Form 1120-PC ATS Test Scenario 13
Taxpayer: Bass Insurance
EIN: 00-1120013

1120 Test Scenario 13 includes the following forms:

- **Form 1120-PC**

Header Info:

- MultSoftwarePackagesUsedInd: No
- OriginatorGrp
  - EFIN: Self-select
  - OriginatorTypeCd: ERO
- BusinessOfficerGrp
  - PersonNm: Dory Poisson
  - PersonTitleTxt: President

Attachments:

Form 1120-PC, Schedule A, Line 31, ItemizedOtherDeductionsSchedule

Desc	Amt
Legal fess	73,500
Other operating expenses	650,000
Management fees	50,500
Miscellaneous	51,000
Total	**825,000**

Form 1120-PC, Schedule L, Line 14, ItemizedOtherAssetsSchedule

Desc	Beginning Amt	Ending Amt
Deferred taxes	50,000	500,000
Long-term assets	1,950,000	4,500,000
Total	**2,000,000**	**5,000,000**

Form **1120-PC**

Department of the Treasury
Internal Revenue Service

U.S. Property and Casualty Insurance Company Income Tax Return

For calendar year 2026, or tax year beginning 01/01, 2026, ending 12/31, 20 26

Go to *www.irs.gov/Form1120PC* for instructions and the latest information.

OMB No. 1545-0123

2026

A Check if:	Name: BASS INSURANCE
1 Consolidated return (attach Form 851) ☐	Number and street. If a P.O. box, see instructions.: 654 SALMON PKWY
2 Life-nonlife consolidated return ☐	Room or suite no.:
3 Schedule M-3 (Form 1120-PC) attached ☐	City or town: LAKEVILLE; State or province: MN; Country: ; ZIP or foreign code: 55044

B Employer identification number: 00-1120013

C Date incorporated: 04/01/2010

D Check applicable box(es) if an election has been made under section(s): ☐ 831(b) ☐ 953(c)(3)(C) ☐ 953(d)

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

Tax Computation and Payments

1	Taxable income (Schedule A, line 37)	1	952,468
2	Taxable investment income for electing small companies (Schedule B, line 21)	2	
3a	Income tax (see instructions)	3a	
3b	Section 1291 tax from Form 8621	3b	
3c	Additional tax under section 197(f)	3c	
3d	Base erosion minimum tax from Form 8991	3d	
3e	Amount from Form 4255, Part I, line 3, column (q)	3e	
3z	Other chapter 1 tax	3z	
4	Total income tax. Add lines 3a through 3z	4	
5	Enter amount of tax that a reciprocal must include (see instructions)	5	
6	Corporate alternative minimum tax from Form 4626, Part II, line 13 (attach Form 4626)	6	
7	Add lines 4 through 6	7	
8a	Foreign tax credit (attach Form 1118)	8a	
8b	Credit from Form 8834 (attach Form 8834)	8b	
8c	General business credit (see instructions—attach Form 3800)	8c	
8d	Credit for prior-year minimum tax (attach Form 8827)	8d	
8e	Bond credits from Form 8912	8e	
9	**Total credits.** Add lines 8a through 8e	9	
10	Subtract line 9 from line 7	10	
11	Foreign corporations—tax on income not connected with U.S. business	11	
12	Personal holding company tax (attach Schedule PH (Form 1120))	12	
13a	Amount from Form 4255, Part I, line 3, column (r)	13a	
13b	Recapture of low-income housing credit (attach Form 8611)	13b	
13z	Other (see instructions—attach statement)	13z	
14	**Total.** Add lines 13a through 13z	14	
15a	**Total tax.** Add lines 10, 11, 12, and 14	15a	
15b	First installment of section 1062 applicable net tax liability. Enter amount from Form 1062, line 15	15b	
16a	Preceding year's overpayment credited to current year	16a	
16b	Current year's estimated tax payments (see instructions)	16b	
16c	Current year's refund applied for on Form 4466	16c	( )
16d	Tax deposited with Form 7004	16d	
16e	Credit by reciprocal for tax paid by attorney-in-fact under section 835(d)	16e	
16f	Elective payment election amount from Form 3800	16f	
16g	Section 1062 applicable net tax liability. Enter amount from Form 1062, line 14	16g	
16z	Other refundable credits and payments	16z	
17	**Total payments, refundable credits, and section 1062 net tax liability.** Combine lines 16a through 16z	17	
18	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐	18	
19	**Amount owed.** If line 17 is smaller than the total of lines 15a, 15b, and 18, enter amount owed	19	
20	**Overpayment.** If line 17 is larger than the total of lines 15a, 15b, and 18, enter amount overpaid	20	
21	Amount from line 20: **21a Credited to 2027 estimated tax** ______ **21b Refunded**	21b	
21c	Routing number (9 digits) ______ **21d** Type: ☐ Checking ☐ Savings		
21e	Account number (up to 17 digits) ______		

