FORM **1120**

U.S. Treasury Department
Internal Revenue Service

U.S. CORPORATION INCOME TAX RETURN—1960

or Other Taxable Year Beginning MARCH 1, 1960, Ending FEB 28, 1961
(PLEASE TYPE OR PRINT)

Name: SMITH, KANZLER CORPORATION

Number and Street: EAST LINDEN AVENUE

City or town, postal zone number, State: LINDEN NEW JERSEY

Check if this is a—
A. Sole proprietorship ☐ or partnership ☐ electing under sec. 1361 to be taxed as a corporation.
B. Consolidated return. ☐
C. Personal Holding Co. ☐

D. Employer identification No.: 22-1495029

E. Prin. bus. activity and Code No. (See p. 8 instr.): MANUF ASBESTOS

F. County in which located: UNION

G. Enter total assets from line 14, Sch. L (see instr. O). $ 427791.00

GROSS INCOME

1. Gross Receipts ..... Less: Returns and allowances		1332061.77
2. Less: Cost of goods sold (Schedule A) and/or operations (Attach Schedule)		952236.53
3. Gross Profit		379825.24
4. Dividends (Schedule C)		
5. Interest on obligations of the United States, etc. issued: (a) Prior to 3-1-41—(1) U.S. savings and Treasury bonds owned in excess of the principal amount of $5,000; and (2) obligations of a U.S. instrumentality	Gross Amount of Interest / Less: Amortizable Bond Premium	
(b) After 2-28-41, by U.S., any agency or instrumentality		
6. Other interest		1324.26
7. (a) Rents		
(b) Royalties		
8. Net gains (losses) (from separate Schedule D)		
9. Other income (Attach schedule)		
10. TOTAL income, lines 3 to 9, inclusive		381149.50

DEDUCTIONS

11. Compensation of officers (Schedule E)	59800.00
12. Salaries and wages (not deducted elsewhere)	64500.86
13. Repairs (Do not include cost of improvements or capital expenditures)	5728.59
14. Bad debts (Schedule F)	
15. Rents	18300.00
16. Taxes (Schedule B)	4481.17
17. Interest	
18. Contributions or gifts paid (Attach schedule)	988.33
19. Losses by fire, storm, shipwreck, or other casualty, or theft (Attach schedule)	
20. Amortization (Attach schedule)	
21. Depreciation (Schedule G)	50442.63
22. Depletion (Attach schedule)	
23. Advertising	24219.31
24. Amounts contributed under: (a) Pension, profit-sharing, stock bonus, annuity plans (see instr.)	
(b) Other employee benefit plans (see instr.)	
25. Other deductions (Attach schedule)	132076.29
26. TOTAL deductions in lines 11 to 25, inclusive	360536.98
27. Taxable income before net operating loss deduction and special deductions (line 10 less line 26)	20612.52
28. Less: Net operating loss deduction	—
29. Taxable income before special deductions	20612.52
30. Special deductions (Schedule I)	—
31. Line 29 less line 30	20612.52

TAX

32. TOTAL income tax (from line 9, Tax Computation Schedule, page 3)		6183.76
33. Credits: (a) Tax paid with application for extension of time in which to file	—	
(b) Payments and credits on 1960 Declaration of Estimated Tax	—	—
34. If tax (line 32) is larger than payments (line 33), the balance is TAX DUE. Enter balance here→		6183.76
35. If payments (line 33) are larger than tax (line 32) ..... Enter the OVERPAYMENT here→		
36. Enter amount of line 35 you want: Credited on 1961 estimated tax ..... Refunded		

SIGNATURE AND VERIFICATION (See Instruction E)

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

CORPORATE SEAL

(Date) (Signature of officer) (Title)

(Date) (Individual or firm signature) (Address)

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DANA-058

PREPARED BY _____

COMPUTATIONS DVC

ESTIMATE _____

MAILED TO _____

DATE _____

POSTED _____

Schedule A.—COST OF GOODS SOLD. (See Instruction 2)
(Where inventories are an income-determining factor)

1. Inventory at beginning of year	103378.60
2. Merchandise bought for manufacture or sale	665297.26
3. Salaries and wages	221840.60
4. Other costs per books (Attach schedule)	54933.38
5. Total	1045449.93
6. Less: Inventory at end of year	88213.00
7. Cost of goods sold (Enter here and on line 2, page 1)	957236.53

