

8:52 AM  
06/04/13  
Cash Basis

**Connecticut Childbirth & Women's Center**  
**Profit & Loss**  
January through December 2012

	<u>Jan - Dec 12</u>
Ordinary Income/Expense	
Income	
Fees	
Birthing Fees	448,354.69
Education Fees	339.70
Total Fees	<u>448,694.39</u>
Other Income	
Interest Income	58.64
Metabolic Screen receipts	5,205.00
Total Other Income	<u>5,263.64</u>
Total Income	453,958.03
Cost of Goods Sold	
Bounced Checks	300.00
Client Refunds	4,630.00
WHA Transfer	114,265.39
Total COGS	<u>119,195.39</u>
Gross Profit	334,762.64
Expense	
Advertising & Marketing	3,353.56
Bank Chrg	99.25
Insurance	
Malpractice	8,887.70
Prop & Casualty	1,429.00
Total Insurance	<u>10,316.70</u>
Interest	
Mortgage Interest	3,667.95
Total Interest	3,667.95
L&P Fees	2,127.00
Lab Fees	7,965.07
Laundry	12,750.00
Maintenance	7,896.23
Med Supplies	2,337.35
Medical Waste	80.51
Merchant Services	1,374.91
Nonemploy Comp	
Management	5,550.00
Nursing	96,113.06
Professional Consultation	35,150.00
Total Nonemploy Comp	<u>136,813.06</u>
Rent	60,000.00
Taxes	
State Corp Tax	250.00
Total Taxes	250.00
Utilities	
Gas & Electric	1,792.26
Total Utilities	<u>1,792.26</u>
Total Expense	<u>250,823.85</u>
Net Ordinary Income	83,938.79

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**Connecticut Childbirth & Women's Center**  
**Profit & Loss**  
January through December 2012

	<u>Jan - Dec 12</u>
Other Income/Expense	
Other Expense	
Depreciation Expense	4,976.00
Total Other Expense	<u>4,976.00</u>
Net Other Income	<u>-4,976.00</u>
Net Income	<u><u>78,962.79</u></u>

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06/04/13  
Cash Basis

**Connecticut Childbirth & Women's Center**  
**Balance Sheet**  
As of December 31, 2012

	Dec 31, 12
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Checking	
Chase Bank	18,646.61
Total Checking	18,646.61
Total Checking/Savings	18,646.61
Total Current Assets	18,646.61
Other Assets	
Depreciable Assets	116,741.00
Total Other Assets	116,741.00
<b>TOTAL ASSETS</b>	<b>135,387.61</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Long Term Liabilities	
Additional paid-in capital	0.01
Capital Stock	1,000.00
Construction Loan	72,127.51
Total Long Term Liabilities	73,127.52
Total Liabilities	73,127.52
Equity	
Retained Earnings	627,398.30
Shareholder Distributions	
Distributions to Blau	-200,650.00
Distributions to Whitcombe	-200,650.00
Total Shareholder Distributions	-401,300.00
Shareholder Equity	-242,801.00
Net Income	78,962.79
Total Equity	62,260.09
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>135,387.61</b>

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

For calendar year 2012 or tax year beginning , ending

Header section containing: A S election effective date (8/29/1996), B Business activity code number (621410), C Check if Sch. M-3 attached, D Employer identification number (06-1459264), E Date incorporated (8/29/1996), F Total assets (135,388), Name (Connecticut Childbirth Center Inc), Address (27 Hospital Avenue, Danbury, CT 06810).

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No (checked) 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 2

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with 27 rows. Columns include line numbers, descriptions (Income, Deductions, Tax and Payments), and amounts. Key values: 1a 453,899; 1b 119,195; 1c 334,704; 20 Total deductions 255,800; 21 Ordinary business income (loss) 78,963; 22c 0; 23d 0; 25 Amount owed 0; 26 Overpayment 0; 27 0.

