

Form 1120-RIC ATS Test Scenario 15
Taxpayer: Cardinal Investment Inc.
EIN: 00-1120015

1120 Test Scenario 15 includes the following forms:

- **Form 1120-RIC**

Header Info:

- MultSoftwarePackagesUsedInd: No
- OriginatorGrp
 - EFIN: Self-select
 - OriginatorTypeCd: ERO
- BusinessOfficerGrp
 - PersonNm: John Cardinal Smith
 - PersonTitleTxt: CEO

Form 1120-RIC

OMB No. 1545-0123

U.S. Income Tax Return for
Regulated Investment Companies

2025

For calendar year 2025 or tax year beginning 01/01, 2025, and ending 12/31, 2025
Go to www.irs.gov/Form1120RIC for instructions and the latest information.Department of the Treasury
Internal Revenue Service

A Year of RIC status election <u>2025</u>	Name of fund CARDINAL INVESTMENT INC		C Employer identification number 00-1120015
B Date fund was established (see instructions) <u>01/17/2025</u>	Number and street (If a P.O. box, see instructions.) 987 BLUEJAY DR	Room or suite no. 	D Total assets (see instructions) \$ 21,000
E Check applicable boxes: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return			

F Check if the fund is a personal holding company (attach Sch. PH) or if the fund is not in compliance with Regs. sec. 1.852-6 for this tax year

Part I—Investment Company Taxable Income (see instructions)

Income	1 Dividends	1	41,000
	2 Interest	2	1,300
	3 Net foreign currency gain or (loss) from section 988 transactions (attach statement)	3	
	4 Payments with respect to securities loans	4	
	5 Excess of net short-term capital gain over net long-term capital loss from Schedule D (Form 1120), line 16 (attach Schedule D (Form 1120))	5	
	6 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	
	7 Other income (see instructions—attach statement)	7	
	8 Total income. Add lines 1 through 7	8	42,300
Deductions (see instructions)	9 Compensation of officers (see instructions—attach Form 1125-E)	9	20,000
	10 Salaries and wages (less employment credits)	10	
	11 Rents	11	
	12 Taxes and licenses	12	
	13 Interest (see instructions)	13	14,000
	14 Depreciation (attach Form 4562)	14	
	15 Advertising	15	900
	16 Registration fees	16	
	17 Insurance	17	
	18 Accounting and legal services	18	5,300
	19 Management and investment advisory fees	19	
	20 Transfer agency, shareholder servicing, and custodian fees and expenses	20	
	21 Reports to shareholders	21	
	22 Other deductions (see instructions—attach statement)	22	
	23 Total deductions. Add lines 9 through 22	23	40,200
	24 Taxable income before dividends paid and section 851 deductions. Subtract line 23 from line 8	24	2,100
	25 Less: a Deduction for dividends paid (Schedule A, line 8a)	25a	
	b Deductions for tax imposed under sections 851(d)(2) and 851(i) (Schedule J, lines 1c and 1d)	25b	
26 Investment company taxable income. Subtract line 25c from line 24	26	2,100	

Part I—Tax and Payments (see instructions)

Tax and Payments	27 Total tax. (Schedule J, line 9)	27	441
	28a Preceding year's overpayment credited to the current year	28a	600
	b Current year's estimated tax payments	28b	405
	c Current year's refund applied for on Form 4466	28c	()
	d Tax deposited with Form 7004	28d	
	e Credit for tax paid on undistributed capital gains (attach Form 2439)	28e	
	f Credit for federal tax paid on fuels (attach Form 4136)	28f	
	g Elective payment election amount from Form 3800	28g	
	z Other credits and payments (see instructions—attach statement)	28z	

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

May the IRS discuss this return with the preparer shown below?
See instructions. Yes No

Signature of officer Date Title

Paid Preparer Use Only	Preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name				Firm's EIN
	Firm's address				Phone no.

Part I—Tax and Payments (see instructions) (continued)

Part II—Tax on Undistributed Net Capital Gain Not Designated Under Section 852(b)(3)(D)

1	Net capital gain from Schedule D (Form 1120), line 17 (attach Schedule D (Form 1120))	1	
2	Capital gain dividends from Schedule A, line 8b	2	
3	Subtract line 2 from line 1	3	0
4	Capital gains tax. Multiply line 3 by 21% (0.21). Enter tax here and on Schedule J, line 1b	4	

Schedule A **Deduction for Dividends Paid** (Do not include exempt-interest dividends or capital gain dividends reported on Form 2438, line 9b. See instructions.)

