

Joanne Barnes
Did the
Accounting

$$1,475.97 - 816.00 = 659.97$$

EDWARD J. WHITE
ATTORNEY AT LAW
118 SOUTH ROYAL STREET
ALEXANDRIA, VIRGINIA 22314

TELEPHONE 836-5444

February 18, 1992

Mr. Anthony M. O'Connell
6541 Franconia Rd.
Springfield, Va. 22150

Re: Estate of Jean M. O' Connell

Dear Mr. O'Connell,

In order to prepare your mother's 1991 income tax returns, I need the amount that the Harold O'Connell Trust paid her during 1991. In the event the payment was not made in 1991, I will need to file the amount which was due as "income with respect to a decedent" on the estate tax and fiduciary tax returns. The cutoff date for your computation will be September 15, 1991. After that date the trust technically terminated, and the income belongs to the beneficiaries of that trust.

Jean and I are making progress on the estate. We have decided to leave the A. G. Edwards accounts in place since they are earning a better rate of return than a bank can give.

I am trying to get to the bottom of the car problem with Sovran and should be able to get the title soon so that it can be transferred to you before the insurance expires.

Jean has informed me that you and your sisters have decided that it is best to try and list the Accotink property at its actual value as of the of death rather than a higher value based on its future value. Since you have worked so diligently on this problem in the past, could you give me the name of an appraiser who could do a valuation which will take into account all of the county inspired problems. It seems to me that the county value of \$600,000.00 is too high based on the hurdles you have run into in trying to develop it.

Could you also send me the address of Lynch Properties?

Sincerely,



Edward J. White

EJW/e
Copy to: Jean M. Nader



File: CPA

Anthony O'Connell
6541 Franconia Road
Springfield, Virginia 22150
February 18, 1992
{703} 971-2855

Bruner, Kane & McCarthy, Limited
700 North Fairfax
Alexandria, Virginia 22313
{703} 549-7800

Reference: Trust u/w of
H.A. O'Connell
EIN 62-6209167
Fiduciary # 21840

Dear Bruner, Kane & McCarthy:

Would you please do these 1991 fiduciary returns?

1. Federal, and K-1's sent to Jean O'Connell's {SSN 230-50-6044} estate and the three secondary beneficiaries. The three secondary beneficiaries are:
 - A. Sheila O'Connell
SSN 224-54-7273
44 Carleton Street
Portland, Maine 04102
 - B. Jean O'Connell Nader
SSN 225-50-9052
350 Fourth Avenue
New Kensington, Pennsylvania 15068
 - C. Anthony O'Connell
SSN 225-52-7637
6541 Franconia Road
Springfield, Virginia 22150
2. Virginia
3. Fairfax County {Commissioner of Accounts}, Seventh Account

Because Ms. JoAnn Barnes has been handling Jean O'Connell's taxes and is familiar with this installment sale, perhaps she would prefer to handle it.

I would appreciate it if you would save your working papers for me. I would particularly like to see how you compute the 2% floor on line 15a of Form 1041 and the alternative minimum tax for fiduciaries with it's DNAMTI.

Page three of the trust instrument {enclosed} states, with qualifiers, that the net income of the trust is to go to Jean O'Connell. Rather than waiting until the end of the year to compute the exact net income, I estimated it in April when the annual payment from the installment sale was received. Consequently, I think I have over distributed and perhaps distributed a cumulative \$7,389.87 in principal to Jean O'Connell. Perhaps this amount is incorrect. The Commissioner of Accounts advises me that I should request this back from the estate {and where it won't be hit with an estate tax}. On the other hand perhaps it is not worth the amended returns. Would you please advise me of my options and their respective consequences?

	Reported on 1041 K-1 {as interest}	Actual Distribution	Commissioner of Accounts Account number	net income carry over
• 1986	Did not file		First	
1987	Did not file		Second	
1988	None	None	Third	
			Fourth	- \$ 6,593.75
1989	\$ 36,040.06	\$ 36,040.06	Fifth	- \$ 796.77
1990	\$ 45,772.12	\$ 45,772.12	Sixth-2,967.96	- \$ 4,039.75 corrected to - \$ 4,038.74
1991	None yet, but I think the amount should be \$ 36,648.87	\$ 40,000.00		

The following financial papers, or copies of financial papers, are enclosed:

1. Federal and Virginia returns for 1988, 1989 and 1990. Missouri returns for 1988 and 1989 {I had a trust account in Missouri at that time}.

The "Gross profit percentage" on the 1988 installment sale is 94.1349%. I used a rounded 94% on the 1988 return.

2. Fairfax County Trust Accounts One through Six.

The Fifth {1989} and Sixth {1990} Accounts to the Commissioner have not been officially approved yet but today "Stephanie" at the Commissioner's Office {703 385-0268} said they look correct. Because the Fifth Account was corrected after the Sixth Account was submitted, and the correction caused a net increase in assets of only \$1.01, "Stephanie" says the change is not significant enough to revise the Sixth Account.

