

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A
File with
Form 1120S

Part I Income

	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) (If line 1 is a loss, see instruction C for deductible amount.)		Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax)	56	Schedule D, Part II
(b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)		See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D)		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)		

Part II Interest on Investment Indebtedness

		Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69		line 1
(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69		line 15
(c) Interest on investment indebtedness incurred after 9-10-75		line 5
2 Net investment income or (loss)		line 2 or 10
3 Excess expenses from "net lease property"		lines 11 and 19
4 Net capital gain attributable to investment property		line 20

Part III Items of Tax Preference (See Instructions)

		Form 4625 references
1 Accelerated depreciation on real property:		
(a) Low-income rental housing (section 167(k))		line 1(a)(1)
(b) Other real property that is nonrecovery property or 15-year real property		line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3 Amortization: (a) Certified pollution control facilities		line 1(c)
(b) Railroad rolling stock		line 1(d)
(c) On-the-job training facilities		line 1(e)
(d) Child care facilities		line 1(f)
4 Reserves for losses on bad debts of financial institutions		line 1(g)
5 Depletion		line 1(i)
6 Intangible drilling costs		line 1(j)
7 Net capital gain (after tax) (see General Instruction A)		

Part IV Property Eligible for Investment Credit

		Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year	line 1(a)
	(b) Other	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year	line 1(c)
	(d) Other	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years	line 3(a)
	(f) 5 or more but less than 7 years	line 3(b)
	(g) 7 or more years	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years	line 3(d)
	(i) 5 or more but less than 7 years	line 3(e)
	(j) 7 or more years	line 3(f)
New commuter highway vehicle		line 5
Used commuter highway vehicle		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line)		

Part V Jobs Credit

1 Jobs credit	Form 5884
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Part VI Other Shareholder Information

4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)	3. Stock ownership		
			Number of shares	Period held	
			Date acquired	Date of disposition	
NONE	PART	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604	6,750	8/30/72	
			87-0293951		

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A
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Form 1120S

Part I Income		(a) Amount	(b) Form 1040 references; for Form 1041, see instruction A.
1	Undistributed taxable income—ordinary income or (loss)		Schedule E, Part II
	(If line 1 is a loss, see instruction C for deductible amount.)		
2	(a) Undistributed taxable income—net long-term capital gain (after tax)	50	Schedule D, Part II
	(b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)		See Schedule D, Part IV
3	Shareholder's share of losses from section 465 activities (see instruction D)		
4	Amount of loan repayments for "Loans from Shareholders." (See instruction E.)		
Part II Interest on Investment Indebtedness			Form 4952 references
1	(a) Interest on investment indebtedness incurred before 12-17-69		line 1
	(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69		line 15
	(c) Interest on investment indebtedness incurred after 9-10-75		line 5
2	Net investment income or (loss)		line 2 or 10
3	Excess expenses from "net lease property"		lines 11 and 19
4	Net capital gain attributable to investment property		line 20
Part III Items of Tax Preference (See Instructions)			Form 4625 references
1	Accelerated depreciation on real property:		
	(a) Low-income rental housing (section 167(k))		line 1(a)(1)
	(b) Other real property that is nonrecovery property or 15-year real property		line 1(a)(2)
2	Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3	Amortization: (a) Certified pollution control facilities		line 1(c)
	(b) Railroad rolling stock		line 1(d)
	(c) On-the-job training facilities		line 1(e)
	(d) Child care facilities		line 1(f)
4	Reserves for losses on bad debts of financial institutions		line 1(g)
5	Depletion		line 1(i)
6	Intangible drilling costs		line 1(j)
7	Net capital gain (after tax) (see General Instruction A)		
Part IV Property Eligible for Investment Credit			Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year		line 1(a)
	(b) Other		line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year		line 1(c)
	(d) Other		line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years		line 3(a)
	(f) 5 or more but less than 7 years		line 3(b)
	(g) 7 or more years		line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years		line 3(d)
	(i) 5 or more but less than 7 years		line 3(e)
	(j) 7 or more years		line 3(f)
New commuter highway vehicle			line 5
Used commuter highway vehicle			line 6
Qualified rehabilitation expenditures (enter on Form 3468, line)			
Part V Jobs Credit			Form 5884
1 Jobs credit			
Part VI Other Shareholder Information			

1. Name and address of shareholder		2. Social security number	3. Stock ownership		
			Number of shares	Period held	
				Date acquired	Date of disposition
Ida Rose Hall 1711 No. Lambert Lane, Provo, Utah 84604		529-10-1716	6,000	8/30/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)			
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604			
87-0293951					

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

**Shareholder's Share of Undistributed Taxable
Income, etc.—1981** For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A
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Form 1120S

Part I Income

- 1 Undistributed taxable income—ordinary income or (loss)
(If line 1 is a loss, see instruction C for deductible amount.)
- 2 (a) Undistributed taxable income—net long-term capital gain (after tax)
(b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)
- 3 Shareholder's share of losses from section 465 activities (see instruction D)
- 4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)

(a) Amount	(b) Form 1040 references; for Form 1041, see instruction A.
	Schedule E, Part II
14	Schedule D, Part II
	See Schedule D, Part IV

Part II Interest on Investment Indebtedness

- 1 (a) Interest on investment indebtedness incurred before 12-17-69
(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69
(c) Interest on investment indebtedness incurred after 9-10-75
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Form 4952 references
line 1
line 15
line 5
line 2 or 10
lines 11 and 19
line 20