	(a) Ordinary dividends	(b) Capital gain dividends
1 Dividends paid (other than dividends paid after the end of the tax year). Do not include dividends deemed paid in the preceding tax year under section 852(b)(7) or 855(a), or deficiency dividends as defined in section 860(f)	1	
2 Dividends paid in the 12-month period following the close of the tax year that the fund elects to treat as paid during the tax year under section 855(a)	2	
3 Dividends declared in October, November, or December and deemed paid on December 31 under section 852(b)(7)	3	
4 Consent dividends (section 565) (attach Forms 972 and 973)	4	
5 Deficiency dividends (section 860) (attach Form 976)	5	
6 Foreign tax paid deduction (section 853(b)(1)(B)), if applicable	6	
7 Credits from tax credit bonds distributed to shareholders (see instructions)	7	
8 Deduction for dividends paid:		
a Ordinary dividends. Add lines 1 through 7 of column (a). Enter here and on Part I, line 25a	8a	
b Capital gain dividends. Add column (b), lines 1 through 5. Also enter on Part II, line 2 .	8b	

Schedule B Information Required With Respect to Income From Tax-Exempt Obligations

1	Did the fund qualify under section 852(b)(5) or 852(g) to pay exempt-interest dividends for 2025?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	If "Yes," complete lines 2 through 5.		
2	Amount of interest excludable from gross income under section 103(a)	2	
3	Amounts disallowed as deductions under sections 265 and 171(a)(2)	3	
4	Net income from tax-exempt obligations. Subtract line 3 from line 2	4	
5	Amount of line 4 designated as exempt-interest dividends	5	

Schedule J Tax Computation (see instructions)

1a Tax on investment company taxable income	1a	441	
b Tax on undistributed net capital gain (from Part II, line 4)	1b		
c Tax imposed under section 851(d)(2)	1c		
d Tax imposed under section 851(i)	1d		
e Section 1291 tax from Form 8621	1e		
f Additional tax under section 197(f)	1f		
g Amount from Form 4255, Part I, line 3, column (q)	1g		
z Other chapter 1 tax	1z		
2 Income tax. Add lines 1a through 1z		2	441
3a Foreign tax credit (attach Form 1118)	3a		
b Credit from Form 8834 (see instructions)	3b		
c General business credit (attach Form 3800)	3c		
d Other credits (attach statement—see instructions)	3d		
4 Total credits. Add lines 3a through 3d		4	
5 Subtract line 4 from line 2		5	441

Schedule J Tax Computation (see instructions) (continued)

6a	Personal holding company tax (attach Schedule PH (Form 1120))	6a			
b	Interest on deferred tax liability for installment obligations under section 453A(c)	6b			
c	Interest on deferred tax liability for installment obligations under section 453(l)(3)	6c			
d	Amount from Form 4255, Part I, line 3, column (r)	6d			
z	Other (see instructions—attach statement)	6z			
7 Total.	Combine lines 6a through 6z		7		
8a	Total tax before deferred taxes. Add lines 5 and 7	8a		441	
b	Deferred tax on the RIC's share of undistributed earnings of a qualified electing fund	8b			
9 Total tax.	Subtract line 8b from line 8a. Enter here and on line 27		9		441

Schedule K Other Information (see instructions)

