

Department of the Treasury
Internal Revenue Service

▶ **Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.**

1994

▶ **See separate instructions.**

For calendar year 1994, or tax year beginning _____, 1994, and ending _____, 19

A Date of election as an S corporation	Use IRS label. Otherwise, please print or type.	Name	C Employer identification number
		Number, street, and room or suite no. (If a P.O. box, see page 9 of the instructions.)	D Date incorporated
		City or town, state, and ZIP code	E Total assets (see Specific Instructions) \$ _____

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G Check this box if this S corporation is subject to the consolidated audit procedures of sections 6241 through 6245 (see instructions before checking this box) . ▶

H Enter number of shareholders in the corporation at end of the tax year ▶ _____

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

Income	1a Gross receipts or sales	_____	b Less returns and allowances	_____	c Bal ▶	1c	
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	
	4 Net gain (loss) from Form 4797, Part II, line 20 (attach Form 4797)					4	
	5 Other income (loss) (see instructions) (attach schedule)					5	
	6 Total income (loss). Combine lines 3 through 5						6
Deductions (See instructions for limitations.)	7 Compensation of officers					7	
	8 Salaries and wages (less employment credits)					8	
	9 Repairs and maintenance					9	
	10 Bad debts					10	
	11 Rents					11	
	12 Taxes and licenses					12	
	13 Interest					13	
	14a Depreciation (see instructions)		14a				
	b Depreciation claimed on Schedule A and elsewhere on return		14b				
	c Subtract line 14b from line 14a					14c	
	15 Depletion (Do not deduct oil and gas depletion.)					15	
16 Advertising					16		
17 Pension, profit-sharing, etc., plans					17		
18 Employee benefit programs					18		
19 Other deductions (see instructions) (attach schedule)					19		
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19						20	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6						21	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)		22a				
	b Tax from Schedule D (Form 1120S)		22b				
	c Add lines 22a and 22b (see instructions for additional taxes)					22c	
	23 Payments: a 1994 estimated tax payments and amount applied from 1993 return		23a				
	b Tax deposited with Form 7004		23b				
	c Credit for Federal tax paid on fuels (attach Form 4136)		23c				
	d Add lines 23a through 23c					23d	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached. ▶ <input type="checkbox"/>						24
25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See instructions for depository method of payment ▶						25	
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid ▶						26	
27 Enter amount of line 26 you want: Credited to 1995 estimated tax ▶						27	
							Refunded ▶

Please Sign Here 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.

Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed ▶ <input type="checkbox"/>	Preparer's social security number
	Firm's name (or yours if self-employed) and address ▶		E.I. No. ▶	
				ZIP code ▶

Schedule A Cost of Goods Sold (See instructions.)

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

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- (iv) Other (specify method used and attach explanation) ▶

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

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9c** | _____ | _____

d Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes No

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

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list in the instructions and state the corporation's principal: (a) Business activity ▶ (b) Product or service ▶		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.		
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		
5 At any time during calendar year 1994, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		
6 Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926		
7 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount . . ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) 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 its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) 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) ▶ \$		
10 Check this box if the corporation had subchapter C earnings and profits at the close of the tax year (see instructions) ▶ <input type="checkbox"/>		

Designation of Tax Matters Person (See instructions.)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
Address of designated TMP ▶	

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

		(a) Pro rata share items	(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	1	
	2	Net income (loss) from rental real estate activities (<i>attach Form 8825</i>)	2	
	3a	Gross income from other rental activities	3a	
	b	Expenses from other rental activities (<i>attach schedule</i>).	3b	
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss):		
	a	Interest income	4a	
	b	Dividend income	4b	
	c	Royalty income	4c	
	d	Net short-term capital gain (loss) (<i>attach Schedule D (Form 1120S)</i>)	4d	
	e Net long-term capital gain (loss) (<i>attach Schedule D (Form 1120S)</i>).	4e		
	f Other portfolio income (loss) (<i>attach schedule</i>)	4f		
	5 Net gain (loss) under section 1231 (other than due to casualty or theft) (<i>attach Form 4797</i>)	5		
	6 Other income (loss) (<i>attach schedule</i>)	6		
Deductions	7	Charitable contributions (see instructions) (<i>attach schedule</i>)	7	
	8	Section 179 expense deduction (<i>attach Form 4562</i>).	8	
	9	Deductions related to portfolio income (loss) (see instructions) (itemize)	9	
	10	Other deductions (<i>attach schedule</i>)	10	
Investment Interest	11a	Interest expense on investment debts	11a	
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	
	(2)	Investment expenses included on line 9 above	11b(2)	
Credits	12a	Credit for alcohol used as a fuel (<i>attach Form 6478</i>)	12a	
	b	Low-income housing credit (see instructions):		
	(1)	From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b(1)	
	(2)	Other than on line 12b(1) for property placed in service before 1990.	12b(2)	
	(3)	From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(3)	
	(4)	Other than on line 12b(3) for property placed in service after 1989	12b(4)	
	c	Qualified rehabilitation expenditures related to rental real estate activities (<i>attach Form 3468</i>)	12c	
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions).	12d	
	e Credits related to other rental activities (see instructions)	12e		
	13 Other credits (see instructions)	13		
Adjustments and Tax Preference Items	14a	Depreciation adjustment on property placed in service after 1986	14a	
	b	Adjusted gain or loss	14b	
	c	Depletion (other than oil and gas)	14c	
	d (1)	Gross income from oil, gas, or geothermal properties	14d(1)	
	(2)	Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e	Other adjustments and tax preference items (<i>attach schedule</i>)	14e	
Foreign Taxes	15a	Type of income ▶		
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the United States (<i>attach schedule</i>)	15c	
	d	Total applicable deductions and losses (<i>attach schedule</i>)	15d	
	e	Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f	Reduction in taxes available for credit (<i>attach schedule</i>)	15f	
	g	Other foreign tax information (<i>attach schedule</i>)	15g	
Other	16a	Total expenditures to which a section 59(e) election may apply	16a	
	b	Type of expenditures ▶		
	17	Tax-exempt interest income	17	
	18	Other tax-exempt income	18	
	19	Nondeductible expenses	19	
	20	Total property distributions (including cash) other than dividends reported on line 22 below	20	
	21	Other items and amounts required to be reported separately to shareholders (see instructions) (<i>attach schedule</i>)		
	22	Total dividend distributions paid from accumulated earnings and profits	22	
	23	Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16a	23	

Schedule L	Balance Sheets	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (<i>attach schedule</i>)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (<i>attach schedule</i>)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (<i>attach schedule</i>)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (<i>attach schedule</i>)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (<i>attach schedule</i>)				
22	Capital stock				
23	Paid-in or capital surplus				
24	Retained earnings				
25	Less cost of treasury stock	()	()	()	()
26	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books		5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16a (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16a, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$				
4	Add lines 1 through 3		7	Add lines 5 and 6	
			8	Income (loss) (Schedule K, line 23). Line 4 less line 7	

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		
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6		