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**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for Regulated Investment Companies

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

Go to *www.irs.gov/Form1120RIC* for instructions and the latest information.

OMB No. 1545-0123

2026

A Year of RIC status election: 2026	Name of fund: CARDINAL INVESTMENT INC			C Employer identification number: 00-1120015
B Date fund was established (see instructions): 01/17/2026	Number and street (If a P.O. box, see instructions.): 987 BLUEJAY DR		Room or suite no.	D Total assets (see instructions): $ 21,000
	City or town: CHEYENNE	State: WY	ZIP code: 82001	

E Check applicable boxes: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ 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 19 (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: 25a** Deduction for dividends paid (Schedule A, line 8a)	25a	
		25b Deductions for tax imposed under sections 851(d)(2) and 851(i) (Schedule J, lines 1c and 1d)	25b	
	25c	Add lines 25a and 25b	25c	
	26	**Investment company taxable income.** Subtract line 25c from line 24	26	2,100

Part I—Tax and Payments (see instructions)

Tax and Payments	27a	**Total tax.** (Schedule J, line 9)	27a	441
	27b	First installment of section 1062 applicable net tax liability. Enter amount from Form 1062, line 15	27b	
	28a	Preceding year's overpayment credited to the current year	28a	600
	28b	Current year's estimated tax payments	28b	405
	28c	Current year's refund applied for on Form 4466	28c	( )
	28d	Tax deposited with Form 7004	28d	
	28e	Credit for tax paid on undistributed capital gains (attach Form 2439)	28e	
	28f	Credit for federal tax paid on fuels (attach Form 4136)	28f	

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

Tax and Payments

28g	Elective payment election amount from Form 3800	28g	
28h	Section 1062 applicable net tax liability. Enter amount from Form 1062, line 14	28h	
28z	Other credits and payments (see instructions—attach statement)	28z	
29	**Total payments, credits, and section 1062 applicable net tax liability.** Combine lines 28a through 28z	29	1,005
30	Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐	30	
31	**Amount owed.** If line 29 is smaller than the total of lines 27a, 27b, and 30, enter amount owed	31	
32	**Overpayment.** If line 29 is larger than the total of lines 27a, 27b, and 30, enter amount overpaid	32	564
33	Amount from line 32 you want: **33a Credited to 2027 estimated tax** 564 **33b Refunded**	33b	
33c	Routing number (9 digits) ________ **33d** Type: ☐ Checking ☐ Savings		
33e	Account number (up to 17 digits) ________		

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:			
8a	**Ordinary dividends.** Add lines 1 through 7 of column (a). Enter here and on Part I, line 25a	8a		
8b	**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 2026? ☐ Yes ☐ 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
1b	Tax on undistributed net capital gain (from Part II, line 4)	1b	
1c	Tax imposed under section 851(d)(2)	1c	
1d	Tax imposed under section 851(i)	1d	
1e	Section 1291 tax from Form 8621	1e	
1f	Additional tax under section 197(f)	1f	
1g	Amount from Form 4255, Part I, line 3, column (q)	1g	
1z	Other chapter 1 tax	1z	
2	**Income tax.** Add lines 1a through 1z	2	441
3a	Foreign tax credit (attach Form 1118)	3a	
3b	Credit from Form 8834 (see instructions)	3b	
3c	General business credit (attach Form 3800)	3c	
3d	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

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Schedule J Tax Computation (see instructions) *(continued)*

6a	Personal holding company tax (attach Schedule PH (Form 1120))	6a	
6b	Interest on deferred tax liability for installment obligations under section 453A(c)	6b	
6c	Interest on deferred tax liability for installment obligations under section 453(l)(3)	6c	
6d	Amount from Form 4255, Part I, line 3, column (r)	6d	
6z	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
8b	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 27a	9	441

Schedule K Other Information (see instructions)

		Yes	No
1	Check method of accounting: **1a** ☐ Cash **1b** ☐ Accrual **1c** ☐ Other (specify):		
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:	☐	☑
4a	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).)	☐	☑
4b	If "Yes," attach a statement showing name and identification number. (Do not include any information already entered in **3** above.) Enter percentage owned: **4b** ______ %		
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: **5a** Percentage owned ______ % **5b** Owner's country code ______	☐	☑
5c	The fund may have to file Form 5472. Enter number of Forms 5472 attached **5c**		
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 **7** ☐ If checked, the fund may have to file Form 8281.		
8	Enter the amount of tax-exempt interest received or accrued during the tax year **8**		
9	If this return is being filed for a series fund (as defined in section 851(g)(2)), enter:		
9a	The name of the RIC in which the fund is a series:		
9b	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 **10a** ☐		
10b	**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 **10b** ☐		
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 **11** ☐		
12a	**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 **12a** ☐ If the election is made, enter the amounts deferred: **12b** Post-October capital loss ______ **12c** 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 • The RIC owns a pass-through entity with current or prior year carryover excess business interest expense. • 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 $32 million and the RIC has business interest expense. • The RIC is a tax shelter and the RIC has business interest expense. • The RIC paid section 163(j) interest dividends for the tax year.	☐	☐
15a	Does the RIC intend to self-certify as a Qualified Opportunity Fund?	☐	☐
15b	If "Yes," complete and attach Form 8996. Enter the amount (if any) from Form 8996, line 24 **15b**		
16	Is the RIC a member of a controlled group? If "Yes," attach Schedule O (Form 1120). See instructions.	☐	☐

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Schedule L Balance Sheets per Books

Assets		Beginning of tax year (a)	(b)	End of tax year (c)	(d)
1	Cash		1,000		20,000
2a	Trade notes and accounts receivable				
2b	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				
9b	Less accumulated depreciation	( )		( )	
10	Land (net of any amortization)				
11a	Intangible assets (amortizable only)				
11b	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):	
3	Excess of capital losses over capital gain		8a	Depreciation	
4	Income subject to tax not recorded on books this year (itemize):		8b	Deduction for dividends paid (Part I, line 25a)	
5	Expenses recorded on books this year not deducted on this return (itemize):		9	Net capital gain from Form 2438, line 9a	
5a	Depreciation		10	If the fund did not file Form 2438, enter the net capital gain from Schedule D (Form 1120), line 17. Otherwise, enter -0-	
5b	Expenses allocable to tax-exempt interest income		11	Add lines 7 through 10	
5c	Section 4982 tax		12	Investment company taxable income (Part I, line 26)—line 6 less line 11	
5d	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: 5a Cash	
2	Net income (loss) per books			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		8	Balance at end of year (line 4 less line 7)	