

<b>A</b> Check all that apply:  <input type="checkbox"/> Decedent's estate <input checked="" type="checkbox"/> Simple trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Qualified disability trust <input type="checkbox"/> ESBT (S portion only) <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate—Ch. 7 <input type="checkbox"/> Bankruptcy estate—Ch. 11 <input type="checkbox"/> Pooled income fund		<b>For calendar year 2016 or fiscal year beginning</b> _____, and ending _____ Name of estate or trust (If a grantor type trust, see the instructions.) <b>Valentine Family Trust</b> Name and title of fiduciary <b>TXB Bank</b> Number, street, and room or suite no. (If a P.O. box, see the instructions.) <b>898 Main Street</b> City or town _____ State _____ ZIP code _____ <b>Lexington NC 27292</b> Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____		<b>C</b> Employer identification number <b>11-1111111</b>  <b>D</b> Date entity created _____  <b>E</b> Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.  <input type="checkbox"/> Described in sec. 4947(a)(1). Check here if not a private foundation <input type="checkbox"/> <input type="checkbox"/> Described in sec. 4947(a)(2)
<b>B</b> Number of Schedules K-1 attached (see instructions) <b>1</b>		<b>F</b> Check applicable boxes: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Net operating loss carryback <input type="checkbox"/> Change in trust's name <input type="checkbox"/> Change in fiduciary <input type="checkbox"/> Change in fiduciary's name <input type="checkbox"/> Change in fiduciary's address		

<b>G</b> Check here if the estate or filing trust made a section 645 election <input type="checkbox"/> Trust TIN <input type="checkbox"/>				
<b>Income</b>	1	Interest income . . . . .	1	30,000
	2a	Total ordinary dividends . . . . .	2a	50,000
	b	Qualified dividends allocable to: (1) Beneficiaries <u>50,000</u> (2) Estate or trust		
	3	Business income or (loss). Attach Schedule C or C-EZ (Form 1040) . . . . .	3	
	4	Capital gain or (loss). Attach Schedule D (Form 1041) . . . . .	4	
	5	Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040) . . . . .	5	
	6	Farm income or (loss). Attach Schedule F (Form 1040) . . . . .	6	
	7	Ordinary gain or (loss). Attach Form 4797 . . . . .	7	
	8	Other income. List type and amount	8	
	9	<b>Total income.</b> Combine lines 1, 2a, and 3 through 8. . . . .	9	80,000
<b>Deductions</b>	10	Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	
	11	Taxes . . . . .	11	
	12	Fiduciary fees . . . . .	12	10,000
	13	Charitable deduction (from Schedule A, line 7) . . . . .	13	
	14	Attorney, accountant, and return preparer fees . . . . .	14	
	15a	Other deductions <b>not</b> subject to the 2% floor (attach schedule) . . . . .	15a	
	b	Net operating loss deduction. See instructions . . . . .	15b	
	c	Allowable miscellaneous itemized deductions subject to the 2% floor . . . . .	15c	
	16	Add lines 10 through 15c . . . . .	16	10,000
	17	Adjusted total income or (loss). Subtract line 16 from line 9 . . . . .	17	70,000
	18	Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041) . . . . .	18	70,000
<b>Tax and Payments</b>	19	Estate tax deduction including certain generation-skipping taxes (attach computation) . . . . .	19	
	20	Exemption . . . . .	20	300
	21	Add lines 18 through 20 . . . . .	21	70,300
	22	Taxable income. Subtract line 21 from line 17. If a loss, see instructions . . . . .	22	-300
	23	<b>Total tax</b> (from Schedule G, line 7) . . . . .	23	0
	24	<b>Payments:</b> a 2016 estimated tax payments and amount applied from 2015 return . . . . .	24a	
	b	Estimated tax payments allocated to beneficiaries (from Form 1041-T) . . . . .	24b	
	c	Subtract line 24b from line 24a . . . . .	24c	0
	d	Tax paid with Form 7004. See instructions . . . . .	24d	
	e	Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/> . . . . .	24e	
		Other payments: f Form 2439 _____; g Form 4136 _____; Total <input type="checkbox"/>	24h	0
25	<b>Total payments.</b> Add lines 24c through 24e, and 24h . . . . .	25	0	
26	Estimated tax penalty. See instructions . . . . .	26		
27	<b>Tax due.</b> If line 25 is smaller than the total of lines 23 and 26, enter amount owed . . . . .	27	0	
28	<b>Overpayment.</b> If line 25 is larger than the total of lines 23 and 26, enter amount overpaid . . . . .	28	0	
29	Amount of line 28 to be: <b>a Credited to 2017 estimated tax</b> <input type="checkbox"/> ; <b>b Refunded</b> <input type="checkbox"/>	29	0	

<b>Sign Here</b>	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.			May the IRS discuss this return with the preparer shown below (see instr.)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of fiduciary or officer representing fiduciary _____ Date _____ EIN of fiduciary if a financial institution _____			
	Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check <input type="checkbox"/> if self-employed PTIN _____			
<b>Paid Preparer Use Only</b>	Firm's name <input type="checkbox"/>		Firm's EIN <input type="checkbox"/>	
	Firm's address <input type="checkbox"/>		Phone no. <input type="checkbox"/>	

