

JOSE GUTIERREZ JR CPA LLC

3145 TERRACE AVENUE
Slidell, LA 70458
JOSEGU1999@AOL.COM
Phone: (985)781-1458 | Fax: (985)781-1458

May 25, 2019

Dammon Engineering Inc
554 Old Spanish Trail
Slidell, LA 70458-2923

Dammon Engineering Inc:

Enclosed is the 2018 Form 1120S, U.S. Income Tax Return for an S Corporation, prepared for Dammon Engineering 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 2018 Louisiana Income Tax return, prepared for Dammon Engineering Inc from the information provided. This return will be e-filed with the Louisiana taxing authority.

The corporation's Louisiana Income Tax return reflects a balance due of \$18.

Make this payment on or before December 16, 2019. Check the state's website for electronic payment options available. If not paying electronically, mail your payment to the following address:

Department of Revenue
State of Louisiana
P.O. Box 91011
Baton Rouge, LA 70821-9011
(Payable to LA Department of Revenue)

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, contact our office at (985) 781-1458.

Sincerely,



Jose Gutierrez
JOSE GUTIERREZ JR CPA LLC

**1120S TAX RETURN COMPARISON
2016 / 2017 / 2018**

2018

Name(s) as shown on return DAMMON ENGINEERING INC	Identifying number 72-1075648
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	2016 FEDERAL	2017 FEDERAL	2018 FEDERAL	DIFFERENCE BETWEEN 2017 & 2018
Income				
Net receipts	346,551	330,978	314,458	(16,520)
Cost of goods sold	43,603	34,957	25,170	(9,787)
Gross profit	302,948	296,021	289,288	(6,733)
Net gain/loss from 4797				
Other income	63,953	15,626	4,400	(11,226)
Total income	366,901	311,647	293,688	(17,959)
Deductions				
Compensation of officers	148,323	146,671	139,904	(6,767)
Salaries and wages	78,850	71,508	63,937	(7,571)
Repairs and maintenance	289	182	1,720	1,538
Bad debts				
Rents	28,213	6,000	6,000	
Taxes and licenses	31,507	18,885	18,309	(576)
Interest	14	214	189	(25)
Net depreciation	5,857	5,857	2,929	(2,928)
Depletion				
Advertising	2,072	1,855	565	(1,290)
Pension, profit-sharing				
Employee benefits	2,624	13,814	1,804	(12,010)
Other deductions	75,629	36,769	59,398	22,629
Total deductions	373,378	301,755	294,755	(7,000)
Ordinary business income(loss)	(6,477)	9,892	(1,067)	(10,959)
Tax				
Total tax				
Payments				
Estimated taxes paid				
Total payments line 23e				
Results				
Amount owed				
Overpayment				
Applied to estimate				
Refund				

SCHEDULE K - Shareholder's Share Items

	2016	2017	2018	DIFFERENCE
Income				
Ordinary business income (loss)	(6,477)	9,892	(1,067)	(10,959)
Net rental real estate income (loss)				
Other net rental income (loss)				
Interest income				
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)				

2016 2017 2018 DIFFERENCE

**1120S TAX RETURN COMPARISON
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2018

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	2016 FEDERAL	2017 FEDERAL	2018 FEDERAL	DIFFERENCE BETWEEN 2017 & 2018
Deductions				
Section 179 deduction			8,561	8,561
Contributions	1,434	1,157	1,631	474
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			1,270	1,270
Property distributions			5,455	5,455
Repayment of loans from shareholders				
Other information				
Investment income				
Investment expenses				
Dividend distributions paid from accum earnings and profits				

RESIDENT STATE	LA	LA	LA	DIFFERENCE
Taxable income				
Total tax	21	35	8	(27)
Overpayment				
Balance due	31	35	18	(17)
	2016	2017	2018	