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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer | Date | Title

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

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

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Schedule A Taxable Income—Section 832 (see instructions)

Income

			(a) Interest received	(b) Amortization of premium		
1	Premiums earned (Schedule E, line 7)				1	19,150,678
2	Dividends and inclusions (Schedule C, line 17)				2	
3a	Interest (including tax-exempt interest)	3a	175,000			
3b	Tax-exempt interest	3b				
3c	Subtract line 3b from line 3a	3c	175,000			
3d	Taxable interest. Subtract line 3c, column (b), from line 3c, column (a)				3d	175,000
4	Rents				4	
5	Royalties				5	
6	Capital gain net income (see instructions) (attach Schedule D (Form 1120))				6	
7	Net gain or (loss) from Form 4797, Part II, line 19 (attach Form 4797)				7	
8	Certain mutual fire or flood insurance company premiums (section 832(b)(1)(D))				8	
9	Income on account of special income and deduction accounts				9	
10	Income from protection against loss account (see instructions)				10	
11	Mutual interinsurers or reciprocal underwriters—decrease in subscriber accounts				11	
12	Reserved for future use				12	
13	Other income (attach statement)				13	
14	Gross income. Add lines 1 through 13				14	19,325,678

Deductions (See instructions for limitations on deductions.)

15	Compensation of officers (see instructions—attach statement)	15	
16	Salaries and wages (less employment credits)	16	
17	Agency balances and bills receivable that became worthless during the tax year	17	
18	Rents	18	
19	Taxes and licenses	19	4,543,210
20a	Interest ________ **20b** Less tax-exempt interest exp. ________ **20c** Bal.	20c	
21	Charitable contributions	21	
22	Depreciation (attach Form 4562)	22	
23	Depletion	23	
24	Pension, profit-sharing, etc., plans	24	
25	Employee benefit programs	25	
26	Losses incurred (Schedule F, line 14)	26	13,005,000
27	Reserved for future use	27	
28	Other capital losses (Schedule G, line 12, column (g))	28	
29	Dividends to policyholders	29	
30	Mutual interinsurers or reciprocal underwriters—increase in subscriber accounts	30	
31	Other deductions (see instructions—attach statement)	31	825,000
32	**Total deductions.** Add lines 15 through 31	32	18,373,210
33	**Subtotal.** Subtract line 32 from line 14	33	952,468
34a	Special deduction for section 833 organizations (Schedule H, line 6)	34a	
34b	Deduction on account of special income and deduction accounts	34b	
34c	**Total.** Add lines 34a and 34b	34c	
35	**Subtotal.** Subtract line 34c from line 33	35	952,468
36a	Dividends received and other special deductions (Schedule C, line 30)	36a	
36b	Net operating loss deduction	36b	
36c	**Total.** Add lines 36a and 36b	36c	
37	**Taxable income.** Subtract line 36c from line 35. Enter here and on page 1, line 1	37	952,468

Schedule B Part I—Taxable Investment Income of Electing Small Companies (section 834) (see instructions)

Income

			(a) Interest received	(b) Amortization of premium
1a	Interest (including tax-exempt interest)	1a		
1b	Interest exempt under section 103	1b		
1c	Subtract line 1b from line 1a	1c		
1d	Taxable interest. Subtract line 1c, column (b), from line 1c, column (a)		1d	
2	Dividends and inclusions (Schedule C, line 17)		2	
3	Rents		3	
4	Royalties		4	
5	Gross income from a trade or business, other than an insurance business, and from Form 4797		5	
6	Income from leases described in sections 834(b)(1)(B) and 834(b)(1)(C)		6	
7	Capital gain net income from Schedule D (Form 1120), line 18		7	
8	Gross investment income. Add lines 1d through 7		8	

