

United States Bankruptcy Court
District of Colorado

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Pipkin Mortuary, Inc.
Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. No. / Complete EIN or other Tax I.D. No. (if more than one, state all): 84-0779124
Street Address of Debtor (No. & Street, City, and State): 2531 Ogden Street, Denver, CO
ZIPCODE 80205-5154
County of Residence or of the Principal Place of Business: Denver
Mailing Address of Debtor (if different from street address):
ZIPCODE
Location of Principal Assets of Business Debtor (if different from street address above):
ZIPCODE

Type of Debtor (Form of Organization) (Check one box.)
Nature of Business (Check all applicable boxes)
Chapter or Section of Bankruptcy Code Under Which the Petition is Filed (Check one box)
Nature of Debts (Check one box)
Chapter 11 Debtors
Filing Fee (Check one box)
Statistical/Administrative Information

THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors
Estimated Assets
Estimated Debts

Voluntary Petition <i>(This page must be completed and filed in every case)</i>	Name of Debtor(s): Pipkin Mortuary, Inc.
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Prior Bankruptcy Case Filed Within Last 8 Years(If more than one, attach additional sheet)

Location Where Filed: NONE	Case Number:	Date Filed:
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Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor(If more than one, attach additional sheet)

Name of Debtor: NONE	Case Number:	Date Filed:
District:	Relationship:	Judge:

<p style="text-align: center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code.</p> <p style="text-align: center;">X Not Applicable</p> <p style="text-align: center;">_____ Signature of Attorney for Debtor(s) Date</p>
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<p style="text-align: center;">Exhibit C</p> <p>Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?</p> <p><input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.</p> <p><input checked="" type="checkbox"/> No</p>	<p style="text-align: center;">Certification Concerning Debt Counseling by Individual/Joint Debtor(s)</p> <p><input type="checkbox"/> I/we have received approved budget and credit counseling during the 180-day period preceding the filing of this petition.</p> <p><input type="checkbox"/> I/we request a waiver of the requirement to obtain budget and credit counseling prior to filing based on exigent circumstances (Must attach certification describing.)</p>
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Information Regarding the Debtor (Check the Applicable Boxes)

Venue (Check any applicable box)

- Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.
- There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.
- Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Statement by a Debtor Who Resides as a Tenant of Residential Property

Check all applicable boxes.

- Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following).

(Name of landlord that obtained judgment)

(Address of landlord)
- Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and
- Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of this petition.

Voluntary Petition
(This page must be completed and filed in every case)

Name of Debtor(s):
Pipkin Mortuary, Inc.

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.
[If no attorney represents me and no bankruptcy petition preparer signs the petition]- I have obtained and read the notice required by § 342(b) of the Bankruptcy Code.

I request relief in accordance with the chapter of title 11, United States Code specified in this petition.

Not Applicable

Signature of Debtor

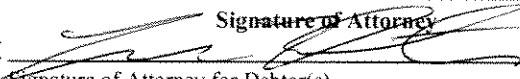
Not Applicable

Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of Attorney


Signature of Attorney for Debtor(s)

Lee M. Kutner, 10966

Printed Name of Attorney for Debtor(s) / Bar No.

Kutner Miller, P.C.

Firm Name

303 E. 17th Ave., Suite 500 Denver, CO 80203

Address

303-832-2400 **303-832-1510**

Telephone and Fax Number

Date and E-Mail Address

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.


Signature of Authorized Individual

Joseph Mark Pipkin

Printed Name of Authorized Individual

President

Title of Authorized Individual

Date **7-27-06**

Signature of a Foreign Representative of a Recognized Foreign Proceeding

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of Title 11, United States Code. Certified Copies of the documents required by § 1515 of title 11 are attached.

Pursuant to § 1511 of title 11, United States Code, I request relief in accordance with the Chapter of title 11 specified in the petition. A certified copy of the order granting recognition of the foreign proceeding is attached.

Not Applicable
(Signature of Foreign Representative)

(Printed Name of Foreign Representative)

Date

Signature of Non-Attorney Petition Preparer

I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; 2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110 setting a maximum fee for services chargeable by bankruptcy petition preparer, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.

Not Applicable
Printed Name and title, if any, of Bankruptcy Petition Preparer

Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. 110.)

Address

Not Applicable
Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.