Schedule B.—TAXES. (See Instruction 16)

Explanation	Amount
N.J. FRANC. TAX	705.19
Cit. of LINDEN	3775.98
Total (Enter here and on line 16, page 1)	4481.17

Schedule C.—INCOME FROM DIVIDENDS

1. Name of Declaring Corporation	2. Domestic Corporations Taxable Under Chapter 1, Internal Revenue Code*	3. Certain Preferred Stock of Public Utilities Taxable Under Chapter 1, Internal Revenue Code	4. Foreign Corporations	5. Other Corporations
Totals				
Total of columns 2, 3, 4, and 5 (Enter here and on line 4, page 1)				

*Except (a) dividends on certain preferred stock of public utilities, which should be entered in column 3; and (b) dividends, which should be entered in column 5, received from China Trade Act corporations, from corporations to which section 931 applies, and from corporations exempt from tax under sections 501 and 521.

Schedule D.—Separate Schedule D (Form 1120) should be used in reporting sales or exchanges of property. (See Instruction 8)

Schedule E.—COMPENSATION OF OFFICERS. (See page 6 of Instructions)

1. Name and Address of Officer	2. Official Title	3. Time Devoted to Business	Percent of Corporation Stock Owned: 4. Common	5. Preferred	6. Amount of Compensation	7. Expense Account Allowances
LEONARD DIENER - ELIZ N.J.	Pres		50%		33800.00	
JUDA " "	TREAS		50%		26000.00	
Total compensation of officers (Enter here and on line 11, page 1)					59800.00	

Schedule F.—BAD DEBTS. (See Instruction 14)

1. Taxable Year	Amount of Notes and Accounts Receivable Outstanding at— 2. Beginning of Year	3. End of Year	4. Taxable Income Reported	5. Sales on Account	6. Bad Debts of Corporation if No Reserve Is Carried on Books	If Corporation Carries a Reserve: 7. Gross Amount Added to Reserve	8. Amount Charged Against Reserve
1957							
1958							
1959							
1960							

NOTE: Securities which are capital assets and which became worthless within the taxable year should be reported in separate Schedule D.

Schedule G.—DEPRECIATION. (See Instruction 21 and Schedule H)

1. Kind of Property (if buildings, state material of which constructed). Exclude Land and Other Nondepreciable Property. List Assets in Groups by Depreciation Method	2. Date Acquired	3. Cost or Other Basis (Exclude land)	4. Depreciation Allowed (or allowable) in Prior Years	5. Method of Computation	6. Rate (%) or Life (years)	7. Depreciation This Year
MAC. & EQUIPT.	VAR	453521.00	402032.46	S.L.	10	45252.12
" "	1958	2268.59	677.06	S.L.	10	453.71
" "	VAR	14295.00	9035.23	D.B.	10%	1053.94
" "	2/25/60	9035.00	—	D.B.	10	1903.00
Office Equipment	VAR	6395.48	5461.05	S.L.	10	639.55
Automobile	3-1-59	4545.31	1136.33	S.L.	25	1136.33

1. Total	50445.63
2. Less: Amount of depreciation claimed in Schedule A and elsewhere on return	
3. Balance—Enter here and on line 21, page 1	50442.63

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Schedule H.—SUMMARY OF DEPRECIATION AND AMORTIZATION SCHEDULES

1. Straight line method			
(a) Assets acquired prior to 1/1/54	45352.10		
(b) Assets acquired after 12/31/53	2229.59	8. Emergency facilities	
2. Declining balance method	7860.94	9. Grain storage facilities	
3. Sum of the years-digits method		10. Research or experimental expenditures	
4. Based on units of production		11. Exploration and development expenditures	
5. Addl. 1st year (Sec. 179)		12. Organizational expenditures	
6. Other methods		13. Trademark and trade name expenditures	
7. Total depreciation claimed	50442.63	14. Total amortization claimed	

Schedule I.—SPECIAL DEDUCTIONS

1. Partially tax-exempt interest (See Instruction 5)		—
2. Dividends-received:		
(a) 85 percent of column 2, Schedule C		
(b) 62.115 percent of column 3, Schedule C		
(c) 85 percent of dividends received from certain foreign corporations		
3. Total dividends-received deductions (sum of lines 2 (a), (b), and (c) but not to exceed 85 percent of the excess of line 27, page 1 over the sum of lines 1 and 5). (See Instructions in case of net operating loss or if the corporation is a small business investment company.)		
4. Dividends paid on certain preferred stock of public utilities (See Instructions in case of net operating loss)		
5. Western Hemisphere trade corporations (See Instructions in case of net operating loss)		
6. Total special deductions (enter here and on line 30, page 1)		—