Deductions

9	Real estate taxes	9	
10	Other real estate expenses	10	
11	Depreciation (attach Form 4562)	11	
12	Depletion	12	
13	Trade or business deductions as provided in section 834(c)(8) (attach statement)	13	
14	Interest	14	
15	Other capital losses (Schedule G, line 12, column (g))	15	
16	**Total.** Add lines 9 through 15	16	
17	Investment expenses (see instructions—attach statement)	17	
18	**Total deductions.** Add lines 16 and 17	18	
19	Subtract line 18 from line 8	19	
20	Dividends received and other special deductions (Schedule C, line 30)	20	
21	**Taxable investment income.** Subtract line 20 from line 19. Enter here and on page 1, line 2	21	

Part II—Invested Assets Book Values

Note: Complete only if claiming a deduction for general expenses allocated to investment income.

			(a) Beginning of tax year	(b) End of tax year
22	Real estate	22		
23	Mortgage loans	23		
24	Collateral loans	24		
25	Policy loans, including premium notes	25		
26	Bonds of domestic corporations	26		
27	Stock of domestic corporations	27		
28	Government obligations, etc.	28		
29	Bank deposits bearing interest	29		
30	Other interest-bearing assets (attach statement)	30		
31	**Total.** Add lines 22 through 30	31		
32	Add columns (a) and (b), line 31		32	
33	Mean of invested assets for the tax year. Enter one-half of line 32		33	
34	Multiply line 33 by 0.0025		34	
35	Income base. Line 1b, column (a), plus line 8 less the sum of line 1b, column (b), and line 16		35	
36	Multiply line 33 by 0.0375		36	
37	Subtract line 36 from line 35. Don't enter less than zero		37	
38	Multiply line 37 by 0.25		38	
39	Limitation on deduction for investment expenses. Add lines 34 and 38		39	

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Schedule C Dividends, Inclusions, Dividends-Received Deduction, and Other Special Deductions (see instructions)

Income		Dividends and Inclusions (a) Subject to section 832(b)(5)(B)	(b) Dividends and inclusions
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	1		
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	2		
3 Dividends on certain debt-financed stock of domestic and foreign corporations	3		
4 Dividends on certain preferred stock of less-than-20%-owned public utilities	4		
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities	5		
6 Dividends from less-than-20%-owned foreign corporations and certain foreign sales corporations (FSCs)	6		
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs	7		
8 Dividends from wholly owned foreign subsidiaries and certain FSCs	8		
9 Dividends from certain affiliated companies	9		
10 Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	10		
11 Dividends from foreign corporations not included on line 3, 6, 7, 8, or 10 (including any hybrid dividend)	11		
12a Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC)/foreign controlled foreign corporation (FCFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	12a		
12b Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	12b		
12c Other inclusions from CFCs/FCFCs under subpart F not included on line 12a, 12b, or 13 (attach Form(s) 5471) (see instructions)	12c		
13 Net CFC Tested Income (attach Form(s) 5471 and 8992)	13		
14 Gross-up for foreign taxes deemed paid	14		
15 Reserved for future use	15		
16 Other dividends (attach statement)	16		
17 **Total dividends and inclusions.** Add lines 1 through 16. Enter here and on Schedule A, line 2, or Schedule B, line 2, whichever applies	17		

Deductions		Dividends Received and Other Special Deductions (a) Subject to section 832(b)(5)(B)	(b) Total dividends received and special deductions
18 Multiply line 1 by 50% (0.50)	18		
19 Multiply line 2 by 65% (0.65)	19		
20 Deduction for line 3 (see instructions)	20		
21 Multiply line 4 by 23.3% (0.233)	21		
22 Multiply line 5 by 26.7% (0.267)	22		
23 Multiply line 6 by 50% (0.50)	23		
24 Multiply line 7 by 65% (0.65)	24		
25 Enter the amount from line 8	25		
26 **Total.** Add lines 18 through 25. See instructions for limitations	26		
27 **Total.** Add line 26, column (a), and line 9, column (a). Enter here and on Schedule F, line 10	27		
28 Section 250 deduction (attach Form 8993) (see instructions for limitations)		28	
29 Reserved for future use		29	
30 **Total deductions.** Add line 26, column (b), and lines 9, 10, 12a, and 28, column (b). Enter here and on Schedule A, line 36a, or Schedule B, line 20, whichever applies		30	