Part III Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on real property:
 - (a) Low-income rental housing (section 167(k))
 - (b) Other real property that is nonrecovery property or 15-year real property
- 2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property
- 3 Amortization: (a) Certified pollution control facilities
(b) Railroad rolling stock
(c) On-the-job training facilities
(d) Child care facilities
- 4 Reserves for losses on bad debts of financial institutions
- 5 Depletion
- 6 Intangible drilling costs
- 7 Net capital gain (after tax) (see General Instruction A)

Form 4625 references
line 1(a)(1)
line 1(a)(2)
line 1(b)
line 1(c)
line 1(d)
line 1(e)
line 1(f)
line 1(g)
line 1(i)
line 1(j)

Part IV Property Eligible for Investment Credit

- | | (a) 3-Year | (b) Other |
|---|-------------------------------------|-------------------------------------|
| Unadjusted basis of new recovery property | | |
| Unadjusted basis of used recovery property | (c) 3-Year | (d) Other |
| Basis of new nonrecovery property | (e) 3 or more but less than 5 years | (f) 5 or more but less than 7 years |
| | (g) 7 or more years | (h) 3 or more but less than 5 years |
| | (i) 5 or more but less than 7 years | (j) 7 or more years |
| Cost of used nonrecovery property | | |
| New commuter highway vehicle | | |
| Used commuter highway vehicle | | |
| Qualified rehabilitation expenditures (enter on Form 3468, line) | | |

Form 3468 references
line 1(a)
line 1(b)
line 1(c)
line 1(d)
line 3(a)
line 3(b)
line 3(c)
line 3(d)
line 3(e)
line 3(f)
line 5
line 6

Part V Jobs Credit

- 1 Jobs credit

Form 5884

Part VI Other Shareholder Information

1. Name and address of shareholder	2. Social security number	3. Stock ownership	
		Number of shares	Period held Date acquired Date of disposition
Daniel Bartholomew 80 Greenridge Ave., White Plains, NY	529-56-9730	1,750	9/3/72
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)	
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604	

87-0293951

SCHEDULE K-1
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Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

For calendar year 1981 or other tax year
beginning September 1, 1981, ending August 31, 19 82
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A
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Form 1120S

Part I Income	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) (If line 1 is a loss, see instruction C for deductible amount.)	14	Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)		Schedule D, Part II
3 Shareholder's share of losses from section 465 activities (see instruction D)		See Schedule D, Part IV
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)		

Part II Interest on Investment Indebtedness	Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 (c) Interest on investment indebtedness incurred after 9-10-75	line 1 line 15 line 5
2 Net investment income or (loss)	line 2 or 10
3 Excess expenses from "net lease property"	lines 11 and 19
4 Net capital gain attributable to investment property	line 20

Part III Items of Tax Preference (See Instructions)	Form 4625 references
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) (b) Other real property that is nonrecovery property or 15-year real property	line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property	line 1(b)
3 Amortization: (a) Certified pollution control facilities (b) Railroad rolling stock (c) On-the-job training facilities (d) Child care facilities	line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions	line 1(g)
5 Depletion	line 1(i)
6 Intangible drilling costs	line 1(j)
7 Net capital gain (after tax) (see General Instruction A)	

Part IV Property Eligible for Investment Credit	Form 3468 references
Unadjusted basis of new recovery property	line 1(a)
(a) 3-Year	line 1(b)
(b) Other	line 1(c)
Unadjusted basis of used recovery property	line 1(d)
(c) 3-Year	line 3(a)
(d) Other	line 3(b)
Basis of new nonrecovery property	line 3(c)
(e) 3 or more but less than 5 years	line 3(d)
(f) 5 or more but less than 7 years	line 3(e)
(g) 7 or more years	line 3(f)
Cost of used nonrecovery property	line 5
(h) 3 or more but less than 5 years	line 6
(i) 5 or more but less than 7 years	
(j) 7 or more years	
New commuter highway vehicle	
Used commuter highway vehicle	
Qualified rehabilitation expenditures (enter on Form 3468, line)	

Part V Jobs Credit	Form 5884
1 Jobs credit	

Part VI Other Shareholder Information		1. Name and address of shareholder			2. Social security number		3. Stock ownership		
						Number of shares			
						Period held			
						Date acquired			
						Date of disposition			
		H. Tracy Hall, Jr. 634 No. 550 East, Orem, Utah 84057		528-66-3544		1,750			
						9/3/72			
4. Compensation		5. Percentage of time devoted to business		6. Corporation's name, identifying number, and address (including ZIP code)		87-0293951			
NONE		NONE		H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604					

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Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

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(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A
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Form 1120S

Part I Income

	(a) Amount	(b) Form 1049 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) (If line 1 is a loss, see instruction C for deductible amount.)		Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)	14	Schedule D, Part II See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D)		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)		

Part II Interest on Investment Indebtedness

	(a) Amount	Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 (c) Interest on investment indebtedness incurred after 9-10-75		line 1 line 15 line 5
2 Net investment income or (loss)		line 2 or 10
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Part III Items of Tax Preference (See Instructions)

	(a) Amount	Form 4625 references
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) (b) Other real property that is nonrecovery property or 15-year real property		line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3 Amortization: (a) Certified pollution control facilities (b) Railroad rolling stock (c) On-the-job training facilities (d) Child care facilities		line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions		line 1(g)
5 Depletion		line 1(i)
6 Intangible drilling costs		line 1(j)
7 Net capital gain (after tax) (see General Instruction A)		