1	Check method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify): _____	Yes	No
2	At the end of the tax year, did the RIC own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing (a) name and identification number, (b) percentage owned, and (c) taxable income or (loss) before a net operating loss (NOL) and special deductions of such corporation for the tax year ending with or within your tax year.		✓
3	Is the RIC a subsidiary in a parent-subsidiary controlled group? If "Yes," enter the employer identification number and the name of the parent corporation:		✓
4	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the RIC's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing name and identification number. (Do not include any information already entered in 3 above.) Enter percentage owned:		✓
5	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 fund entitled to vote, or		
b	The total value of all classes of stock of the fund? If "Yes," enter: (1) Percentage owned: _____ (2) Owner's country: _____		✓
	The fund may have to file Form 5472. Enter number of Forms 5472 attached:		
6	During this tax year, did the fund pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the fund's current and accumulated earnings and profits? See sections 301 and 316. If "Yes," file Form 5452.		✓
7	Check this box if the fund issued publicly offered debt instruments with original issue discount If checked, the fund may have to file Form 8281.	<input type="checkbox"/>	
8	Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____		
9	If this return is being filed for a series fund (as defined in section 851(g)(2)), enter:		
a	The name of the RIC in which the fund is a series:		
b	The date the RIC was incorporated or organized:		
10a	Section 853 election. Check this box if the fund meets the requirements of section 853(a) and section 901(k) and elects to pass through the deduction or credit for foreign taxes it paid to its shareholders. See instructions for details and requirements	<input type="checkbox"/>	
b	Section 852(g) election. Check this box if the fund meets the requirements of section 852(g) and elects the application of section 853 without regard to the requirement of section 853(a)(1). See instructions for details and requirements	<input type="checkbox"/>	
11	Section 853A election. Check this box if the fund elects under section 853A to pass through credits from tax credit bonds to its shareholders. See instructions	<input type="checkbox"/>	
12	Section 852(b)(8) election. Check this box if, for purposes of computing taxable income, the fund elects under section 852(b)(8) to defer all or part of its post-October capital loss or late-year ordinary loss for this tax year	<input type="checkbox"/>	
	If the election is made, enter the amounts deferred:		
a	Post-October capital loss: _____ b Late-year ordinary loss: _____		
13	Did the RIC have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		
14	Does the RIC satisfy one or more of the following? See instructions. If "Yes," complete and attach Form 8990		
a	The RIC owns a pass-through entity with current or prior year carryover excess business interest expense.		
b	The RIC's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$31 million and the RIC has business interest expense.		
c	The RIC is a tax shelter and the RIC has business interest expense.		
d	The RIC paid section 163(j) interest dividends for the tax year.		
15	Does the RIC intend to self-certify as a Qualified Opportunity Fund? If "Yes," complete and attach Form 8996. Enter the amount (if any) from Form 8996, line 15 \$ _____		
16	Is the RIC a member of a controlled group? If "Yes," attach Schedule O (Form 1120). See instructions.		

	Assets	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
1	Cash		1,000		20,000
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	U.S. government obligations				
4	Tax-exempt securities (see instructions)				
5	Other current assets (attach statement)		800		
6	Loans to shareholders				1,000
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other fixed depreciable assets				
b	Less accumulated depreciation	()		()	
10	Land (net of any amortization)				
11a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
12	Other assets (attach statement)				
13	Total assets		1,800		21,000
Liabilities and Shareholders' Equity					
14	Accounts payable		2,000		9,000
15	Mortgages, notes, bonds payable in less than 1 year				2,000
16	Other current liabilities (attach statement)				
17	Loans from shareholders				
18	Mortgages, notes, bonds payable in 1 year or more		1,000		
19	Other liabilities (attach statement)				
20	Capital stock				
21	Additional paid-in capital				
22	Retained earnings—Appropriated (attach statement)				400
23	Retained earnings—Unappropriated				
24	Adjustments to shareholders' equity (attach statement)				
25	Less cost of treasury stock		()	()	
26	Total liabilities and shareholders' equity		3,000		11,400

Note: The fund is not required to complete Schedules M-1 and M-2 if the total assets on Schedule L, line 13, column (d), are less than \$25,000.

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

1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____	
2	Federal income tax (less built-in gains tax)		8	Deductions on this return not charged against book income this year (itemized): a Depreciation . \$ _____ b Deduction for dividends paid (Part I, line 25a) . . \$ _____	
3	Excess of capital losses over capital gain		9	Net capital gain from Form 2438, line 9a	
4	Income subject to tax not recorded on books this year (itemize): -----		10	If the fund did not file Form 2438, enter the net capital gain from Schedule D (Form 1120), line 17. Otherwise, enter -0-	
5	Expenses recorded on books this year not deducted on this return (itemize): -----		11	Add lines 7 through 10	
a	Depreciation . . . \$ _____		12	Investment company taxable income (Part I, line 26)—line 6 less line 11	
b	Expenses allocable to tax-exempt interest income \$ _____				
c	Section 4982 tax . . \$ _____				
d	Travel and entertainment \$ _____				
6	Add lines 1 through 5				

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 23)

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