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Schedule E Premiums Earned—Section 832 (see instructions)

1	Net premiums written	1	20,000,123
2	Unearned premiums on outstanding business at the end of the preceding tax year:		
2a	Enter 100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and unearned premiums of section 833 organizations. See instructions	2a	500,222
2b	Enter 90% of unearned premiums attributable to insuring certain securities	2b	
2c	Discounted unearned premiums attributable to title insurance	2c	
2d	Enter 80% of all other unearned premiums. See instructions	2d	1,200,333
2e	**Total.** Add lines 2a through 2d	2e	1,700,555
3	**Total.** Add lines 1 and 2e	3	21,700,678
4	Unearned premiums on outstanding business at the end of the current tax year:		
4a	Enter 100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and unearned premiums of section 833 organizations. See instructions	4a	550,000
4b	Enter 90% of unearned premiums attributable to insuring certain securities	4b	
4c	Discounted unearned premiums attributable to title insurance	4c	
4d	Enter 80% of all other unearned premiums. See instructions	4d	2,000,000
4e	**Total.** Add lines 4a through 4d	4e	2,550,000
5	Subtract line 4e from line 3	5	19,150,678
6	Transitional adjustments under section 832(b)(7)(D) (see instructions)	6	
7	**Premiums earned.** Add lines 5 and 6. Enter here and on Schedule A, line 1	7	19,150,678

Schedule F Losses Incurred (section 832) (see instructions)

1	Losses paid during the tax year (attach reconciliation to annual statement)	1	8,625,000
2	Balance outstanding at the end of the current tax year for:		
2a	Unpaid losses on life insurance contracts	2a	425,000
2b	Discounted unpaid losses	2b	5,580,000
2c	**Total.** Add lines 2a and 2b	2c	6,005,000
3	Add lines 1 and 2c	3	14,630,000
4	Balance outstanding at the end of the preceding tax year for:		
4a	Unpaid losses on life insurance contracts	4a	375,000
4b	Discounted unpaid losses	4b	1,250,000
4c	**Total.** Add lines 4a and 4b	4c	1,625,000
5	Subtract line 4c from line 3	5	13,005,000
6	Estimated salvage and reinsurance recoverable at the end of the preceding tax year	6	
7	Estimated salvage and reinsurance recoverable at the end of the current tax year	7	
8	Losses incurred (line 5 plus line 6 less line 7)	8	13,005,000
9	Tax-exempt interest subject to section 832(b)(5)(B)	9	
10	Dividends-received deduction subject to section 832(b)(5)(B) (Schedule C, line 27)	10	
11	The increase in policy cash value of section 264(f) policies, as defined in section 805(a)(4)(F)	11	
12	**Total.** Add lines 9, 10, and 11	12	
13	Reduction of deduction under section 832(b)(5)(B). Multiply line 12 by applicable percentage. See instructions	13	
14	**Losses incurred deductible under section 832(c)(4).** Subtract line 13 from line 8. Enter here and on Schedule A, line 26	14	13,005,000

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Schedule G Other Capital Losses (see instructions)

Note: Include capital assets sold or exchanged to meet abnormal insurance losses and to pay dividends and similar distributions to policyholders.