UNITED STATES BANKRUPTCY COURT
District of Colorado

IN RE

CASE NO. _____

Pipkin Mortuary, Inc.

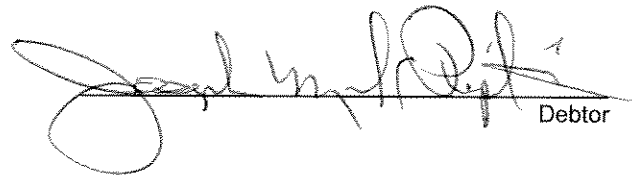
CHAPTER 11

DEBTOR(S)

VERIFICATION OF CREDITOR MATRIX

The above named Debtor(s) hereby verifies that the attached matrix list of creditors is true and correct to the best of our knowledge.

Date: 7-27-06


Debtor

Pipkin Mortuary, Inc.
Balance Sheet
June 30, 2006

ASSETS

Current Assets

Cash In Escrow	\$ 2,770.52	
Accounts Receivable - Trade	274,982.99	
Other Receivables- Officers	268,641.79	
Other Receivables- Employees	38,395.86	
Allowance for Doubtful Account	(55,000.00)	
Inventory-Caskets	15,341.00	
Total Current Assets		545,132.16

Property and Equipment

Furniture and Fixtures	92,004.52	
Equipment	51,763.53	
Automobiles	165,597.61	
Music System	2,778.53	
Computers	10,819.82	
Leasehold Improvements	27,707.00	
Building	274,000.00	
Building Improvements	74,635.01	
Land	55,655.00	
Accum. Depreciation - Bldg Imp	(649,695.00)	
Total Property and Equipment		105,266.02

Other Assets

Deposits	6,000.00	
Loan Fees	34,192.00	
Accum. Amortiz. - Loan Fees	(6,840.00)	
Total Other Assets		33,352.00

Total Assets	\$	683,750.18
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LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$ 78,128.28	
Accounts Payable - A. Braswell	2,488.50	
Accrued Wages	4,596.56	
Accrued Property Tax	32,934.22	
Accrued Tax/Penalty/Interest	133,796.11	
Federal Payroll Taxes Payable	10,147.81	
FUTA Tax Payable	206.14	
State Payroll Taxes Payable	359.00	
SUTA Payable	1,243.12	
Local Payroll Taxes Payable	487.50	
Current Portion Long-Term Debt	66,933.18	
Total Current Liabilities		331,320.42

Long-Term Liabilities

Notes Payable-Zion Credit Unio	22,379.34	
Notes Payable-Hazel Ware	116,659.05	
Notes Payable- Pinetree	388,950.00	
Less Current Portion LT Debt	(66,933.18)	

See accountant's compilation report

Pipkin Mortuary, Inc.
Balance Sheet
June 30, 2006

Total Long-Term Liabilities		<u>461,055.21</u>
Total Liabilities		792,375.63
Capital		
Common Stock	500.00	
Paid-in Capital	2,000.00	
Retained Earnings	(240,277.20)	
Dividends Paid	(17,181.80)	
Net Income	<u>146,333.55</u>	
Total Capital		<u>(108,625.45)</u>
Total Liabilities & Capital	\$	<u><u>683,750.18</u></u>