Part IV Property Eligible for Investment Credit

	(a) Amount	Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year	line 1(a)
	(b) Other	line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year	line 1(c)
	(d) Other	line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years	line 3(a)
	(f) 5 or more but less than 7 years	line 3(b)
	(g) 7 or more years	line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years	line 3(d)
	(i) 5 or more but less than 7 years	line 3(e)
	(j) 7 or more years	line 3(f)
New commuter highway vehicle		line 5
Used commuter highway vehicle		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line)		

Part V Jobs Credit

1 Jobs credit	Form 5884
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Part VI Other Shareholder Information

	1. Name and address of shareholder	2. Social security number	3. Stock ownership	
			Number of shares	Period held Date acquired Date of disposition
	David R. Hall 738 E. 2680 No., Provo, Utah 84604	528-66-4787	1,750	9/3/72
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)		
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604 87-0293951		

SCHEDULE K-1
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Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

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Part I Income

- 1 Undistributed taxable income—ordinary income or (loss)
(If line 1 is a loss, see instruction C for deductible amount.)
- 2 (a) Undistributed taxable income—net long-term capital gain (after tax)
(b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)
- 3 Shareholder's share of losses from section 465 activities (see instruction D)
- 4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)

(a) Amount

(b) Form 1040 references; for Form 1041, see Instruction A.

Schedule E, Part II

14

Schedule D, Part II

See Schedule D, Part IV

Part II Interest on Investment Indebtedness

- 1 (a) Interest on investment indebtedness incurred before 12-17-69
(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69
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- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Form 4952 references

line 1

line 15

line 5

line 2 or 10

lines 11 and 19

line 20

Part III Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on real property:
 - (a) Low-income rental housing (section 167(k))
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- 3 Amortization: (a) Certified pollution control facilities
(b) Railroad rolling stock
(c) On-the-job training facilities
(d) Child care facilities
- 4 Reserves for losses on bad debts of financial institutions
- 5 Depletion
- 6 Intangible drilling costs
- 7 Net capital gain (after tax) (see General Instruction A)

Form 4625 references

line 1(a)(1)

line 1(a)(2)

line 1(b)

line 1(c)

line 1(d)

line 1(e)

line 1(f)

line 1(g)

line 1(i)

line 1(j)

Part IV Property Eligible for Investment Credit

- Unadjusted basis of new recovery property
 - (a) 3-Year
 - (b) Other
- Unadjusted basis of used recovery property
 - (c) 3-Year
 - (d) Other
- Basis of new nonrecovery property
 - (e) 3 or more but less than 5 years
 - (f) 5 or more but less than 7 years
 - (g) 7 or more years
- Cost of used nonrecovery property
 - (h) 3 or more but less than 5 years
 - (i) 5 or more but less than 7 years
 - (j) 7 or more years
- New commuter highway vehicle
- Used commuter highway vehicle
- Qualified rehabilitation expenditures (enter on Form 3468, line)

Form 3468 references

line 1(a)

line 1(b)

line 1(c)

line 1(d)

line 3(a)

line 3(b)

line 3(c)

line 3(d)

line 3(e)

line 3(f)

line 5

line 6

Part V Jobs Credit

- 1 Jobs credit

Form 5884

Part VI Other Shareholder Information

1. Name and address of shareholder J. Martin Neel 10408 Bonny Drive, Cupertino, CA 95014		2. Social security number 529-66-7245	3. Stock ownership	
			Number of shares 1,750	Period held Date acquired: 9/3/72 Date of disposition:
4. Compensation NONE	5. Percentage of time devoted to business NONE	6. Corporation's name, identifying number, and address (including ZIP code) H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604 87-0293951		

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

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Part I Income	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) (If line 1 is a loss, see instruction C for deductible amount.)		Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)	15	Schedule D, Part II See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D)		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)		

Part II Interest on Investment Indebtedness	Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 (c) Interest on investment indebtedness incurred after 9-10-75	line 1 line 15 line 5
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Part III Items of Tax Preference (See Instructions)	Form 4625 references
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) (b) Other real property that is nonrecovery property or 15-year real property	line 1(a)(1) line 1(a)(2)
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3 Amortization: (a) Certified pollution control facilities (b) Railroad rolling stock (c) On-the-job training facilities (d) Child care facilities	line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions	line 1(g)
5 Depletion	line 1(i)
6 Intangible drilling costs	line 1(j)
7 Net capital gain (after tax) (see General Instruction A)	

Part IV Property Eligible for Investment Credit	Form 3468 references
Unadjusted basis of new recovery property (a) 3-Year (b) Other	line 1(a) line 1(b)
Unadjusted basis of used recovery property (c) 3-Year (d) Other	line 1(c) line 1(d)
Basis of new nonrecovery property (e) 3 or more but less than 5 years (f) 5 or more but less than 7 years (g) 7 or more years	line 3(a) line 3(b) line 3(c)
Cost of used nonrecovery property (h) 3 or more but less than 5 years (i) 5 or more but less than 7 years (j) 7 or more years	line 3(d) line 3(e) line 3(f)
New commuter highway vehicle	line 5
Used commuter highway vehicle	line 6
Qualified rehabilitation expenditures (enter on Form 3468, line)	