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. Signature of officer: [Signature] Date: 2/1/2013 Title: Treasurer. May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

Preparer section: Print/Type preparer's name, Preparer's signature (SELF-PREPARED RETURN), Date, Check if self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone no., City, State, ZIP code.

Schedule B Other Information (see instructions)	Yes	No
1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____		
2 See the instructions and enter the: a Business activity <input type="checkbox"/> Medical Facility b Product or service <input type="checkbox"/> Maternity Services		
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?		X
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.		X

(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.		X
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(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 . . . . .		X
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 . . . . .		X
6 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .		X
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.	<input type="checkbox"/>	
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.		X
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 \$ _____		X
12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions . . . . .		X
13 a Did the corporation make any payments in 2012 that would require it to file Form(s) 1099? . . . . .	X	
b If "Yes," did the corporation file or will it file required Forms 1099? . . . . .	X	

<b>Schedule K Shareholders' Pro Rata Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	1 Ordinary business income (loss) (page 1, line 21)	1	78,963
	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	0
	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	
<b>Deductions</b>	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	
	11 Section 179 deduction (attach Form 4562)	11	
<b>Credits</b>	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	
	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)	13c	
<b>Foreign Transactions</b>	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
	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)			
<b>Alternative Minimum Tax (AMT) Items</b>	15a Post-1986 depreciation adjustment	15a	124
	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	
<b>Items Affecting Shareholder Basis</b>	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Distributions (attach statement if required) (see instructions)	16d	70,300
	e Repayment of loans from shareholders	16e	

Schedule K		Shareholders' Pro Rata Share Items (continued)	Total amount	
Other Information	17a	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	<b>Income/loss reconciliation.</b> 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	78,963

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)		
<b>Assets</b>							
1	Cash . . . . .		16,998		18,647		
2a	Trade notes and accounts receivable . . . . .						
b	Less allowance for bad debts . . . . .		0		0		
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 . . . . .	232,695		232,695			
b	Less accumulated depreciation . . . . .	110,978	121,717	115,954	116,741		
11a	Depletable assets . . . . .						
b	Less accumulated depletion . . . . .		0		0		
12	Land (net of any amortization) . . . . .						
13a	Intangible assets (amortizable only) . . . . .						
b	Less accumulated amortization . . . . .		0		0		
14	Other assets (attach statement) . . . . .						
15	<b>Total assets</b> . . . . .		138,715		135,388		
<b>Liabilities and Shareholders' Equity</b>							
16	Accounts payable . . . . .						
17	Mortgages, notes, bonds payable in less than 1 year . . . . .						
18	Other current liabilities (attach statement) . . . . .						
19	Loans from shareholders . . . . .						
20	Mortgages, notes, bonds payable in 1 year or more . . . . .		84,118		72,128		
21	Other liabilities (attach statement) . . . . .						
22	Capital stock . . . . .		1,000		1,000		
23	Additional paid-in capital . . . . .						
24	Retained earnings . . . . .		53,597		62,260		
25	Adjustments to shareholders' equity (attach statement) . . . . .						
26	Less cost of treasury stock . . . . .						
27	<b>Total liabilities and shareholders' equity</b> . . . . .		138,715		135,388		

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note. Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books . . . . .	78,963		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 \$ . . . . .	0
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14i (itemize):			6	Deductions included on Schedule K, lines 1 through 12 and 14i, not charged against book income this year (itemize):	
a	Depreciation \$ . . . . .			a	Depreciation \$ . . . . .	0
b	Travel and entertainment \$ . . . . .					
		0		7	Add lines 5 and 6 . . . . .	0
4	Add lines 1 through 3 . . . . .	78,963		8	Income (loss) (Schedule K, line 18). Line 4 less line 7 . . . . .	78,963

**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 . . . . .	53,597		
2	Ordinary income from page 1, line 21 . . . . .	78,963		
3	Other additions . . . . .			
4	Loss from page 1, line 21 . . . . .			
5	Other reductions . . . . .			
6	Combine lines 1 through 5 . . . . .	132,560	0	0
7	Distributions other than dividend distributions . . . . .	70,300		
8	Balance at end of tax year. Subtract line 7 from line 6 . . . . .	62,260	0	0