See accountant's compilation report

Pipkin Mortuary, Inc.
Income Statement
For the Six Months Ending June 30, 2006

	Current Month		Year to Date	
Revenues				
Funeral Service Fees	\$ 176,910.88	130.89	\$ 1,011,189.97	123.77
Sales Discounts	(41,751.94)	(30.89)	(194,182.50)	(23.77)
Total Revenues	135,158.94	100.00	817,007.47	100.00
Cost of Sales				
Cost of Sales-Caskets	9,201.50	6.81	57,235.06	7.01
Embalming/Chemical Expenses	0.00	0.00	1,540.07	0.19
Other Preparatory Costs	7,581.73	5.61	46,398.95	5.68
Contract Labor - Funerals	0.00	0.00	10,142.92	1.24
Limosine and Hearst Rentals	0.00	0.00	1,500.00	0.18
Cost of Sales-Supplies	91.89	0.07	361.58	0.04
Cost of Sales - Vaults	1,584.00	1.17	6,746.00	0.83
Cost of Sales - Flowers	3,640.00	2.69	21,630.00	2.65
Miscellaneous Merchandise	999.22	0.74	9,444.75	1.16
Notices	6,000.00	4.44	41,900.00	5.13
Death Certificates	849.00	0.63	2,541.00	0.31
Escorts	3,010.00	2.23	15,840.00	1.94
Clergy	1,625.00	1.20	8,850.00	1.08
Organists	790.00	0.58	7,265.00	0.89
Soloists	556.23	0.41	2,681.23	0.33
Ship Out Expense	25.83	0.02	73.45	0.01
Cremations Cost	2,230.00	1.65	6,480.00	0.79
Cost of Sales-Salaries and Wag	12,615.65	9.33	96,610.84	11.82
Cost of Sales-Freight	1,102.19	0.82	1,754.57	0.21
Other Facility/Funeral Exp.	9,512.62	7.04	57,716.71	7.06
Miscellaneous Exp.	2,482.60	1.84	7,383.05	0.90
Total Cost of Sales	63,897.46	47.28	404,095.18	49.46
Gross Profit	71,261.48	52.72	412,912.29	50.54
Expenses				
Contract Labor	3,290.85	2.43	8,770.10	1.07
Advertising Expense	4,573.24	3.38	8,281.88	1.01
Auto Expenses	4,207.10	3.11	27,802.38	3.40
Automobile Leases	4,583.04	3.39	20,933.23	2.56
Bad Debt Expense	71.87	0.05	1,201.87	0.15
Bank Charges	2,792.94	2.07	13,575.69	1.66
Cash Over and Short	0.00	0.00	1,455.97	0.18
Charitable Contributions Exp	2,040.00	1.51	7,643.00	0.94
Dues and Subscriptions Exp	406.83	0.30	571.78	0.07
Employee Expenses	0.00	0.00	2,236.40	0.27
Insurance - Medical	0.00	0.00	5,181.42	0.63
Insurance - Workers Comp.	0.00	0.00	280.00	0.03
Insurance - General Liability	379.11	0.28	6,524.10	0.80
Laundry and Cleaning Exp	332.84	0.25	1,772.06	0.22
Legal and Professional Expense	0.00	0.00	2,355.00	0.29
Licenses Expense	0.00	0.00	387.10	0.05
Maint. & Repair - Bldg	75.39	0.06	2,050.39	0.25
Maint. & Repair - Equip.	4,242.61	3.14	8,203.61	1.00
Maint. & Repair - Landscape	1,200.00	0.89	3,240.50	0.40
Meals and Entertainment	269.19	0.20	3,523.45	0.43
Promotional Expenses	0.00	0.00	220.00	0.03
Office Expense	0.00	0.00	1,986.96	0.24
Payroll Tax Expense	824.63	0.61	8,721.75	1.07

See accountant's compilation report

Pipkin Mortuary, Inc.
Income Statement
For the Six Months Ending June 30, 2006

	Current Month		Year to Date	
Postage Expense	29.40	0.02	146.40	0.02
Rent or Lease Expense	0.00	0.00	348.87	0.04
Supplies Expense	65.10	0.05	711.43	0.09
Wages Expense	12,641.37	9.35	39,458.75	4.83
Utilities Expense	907.51	0.67	13,245.32	1.62
Uniforms	1,285.47	0.95	1,631.82	0.20
Telephone Expense	3,709.24	2.74	12,851.93	1.57
Travel Expense	0.00	0.00	8,521.41	1.04
Other Expense	15,584.73	11.53	52,744.17	6.46
Total Expenses	<u>63,512.46</u>	<u>46.99</u>	<u>266,578.74</u>	<u>32.63</u>
Net Income	\$ <u>7,749.02</u>	5.73	\$ <u>146,333.55</u>	17.91

See accountant's compilation report

Pipkin Mortuary, Inc.
Statement of Cash Flow
For the six Months Ended June 30, 2006