Part V Jobs Credit	Form 5884
1 Jobs credit	

Part VI Other Shareholder Information		1. Name and address of shareholder		2. Social security number	3. Stock ownership		
4. Compensation	5. Percentage of time devoted to business				Number of shares	Period held	
						Date acquired	Date of disposition
NONE	NONE	Virginia Wood 3804 No. 18th, Arlington, Virginia		528-78-8080	1,750	9/3/72	
		6. Corporation's name, identifying number, and address (including ZIP code)		87-0293951			
		H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604					

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Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

For calendar year 1981 or other tax year

beginning September 1, 1981, ending August 31, 1982

(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

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Part I Income

- 1 Undistributed taxable income—ordinary income or (loss)
(If line 1 is a loss, see instruction C for deductible amount.)
- 2 (a) Undistributed taxable income—net long-term capital gain (after tax)
(b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)
- 3 Shareholder's share of losses from section 465 activities (see instruction D)
- 4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)

(a) Amount

(b) Form 1040 references; for Form 1041, see instruction A.

Schedule E, Part II

15

Schedule D, Part II

See Schedule D, Part IV

Part II Interest on Investment Indebtedness

- 1 (a) Interest on investment indebtedness incurred before 12-17-69
(b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69
(c) Interest on investment indebtedness incurred after 9-10-75
- 2 Net investment income or (loss)
- 3 Excess expenses from "net lease property"
- 4 Net capital gain attributable to investment property

Form 4952 references

line 1

line 15

line 5

line 2 or 10

lines 11 and 19

line 20

Part III Items of Tax Preference (See Instructions)

- 1 Accelerated depreciation on real property:
(a) Low-income rental housing (section 167(k))
(b) Other real property that is nonrecovery property or 15-year real property
- 2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property
- 3 Amortization: (a) Certified pollution control facilities
(b) Railroad rolling stock
(c) On-the-job training facilities
(d) Child care facilities
- 4 Reserves for losses on bad debts of financial institutions
- 5 Depletion
- 6 Intangible drilling costs
- 7 Net capital gain (after tax) (see General Instruction A)

Form 4625 references

line 1(a)(1)

line 1(a)(2)

line 1(b)

line 1(c)

line 1(d)

line 1(e)

line 1(f)

line 1(g)

line 1(i)

line 1(j)

Part IV Property Eligible for Investment Credit

- Unadjusted basis of new recovery property
 - (a) 3-Year
 - (b) Other
- Unadjusted basis of used recovery property
 - (c) 3-Year
 - (d) Other
- Basis of new nonrecovery property
 - (e) 3 or more but less than 5 years
 - (f) 5 or more but less than 7 years
 - (g) 7 or more years
- Cost of used nonrecovery property
 - (h) 3 or more but less than 5 years
 - (i) 5 or more but less than 7 years
 - (j) 7 or more years
- New commuter highway vehicle
- Used commuter highway vehicle
- Qualified rehabilitation expenditures (enter on Form 3468, line)

Form 3468 references

line 1(a)

line 1(b)

line 1(c)

line 1(d)

line 3(a)

line 3(b)

line 3(c)

line 3(d)

line 3(e)

line 3(f)

line 5

line 6

Part V Jobs Credit

- 1 Jobs credit

Form 5884

Part VI Other Shareholder Information

1. Name and address of shareholder		2. Social security number	3. Stock ownership		
			Number of shares	Period held	
				Date acquired	Date of disposition
Charlotte Weight Rt. 1, Box 1340, Springville, AZ 85938		528-80-8152	1,750	9/3/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)			
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604			
		87-0293951			

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Undistributed Taxable Income, etc.—1981

For calendar year 1981 or other tax year
beginning September 1, 1981, ending August 31, 1982
(Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

OMB No. 1545-0130

Copy A
File with
Form 1120S

Part I Income	(a) Amount	(b) Form 1040 references; for Form 1041, see Instruction A.
1 Undistributed taxable income—ordinary income or (loss) (If line 1 is a loss, see instruction C for deductible amount.)		Schedule E, Part II
2 (a) Undistributed taxable income—net long-term capital gain (after tax) (b) Portion of line 2(a) attributable to transactions after 6-9-81 (after tax)	15	Schedule D, Part II See Schedule D, Part IV
3 Shareholder's share of losses from section 465 activities (see instruction D)		
4 Amount of loan repayments for "Loans from Shareholders." (See instruction E.)		

Part II Interest on Investment Indebtedness	(a) Amount	Form 4952 references
1 (a) Interest on investment indebtedness incurred before 12-17-69 (b) Interest on investment indebtedness incurred before 9-11-75 but after 12-16-69 (c) Interest on investment indebtedness incurred after 9-10-75		line 1 line 15 line 5
2 Net investment income or (loss)		line 2 or 10
3 Excess expenses from "net lease property"		lines 11 and 19
4 Net capital gain attributable to investment property		line 20

Part III Items of Tax Preference (See Instructions)	(a) Amount	Form 4625 references
1 Accelerated depreciation on real property: (a) Low-income rental housing (section 167(k)) (b) Other real property that is nonrecovery property or 15-year real property		line 1(a)(1) line 1(a)(2)
2 Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property		line 1(b)
3 Amortization: (a) Certified pollution control facilities (b) Railroad rolling stock (c) On-the-job training facilities (d) Child care facilities		line 1(c) line 1(d) line 1(e) line 1(f)
4 Reserves for losses on bad debts of financial institutions		line 1(g)
5 Depletion		line 1(i)
6 Intangible drilling costs		line 1(j)
7 Net capital gain (after tax) (see General Instruction A)		