3. Data for Seventh Account {1991} to Fairfax County Commissioner of Accounts.

4. Check book record and checks 200-283 except:

202 stopped payment
210 torn up
237 torn up
250 torn up
260 torn up
273-278 all November, missing

5. Monthly bank statements and spreadsheet for 1991.

6. 1099 Int \$ 48,181.18
1099 Int 1,612.08
1099 Int 953.80
1099 Int 58.53

7. Summary "Trust.92"

8. Will of H.A. O'Connell, page 3

Your truly,

Anthony O'Connell, trustee

1041 U.S. Fiduciary Income Tax Return 1991

Department of the Treasury—Internal Revenue Service

196,795.7
11/10/91
March 4, 1992

For the calendar year 1991 or fiscal year beginning 1991, and ending 19 OMB No. 1545-0092

A Type of Entity <input type="checkbox"/> Decedent's estate <input checked="" type="checkbox"/> Simple trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate <input type="checkbox"/> Family estate trust <input type="checkbox"/> Pooled income fund	Name of estate or trust (grantor type trust, see instructions) Trust u/w H.A. O'Connell	C Employer identification number 62 6209167
	Name and title of fiduciary Anthony O'Connell, Trustee	D Date entity created 6/20/86
	Number, street, and room or suite no. (if a P.O. box, see page 4 of instructions.) 6541 Franconia Road	E Nonexempt charitable and split-interest trusts, check applicable boxes (see instructions): <input type="checkbox"/> Described in section 4947(a)(1) <input type="checkbox"/> Not a private foundation <input type="checkbox"/> Described in section 4947(a)(2)
	City, state, and ZIP code Springfield, Virginia 22150	
B Number of Schedules K-1 attached (see instructions) 5	Check applicable boxes: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Change in Fiduciary's Name or Address	

Income	1 Interest income	1	55,314
	2 Dividends	2	
	3 Business income or (loss) (attach Schedule C (Form 1040))	3	
	4 Capital gain or (loss) (attach Schedule D (Form 1041))	4	100,645
	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 (state nature of income)	8	
	9 Total income (combine lines 1 through 8)	9	155,959

Deductions	10 Interest	10	
	11 Taxes	11	5,570
	12 Fiduciary fees	12	8,780
	13 Charitable deduction (from Schedule A, line 6)	13	
	14 Attorney, accountant, and return preparer fees	14	625
	15a Other deductions NOT subject to the 2% floor (attach schedule)	15a	138
	b Allowable miscellaneous itemized deductions subject to the 2% floor	15b	565.703
	c Add lines 15a and 15b	15c	703
	16 Total (add lines 10 through 14, and 15c)	16	15,678
	17 Adjusted total income or (loss) (subtract line 16 from line 9). Enter here and on Schedule B, line 1.	17	140,281
18 Income distribution deduction (from Schedule B, line 17) (see instructions) (attach Schedules K-1 (Form 1041))	18	140,281	
19 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation)	19		
20 Exemption	20	300	
21 Total deductions (add lines 18 through 20)	21	140,581	

Please attach check or money order here	22 Taxable income of fiduciary (subtract line 21 from line 17)	22	(300)
	23 Total tax (from Schedule G, line 7)	23	NONE
	24 Payments: a 1991 estimated tax payments and amount applied from 1990 return	24a	5,100
	b Treated as credited to beneficiaries (from Form 1041-T)	24b	
	c Subtract line 24b from line 24a	24c	5,100
	d Tax paid with extension of time to file: <input type="checkbox"/> Form 2758 <input type="checkbox"/> Form 8736 <input type="checkbox"/> Form 8800	24d	
	e Federal income tax withheld	24e	
	Credits: f Form 2439 : g Form 4136 : h Other : Total	24i	
	25 Total payments (add lines 24c through 24e, and 24i)	25	5,100
	26 Penalty for underpayment of estimated tax (see instructions)	26	
27 If the total of lines 23 and 26 is larger than line 25, enter TAX DUE	27		
28 If line 25 is larger than the total of lines 23 and 26, enter OVERPAYMENT	28	5,100	
29 Amount of line 28 to be: a Credited to 1992 estimated tax 5,100 ; b Refunded	29		

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than fiduciary) is based on all information of which preparer has any knowledge.

Anthony O'Connell, Trustee Date **2/25/92** EIN of fiduciary (see instructions) **225-52-7637**

Paid Preparer's Use Only	Preparer's signature <i>James J. Bacon</i>	Date 4/3/92	Check if self-employed <input type="checkbox"/>	Preparer's social security no. 579 441 3204
	Firm's name (or yours if self-employed) and address BRUNER, KANE & MCCARTHY, LTD., CPAs 700 N. Fairfax St., Alexandria, VA	S.I. No. 54	EIN No. 1040148 ZIP code 22314	

Trust U/W Harold O'Connell
Anthony O'Connell, Trustee
6541 Franconia Road
Springfield, Virginia 22150

April 29, 1992
As of April 11, 1992

BRUNER, KANE & MCCARTHY, LTD.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
700 NORTH FAIRFAX STREET
POST OFFICE BOX 1250
ALEXANDRIA, VIRGINIA 22313