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 7,749.02	\$ 146,333.55
Adjustments to reconcile net income to net cash provided by operating activities		
Accounts Receivable - Trade	(33,268.82)	28,277.02
Other Receivables- Employees	(2,171.53)	(7,126.97)
Accounts Payable	0.00	(94,584.55)
Federal Payroll Taxes Payable	7,936.48	10,147.81
FUTA Tax Payable	103.07	206.14
State Payroll Taxes Payable	1,868.00	359.00
SUTA Payable	621.56	1,243.12
Local Payroll Taxes Payable	243.75	487.50
Other Current Liabilities	(5,000.00)	0.00
Total Adjustments	<u>(29,667.49)</u>	<u>(60,990.93)</u>
Net Cash provided by Operations	<u>(21,918.47)</u>	<u>85,342.62</u>
Cash Flows from investing activities		
Used For		
Furniture and Fixtures	<u>(2,000.00)</u>	<u>(2,300.00)</u>
Net cash used in investing	<u>(2,000.00)</u>	<u>(2,300.00)</u>
Cash Flows from financing activities		
Proceeds From		
Used For		
Notes Payable-Zion Credit Unio	(7,500.00)	(32,837.93)
Notes Payable- Pinetree	0.00	(11,050.00)
Dividends Paid	<u>(374.63)</u>	<u>(17,181.80)</u>
Net cash used in financing	<u>(7,874.63)</u>	<u>(61,069.73)</u>
Net increase <decrease> in cash	<u>\$ (31,793.10)</u>	<u>\$ 21,972.89</u>
Summary		
Cash Balance at End of Period	\$ 2,770.52	\$ 2,770.52
Cash Balance at Beg of Period	<u>(34,563.62)</u>	<u>19,202.37</u>
Net Increase <Decrease> in Cash	<u>\$ (31,793.10)</u>	<u>\$ 21,972.89</u>

See accountant's compilation report

U.S. Corporation Income Tax Return

2005

For calendar year 2005 or tax year beginning _____, ending _____
▶ See separate instructions.

A Check if: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 required (attach Sch. M-3) <input type="checkbox"/>	Use IRS label, Otherwise, print or type.	Name PIPKIN MORTUARY, INC.	B Employer identification number 84-0779124
		Number, street, and room or suite no. If a P.O. box, see instructions. 2531 OGDEN STREET	
		City or town, state, and ZIP code DENVER, CO 80205	D Total assets (see instructions) \$ 702,701.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income		Deductions (See instructions for limitations on deductions.)		Tax and Payments	
1a	Gross receipts or sales 1,506,248.	b	Less returns and allowances 307,288.	c Bal ▶	1c 1,198,960.
2	Cost of goods sold (Schedule A, line 8)				2 506,311.
3	Gross profit. Subtract line 2 from line 1c				3 692,649.
4	Dividends (Schedule C, line 19)				4
5	Interest				5 6,031.
6	Gross rents				6
7	Gross royalties				7
8	Capital gain net income (attach Schedule D (Form 1120))				8
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9 1,850.
10	Other income (see instructions - attach schedule) SEE STATEMENT 1				10 48,028.
11	Total income. Add lines 3 through 10 ▶				11 748,558.
12	Compensation of officers (Schedule E, line 4)				12 137,707.
13	Salaries and wages (less employment credits)				13 115,332.
14	Repairs and maintenance				14 16,378.
15	Bad debts				15
16	Rents				16
17	Taxes and licenses SEE STATEMENT 2				17 26,326.
18	Interest				18 134,521.
19	Charitable contributions (see instructions for 10% limitation) SEE STATEMENT 3				19 NONE
20a	Depreciation (attach Form 4562) 20,128.	20b	Less depreciation claimed on Schedule A and elsewhere on return		20c 20,128.
21	Depletion				21
22	Advertising				22 67,594.
23	Pension, profit-sharing, etc., plans				23
24	Employee benefit programs				24
25	Domestic production activities deduction (attach Form 9903)				25
26	Other deductions (attach schedule) SEE STATEMENT 4				26 401,022.
27	Total deductions. Add lines 12 through 26 ▶				27 919,008.
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28 -170,450.
29	Less: a Net operating loss deduction (see instructions)	29a	NONE		29c STMT 5
	b Special deductions (Schedule C, line 20)	29b			29c NONE
30	Taxable income. Subtract line 29c from line 28 (see instructions if Schedule C, line 12, was completed)				30 -170,450.
31	Total tax (Schedule J, line 11)				31
32	Payments: a 2004 overpayment credited to 2005 32a				
	b 2005 estimated tax payments 32b				
	c Less 2005 refund applied for on Form 4466 32c ()	d Bal ▶	32d		
	e Tax deposited with Form 7004 32e				
	f Credit from (1) Form 2439 (2) Form 4136 32f				32g
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>				33
34	Tax due. If line 32g is smaller than the total of lines 31 and 33, enter amount owed				34
35	Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid				35
36	Enter amount of line 35 you want: Credited to 2006 estimated tax ▶ Refunded ▶				36

DRAFT

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.

