone: (763)786-4626 | Fax: (763)786-0639

April 25, 2017

National Real Estate Recruiting Inc
1148 Heritage Drive
Shakopee, MN 55379

National Real Estate Recruiting Inc:

Enclosed is the 2016 Form 1120S, U.S. Income Tax Return for an S Corporation, prepared for National Real Estate Recruiting Inc from the information provided. This return will be e-filed with the IRS once we receive a signed Form 8879-S, IRS e-file Signature Authorization for Form 1120S.

The corporation's federal return reflects neither a refund nor a balance due.

Enclosed is the 2016 Minnesota income tax return, prepared for National Real Estate Recruiting Inc from the information provided. This return will be e-filed with the Minnesota taxing authority.

The corporation's Minnesota income tax return reflects neither a refund nor a balance due.

Also enclosed are letters to the shareholders and their copies of the Schedule K-1, to be distributed to the shareholders.

Thank you for the opportunity to be of service. For further assistance with your tax needs, please contact this office at (763)786-4626.

Sincerely,

Debora Reimer
Arlyce Cleveland Ltd

1120S**Sub S Corporation
Diagnostic Summary****2016**Name
National Real Estate Recruiting IncEmployer Identification #
20-0008994**Demographics****Mailing Address:** 1148 Heritage Drive
Shakopee, MN 55379**Phone:****Resident State:** MN**Diagnostics****Preparer:** Debora Reimer**Invoice:****Date:** 04-25-2017**Return Information**

Item on Return	2016 Federal	2015 Federal (If available)
Total Assets	184,690	85,911
Number of Shareholders	1	1
Gross Receipts/Sales	144,275	89,550
Total Income	144,275	89,550
Total Deductions	74,690	72,042
Ordinary Income	69,585	17,508
Tax		
Overpayment		
Refund		
Refund Applied to ES		
Balance Due		
2220 Penalty		
Total Equity	140,221	71,026

State/City Information

<u>State/City</u>	<u>Gross Income</u>	<u>Taxable Income</u>	<u>Composite Tax</u>	<u>Other Tax</u>	<u>Refund/ (Balance Due)</u>
MN8	195,949	195,949			

**1120S TAX RETURN COMPARISON
2014 / 2015 / 2016**

2016

Name(s) as shown on return National Real Estate Recruiting Inc	Identifying number 20-0008994
---	----------------------------------

	2014 FEDERAL	2015 FEDERAL	2016 FEDERAL	DIFFERENCE BETWEEN 2015 & 2016
Income				
Net receipts	61,064	89,550	144,275	54,725
Cost of goods sold				
Gross profit	61,064	89,550	144,275	54,725
Net gain/loss from 4797				
Other income				
Total income	61,064	89,550	144,275	54,725
Deductions				
Compensation of officers	30,390	46,204	50,224	4,020
Salaries and wages				
Repairs and maintenance				
Bad debts				
Rents				
Taxes and licenses	2,698	3,619	2,964	(655)
Interest				
Net depreciation				
Depletion				
Advertising		650		(650)
Pension, profit-sharing		3,000	5,000	2,000
Employee benefits				
Other deductions	8,206	18,569	16,502	(2,067)
Total deductions	41,294	72,042	74,690	2,648
Ordinary business income(loss)	19,770	17,508	69,585	52,077
Tax				
Total tax				
Payments				
Estimated taxes paid				
Total payments line 23d				
Results				
Amount owed				
Overpayment				
Applied to estimate				
Refund				

SCHEDULE K - Shareholder's Share Items

	2014	2015	2016	DIFFERENCE
Income				
Ordinary business income (loss)	19,770	17,508	69,585	52,077
Net rental real estate income (loss)				
Other net rental income (loss)				
Interest income		25		(25)
Ordinary dividends				
Qualified dividends				
Royalties				
Net short-term capital gain (loss)				
Net long-term capital gain (loss)				
Collectibles (28%) gain (loss)				
Unrecaptured section 1250 gain				
Net section 1231 gain (loss)				
Other income (loss)				

2014 2015 2016 DIFFERENCE

**1120S TAX RETURN COMPARISON
2014 / 2015 / 2016**

2016

Page 2

Name(s) as shown on return
National Real Estate Recruiting Inc

Identifying number
20-0008994

	2014 FEDERAL	2015 FEDERAL	2016 FEDERAL	DIFFERENCE BETWEEN 2015 & 2016
Deductions				
Section 179 deduction				
Contributions				
Investment interest expense				
Section 59(e)(2) expenditures				
Other deductions				
Credits				
Low-income housing credit (section 42(j)(5))				
Low-income housing credit (other)				
Qualified rehabilitation expenditures (rental real estate)				
Other rental real estate credits				
Other rental credits				
Credit for alcohol used as fuel				
Other credits				
Foreign Transactions				
Gross income from all sources				
Gross income sourced at shareholder level				
Foreign gross income sourced at corporate level				
Passive category				
General categories				
Other				
Deductions allocated and apportioned at shareholder level				
Interest expense				
Other				
Deductions allocated / apportioned at corp. level to foreign source inc.				
Passive category				
General categories				
Other				
Total foreign taxes paid or accrued				
Reduction in taxes available for credit				
Alternative Minimum Tax (AMT) items				
Post-1986 depreciation adjustment				
Adjusted gain or loss				
Depletion				
Oil, gas, and geothermal properties - gross income				
Oil, gas, and geothermal properties - deductions				
Other AMT items				
Items Affecting Shareholder Basis				
Tax-exempt interest income				
Other tax-exempt income				
Nondeductible expenses	121	60	391	331
Property distributions	1,672			
Repayment of loans from shareholders	20,303			
Other information				
Investment income		25		(25)
Investment expenses				
Dividend distributions paid from accum earnings and profits				