**K-1 Statement (Sch K-1, Form 1120S)**

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**Line 15 - AMT Items**

A Code A - Post-1986 depreciation adjustment . . . . . A 62

**Line 16 - Items affecting shareholder basis**

D Code D - Distributions . . . . . D 35,150

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Final K-1  Amended K-1

Schedule K-1 (Form 1120S)

Department of the Treasury Internal Revenue Service

2012

For calendar year 2012, or tax year beginning \_\_\_\_\_, 2012 ending \_\_\_\_\_, 20\_\_\_\_\_

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

Part I Information About the Corporation

A Corporation's employer identification number 06-1459264
B Corporation's name, address, city, state, and ZIP code Connecticut Childbirth Center Inc 27 Hospital Avenue Danbury CT 06810
C IRS Center where corporation filed return Cincinnati, OH 45999-0013

Part II Information About the Shareholder

D Shareholder's identifying number Shareholder: 2 583-90-4598
E Shareholder's name, address, city, state, and ZIP code Patricia E Whitcombe 27 Hospital Avenue Danbury, CT 06810
F Shareholder's percentage of stock ownership for tax year 50.000000%

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Amount, and Other information. Rows include Ordinary business income (loss) 39,482, Net rental real estate income (loss), Other net rental income (loss), Interest income, Ordinary dividends, Qualified dividends 14, Foreign transactions, 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) 15, Alternative minimum tax (AMT) items 62, Section 179 deduction 16, Items affecting shareholder basis 35,150, Other deductions, and Other information 17.

\* See attached statement for additional information.

For IRS Use Only

**K-1 Statement (Sch K-1, Form 1120S)**

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**Line 15 - AMT Items**

A Code A - Post-1986 depreciation adjustment . . . . . A 62

**Line 16 - Items affecting shareholder basis**

D Code D - Distributions . . . . . D 35,150

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# Cost of Goods Sold

(Rev. December 2012)

OMB No. 1545-2225

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.  
▶ Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).

Name: **Connecticut Childbirth Center Inc** Employer identification number: **06-1459264**

<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b>	
<b>2</b>	Purchases . . . . .	<b>2</b>	
<b>3</b>	Cost of labor . . . . .	<b>3</b>	
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	<b>4</b>	
<b>5</b>	Other costs (attach schedule) . . . . .	<b>5</b>	
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b>	0
<b>7</b>	Inventory at end of year . . . . .	<b>7</b>	
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions) . . . . .	<b>8</b>	0

**9 a** Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market
- (iii)  Other (Specify method used and attach explanation.) ▶ \_\_\_\_\_

**b** Check if there was a writedown of subnormal goods . . . . . ▶

**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ▶

**d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . . . **9d** | \_\_\_\_\_ |

**e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)? . . .  Yes  No

**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . .  Yes  No

## Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.      ▶ Attach to your tax return.

Name(s) shown on return Connecticut Childbirth Center Inc	Business or activity to which this form relates 1120S - Medical Facility	Identifying number 06-1459264
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**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	0
<b>6</b>		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10 Carryover of disallowed deduction from line 13 of your 2011 Form 4562.	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0
13 Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12	▶ 13	0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

<b>Section A</b>		
17 MACRS deductions for assets placed in service in tax years beginning before 2012	17	4,976
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

**Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
14 g 25-year property			25 yrs.		S/L	
15 h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

**Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System**

20 a Class life					S/L
b 12-year			12 yrs.		S/L
c 40-year			40 yrs.	MM	S/L

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	4,976
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	▶ 23	

For Paperwork Reduction Act Notice, see separate instructions.