Sign Here ▶ Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN **P00474436**

Preparer's Use Only Firm's name (or yours if self-employed), address, and ZIP code **EHRHARDT KEEFE STEINER & HOTTMAN PC** EIN **84-0869721**
7979 E. TUFTS AVENUE, SUITE 400 Phone no. _____
DENVER, CO 80237-2843 **303-740-9400**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	15,341.
2	Purchases	2	197,144.
3	Cost of labor	3	108,144.
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	201,023.
6	Total. Add lines 1 through 5	6	521,652.
7	Inventory at end of year	7	15,341.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	506,311.

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 percentage (or amounts) of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

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

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations		
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSC	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSC	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members and certain FSC	100	
12	Dividends from controlled foreign corporations (attach Form 8895)	85	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
1	MARK PIPKIN	521-78-4063	100 %	%	%	56,000.
	ALVIN BRASWELL	227-86-6959	100 %	%	%	42,700.
	SHIRLEA NEAL	523-58-9469	100 %	%	%	39,007.
			%	%	%	
			%	%	%	
2	Total compensation of officers					137,707.
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					137,707.

Schedule J Tax Computation (see instructions)

1 Check if the corporation is a member of a controlled group.
2 a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets.
3 Income tax.
4 Alternative minimum tax.
5 Add lines 3 and 4.
6 a Foreign tax credit.
6 b Possessions tax credit.
6 c Credits from: Form 8834, Form 8907, line 23.
6 d General business credit.
6 e Credit for prior year minimum tax.
6 f Bond credits from: Form 8860, Form 8912.
7 Total credits.
8 Subtract line 7 from line 5.
9 Personal holding company tax.
10 Other taxes.
11 Total tax.

Schedule K Other Information (see instructions)

1 Check accounting method: a X Cash, b Accrual, c Other.
2 See the instructions and enter the: a Business activity code no. 812990, b Business activity FUNERAL SERVICE, c Product or service MORTUARY.
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? X
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? X
5 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? X
6 During this tax year, did the corporation pay dividends in excess of the corporation's current and accumulated earnings and profits? X
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
9 Enter the amount of tax-exempt interest received or accrued during the tax year.
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) 1.
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here.
12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) NONE.
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? X

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		2,374.		100.
2a	Trade notes and accounts receivable	503,333.		303,260.	
b	Less allowance for bad debts	(23,218.)	480,115.	(55,000.)	248,260.
3	Inventories		15,341.		15,341.
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)	STMT 8	326,302.		302,682.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	704,422.		697,006.	
b	Less accumulated depreciation	(648,567.)	55,855.	(649,695.)	47,311.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		55,655.		55,655.
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)	STMT 8	8,000.		33,352.
15	Total assets		943,642.		702,701.
Liabilities and Shareholders' Equity					
16	Accounts payable		342,375.		175,201.
17	Mortgages, notes, bonds payable in less than 1 year		66,933.		66,933.
18	Other current liabilities (attach schedule)	STMT 8	307,267.		193,400.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		213,239.		504,943.
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock	2,300.	2,300.	500.	500.
23	Additional paid-in capital		2,000.		2,000.
24	Retained earnings-Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		6,928.		-240,276.
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock		()		()
28	Total liabilities and shareholders' equity		943,642.		702,701.

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

1	Net income (loss) per books	-247,204.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$	4,290.	b	Charitable contributions \$	NONE
c	Travel and entertainment \$	5,664.			
	SEE STATEMENT 9	66,800.	9	Add lines 7 and 8	NONE
6	Add lines 1 through 5	-170,450.	10	Income (page 1, line 28) - line 6 less line 9	-170,450.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	6,928.	5	Distributions: a Cash	
2	Net income (loss) per books	-247,204.		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	-240,276.	8	Balance at end of year (line 4 less line 7)	-240,276.

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

PIPKIN MORTUARY, INC.