Part IV Property Eligible for Investment Credit	(a) Amount	Form 3468 references
Unadjusted basis of new recovery property	(a) 3-Year (b) Other	line 1(a) line 1(b)
Unadjusted basis of used recovery property	(c) 3-Year (d) Other	line 1(c) line 1(d)
Basis of new nonrecovery property	(e) 3 or more but less than 5 years (f) 5 or more but less than 7 years (g) 7 or more years	line 3(a) line 3(b) line 3(c)
Cost of used nonrecovery property	(h) 3 or more but less than 5 years (i) 5 or more but less than 7 years (j) 7 or more years	line 3(d) line 3(e) line 3(f)
New commuter highway vehicle		line 5
Used commuter highway vehicle		line 6
Qualified rehabilitation expenditures (enter on Form 3468, line)		

Part V Jobs Credit	(a) Amount	Form 5884
1 Jobs credit		

Part VI Other Shareholder Information		3. Stock ownership			
1. Name and address of shareholder		2. Social security number	Number of shares	Period held	
				Date acquired	Date of disposition
Nancy Mecham 1041 W. 600 S., Orem, Utah 84057		529-94-9795	1,750	9/3/72	
4. Compensation	5. Percentage of time devoted to business	6. Corporation's name, identifying number, and address (including ZIP code)			
NONE	NONE	H. Tracy Hall, Inc. 1190 Columbia Lane Provo, Utah 84604			
		87-0293951			

H. TRACY HALL, INC.

87-0293951

SCHEDULE OF OTHER DEDUCTIONS

Year ended August 31, 1982

Supplies	\$1,894
Utilities	814
Professional fees	265
Insurance	400
Bank service charge	14
Miscellaneous	<u>7</u>
	<u>\$3,394</u>

**SCHEDULE D
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to your tax return.

▶ For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

OMB No. 1545-0130

1981

Name H. Tracy Hall, Inc. Employer identification number 87-0293951

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis	f. Gain or (loss) (d less e)
1					
2 Short-term capital gain from installment sales from Form 6252, line 19 or 27					2
3 Unused capital loss carryover (attach computation)					3
4 Net short-term capital gain or (loss) (combine lines 1, 2, and 3)					4

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

5 Enter section 1231 gain from line 5(a)(1), Form 4797	5	40,716
6		
7 Long-term capital gain from installment sales from Form 6252, line 19 or 27	7	
8 Net long-term capital gain or (loss) (combine lines 5, 6, and 7)	8	40,716

Part III Summary of Schedule D Gains and Losses

9 Excess of net short-term capital gain (line 4) over net long-term capital loss (line 8). Enter here and on Form 1120S, page 1, line 9a	9	
10 Net capital gain—Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4). Enter here and on Form 1120S, page 1, line 9b	10	40,716

Part IV Tax Computation (See Instructions)

11 Taxable income (Form 1120S, page 1, line 28)	11	
12 Enter tax on line 11 amount as computed in the instructions for line 12	12	
13 Net capital gain from line 10 above	13	
14 \$25,000 (statutory minimum)	14	\$25,000
15 Subtract line 14 from line 13	15	
16 Enter 28% of line 15	16	
17 Income tax on capital gains—Enter the smaller of line 12 or line 16	17	
18 Minimum tax (see instructions—attach Form 4626)	18	
19 Total tax—Add lines 17 and 18. Enter here and on Form 1120S, page 1, line 29	19	

Instructions

(References are to the Internal Revenue Code.)

Purpose

Schedule D should be used by corporations to report sales or exchanges of capital assets. Sales or exchanges of property other than capital assets, including property used in a trade or business, involuntary conversions (other than casualties or thefts), and gain from the disposition of interest in oil, gas, or geothermal property, should be reported on Form 4797. See the instructions for Form 4797 for more information.

If property is involuntarily converted because of a casualty or theft, use Form 4684, Casualties and Thefts.

Note: If capital assets of the corporation were sold or exchanged after June 9, 1981, see the Instruction for Line 9b of Schedule K of Form 1120S before completing Parts I, II, and III.

Parts I and II

Generally, you should report sales and exchanges even though there is no gain or loss. In Part I report the sale or exchange of capital assets held one year or less. In Part II report the sale or exchange of capital assets held more than one year.

What are Capital Assets.—Each item of property held by a corporation (whether or not connected with its trade or business) is a capital asset except:

1. Assets that can be inventoried or property held mainly for sale to customers.
2. Depreciable or real property used in the trade or business.
3. Certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property.
4. Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in 1, above.

5. Certain short-term Federal, State, and municipal obligations acquired before June 24, 1981. (See section 1232(a)(4) for treatment after June 23, 1981.)

6. A U.S. Government publication (including the Congressional Record), received from the Government or any of its agencies other than by purchase at the public sale price, held by a taxpayer who received the publication, or by a second taxpayer in whose hands the basis of the publication is determined, for purposes of determining gain from a sale or exchange, by referring to its basis in the hands of the first taxpayer.

Special Rules for the Treatment of Certain Gains and Losses

• **Gain from installment sales.**—Except as explained below, if you sold property at a gain this year and will receive any payment in a later tax year, you must use the installment method to report your gain. You must file Form 6252, Computation of In-

Depreciation

▶ See separate instructions.
 ▶ Attach this form to your return.