**Schedule A Charitable Deduction.** Don't complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions . . .	1		
2	Tax-exempt income allocable to charitable contributions. See instructions . . . . .	2		
3	Subtract line 2 from line 1 . . . . .	3	0	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes . .	4		
5	Add lines 3 and 4 . . . . .	5	0	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions .	6		
7	<b>Charitable deduction.</b> Subtract line 6 from line 5. Enter here and on page 1, line 13 . . . . .	7	0	

**Schedule B Income Distribution Deduction**

1	Adjusted total income. See instructions . . . . .	1	70,000	
2	Adjusted tax-exempt interest . . . . .	2		
3	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions . . . . .	3		
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion) . . . . .	4		
5	Capital gains for the tax year included on Schedule A, line 1. See instructions . . . . .	5		
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number . . . . .	6		
7	<b>Distributable net income.</b> Combine lines 1 through 6. If zero or less, enter -0- . . . . .	7	70,000	
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law . . . . .	8		
9	Income required to be distributed currently . . . . .	9	70,000	
10	Other amounts paid, credited, or otherwise required to be distributed . . . . .	10		
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions . . . . .	11	70,000	
12	Enter the amount of tax-exempt income included on line 11 . . . . .	12		
13	Tentative income distribution deduction. Subtract line 12 from line 11 . . . . .	13	70,000	
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0- . . . . .	14	70,000	
15	<b>Income distribution deduction.</b> Enter the smaller of line 13 or line 14 here and on page 1, line 18 . . . . .	15	70,000	

**Schedule G Tax Computation** (see instructions)

1	<b>Tax:</b> a Tax on taxable income. See instructions . . . . .	1a			1d	0
	b Tax on lump-sum distributions. Attach Form 4972 . . . . .	1b				
	c Alternative minimum tax (from Schedule I (Form 1041), line 56) . . . . .	1c				
	d <b>Total.</b> Add lines 1a through 1c . . . . .					
2a	Foreign tax credit. Attach Form 1116 . . . . .	2a			2e	0
b	General business credit. Attach Form 3800 . . . . .	2b				
c	Credit for prior year minimum tax. Attach Form 8801 . . . . .	2c				
d	Bond credits. Attach Form 8912 . . . . .	2d				
e	<b>Total credits.</b> Add lines 2a through 2d . . . . .					
3	Subtract line 2e from line 1d. If zero or less, enter -0- . . . . .	3	0			
4	Net investment income tax from Form 8960, line 21 . . . . .	4				
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 . . . . .	5				
6	Household employment taxes. Attach Schedule H (Form 1040) . . . . .	6				
7	<b>Total tax.</b> Add lines 3 through 6. Enter here and on page 1, line 23 . . . . .	7	0			

**Other Information**

	Yes	No
1 Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses. Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$ 0		X
2 Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement? . . . . .		X
3 At any time during calendar year 2016, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . . See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		X
4 During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions . . . . .		X
5 Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment . . . . .		X
6 If this is an estate or a complex trust making the section 663(b) election, check here. See instructions . . . . . ▶ <input type="checkbox"/>		
7 To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here. See instructions . . . . . ▶ <input type="checkbox"/>		
8 If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here . ▶ <input type="checkbox"/>		
9 Are any present or future trust beneficiaries skip persons? See instructions . . . . .		X
10 Was the trust a specified domestic entity required to file Form 8938 for the tax year (see the Instructions for Form 8938)? . . . . .		X

**Schedule K-1**  
**(Form 1041)**

 Department of the Treasury  
 Internal Revenue Service

2016

 For calendar year 2016,  
 or tax year beginning \_\_\_\_\_, 2016,  
 and ending \_\_\_\_\_, 20\_\_\_\_

**Beneficiary's Share of Income, Deductions, Credits, etc.**

► See back of form and instructions.

**Part I Information About the Estate or Trust**
**A** Estate's or trust's employer identification number

11-1111111

**B** Estate's or trust's name

Valentine Family Trust

**C** Fiduciary's name, address, city, state, and ZIP code

 TXB Bank  
 898 Main Street  
 Lexington, NC 27292

**D** ☐ Check if Form 1041-T was filed and enter the date it was filed

**E** ☐ Check if this is the final Form 1041 for the estate or trust

**Part II Information About the Beneficiary**
**F** Beneficiary's identifying number

123-45-6789

**G** Beneficiary's name, address, city, state, and ZIP code

 Dawn Valentine  
 545 Oak Avenue  
 Lexington, NC 27292

**H** ☒ Domestic beneficiary ☐ Foreign beneficiary

**Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Interest income	26,250	<b>11</b>	Final year deductions
<b>2a</b>	Ordinary dividends	43,750		
<b>2b</b>	Qualified dividends	43,750		
<b>3</b>	Net short-term capital gain			
<b>4a</b>	Net long-term capital gain			
<b>4b</b>	28% rate gain		<b>12</b>	Alternative minimum tax adjustment
<b>4c</b>	Unrecaptured section 1250 gain			
<b>5</b>	Other portfolio and nonbusiness income			
<b>6</b>	Ordinary business income			
<b>7</b>	Net rental real estate income			
<b>8</b>	Other rental income		<b>13</b>	Credits and credit recapture
<b>9</b>	Directly apportioned deductions			
			<b>14</b>	Other information
			<b>E</b>	70,000
<b>10</b>	Estate tax deduction		<b>H</b>	0

\*See attached statement for additional information.  
 Note. A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

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