	MN	MN	MN	
Taxable income	91,454	142,144	195,949	53,805
Total tax				
Overpayment				
Balance due				
	2014	2015	2016	DIFFERENCE

M8 MINNESOTA • REVENUE

S Corporation Return 2016

16801

Tax year beginning 01-01, 2016, ending 12-31-2016

Print or Type

Name of Corporation NATIONAL REAL ESTATE RECRUITING INC			Federal ID Number 20-0008994	Minnesota Tax ID 6486993
Mailing Address 1148 HERITAGE DRIVE			<input type="checkbox"/> Check if New Address Former name, if changed since 2015 return:	
City SHAKOPEE	State MN	Zip Code 55379	Number of Schedule KS: 1	Number of Shareholders: 1
<input type="checkbox"/> Initial Return <input type="checkbox"/> Composite Income Tax <input type="checkbox"/> Financial Institution <input type="checkbox"/> Qualified Subchapter S Subsidiary <input type="checkbox"/> Out of Business (see instructions, pg. 4)				

Round amounts to nearest whole dollar

Tax and Credits

1 S corporation taxes (place an X in all that apply):

Federal Schedule D taxes Passive income

LIFO recapture **1** 0 (enclose computation)

2 Minimum fee from M8A, line 9 (see M8A instructions, pg. 8) . . . **2** 0 (enclose M8A)

3 Composite income tax for nonresident shareholders **3** 0 (enclose Schedules KS)

4 Minnesota income tax withheld for nonresident shareholders.
If you received Form AWC from a shareholder, check box: . . . **4** 0 (enclose Forms AWC)

5 Add lines 1 through 4 **5** 0

6 Employer Transit Pass Credit not passed through to shareholders,
limited to the sum of lines 1 and 2 above (enclose Schedule ETP) **6** 0

7 Subtract line 6 from line 5 **7** 0

8 Minnesota Nongame Wildlife Fund donation (see instructions, pg. 4).
This will reduce your refund or increase your tax **8** 0

9 Add lines 7 and 8 **9** 0

10 Enterprise Zone Credit not passed through
to shareholders (enclose Schedule EPC) **10** 0

11 Estimated tax and/or extension payments made for 2016 **11** 0

Refund or Amount Due

12 Add lines 10 through 11 **12** 0

13 Tax due. If line 9 is more than line 12, subtract line 12 from line 9 **13** 0

14 Penalty (see instructions, pg. 5) **14** 0

15 Interest (see instructions, pg. 5) **15** 0

16 Additional charge for underpayment of estimated tax (attach Schedule EST) **16** 0

17 **AMOUNT DUE.** If you entered an amount on line 13, add lines 13 through 16 **17** 0

Payment method: Electronic (see inst., pg. 2), or Check (see inst., pg. 2)

Continued next page

S Corporation Return 2016 (continued)

Name of Corporation NATIONAL REAL ESTATE RECRUITING INC	Federal ID Number 20-0008994	Minnesota Tax ID 6486993
--	---------------------------------	-----------------------------

Round amount to nearest whole dollar

Refund or Amount Due	18 Overpayment. If line 12 is more than the sum of lines 9 and 16, subtract line 9 and line 16 from line 12	18	0
	19 Amount of line 18 to be credited to your 2017 estimated tax	19	0
	20 REFUND. Subtract line 19 from line 18	20	0
	21 To have your refund direct deposited, enter the following. Otherwise, you will receive a check.		
	Account type: Routing number Account number (use an account not associated with any foreign banks)	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="text"/> <input type="text"/>	

Signatures	Signature of Officer	Date	Daytime Phone	<input checked="" type="checkbox"/> I authorize the MN Dept. of Revenue to discuss this tax return with the person below.
	Print Name of Officer	Email address for correspondence, if desired		This email address belongs to:
	JERRY LINDEEN	04-25-2017	952-445-5970	<input type="checkbox"/> Employee <input type="checkbox"/> Paid Preparer <input type="checkbox"/> Other
Paid Preparer's Signature	Date	Daytime Phone	Preparer's PTIN	
	04-25-2017	763-786-4626	P00245979	

Include a complete copy of federal Form 1120S, Schedules K and K-1, and other federal schedules

Mail to: Minnesota S Corporation Income Tax, Mail Station 1770, St. Paul, MN 55145-1770

Apportionment and Minimum Fee 2016

All S corporations must complete M8A to determine its Minnesota source income and minimum fee. See M8A instructions beginning on page 7. Enclose a copy of your balance sheet.