TAX COMPUTATION SCHEDULE

1. (a) Line 31, page 1 20617.57 (b) plus line 1, Schedule I — Enter total here →		20612.52
2. If amount of line 1 is:		
(a) Not over $25,000—Enter 30 percent of line 1 (32 percent if a consolidated return)		6183.76
(b) Over $25,000—Enter 52 percent of line 1 (54 percent if a consolidated return)		
Subtract $5,500, and enter difference	5,500.00	
3. Adjustment for partially tax-exempt interest. Enter 30 percent of line 1 (b), but not in excess of 30 percent of line 1		
4. Normal tax and surtax (line 2 less line 3)		6183.76
5. Income tax (line 4, or line 22 of separate Schedule D)	—	
6. Credit allowed a domestic corporation for income taxes paid to a foreign country or United States possession (attach Form 1118)	—	
7. Balance of income tax (line 5 less line 6)		—
8. Tax under section 541 of the Internal Revenue Code (from Schedule 1120 PH)		—
9. Total income tax (line 7 plus line 8). Enter here and on line 32, page 1		6183.76

H. Date incorporated 3/1/51

I. Did the corporation at any time during the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation? Yes ☐ No ☒
Did any corporation, individual, partnership, trust, or association at any time during taxable year own directly or indirectly 50 percent or more of the corporation's voting stock? Yes ☐ No ☐
If either answer is "Yes," attach separate schedule showing:
(1) name and address;
(2) percentage owned;
(3) date acquired; and
(4) the District Director's office in which the income tax return of such corporation, individual, partnership, trust, or association for the last taxable year was filed.

J. Were Forms 1096 and 1099 filed for the calendar year 1960 in connection with:
Taxable dividends Yes ☐ No ☒
Other payments Yes ☒ No ☐

K. Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951 Yes ☐ No ☒
If "Yes," See Instruction G(4) and enter amount here

L. Did you at any time during the year own directly or indirectly any stock of a foreign corporation? Yes ☐ No ☒
If "Yes," attach statement as required by Instruction K.

M. Amount of income (or deficit) for: 1957 3792.84
1958 5447.95 1959 (2761.10)

N. If a cooperative association, check type:
(1) ☐ farmers' purchasing or marketing; (2) ☐ consumers', or (3) ☐ other.

O. Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)
(1) A hunting lodge ☐, working ranch or farm ☐, fishing camp ☐, resort property ☐, pleasure boat or yacht ☐, or other similar facility ☐? (Other than where the operation of the facility was the principal business.) Yes ☐ No ☒
(2) The leasing, renting, or ownership of a hotel room or suite ☐, apartment ☐, or other dwelling ☐, which was used by customers or employees or members of their families? (Other than use by employees while in business travel status.) Yes ☐ No ☒
(3) The attendance of your employees' families at conventions or business meetings. Yes ☐ No ☒
(4) Vacations for employees or members of their families? (Other than vacation pay reported on Form W-2) Yes ☐ No ☒

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Schedule L.—BALANCE SHEETS (See Instructions)