Name(s) as shown on return
 H. Tracy Hall, Inc.

Identifying number
 87-0293951

- ▶ Generally, you must use the Accelerated Cost Recovery System of depreciation (ACRS) for all assets you placed in service after December 31, 1980. Report these assets in Part I, lines 1(a) through 1(f).
- ▶ You may elect to exclude certain property. Report this property in Part I, line 2.
- ▶ Use Part II for assets you placed in service before January 1, 1981, and certain other assets for which you cannot use ACRS.
- ▶ Filers of Schedule C (Form 1040), Schedule E (Form 1040) and Form 4835 should see the instructions for those forms before completing Form 4562.

Part I Assets placed in service after December 31, 1980

A. Class of property	B. Date placed in service	C. Cost or other basis	D. Recovery period	E. Method of figuring depreciation	F. Percentage	G. Deduction for this year
1 Accelerated Cost Recovery System (ACRS) (See instructions for grouping assets):						
(a) 3-year property						
(b) 5-year property						
(c) 10-year property						
(d) 15-year public utility property						
(e) 15-year real property—low-income housing						
(f) 15-year real property other than low-income housing						
2 Property subject to section 168(e) (2) election (see instructions):						
3 Totals (add amounts in columns C and G)						
4 Depreciation from Part II, line 3						2,745
5 Total (add column G, lines 3 and 4). Enter this amount on the depreciation expense line (where it applies) of your return						2,745

Supplemental Schedule of Gains and Losses

(Includes Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions)
 To be filed with Form 1040, 1041, 1065, 1120, etc.—See Separate Instructions

1981
 31

Name(s) as shown on return: **H. Tracy Hall, Inc.**
 Identifying number: **87-0293951**

Part I Sales or Exchanges of Property Used in a Trade or Business, and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 1 Year (Except for Certain Livestock)

Note: Use Form 4684 to report involuntary conversions from casualty and theft.
 Caution: If you sold property on which you claimed the investment credit, you may be liable for recapture of that credit. See Form 4255 for additional information.

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
1							
2 (a) Gain, if any, from Form 4684, Part II, line 25							
(b) Section 1231 gain from installment sales from Form 6252, line 19 or 27							40,716
3 Gain, if any, from line 26, Part III, on back of this form from other than casualty and theft							
4 Add lines 1 through 3 in column g and column h						()	40,716
5 Combine line 4, column g and line 4, column h. Enter gain or (loss) here, and on the appropriate line as follows:							40,716
(a) For all except partnership returns:							
(1) If line 5 is a gain, enter the gain as a long-term capital gain on Schedule D (Form 1040, 1120, etc.) that is being filed. See instruction E.							
(2) If line 5 is zero or a loss, enter that amount on line 6.							
(b) For partnership returns: Enter the amount shown on line 5 above, on Schedule K (Form 1065), line 8.							

Part II Ordinary Gains and Losses

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
6 Loss, if any, from line 5(a)(2)							
7 Gain, if any, from line 25, Part III on back of this form							
8 (a) Net gain or (loss) from Form 4684, lines 17 and 24a							
(b) Ordinary gain from installment sales from Form 6252, line 18 or 26							9,284
9 Other ordinary gains and losses (include property held 1 year or less):							
10 Add lines 6 through 9 in column g and column h						()	9,284
11 Combine line 10, column g and line 10, column h. Enter gain or (loss) here, and on the appropriate line as follows:							9,284
(a) For all except individual returns: Enter the gain or (loss) shown on line 11, on the line provided on the return (Form 1120, etc.) being filed. See instruction F for specific line reference.							
(b) For individual returns:							
(1) If the loss on line 6 includes a loss from Form 4684, Part II, column B(ii), enter that part of the loss here and on line 29 of Schedule A (Form 1040). Identify as from "Form 4797, line 11(b)(1)".							
(2) Redetermine the gain or (loss) on line 11, excluding the loss (if any) entered on line 11(b)(1). Enter here and on Form 1040, line 14.							

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1251, 1252, 1254, 1255

Skip lines 20 and 21 if there are no dispositions of farm property or farmland, or if this form is filed by a partnership.

12 Description of sections 1245, 1250, 1251, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
(A) 300 ton cubic press	4-78	2-82
(B)		
(C)		
(D)		

Part III is continued on page 2.

