

Form Department of the Treasury Internal Revenue Service

For the calendar year 1987 or tax year beginning _____, 1987, ending _____, 19

1987

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form header section containing: A Date of election as an S corporation, B Business code no., C Employer identification number, D Date incorporated, E Total assets, F Check applicable boxes, G Check this box if this is an S corporation subject to the consolidated audit procedures, H Was this corporation in operation at the end of 1987, I How many months in 1987 was this corporation in operation.

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

Main table with columns for Income, Deductions, and Tax and Payments. Rows include: 1a Gross receipts or sales, 2 Cost of goods sold, 3 Gross profit, 4 Net gain, 5 Other income, 6 TOTAL income, 7 Compensation of officers, 8a Salaries and wages, 9 Repairs, 10 Bad debts, 11 Rents, 12 Taxes, 13 Deductible interest expense, 14a Depreciation from Form 4562, 14b Depreciation reported on Schedule A, 14c Subtract line 14b from line 14a, 15 Depletion, 16 Advertising, 17 Pension, profit-sharing, etc. plans, 18 Employee benefit programs, 19 Other deductions, 20 TOTAL deductions, 21 Ordinary income (loss), 22 Tax, 23a Tax deposited with Form 7004, 23b Credit for Federal tax on gasoline, 23c Add lines 23a and 23b, 24 TAX DUE, 25 OVERPAYMENT.

Signature and preparer information section. Includes: Please Sign Here (Signature of officer, Date, Title), Paid Preparer's Use Only (Preparer's signature, Date, Check if self-employed, Preparer's social security number, Firm's name, E.I. No., ZIP code).

Schedule A Cost of Goods Sold and/or Operations (See instructions for Schedule A.)

1 Inventory at beginning of year	1		
2 Purchases	2		
3 Cost of labor	3		
4a Additional section 263A costs (attach schedule)	4a		
b Other costs (attach schedule)	4b		
5 Total—Add lines 1 through 4b	5		
6 Inventory at end of year	6		
7 Cost of goods sold and/or operations—Subtract line 6 from line 5. Enter here and on line 2, page 1	7		

8a Check all methods used for valuing closing inventory:

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

b Check this box 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 **8c** _____

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

e Was there any change (other than for section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? (If "Yes," attach explanation.) Yes No

Additional Information Required

	Yes	No
J Did you 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: (1) Name, address, and employer identification number; (3) Highest amount owed by you to such corporation during the year; and (2) Percentage owned; (4) Highest amount owed to you by such corporation during the year. (Note: For purposes of J(3) and J(4), "highest amount owed" includes loans and accounts receivable/payable.)		
K Refer to the listing of business activity codes at the end of the Instructions for Form 1120S and state your principal: Business activity ▶ _____; Product or service ▶ _____		
L Were you a member of a controlled group subject to the provisions of section 1561?		
M Did you claim a deduction for expenses connected with: (1) Entertainment facilities (boat, resort, ranch, etc.)? (2) Living accommodations (except for employees on business)? (3) Employees attending conventions or meetings outside the North American area? (See section 274(h).) (4) Employees' families at conventions or meetings? _____ If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).)		

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc. (See Instructions.)

(a) Distributive share items		(b) Total amount	
Income (Losses) and Deductions			
1	Ordinary income (loss) from trade or business activity(ies) (page 1, line 21)	1	
2a	Gross income from rental real estate activity(ies)	2a	
b	Minus expenses (attach schedule)	2b	
c	Balance: net income (loss) from rental real estate activity(ies)	2c	
3a	Gross income from other rental activity(ies)	3a	
b	Minus expenses (attach schedule)	3b	
c	Balance: net income (loss) from other rental activity(ies)	3c	
4	Portfolio income (loss):		
a	Interest income	4a	
b	Dividend income	4b	
c	Royalty income	4c	
d	Net short-term capital gain (loss) (Schedule D (Form 1120S))	4d	
e	Net long-term capital gain (loss) (Schedule D (Form 1120S))	4e	
f	Other portfolio income (loss) (attach schedule)	4f	
5	Net gain (loss) under section 1231 (other than due to casualty or theft)	5	
6	Other income (loss) (attach schedule)	6	
7	Charitable contributions (attach schedule)	7	
8	Section 179 expense deduction (attach schedule)	8	
9	Expenses related to portfolio income (loss) (attach schedule) (see instructions)	9	
10	Other deductions (attach schedule)	10	
Credits			
11a	Jobs credit (attach Form 5884)	11a	
b	Low-income housing credit (attach Form 8586)	11b	
c	Qualified rehabilitation expenditures related to rental real estate activity(ies) (attach schedule)	11c	
d	Credits related to rental real estate activity(ies) other than on lines 11b and 11c (attach schedule)	11d	
e	Credit(s) related to rental activity(ies) other than on lines 11b, 11c, and 11d (attach schedule)	11e	
12	Other credits (attach schedule)	12	
Tax Preference and Adjustment Items			
13a	Accelerated depreciation of real property placed in service before 1987	13a	
b	Accelerated depreciation of leased personal property placed in service before 1987	13b	
c	Depreciation adjustment on property placed in service after 1986	13c	
d	Depletion (other than oil and gas)	13d	
e (1)	Gross income from oil, gas, or geothermal properties	13e(1)	
(2)	Gross deductions allocable to oil, gas, or geothermal properties	13e(2)	
f	Other items (attach schedule)	13f	
Investment Interest			
14a	Interest expense on investment debts	14a	
b (1)	Investment income included on lines 4a through 4f, Schedule K	14b(1)	
(2)	Investment expenses included on line 9, Schedule K	14b(2)	
Foreign Taxes			
15a	Type of income		
b	Name of foreign country or U.S. possession		
c	Total gross income from sources outside the U.S. (attach schedule)	15c	
d	Total applicable deductions and losses (attach schedule)	15d	
e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
f	Reduction in taxes available for credit (attach schedule)	15f	
g	Other (attach schedule)	15g	
Other Items			
16	Total property distributions (including cash) other than dividend distributions reported on line 18, Schedule K	16	
17	Other items and amounts not included in lines 1 through 16, Schedule K, that are required to be reported separately to shareholders (attach schedule)		
18	Total dividend distributions paid from accumulated earnings and profits contained in other retained earnings (line 26 of Schedule L)	18	

Schedule L Balance Sheets

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 Trade notes and accounts receivable				
a Less allowance for bad debts				
3 Inventories				
4 Federal and state government obligations				
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				
a Less accumulated depreciation				
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)				
14 Total assets				
Liabilities and Shareholders' Equity				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from shareholders				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock				
22 Paid-in or capital surplus				
23 Accumulated adjustments account				
24 Other adjustments account				
25 Shareholders' undistributed taxable income previously taxed				
26 Other retained earnings (see instructions). Check this box if the corporation has subchapter C earnings and profits at the close of the tax year <input type="checkbox"/> (see instructions)				
27 Total retained earnings per books—Combine amounts on lines 23 through 26, columns (a) and (c) (see instructions)				
28 Less cost of treasury stock		()		()
29 Total liabilities and shareholders' equity				

Schedule M Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (If Schedule L, column (c), amounts for lines 23, 24, or 25 are not the same as corresponding amounts on line 9 of Schedule M, attach a schedule explaining any differences. See instructions.)

	Accumulated adjustments account	Other adjustments account	Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of year			
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Total of lines 1, 2, and 3			
5 Distributions other than dividend distributions			
6 Loss from page 1, line 21			
7 Other reductions			
8 Add lines 5, 6, and 7			
9 Balance at end of tax year—Subtract line 8 from line 4			