ASSETS	Beginning of Taxable Year Amount	Beginning of Taxable Year Total	End of Taxable Year Amount	End of Taxable Year Total
1. Cash		75664.00		184669.00
2. Gov't. obligations: (a) U.S. and instrumentalities; (b) State, subdivisions thereof, etc.	20000.00	20000.00	20000.00	20000.00
3. Notes and accounts receivable	120732.00		116016.00	
(a) Less: Reserve for bad debts	3646.00	117086.00	3646.00	112370.00
4. Inventories: (a) Other than last-in, first-out				
(b) Last-in, first-out		103379.00		88213.00
5. Other current assets including short term marketable investments (Attach schedule)				
6. Loans to stockholders				
7. Mortgage and real estate loans				
8. Other investments (Attach schedule)				
9. Buildings and other fixed depreciable assets	490060.00		490060.00	
(a) Less: Accumulated amortization and depreciation	418337.00	71728.00	416775.00	71285.00
10. Depletable assets				
(a) Less: Accumulated depletion				
11. Land (net of any amortization) PREP. EXP.		1489.00		1104.00
12. Intangible assets (amortizable only)				
(a) Less: Accumulated amortization				
13. Other assets (Attach schedule) INC. EXP.		150.00		150.00
14. Total Assets		389446.00		479291.00
LIABILITIES AND CAPITAL				
15. Accounts payable		29532.00		49009.00
16. Deposits and withdrawable shares				
17. Bonds, notes, and mortgages payable (maturing less than one year from date of balance sheet)				
18. Other current liabilities (Attach schedule)		7367.00		12607.00
19. Loans from stockholders				
20. Bonds, notes, and mortgages payable (maturing one year or more from date of balance sheet)				
21. Other liabilities (Attach schedule)				
22. Capital stock: (a) Preferred stock	150000.00		150000.00	
(b) Common stock	10000.00	160000.00	10000.00	160000.00
23. Paid-in or capital surplus				
24. Surplus reserves (Attach schedule)				
25. Earned surplus and undivided profits		192596.66		206175.55
26. Total Liabilities and Capital		389446.00		479291.00

Schedule M.—RECONCILIATION OF TAXABLE INCOME AND ANALYSIS OF EARNED SURPLUS AND UNDIVIDED PROFITS

1. Earned surplus and undivided profits at end of preceding taxable year (Schedule L)	192596.66	9. Total distributions to stockholders charged to earned surplus during the taxable year: (a) Cash	
2. Taxable income before net operating loss deduction and special deductions (line 27, page 1)	20612.52	(b) Stock of the corporation	
3. Nontaxable interest on:		(c) Other property (Attach schedule)	
(a) Obligations of a State, territory, or a possession of the United States, or any political subdivision of any of the foregoing, or the Dist. of Columbia		10. Contributions in excess of 5% limitation	[illegible]
(b) Obligations of the United States issued on or before Sept. 1, 1917; all postal savings bonds		11. Federal income and excess profits taxes	[illegible]
4. Other nontaxable income (Attach schedule)		12. Income taxes of foreign countries or United States possessions if claimed as a credit in whole or in part on line 6, page 3 Tax Computation	
5. Charges against surplus reserves deducted from income in this return (Attach schedule)		13. Insurance premiums paid on the life of any officer or employee where the corporation is directly or indirectly a beneficiary	
6. Adjustments for tax purposes not recorded on books (Attach sch.)		14. Unallowable interest incurred to purchase or carry tax-exempt interest obligations	
7. Sundry credits to earned surplus (Attach schedule)		15. Excess of capital losses over capital gains	
8. Total of lines 1 to 7	213209.18	16. Additions to surplus reserves (Attach schedule)	
		17. Other unallowable deductions (Attach schedule)	
		18. Adjustments for tax purposes not recorded on books (Attach schedule)	
		19. Sundry debits to earned surplus (Attach schedule)	
		20. Total of lines 9 to 19	7033.13
		21. Earned surplus and undivided profits at end of the taxable year (Schedule L) (Line 8 less line 20)	206175.55

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CHARITABLE CONTRIBUTIONS - PAGE 1 - ITEM 18

TORAH EME	1000
JUNIOR ACHIEVEMENT	5000
ST. ELIZABETH HOSPITAL	25000
UNITED JEWISH APPEAL	150000
ZION ORPHANAGE	1000
YESHIVAH	1800
	183800
5% LIMITATION	98813

Other Costs - Schedule C - Line 11

Outside Work	2318.00
Supplies	14127.69
Coal Oil - Heat	16692.76
Light - Power	21800.93
Total	84933.38

Other Deductions - Line 25

Freight Out	52550.19
Sales Discounts	13649.29
Truck - Auto Maintenance	3847.59
Gas - Oil	3529.23
Travel - Entertainment	14671.11
Group Insurance - Hospitalization	2707.52
Telephone	6472.16
Gifts - General Expenses	5793.91
Office Supplies	2322.71
Professional	2273.70
Payroll Taxes	11696.85
Insurance	12021.42
Dues - Subscriptions	600.62
	132076.29

Schedule L - Line 18 - Other Current Liabs.

	1/28/60	2/28/60
Payroll Taxes Accrued	3490.00	3625.00
Withholding Taxes	3877.00	3358.00
Federal Income Taxes	—	6184.00
Total	7369.00	12

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