Relate lines 12(A) through 12(D) to these columns ▶▶▶	Property (A)	Property (B)	Property (C)	Property (D)
13 Gross sales price minus expense of sale	100,000			
14 Cost or other basis	9,284			
15 Depreciation (or depletion) allowed (or allowable)	9,284			
16 Adjusted basis, subtract line 15 from line 14	-			
17 Total gain, subtract line 16 from line 13	100,000			
18 If section 1245 property:				
(a) Depreciation allowed (or allowable) after applicable date (see instructions)	9,284			
(b) Enter smaller of line 17 or 18(a)	9,284			
19 If section 1250 property: (If straight line depreciation used, enter zero on line 19(i).)				
(a) Additional depreciation after 12/31/75 (see instructions)	See Form 6252			
(b) Applicable percentage times the smaller of line 17 or line 19(a) (see instruction G.4)				
(c) Subtract line 19(a) from line 17. If line 17 is not more than line 19(a), skip lines 19(d) through 19(h)				
(d) Additional depreciation after 12/31/69 and before 1/1/76				
(e) Applicable percentage times the smaller of line 19(c) or 19(d) (see instruction G.4)				
(f) Subtract line 19(d) from line 19(c). If line 19(c) is not more than line 19(d), skip lines 19(g) and 19(h)				
(g) Additional depreciation after 12/31/63 and before 1/1/70				
(h) Applicable percentage times the smaller of line 19(f) or 19(g) (see instruction G.4)				
(i) Add lines 19(b), 19(e), and 19(h)				
20 If section 1251 property:				
(a) If farmland, enter soil, water, and land clearing expenses for current year and the four preceding years				
(b) If farm property other than land, subtract line 18(b) from line 17; if farmland, enter smaller of line 17 or 20(a)				
(c) Excess deductions account (see instruction G.5)				
(d) Enter smaller of line 20(b) or 20(c)				
21 If section 1252 property:				
(a) Soil, water, and land clearing expenses made after 12/31/69				
(b) Amount from line 20(d), if none enter zero				
(c) Subtract line 21(b) from line 21(a). If line 21(b) is more than line 21(a), enter zero				
(d) Line 21(c) times applicable percentage (see instruction G.5)				
(e) Subtract line 21(b) from line 17				
(f) Enter smaller of line 21(d) or 21(e)				
22 If section 1254 property:				
(a) Intangible drilling and development costs deducted after 12/31/75 (see instruction G.6)				
(b) Enter smaller of line 17 or 22(a)				
23 If section 1255 property:				
(a) Applicable percentage of payments excluded from income under section 126 (see instruction G.7)				
(b) Enter the smaller of line 17 or 23(a)				
Summary of Part III Gains (Complete Property columns (A) through (D) through line 23(b) before going to line 24)				
24 Total gains for all properties (add columns (A) through (D), line 17)				
25 Add columns (A) through (D), lines 18(b), 19(i), 20(d), 21(f), 22(b) and 23(b). Enter here and on Part II, line 7				
26 Subtract line 25 from line 24. Enter the portion from casualty and theft on Form 4684, line 19; enter the portion from other than casualty and theft on Form 4797, Part I, line 3				

Part IV Complete this Part Only if You are Electing Out of the Installment Method And are Reporting a Note or Other Obligation at Less Than Full Face Value

Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation ▶

Enter the percentage of valuation of the note or other obligation ▶

Computation of Installment Sale Income

Department of the Treasury Internal Revenue Service

See instructions on back. Attach to your tax return. Use a separate form for each sale or other disposition of property on the installment method.

1981

Name(s) as shown on tax return: H. Tracy Hall, Inc. Identifying number: 87-0293951

A Kind of property and description: 300 ton cubic press
B Date acquired (month, day, and year): 4-78 C Date sold (month, day, and year): 2-82
D Was property sold to a related party after May 14, 1980? (See instruction C) [] Yes [X] No

Part I Computation of Gross Profit and Contract Price (Complete this part for year of sale only.)

Table with 11 rows for Part I. Line 1: Selling price including mortgages and other indebtedness (Do not include interest.) 100,000. Line 2: Mortgages and other indebtedness purchaser assumes or takes property subject to (see instructions). Line 3: Subtract line 2 from line 1. 100,000. Line 4: Cost or other basis of property sold. 9,284. Line 5: Depreciation allowed or allowable. 9,284. Line 6: Adjusted basis (subtract line 5 from line 4). Line 7: Commissions and other expenses of sale. Line 8: Add line 6 and line 7. Line 9: Gross profit (subtract line 8 from line 1). If result is zero or less, do not complete rest of form. 100,000. Line 10: Subtract line 8 from line 2. If line 8 is more than line 2, enter zero. Line 11: Contract price (add line 3 and line 10). 100,000.

Part II Computation of Taxable Part of Installment Sale (Complete this part for year of sale and any year a payment is received.)

Table with 9 rows for Part II. Line 12: Gross profit ratio (divide line 9 by line 11) (for years after the year of sale, see instructions). 100%. Line 13: For year of sale only—enter amount from line 10 above; otherwise enter zero. Line 14: Payments received during year. 50,000. Line 15: Add lines 13 and 14. 50,000. Line 16: Payments received in prior years. Line 17: Taxable part of installment sale (multiply line 15 by line 12). 50,000. Line 18: Part of line 17 that is ordinary income under recapture rules (see instructions). 9,284. Line 19: Subtract line 18 from line 17. Enter on Schedule D or Form 4797 (see instructions). 40,716.

Part III Information and Computation for Related Party Installment Sale (Complete this part only if you answered "Yes" to question D and did not receive the final installment payment in 1981.)

E Name, address, and taxpayer identifying number of related party

F Did the related party resell or dispose of this property, acquired from you after May 14, 1980, during 1981? [] Yes [] No

G If the answer to question F is "Yes," complete lines 20 through 27 below unless one of the following conditions is met (check only the box that applies).
[] The first disposition was a sale or exchange of stock to the issuing corporation.
[] The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition.
[] The second disposition occurred after the death of the original seller or purchaser.
[] It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. (See instruction C.)

Table with 8 rows for Part III. Line 20: Selling price of property sold by related party. Line 21: Enter contract price from line 11 for year of first sale. Line 22: Enter the smaller of line 20 or line 21. Line 23: Total payments received by the end of tax year. Add lines 15 and 16. Line 24: Subtract line 23 from line 22. If line 23 is more than line 22, enter zero. Line 25: Multiply line 24 by line 12 for year of first sale. Line 26: Part of line 25 that is ordinary income under recapture rules (see instructions). Line 27: Subtract line 26 from line 25. Enter on Schedule D or Form 4797 (see instructions).