84-0779124

Business or activity to which this form relates

GENERAL DEPRECIATION AND AMORTIZATION

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 the instructions for a higher limit for certain businesses	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	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
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	
6	(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	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2004 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	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	

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 allowance for certain aircraft, certain property with a long production run, and qualified NYL or GO Zone 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.)

Section A

17	MACRS deductions for assets placed in service in tax year beginning before 2005	17	17,811.
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		

Section B - Assets Placed in Service During 2005 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
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
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 2005 Tax Year Using the Alternative Depreciation System

20a 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	2,317.
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 instr.	22	20,128.
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	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?				24b If "Yes," is the evidence written?					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25		
26 Property used more than 50% in a qualified business use:									
2000 CADILLAC	10/10/2005	100 %	11,584.	11,584.	5.0	200 DB-HY	2,317.		
27 Property used 50% or less in a qualified business use:									
							S/L -		
							S/L -		
							S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	2,317.	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29		

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a)	(b)	(c)	(d)	(e)	(f)
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	Yes	No	Yes	No	Yes
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year (see instructions):					
43 Amortization of costs that began before your 2005 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Sales of Business Property
 (Also Involuntary Conversions and Recapture Amounts
 Under Sections 179 and 280F(b)(2))

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

Name(s) shown on return: PIPKIN MORTUARY, INC. Identifying number: 84-0779124

1 Enter the gross proceeds from sales or exchanges reported to you for 2005 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3 Gain, if any, from Form 4684, line 42						3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37						4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5
6 Gain, if any, from line 32, from other than casualty or theft						6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						7
8 Nonrecaptured net section 1231 losses from prior years (see instructions)						8
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on Schedule D filed with your return (see instructions)						9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7	11	()
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	1,850.
14 Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17 Combine lines 10 through 16	17	1,850.
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18a 18b	

For Paperwork Reduction Act Notice, see separate instructions. Form **4797** (2005)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255 (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A 1994 CADILLAC	02/23/1999	08/20/2005
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶	Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20 1,850.			
21 Cost or other basis plus expense of sale	21 19,000.			
22 Depreciation (or depletion) allowed or allowable	22 19,000.			
23 Adjusted basis. Subtract line 22 from line 21	23			
24 Total gain. Subtract line 23 from line 20.	24 1,850.			
25 If section 1245 property:				
a Depreciation allowed or allowable from line 22	25a 19,000.			
b Enter the smaller of line 24 or 25a	25b 1,850.			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a Additional depreciation after 1975 (see instructions)	26a			
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions),	26b			
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d Additional depreciation after 1969 and before 1976	26d			
e Enter the smaller of line 26c or 26d	26e			
f Section 291 amount (corporations only)	26f			
g Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land clearing expenses	27a			
b Line 27a multiplied by applicable percentage (see instructions)	27b			
c Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:				
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b Enter the smaller of line 24 or 29a (see instructions)	29b			

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Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	1,850.
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	1,850.
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 36. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

FORM 1120, PAGE 1 DETAIL

LINE 10 - OTHER INCOME

MISCELLANEOUS INCOME

48,028.

TOTAL

48,028.
=====

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FORM 1120, PAGE 1 DETAIL

LINE 17 - TAXES AND LICENSES

PAYROLL TAX EXPENSE	22,668.
OTHER TAXES AND LICENSES	3,658.
TOTAL	26,326.

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FORM 1120, PAGE 1 DETAIL

LINE 19 - CONTRIBUTIONS DEDUCTION

1. TAXABLE INCOME (EXCLUDING CONTRIBUTION DEDUCTION)	-170,450.
2. LESS: NOL CARRYOVER	NONE
3. PLUS: CAPITAL LOSS CARRYBACK	
4. TAXABLE INCOME WITHOUT REGARD TO CONTRIBUTIONS, SPECIAL DEDUCTIONS, NOL CARRYBACKS, AND CAPITAL LOSS CARRYBACKS	-170,450.
5. CONTRIBUTION DEDUCTION LIMITATION (TAXABLE INCOME X 10%)	NONE
6. AMOUNT OF DEDUCTIBLE CONTRIBUTIONS	11,971.
7. CONTRIBUTION DEDUCTION (LESSER OF LINE 5 OR LINE 6)	NONE

CONTRIBUTIONS CARRYOVER

YEAR ENDING	AMOUNT AVAILABLE	AMOUNT UTILIZED	CONVERTED TO NOL CARRYOVER	CARRYOVER TO NEXT YEAR
12/31/2001	2,041.	NONE		2,041.
12/31/2002	4,190.	NONE		4,190.
12/31/2004	1,450.	NONE		1,450.
12/31/2005	4,290.	NONE		4,290.
TOTAL	11,971.	NONE		11,971.