1	Dividends and similar distributions paid to policyholders	1	
2	Losses paid	2	
3	Expenses paid	3	
4	**Total.** Add lines 1, 2, and 3	4	
	Note: Adjust lines 5 through 8 to cash method if necessary.		
5	Interest received	5	
6	Dividends received and inclusions (Schedule C, line 17)	6	
7	Gross rents, gross royalties, lease income, etc., and gross income from a trade or business other than an insurance business including income from Form 4797 (include gains for invested assets only)	7	
8	Net premiums received	8	
9	**Total.** Add lines 5 through 8	9	
10	Limitation on gross receipts from sales of capital assets. Line 4 less line 9. If zero or less, enter -0-	10	

	(a) Description of capital asset	(b) Date acquired	(c) Gross sales price	(d) Cost or other basis	(e) Expense of sale	(f) Depreciation allowed (or allowable)	(g) Loss ((d) plus (e) less the sum of (c) and (f))
11							
12	**Totals.** Column (c) must not be more than line 10. (Enter amount from column (g) on Schedule A, line 28, or Schedule B, line 15, whichever applies.)						

Schedule H Special Deduction and Ending Adjusted Surplus for Section 833 Organizations (see instructions)

1	Healthcare claims incurred during the tax year and liabilities incurred during the tax year under cost-plus contracts	1	
2	Expenses incurred during the tax year in connection with the administration, adjustment, or settlement of healthcare claims or in connection with the administration of cost-plus contracts	2	
3	**Total.** Add lines 1 and 2	3	
4	Multiply line 3 by 0.25	4	
5	Beginning adjusted surplus	5	
6	**Special deduction.** If you checked "No" on line 13 of Schedule I, enter -0- here; you can't take the special deduction. All others subtract line 5 from line 4. If zero or less, enter -0-. Enter amount here and on Schedule A, line 34a. See instructions for limitation	6	
7	Net operating loss deduction (Schedule A, line 36b)	7	
8	Net exempt income:		
8a	Adjusted tax-exempt income	8a	
8b	Adjusted dividends-received deduction	8b	
9	Taxable income (Schedule A, line 37)	9	
10	**Ending adjusted surplus.** Add lines 5 through 9	10	

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Schedule I Other Information (see instructions)

		Yes	No
1	Check method of accounting:		
1a	☐ Cash		
1b	☑ Accrual		
1c	☐ Other (specify) ____________		
2	Check box for kind of company:		
2a	☐ Mutual		
2b	☑ Stock		
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? (For rules of attribution, see section 267(c).)	☐	☑
	If "Yes," attach a statement showing (**a**) name and employer identification number (EIN), (**b**) percentage owned, and (**c**) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?	☐	☑
	If "Yes," enter name and EIN of the parent corporation: ____________		
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? (For rules of attribution, see section 267(c).)	☐	☑
	If "Yes," attach a statement showing name and identifying number. (Do not include any information already entered on line **4** above.) Enter percentage owned ____________ %		
6	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?	☐	☑
	If "Yes," enter:		
6a	Percentage owned, and ____________ %		
6b	Owner's country code ____________		
6c	The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached **6c**		
7a	Enter the total unpaid losses shown on the corporation's annual statement:		
	(1) For the current tax year: **7a(1)** 6,500,000		
	(2) For the previous tax year: **7a(2)** 1,750,000		
7b	Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement:		
	(1) For the current tax year: **7b(1)**		
	(2) For the previous tax year: **7b(2)**		
8	Does the corporation discount any of the loss reserves shown on its annual statement?	☐	☑
9	Enter the amount of tax-exempt interest received or accrued during the tax year: **9**		
10	If the corporation has an NOL for the tax year and is electing to forgo the carryback period, check here ☐ If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election won't be valid.		
11	Enter the available NOL carryover from prior tax years. (Don't reduce it by any deduction on Schedule A, line 36b.) **11**		
12	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions	☐	☑
	If "Yes," complete and attach Schedule UTP.		
13	If the corporation is a Blue Cross or Blue Shield organization described in section 833(c)(2), or other organization described in section 833(c)(3), did it meet the medical loss ratio (MLR) requirements of section 833(c)(5)?	☐	☑
	Enter:		
13a	Section 833(c)(5) MLR numerator **13a**		
13b	Section 833(c)(5) MLR denominator **13b**		
13c	Section 833(c)(5) MLR **13c** %		
14	If the corporation is a small company as defined in section 831(b)(2) and elects under section 831(b)(2)(A)(iii) to be taxed on taxable investment income:		
14a	Does the corporation satisfy the diversification requirements of section 831(b)(2)(B)(i)(I) because no more than 20% of the net written premiums (or, if greater, direct written premiums) of the corporation for the tax year is attributable to any one policyholder?	☐	☐
14b	If "No," does the corporation satisfy the diversification requirements of section 831(b)(2)(B)(i)(II)?	☐	☐
15	Does the corporation have gross receipts of at least $500 million in any of the 3 preceding tax years? (See section 59A(e)(2) and (3).)	☐	☑
	If "Yes," complete and attach Form 8991.		

