

$$\begin{array}{r}
 (1,634,988 \text{ gross}) \\
 2017- \quad \text{depreciation} \quad 22,413 \\
 \quad \text{mtg.} \quad \underline{17,398}
 \end{array}$$

$$39,811 + 21,835 = \$61,646$$

$$\begin{array}{r}
 (1,571,975 \text{ gross}) \\
 2016 \quad 48,830 \\
 \quad \underline{19,938} \\
 68,774 + 30,696 = \$99,470
 \end{array}$$

$$\begin{array}{r}
 (1,641,207 \text{ gross}) \\
 2015 \quad 36,943 \\
 \quad \underline{19,119} \\
 56,062 + 20,117 = \underline{76,179}
 \end{array}$$

$$\text{NOI} \quad 3\text{y. avg} = \$79,098$$

$$\text{SALE PRICE @ CR } 10\% = \$800,000$$

$$\text{SALE PRICE} \times \text{CR} = \$79,098$$

$$\text{SALE PRICE} \div \text{NOI } (79,000) = \text{EBITDA multiple}$$

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2016

Attachment
Sequence No. **09**

► **Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.**
► **Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.**

Name of proprietor

MICHAEL J. FARRELL

Social security number (SSN)

008-58-9412

A Principal business or profession, including product or service (see instructions)

GROCERY STORE

B Enter code from instructions

► **445100**

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

M N ENTERPRISES LLC

D Employer ID number (EIN), (see instr.)

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

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

F Accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2016? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2016, check here ☐

I Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions) ☒ Yes ☐ No

J If 'Yes,' did you or will you file required Forms 1099? ☒ Yes ☐ No

Part I Income

1 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 <input type="checkbox"/>	1	1,571,975.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	1,571,975.
4 Cost of goods sold (from line 42)	4	1,288,435.
5 Gross profit. Subtract line 4 from line 3	5	283,540.
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	283,540.

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	16,589.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part II) (see instructions)	13	48,830.	21 Repairs and maintenance	21	4,905.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	4,634.	23 Taxes and licenses	23	46,782.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a	19,938.	a Travel	24a	
b Other	16b		b Deductible meals and entertainment (see instructions)	24b	
17 Legal and professional services	17	400.	25 Utilities	25	22,244.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	251,634.	26 Wages (less employment credits)	26	44,873.
29 Tentative profit or (loss). Subtract line 28 from line 7	29	31,906.	27a Other expenses (from line 48)	27a	42,439.
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30	1,210.	27b Reserved for future use	27b	
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 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.	31	30,696.			

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 line 31 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.

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2015

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor

MICHAEL J. FARRELL

Social security number (SSN)

008-58-9412

A Principal business or profession, including product or service (see instructions)

GROCERY STORE

B Enter code from instructions

► **445100**

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

M N ENTERPRISES LLC

D Employer ID number (EIN), (see instrs)

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

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

F Accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2015? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2015, check here ☐

I Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions) ☒ Yes ☐ No

J If 'Yes,' did you or will you file required Forms 1099? ☒ Yes ☐ No

Part I Income

1 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 <input type="checkbox"/>	1	1,641,207.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	1,641,207.
4 Cost of goods sold (from line 42)	4	1,379,656.
5 Gross profit. Subtract line 4 from line 3	5	261,551.
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	261,551.

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	22,688.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20 a	3,016.
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	36,943.	21 Repairs and maintenance	21	14,250.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	4,592.	23 Taxes and licenses	23	32,941.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16 a	19,119.	a Travel	24 a	
b Other	16 b		b Deductible meals and entertainment (see instructions)	24 b	
17 Legal and professional services	17	350.	25 Utilities	25	18,323.
			26 Wages (less employment credits)	26	44,162.
			27 a Other expenses (from line 48)	27 a	43,929.
			b Reserved for future use	27 b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28			28	240,313.
29 Tentative profit or (loss). Subtract line 28 from line 7	29			29	21,238.
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30	1,121.			
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 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.	31	20,117.			

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 line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.

• If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32 a ☐ All investment is at risk.

32 b ☐ Some investment is not at risk.

Part III	Cost of Goods Sold (see instructions)
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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	150,000.
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36	Purchases less cost of items withdrawn for personal use	36	1,330,704.
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37	Cost of labor. Do not include any amounts paid to yourself.....	37
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38	Materials and supplies	38
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39	Other costs.	39
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40	Add lines 35 through 39.....	40	1,480,704.
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41	Inventory at end of year.....	41	101,048.
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42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4.....	42	1,379,656.
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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) ▶

44 Of the total number of miles you drove your vehicle during 2015, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **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

47 a 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.
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SEE STATEMENT 1

48	Total other expenses. Enter here and on line 27a.	48	43,929.
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SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2017

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► Go to www.irs.gov/ScheduleC for instructions and the latest information.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor

MICHAEL J. FARRELL

Social security number (SSN)

008-58-9412

A Principal business or profession, including product or service (see instructions)

GROCERY STORE

B Enter code from instructions

► **445100**

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

M N ENTERPRISES LLC

D Employer ID number (EIN), (see instr.)

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

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

F Accounting method: **(1)** ☐ Cash **(2)** ☒ Accrual **(3)** ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2017? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2017, check here ☐

I Did you make any payments in 2017 that would require you to file Form(s) 1099? (see instructions) ☒ Yes ☐ No

J If 'Yes,' did you or will you file required Forms 1099? ☒ Yes ☐ No

Part I Income

1 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 <input type="checkbox"/>	1	1,634,988.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	1,634,988.
4 Cost of goods sold (from line 42)	4	1,391,998.
5 Gross profit. Subtract line 4 from line 3	5	242,990.
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	242,990.

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	12,823.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	3,031.
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	22,413.	21 Repairs and maintenance	21	4,683.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	6,394.	23 Taxes and licenses	23	46,004.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a	17,398.	a Travel	24a	
b Other	16b		b Deductible meals and entertainment (see instructions)	24b	
17 Legal and professional services	17	400.	25 Utilities	25	21,393.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28		26 Wages (less employment credits)	26	40,105.
29 Tentative profit or (loss). Subtract line 28 from line 7	29		27a Other expenses (from line 48)	27a	45,362.
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30	1,149.	27b Reserved for future use	27b	
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 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.	31	21,835.			
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 line 31 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 <input type="checkbox"/> All investment is at risk.		
			32b <input type="checkbox"/> Some investment is not at risk.		

Part III	Cost of Goods Sold (see instructions)
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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	101,480.
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36	Purchases less cost of items withdrawn for personal use	36	1,392,858.
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37	Cost of labor. Do not include any amounts paid to yourself	37
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38	Materials and supplies	38
----	------------------------------	----

39	Other costs.....	39
----	------------------	----

40	Add lines 35 through 39.....	40	1,494,338.
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41	Inventory at end of year.....	41	102,340.
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42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4.....	42	1,391,998.
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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) ▶

44 Of the total number of miles you drove your vehicle during 2017, enter the number of miles you used your vehicle for:

a Business **b** Commuting (see instructions) **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

47 a 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.

SEE STATEMENT 1

48	Total other expenses. Enter here and on line 27a.....	48	45,362.
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