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FORM 1120, PAGE 1 DETAIL

LINE 19 - CURRENT YEAR CONTRIBUTIONS

CHARITABLE CONTRIBUTIONS	4,290.
TOTAL	4,290.

LINE 26 - SUMMARY OF TRAVEL, MEALS AND ENTERTAINMENT

GROSS MEALS AND ENTERTAINMENT	11,327.
LESS 50% LIMITATION TO SCH M-1	5,664.
NET MEALS & ENTERTAINMENT	5,663.
TOTAL	5,663.

LINE 26 - OTHER DEDUCTIONS

TRAVEL, MEALS AND ENTERTAINMENT	5,663.
CONTRACT LABOR	19,227.
BANK SERVICES CHARGES	26,380.
CONSULTING SERVICES	750.
EMPLOYEE EXPENSES	933.
LAUNDRY	2,930.
OUTSIDE SERVICES	150.
RENTAL AND LEASE - EQUIPMENT	1,275.
UNIFORMS	1,806.
APPRAISAL FEES	40,703.
INSURANCE	27,637.
UTILITIES AND TELEPHONE	40,974.
VEHICLE EXPENSE	91,835.
LEGAL AND ACCOUNTING	129,285.
MISCELLANEOUS EXPENSE	5,000.
OFFICE SUPPLIES	4,378.
POSTAGE AND SUPPLIES	516.
TRAVEL	1,580.
TOTAL	401,022.

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FORM 1120, PAGE 1 DETAIL

LINE 29A - NON-SRLY NOL DEDUCTION

YEAR ENDING	ORIGINAL NOL	CARRYOVER FROM PRIOR YEARS	AMOUNT USED IN CURRENT YEAR	CONVERTED CONTRIBUTIONS	CARRYOVER TO NEXT YEAR
12/31/2005	170,450.				170,450.
TOTAL	170,450.	NONE			170,450.

DUPLICATE

FORM 1120, PAGE 2 DETAIL

SCH A, LINE 5 - OTHER COSTS

EMBALMING/CHEMICAL EXPENSES	29,072.
CREMATORY EXPENSES	13,050.
OTHER PREPARATION EXPENSES	2,822.
LIMOUSINE AND HEARSE RENTALS	10,096.
CLOTHING	56,686.
NOTICES	29,187.
DEATH CERTIFICATES	6,041.
SHIP OUT EXPENSE	3,256.
OTHER FACILITY/FUNERAL EXP.	48,021.
MISCELLANEOUS EXPENSES	2,792.

TOTAL	201,023.
	=====

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FORM 1120, PAGE 3 DETAIL

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SCHEDULE K, LINE 5

A NAME MARIANNE PIPKIN
B SOCIAL SECURITY NUMBER
C PERCENTAGE OWNED

458-34-4299
100.00

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FORM 1120, PAGE 4 DETAIL

SCH L, LINE 6 -
OTHER CURRENT ASSETS

	BEGINNING	ENDING
PREPAID EXPENSES	5,000.	NONE
ACCOUNTS RECEIVABLE - EMPLOYEES	9,390.	31,269.
ACCOUNTS RECEIVABLE - OFFICERS	161,912.	268,642.
CASH IN ESCROW	150,000.	2,771.
TOTAL	326,302.	302,682.

SCH L, LINE 14 - OTHER ASSETS

DEPOSITS	6,000.	6,000.
LOAN FEES	2,000.	27,352.
TOTAL	8,000.	33,352.

SCH L, LINE 18 -
OTHER CURRENT LIABILITIES

SALES TAX PAYABLE	6,907.	7,002.
ACCRUED EXPENSES	177,403.	37,531.
PAYROLL TAXES PAYABLE	122,876.	126,794.
GARNISHMENT PAYABLE	681.	NONE
CASH DEFICIT	NONE	22,073.
TOTAL	307,867.	193,400.