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Schedule I Other Information (see instructions) (*continued*)

		Yes	No
16	During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions	☐	☑
	If "Yes," enter the total amount of the disallowed deductions . . . 16		
17	Did the corporation 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	☐	☑
18	Is the corporation required to file Form 8990, Limitation on Business Interest Expense Under Section 163(j), to calculate the amount of deductible business interest? See instructions	☐	☑
19	Is the corporation a member of a controlled group? If "Yes," attach Schedule O (Form 1120). See instructions	☐	☑
20	Corporate alternative minimum tax:		
20a	Was the corporation an applicable corporation under section 59(k)(1) in any prior tax year?	☐	☑
	If "Yes," go to question 20b. If "No," skip to question 20c.		
20b	Is the corporation an applicable corporation under section 59(k)(1) in the current tax year because the corporation was an applicable corporation in the prior tax year?	☐	☑
	If "Yes," complete and attach Form 4626. If "No," continue to question 20c.		
20c	Does the corporation meet the requirements of the safe harbor method as provided under section 59(k)(3)(A) for the current tax year? See instructions	☑	☐
	If "No," complete and attach Form 4626. If "Yes," the corporation is not required to file Form 4626.		

Schedule L Balance Sheets per Books

Note: All filers are required to complete this schedule.

	Assets	Beginning of tax year (a)	(b)	End of tax year (c)	(d)
1	Cash		5,500,000		8,500,000
2a	Trade notes and accounts receivable	2,500,000		11,500,000	
2b	Less allowance for bad debts	( )	2,500,000	( )	11,500,000
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
10b	Less accumulated depreciation	( )		( )	
11a	Depletable assets				
11b	Less accumulated depletion	( )		( )	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
13b	Less accumulated amortization	( )		( )	
14	Other assets (attach statement)		2,000,000		5,000,000
15	**Total assets**		10,000,000		25,000,000
	Liabilities and Shareholders' Equity				
16	Accounts payable		2,500,000		7,500,000
17	Mortgages, notes, bonds payable in less than 1 year				
18	Insurance liabilities (see instructions)		2,400,000		5,000,000
19	Other current liabilities (attach statement)				
20	Loans from shareholders				
21	Mortgages, notes, bonds payable in 1 year or more				
22	Other liabilities (attach statement)		3,500,000		10,900,000
23	Capital stock: **a** Preferred stock				
	b Common stock	200,000	200,000	200,000	200,000
24	Additional paid-in capital		1,400,000		1,400,000
25	Retained earnings—appropriated (attach statement)				
26	Retained earnings—unappropriated				
27	Adjustments to shareholders' equity (attach statement)				
28	Less cost of treasury stock		( )		( )
29	**Total liabilities and shareholders' equity**		10,000,000		25,000,000

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

Note: Schedule M-3 required instead of Schedule M-1 if total assets are $10 million or more. See instructions.

1	Net income (loss) per books		7	Income recorded on books this year not included in this return (itemize): Tax-exempt interest	
2	Federal income tax per books				
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):		8	Deductions in this tax return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted in this return (itemize):		8a	Depreciation	
5a	Depreciation		8b	Charitable contributions	
5b	Charitable contributions		9	Add lines 7 and 8	
5c	Travel and entertainment		10	Income (Schedule A, line 35, or Schedule B, line 19, if applicable)—line 6 less line 9	
6	Add lines 1 through 5				

Schedule M-2 **Analysis of Unappropriated Retained Earnings per Books** (line 26, Schedule L)

1	Balance at beginning of year		5	Distributions: 5a Cash	
2	Net income (loss) per books	275,000		5b Stock	
3	Other increases (itemize):			5c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	275,000	8	Balance at end of year (line 4 less line 7)	275,000

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