**Line 5 (1120S) - Other Income (Loss)**

1 Section 481(a) adjustments due to a change in a method of accounting:		Amount	
	Description		
	Interest Income	59	
	Total Section 481(a) adjustments		1 59
2	Total other income (loss)		2 59

**Line 19 (1120S) - Other Deductions**

1	Bank charges	1,474	1
2	Laboratory fees	7,965	2
3	Medical supplies	2,337	3
4	Medical Waste	81	4
5	Corporate tax	250	5
6	Insurance	10,317	6
7	Laundry and cleaning	12,750	7
8	Legal and professional fees	2,127	8
9	Utilities	1,792	9
10	Total other deductions	39,093	10

**Line 8 (1120S) - Salaries and Wages**

1	Salaries	1	40,700	
2	Wages	2	96,113	
3		3		
4	Total salaries and wages			4 136,813
	Salaries and wages reported elsewhere on return:			
5	Amounts included in Cost of Goods Sold	5	0	
6	Elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reductions SEP agreement or a SIMPLE IRA plan	6		
7	Total salaries and wages reported elsewhere on return			7 0
	Less employment credits:			
8	From Form 5884 - Work Opportunity Credit	8	0	
9	From Form 8844 - Empowerment Zone Employment Credit	9	0	
10	From Form 8845 - Indian Employment Credit	10	0	
11		11		
12		12		
13		13		
14	Total employment credits			14 0
15	Reduction of expenses for offsetting credits			15
16	Total salaries and wages less employment credits and expense reductions			16 136,813

**Line 14 (1120S) - Depreciation**

1	Depreciation	1	4,976	
2	Depreciation claimed on 1125-A and elsewhere on return	2	0	
3	Depreciation not claimed on 1125-A and elsewhere on return	3	4,976	

**Sch L (1120S) - Balance Sheets per Books**

<b>Assets</b>		Beginning	Ending
1	Cash	16,998	18,647
2a	Trade notes and accounts receivable		
2b	Less allowance for bad debts		
2c	Net trade notes and accounts receivable	0	0
3	Inventories	0	0
4	U.S. government obligations		
5	Tax-exempt securities		
6	Other current assets	0	0
7	Loans to shareholders		
8	Mortgage and real estate loans		
9	Other investments	0	0
10a	Buildings and other depreciable assets	232,695	232,695
10b	Less accumulated depreciation	110,978	115,954
10c	Net buildings and other depreciable assets	121,717	116,741
11a	Depletable assets		
11b	Less accumulated depletion		
11c	Net depletable assets	0	0
12	Land (net of any amortization)	0	0
13a	Intangible assets (amortizable only)	0	0
13b	Less accumulated amortization	0	0
13c	Net intangible assets	0	0
14	Other assets	0	0
15	<b>Total assets</b>	<b>138,715</b>	<b>135,388</b>
<b>Liabilities and Capital</b>			
16	Accounts payable		
17	Mortgages, notes, bonds payable in less than 1 year		
18	Other current liabilities	0	0
19	Loans from shareholders		
20	Mortgages, notes, bonds payable in 1 year or more	84,118	72,128
21	Other liabilities	0	0
22	Capital stock	1,000	1,000
23	Additional paid-in capital		
24	Retained earnings	53,597	62,260
25	Adjustments to shareholders' equity	0	0
26	Less cost of treasury stock		
27	<b>Total liabilities and shareholders' equity</b>	<b>138,715</b>	<b>135,388</b>
<b>End of year balance sheet out of balance by</b>			<b>0</b>

## Sch M-2 (1120S) - Retained Earnings

	Accumulated Adjustments Account	Other Adjustments Account	Shareholders' Undistributed Taxable Income Previously Taxed	Retained Earnings Unappropriated/ Timing Differences	Total Retained Earnings
1 Balance at beginning of tax year	1 53,597				53,597
2 Income from page 1, line 21	2 78,963				78,963
3 Other additions	3 0	0			0
4 Loss from page 1, line 21	4 0				0
5 Other reductions	5 0	0			0
6 Combine lines 1 through 5	6 132,560	0	0	0	132,560
7 Distributions	7 70,300	0	0		70,300
8 Balance at end of tax year	8 62,260	0	0	0	62,260