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FORM 1120, PAGE 4 DETAIL

SCH M-1, LINE 5 - EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN

NONDEDUCTIBLE TAXES AND PENALTIES	16,841.
ACCRUAL TO CASH ADJUSTMENT	49,959.

TOTAL	66,800.
	=====

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* * * * *

PIPKIN MORTUARY, INC.
Instructions for filing
Form 112
Colorado State C Corporation Income Tax Return
for the year ended December 31, 2005

* * * * *

Signature . . .

The original return should be signed and dated on page two
by an authorized officer of the corporation.

Filing . . .

The original return should be filed as soon as possible with the
following:

Colorado Department of Revenue
Denver, CO 80261-0006

No tax due . . .

There is no tax due for the current year.

Estimate . . .

We have not enclosed any 2006 state estimated tax calculations.
If requested, any required estimates will be provided under
separate cover.

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DO NOT SEND FEDERAL RETURN, FORMS OR SCHEDULES WITH THIS RETURN.

(23)

2005 Form 112 Colorado State C Corporation Income Tax Return

For the tax year beginning 01/01, 2005, ending 12/31, 2005

Name: PIPKIN MORTUARY, INC. Colorado Account Number: 21-13909
Address: 2531 OGDEN STREET Federal Employer Identification Number: 84-0779124
City, State, ZIP Code: DENVER, CO 80205

IF YOU DO NOT NEED A CORPORATE TAX BOOKLET MAILED TO YOU NEXT YEAR, CHECK THIS BOX
A. Apportionment of Income. This return is being filed for:
[X] (42) A corporation not apportioning income;

B. Separate/Consolidated/Combined Filing. This return is being filed by:
[X] A single corporation filing a separate return;

Table with 16 rows for tax calculations. Includes sections for 'Additions to federal taxable income' and 'Subtractions from federal taxable income'. Total taxable income is NONE.00. Includes a large 'DRAFT' watermark.

Form 112

17 Tax, 4.63% of the amount on line 16	■ 17	NONE	.00
18 New investment tax credit from Form 112CR	● 18		.00
19 Enterprise zone investment tax credit from Form 112CR	● 19		.00
20 Enterprise zone employee credits from Form 112CR	● 20		.00
21 Enterprise zone contribution credit from Form 112CR	● 21		.00
22 Other enterprise zone credits from Form 112CR	● 22		.00
23 Alternative fuel vehicle credit from Form 112CR	● 23		.00
24 Alternative fuel refueling facility credit from Form 112CR	● 24		.00
25 Other credits from Form 112CR	● 25		.00
26 Total credits, total of lines 18 through 25	26		.00
27 Net tax, line 17 minus line 26	27	NONE	.00
28 Recapture of prior year credits	● 28		.00
29 Total of lines 27 and 28	29	NONE	.00
30 Estimated tax and extension payments and credits	● 30		.00
31 Gross conservation easement credit from Form 112CR	● 31		.00
32 Total of lines 30 and 31	32		.00
33 Penalty, also include on line 36 if applicable	● 33		.00
34 Interest, also include on line 36 if applicable	● 34		.00
35 Estimated tax penalty, also include on line 36 if applicable	● 35		.00
36 If amount on line 29 exceeds amount on line 32, enter amount owed	● 36	NONE	.00
37 Overpayment, line 32 minus line 29	37		.00
38 Overpayment to be credited to estimated tax	● 38		.00
39 Overpayment to be refunded	● 39		.00

Make checks payable to and mail return to the **COLORADO DEPARTMENT OF REVENUE DENVER COLORADO 80261-0006**. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

C. The corporation's books are in care of:

Name: THE CORPORATION Telephone Number: _____

Address: SAME AS PAGE 1 City: _____ State: _____ ZIP: _____

D. Business code number per federal return ● 812990

E. Year corporation began doing business in Colorado ● 1979

F. Kind of business in detail:
MORTUARY

G. Has the Internal Revenue Service made any adjustments in the corporation's income or tax or have you filed amended federal income tax returns at any time during the last four years? Yes No If Yes, for which year(s)? _____

Did you file amended Colorado returns to reflect such changes or submit copies of the Federal Agent's reports? Yes No

Under penalties of perjury in the second degree, I declare that I have examined this return and to the best of my knowledge it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature: _____ Date: _____ Name and telephone number of person or firm preparing return: EKS&H (303) 740-9400

Title: _____