ARTHUR J. BRUNER, CPA
JOHN T. KANE, CPA
JOANNE L. BARNES, CPA
CHARLES W. BALLOU, CPA
NICHOLAS GREKSOUK, CPA
RICHARD G. COLE, JR., CPA
DANIEL F. MCCARTHY, CPA
CONSULTANT

(703) 549-7800
FAX (703) 836-5591

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MAKE CHECKS PAYABLE TO "BKM, LTD."
(PLEASE INCLUDE REF. NO. ON YOUR CHECK)

CLIENT # 96085-THO

REF. NO. 9059

FOR PROFESSIONAL SERVICES RENDERED:

Preparation of Federal and Virginia fiduciary income
tax returns for the year ended December 31, 1991 and
preparation of annual court accounting for the year
ended December 31, 1991

\$3,100

*paid
5/6/92*

A 1 1/2 % PER MDNTH LATE PAYMENT PENALTY WILL BE ADDED TO ALL ACCOUNTS NOT
PAID WITHIN 40 DAYS OF THE BILLING DATE.

TRUST U/W HAROLD A. O'CONNELL
ANTHONY M. O'CONNELL, TRUSTEE
6541 FRANCONIA ROAD PH. 703-971-2855
SPRINGFIELD, VA. 22150

5-89

CLIENT # 96085-770
REF. NO 9059
May 6 1992

306

68-7267
2560



BRUNER, KANE & MCCARTHY \$ 3,100.⁰⁰

Three thousand and one hundred ^{LTD} and no cents **DOLLARS**

Continental Federal
SAVINGS BANK

HAIRFAX, VIRGINIA 22030

MEMBER FDIC

MEMO

FOR RETURN
FOR THE

Anthony M. O'Connell

⑆ 256072675⑆ 23001938022⑆ 0306 ⑆0000⑆0000⑆

* FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

MY 92 13
056001079

056001079
CRESTAR BANK
515 KING STREET
ALEXANDRIA, VA
22311

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CRESTAR BANK
BRUNER, KANE & MCCARTHY, LTD.
OR B.K.M. MORTGAGE INVESTMENT
ALEXANDRIA, VIRGINIA
DO NOT WRITE STAMP OR SIGN BELOW THIS LINE
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ENDORSE HERE

KELLER BRUNER & COMPANY, P.C.

Certified Public Accountants • Management Consultants

February 12, 1993

Mr. Anthony O'Connell
6541 Franconia Road
Springfield, Virginia 22150

Re: Trust u/w of H. A. O'Connell

Dear Mr. O'Connell:

Joanne Barnes has asked me to respond to your letter of January 21, 1993 concerning the differences in the "Total distributions" from the court accounting and the fiduciary return. I will also try to answer the other questions in your letter.

The amount on Page 2, Line 12 of Form 1041 in the amount of \$146,795 is the figure on a workpaper which I previously gave to you (copy attached). Listed below, again in another format, is how that \$146,795 was arrived at:

Mrs. Jean M. O'Connell	
Check #230	\$ 40,000.00
Check #251 (R E taxes)	
(\$3,330 x 53.9006%)	1,794.89
Sheila O'Connell	
Check #268	20,000.00
Check #276	15,000.00
Jean Nader	
Check #267	20,000.00
Check #277	15,000.00
Anthony O'Connell	
Check #269	20,000.00
Check #278	<u>15,000.00</u>
Total amount of checks	<u>\$ 146,794.89</u>

700 N. Fairfax Street • Suite 400 • P.O. Box 1250 • Alexandria, Virginia • 22313
(703) 549-7800 FAX (703) 836-5591

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Mr. Anthony O'Connell
February 12, 1993

Page 2

The \$146,794.89 or \$146,795 was the total amount of cash **distributed** to the beneficiaries or heirs of this trust during the calendar year 1991.


The \$1,794.89 of real estate taxes which you as Trustee paid on behalf of the three heirs (Shelia O'Connell, Jean Nader and Anthony O'Connell) was an obligation owed directly by the three heirs as your mother's interest in this real estate passed directly to each of you at her death. When you received the K-1's for 1991, attached was a schedule for each of you to report 1/3rd of these real estate taxes on your individual income tax returns.

The final point in your letter is in regards how to treat the \$1,475.97 of cash which was paid to your mother's estate in 1992. This is just a cash transfer to cure a cash deficiency as of the date of death and **NOTHING** else. On page 4 of the Seventh Account, your mother owed the Trust at the end of the Sixth Account \$3,705.74 but you had underdistributed \$5,181.71 of cash through her date of death. The \$1,475.97 just completes what was due her. The transfer to her estate has no tax effect for either 1991 or 1992.

I hope that the foregoing has answered your various questions. I am also returning to you, the letter which you sent with your letter of January 21, 1993. I have made a copy of it for our files.

Very truly yours,

KELLER BRUNER & COMPANY, P.C.



Forest N. Balderson

FNB/hoc
Enclosures