		A In Minn.	B Total <small>(carry to 5 decimal places)</small>	C Factors (A ÷ B)		
Property and Payroll	Property					
	1 a	Average value of inventory	1a	0		
	b	Average value of buildings, machinery and other tangible property owned	1b	0		
	c	Average value of land owned	1c	0		
	d	Financial institutions only: Average intangible property owned	1d	0		
		Total average value of tangible property owned at original cost (add lines 1a-1d)	1	0		
	2	Capitalized rents paid by S corporation (gross rents paid x 8)	2	0		
	3	Add lines 1 and 2	3	0		
	Payroll					
	4	Total payroll, including officers' compensation	4	51674		
Sales/ Apportionment	Sales					
	5	Sales (including rents received) <small>(If line 5, column B is zero, see instructions, page 7.)</small>	5	144275	144275	1.00000
Minimum Fee	Minimum Fee Calculation					
	6	Total of lines 3, 4 and 5 in column A	6	195949		
	7	Adjustments (see instructions, page 8)	7	0	<small>(Identify pass-through entity and enclose schedule.)</small>	
	8	Combine lines 6 and 7	8	195949		
9	Minimum fee (determine using the amount on line 8 and the table below)	9	0	<small>Enter this amount on line 2 of your Form M8.</small>		

If line 9 of M8A is:	your minimum fee* is:
Less than \$970,000	\$0
\$970,000 to \$1,939,999	\$200
\$1,940,000 to \$9,689,999	\$580
\$9,690,000 to \$19,379,999	\$1,940
\$19,380,000 to \$38,769,999	\$3,880
\$38,770,000 or More	\$9,690

Shareholder's Share of Income, Credits and Modifications 2016

S corporation: Complete and provide Schedule KS to each nonresident shareholder and Minnesota shareholder who has adjustments to income.

Tax year beginning _____, 2016 and ending _____

Amended KS:

Table with 3 columns: Shareholder's Federal ID or Social Security Number, S Corporation's Federal ID Number, S Corporation's Minnesota Tax ID, etc.

Calculate lines 1-18 the same for all resident and nonresident shareholders. Calculate lines 19-33 for nonresident shareholders only. Round amounts to the nearest whole dollar.

Main table for modifications to federal taxable income with rows 1-14 and sub-rows 7a, 7b, 9a, 9b. Includes 'Form M1 filers, include on:' column.

Shareholder's Share of Income, Credits and Modifications 2016 (continued)

Shareholder's Name JERRY LINDEEN		Shareholder's Social Security Number 469-86-9242
S Corporation's Name NATIONAL REAL ESTATE RECRUITIN	S Corporation's Federal ID Number 20-0008994	S Corporation's Minnesota ID Number 6486993

Relating to Alternative Minimum Tax

All Shareholders

- 15 Intangible drilling costs **15** ■ _____ Lines 15-18 are used to compute M1MT, lines 6 and 7. See M1MT instructions for details.
- 16 Gross income from oil, gas and geothermal properties **16** ■ _____
- 17 Deductions allocable to oil, gas and geothermal properties **17** ■ _____
- 18 Depletion **18** ■ _____

Minnesota Portion of Amounts From Federal Schedule K-1 (1120S)

Nonresident Shareholders

- 19 Minnesota source gross income **19** ■ _____ information (see inst.)
- 20 Ordinary Minnesota source income (loss) from trade or business activities **20** ■ _____ M1NR, line 6, col B
- 21 Income (loss) from Minnesota rental real estate and other Minnesota rental activities **21** ■ _____ M1NR, line 6, col B
- 22 Interest income **22** ■ _____ M1NR, line 2, col B
- 23 Ordinary dividends **23** ■ _____ M1NR, line 2, col B
- 24 Royalties **24** ■ _____ M1NR, line 6, col B
- 25 Net Minnesota short-term capital gain (loss) **25** ■ _____ M1NR, line 4, col B
- 26 Net Minnesota long-term capital gain (loss) **26** ■ _____ M1NR, line 4, col B
- 27 Section 1231 Minnesota net gain (loss) **27** ■ _____ M1NR, line 4 or 8, col B
- 28 Other Minnesota income (loss). (Describe type of income or include separate sheet: _____) **28** ■ _____ M1NR, line 8, col B
- 29 Section 179 expense deduction apportionable to Minnesota **29** ■ _____ M1NR inst, line 6, col B
- 30 S corporation's Minnesota apportionment factor (line 5, column C of M8A) **30** ■ _____ information only

Composite Income Tax or Nonresident Withholding

- 31 Minnesota source distributive income (see instructions) **31** ■ _____ see instructions
- 32 Minnesota composite income tax paid by S corporation. If the shareholder elected composite income tax, mark an X in this box: . . . **32** ■ _____ composite income tax
- 33 Minnesota income tax withheld for nonresident shareholder not electing to file composite income tax. If the shareholder completed and signed a Form AWC, mark an X in this box: . . . **33** ■ _____ M1W, line 7, col C

S corporations: Include this schedule and copies of federal Schedules K and K-1 when you file your Form M8.
Shareholders: Include this schedule when you file your Minnesota Form M1.