	Yes	No
K 1 Did you claim a deduction for expenses connected with:		
a Entertainment facilities (boat, resort, ranch, etc.)?		X
b Living accommodations (except for employees on business)?		X
c Employees attending conventions or meetings outside the North American area? (See section 274(h).)		X
d Employees' families at conventions or meetings?		X
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).)		
e Employee or family vacations not reported on Form W-2?		X
L At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?		X
M Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A or 926.		X
N During this tax year was any part of your tax accounting records maintained on a computerized system?		X
O Number of shareholders in the corporation at the end of the tax year ▶		9

Schedule K Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

Computation of Corporation's Undistributed Taxable Income

1 Taxable income (line 28, page 1)	40,207
2 Less: a Money distributed as dividends out of earnings and profits for the tax year	40,000
b Tax imposed on certain capital gains (line 29, page 1)	40,000
3 Corporation's undistributed taxable income (subtract line 2 from line 1)	207
4 Actual dividend distributions taxable as ordinary income. (Do not include amounts shown on line 6.)	
5 Actual dividend distributions taxable as long-term capital gains (after tax)	40,000
6 Actual dividend distributions taxable as ordinary income and qualifying for dividend exclusion	
7 Nondividend distributions	
8 Undistributed taxable income—taxable as ordinary income or (loss) (see instructions)	
9a Undistributed taxable income—taxable as long-term capital gain (after tax) (see instructions)	207
b Portion of line 9a attributable to transactions after 6-9-81 (after tax) (see instructions)	
10 Investment credit property—Attach Form 3468 and Schedule B (Form 3468) (See Instructions)	
11 Interest on investment indebtedness:	
a 1 Interest on investment indebtedness incurred before 12-17-69	
2 Interest on investment indebtedness incurred before 9-11-75, but after 12-16-69	
3 Interest on investment indebtedness incurred after 9-10-75	
b Net investment income or (loss)	
c Excess expenses from "net lease property"	
d Net capital gain attributable to investment property	
12 Items of tax preference (see instructions):	
a Accelerated depreciation on real property:	
1 Low-income rental housing (section 167(k))	
2 Other real property that is nonrecovery property or 15-year real property	
b Accelerated depreciation on leased property that is personal property or recovery property other than 15-year real property	
c Amortization on:	
1 Certified pollution control facilities	
2 Railroad rolling stock	
3 On-the-job training facilities	
4 Child care facilities	
d Reserve for losses on bad debts of financial institutions	
e Depletion	
f Intangible drilling costs	
g Net capital gain (after tax)	
13 Jobs credit	

Schedule L Balance Sheets

Assets	Beginning of tax year		End of tax year	
	A	B	C	D
1 Cash		1,512		4,464
2 Trade notes and accounts receivable				
a Less allowances for bad debts				
3 Inventories				
4 Gov't obligations: a U.S. and instrumentalities				
b State, subdivisions thereof, etc.		1,393		1,393
5 Other current assets (attach schedule)				
6 Loans to shareholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets	33,868		33,868	
a Less accumulated depreciation	30,555	3,313	33,300	568
10 Depletable assets				
a Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
a Less accumulated amortization				
13 Other assets (attach schedule) Contract receivable				50,000
14 Total assets		6,218		56,425
Liabilities and Shareholders' Equity				
15 Accounts payable				
16 Mtges., notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from shareholders		11,427		11,427
19 Mtges., notes, bonds payable in 1 year or more		2,500		2,500
20 Other liabilities (attach schedule) Deferred gain				50,000
21 Capital stock		25,000		25,000
22 Paid-in or capital surplus				
23 Retained earnings—appropriated (attach schedule)		(523)		(523)
24 Retained earnings—unappropriated		(32,186)		(31,979)
25 Shareholders' undistributed taxable income previously taxed				
26 Less cost of treasury stock		()		()
27 Total liabilities and shareholders' equity		6,218		56,425

Schedule M-1 Reconciliation of Income on Books With Income on Return

1 Net income on books	40,207	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		a Tax-exempt interest \$	
3 Excess of capital losses over capital gains		8 Deductions in this tax return not charged against book income this year (itemize)	
4 Income subject to tax not recorded on books this year (itemize) \$		a Depreciation \$	
5 Expenses recorded on books this year not deducted in this return (itemize)		b Contributions carryover . \$	
a Depreciation \$		9 Total of lines 7 and 8	
b Contributions carryover . \$		10 Income (line 28, page 1)—line 6 less line 9	40,207
6 Total of lines 1 through 5	40,207		

Schedule M-2 Analysis of Unappropriated Retained Earnings on Books (line 24 above)

1 Balance at beginning of year	(523)	5 Distributions out of current or accumulated earnings and profits: a Cash	40,000
2 Net income on books	40,207	b Stock	
3 Other increases (itemize)		c Property	
		6 Current year's undistributed taxable income or net operating loss (total of lines 8 and 9a, Schedule K)	207
		7 Other decreases (itemize)	
		8 Total of lines 5, 6, and 7	40,207
4 Total of lines 1, 2, and 3	39,684	9 Balance at end of year (line 4 less line 8)	(523)