

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to www.irs.gov/Form1120S for instructions and the latest information.

2020

For calendar year 2020 or tax year beginning 2020, ending 20

Header section containing: A S election effective date (07-01-1995), B Business activity code (517000), C Check if Sch M-3 attached, Name (RELIANCE TELEPHONE OF GRAND FORKS), Employer identification number (45-0441064), Address (1533 S 42nd ST, GRAND FORKS ND 58201), E Date incorporated (07-01-1995), F Total assets (\$ 1,415,273)

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No (checked)
H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation
I Enter the number of shareholders who were shareholders during any part of the tax year 1
J Check if corporation: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with columns for Income (lines 1a-6), Deductions (lines 7-21), and Tax and Payments (lines 22a-27). Includes sub-columns for 1a, 1b, 1c, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22a, 22b, 22c, 23a, 23b, 23c, 23d, 23e, 24, 25, 26, 27.

Tax and Payments section (lines 22a-27) including: 22a Excess net passive income or LIFO recapture tax, 22b Tax from Schedule D, 22c Add lines 22a and 22b, 23a 2020 estimated tax payments and 2019 overpayment credited to 2020, 23b Tax deposited with Form 7004, 23c Credit for federal tax paid on fuels, 23d Reserved for future use, 23e Add lines 23a through 23d, 24 Estimated tax penalty, 25 Amount owed, 26 Overpayment, 27 Enter amount from line 26: Credited to 2021 estimated tax

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 instructions. Yes No (checked)

Sign Here: Signature of officer (DAVE HANGSLEBEN), Date, Title

Paid Preparer Use Only section: Print/Type preparer's name (ERNEST BENNETT EA), Preparer's signature, Date (09-05-2021), Check self-employed if PTIN (P00981587), Firm's name (E & G PROFESSIONAL TAX SERVICES LLC), Firm's EIN (27-2631783), Firm's address (2831 ST ROSE PARKWAY SUITE 242, HENDERSON NV 89052), Phone no. ((702) 589-4794)

Schedule B Other Information (see instructions)

- 1 Check accounting method: a Cash b Accrual c Other (specify)

Yes	No
- 2 See the instructions and enter the:
 - a Business activity SALES & SERVICE
 - b Product or service TELEPHONE EQUIPMENT
- 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation.

	X
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- 4 At the end of the tax year, did the corporation:
 - a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below

	X
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(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below

	X
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(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

- 5 a At the end of the tax year, did the corporation have any outstanding shares of restricted stock?

	X
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 If "Yes," complete lines (i) and (ii) below.
 - (i) Total shares of restricted stock
 - (ii) Total shares of non-restricted stock

- b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments?

	X
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 If "Yes," complete lines (i) and (ii) below.
 - (i) Total shares of stock outstanding at the end of the tax year
 - (ii) Total shares of stock outstanding if all instruments were executed

- 6 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?

	X
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- 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
 If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

- 8 If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions \$ _____

- 9 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

	X
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- 10 Does the corporation satisfy one or more of the following? See instructions

	X
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 a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.
 b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.
 c The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach Form 8990.

- 11 Does the corporation satisfy both of the following conditions?

	X
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 a The corporation's total receipts (see instructions) for the tax year were less than \$250,000.
 b The corporation's total assets at the end of the tax year were less than \$250,000.
 If "Yes," the corporation is not required to complete Schedules L and M-1.

Schedule B Other Information (see instructions) (continued)		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction ▶ \$ _____		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14 a	Did the corporation make any payments in 2020 that would require it to file Form(s) 1099?		X
b	If "Yes," did the corporation file or will it file required Form(s) 1099?		
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 ▶ \$ _____		X

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	27,050
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))	7	
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S))	8a	
	b Collectibles (28%) gain (loss)	8b	
	c Unrecaptured section 1250 gain (attach statement)	8c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
	10 Other income (loss) (see instructions) Type ▶	10	
	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions Statement #9	12a	500
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures Type ▶	12c	
	d Other deductions (see instructions) Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶ Statement #12	13g	12,380
Foreign Transactions	14a Name of country or U.S. possession ▶ _____	14a	
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Reserved for future use	14d	
	e Foreign branch category	14e	
	f Passive category	14f	
	g General category	14g	
	h Other (attach statement)	14h	
	Deductions allocated and apportioned at shareholder level		
	i Interest expense	14i	
	j Other	14j	
	Deductions allocated and apportioned at corporate level to foreign source income		
	k Reserved for future use	14k	
	l Foreign branch category	14l	
	m Passive category	14m	
	n General category	14n	
	o Other (attach statement)	14o	
Other information			
p Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued ▶	14p		
q Reduction in taxes available for credit (attach statement)	14q		
r Other foreign tax information (attach statement)			

Schedule K		Shareholders' Pro Rata Share Items (continued)	Total amount	
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a	
	b	Adjusted gain or loss	15b	
	c	Depletion (other than oil and gas)	15c	
	d	Oil, gas, and geothermal properties - gross income	15d	
	e	Oil, gas, and geothermal properties - deductions	15e	
	f	Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a	
	b	Other tax-exempt income	16b	
	c	Nondeductible expenses	16c	13,045
	d	Distributions (attach statement if required) (see instructions)	16d	6,000
	e	Repayment of loans from shareholders	16e	
Other Information	17a	Investment income	17a	
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement)	Statement #18	
Reconciliation	18	Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p	18	26,550

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
1	Cash		113,322		322,365		
2a	Trade notes and accounts receivable	826,258		654,273			
b	Less allowance for bad debts	()	826,258	()	654,273		
3	Inventories		306,910		306,910		
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	1,252,657		1,263,457			
b	Less accumulated depreciation	(1,110,222)	142,435	(1,146,233)	117,224		
11a	Depletable assets						
b	Less accumulated depletion	()		()			
12	Land (net of any amortization)						
13a	Intangible assets (amortizable only)						
b	Less accumulated amortization	()		()			
14	Other assets (attach statement)	Statement #21	14,501	Statement #21	14,501		
15	Total assets		1,403,426		1,415,273		
Liabilities and Shareholders' Equity							
16	Accounts payable		1,193,267		1,115,525		
17	Mortgages, notes, bonds payable in less than 1 year						
18	Other current liabilities (attach statement)	Statement #22	167,364	Statement #22	240,736		
19	Loans from shareholders						
20	Mortgages, notes, bonds payable in 1 year or more						
21	Other liabilities (attach statement)						
22	Capital stock						
23	Additional paid-in capital		5,793		14,505		
24	Retained earnings		37,002		44,507		
25	Adjustments to shareholders' equity (attach statement)						
26	Less cost of treasury stock		()		()		
27	Total liabilities and shareholders' equity		1,403,426		1,415,273		

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

Note: The corporation may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	13,505	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): _____		a Tax-exempt interest \$ _____	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
a Depreciation \$ _____		a Depreciation \$ _____	
b Travel and entertainment \$ _____			
Statement #26 13,045			
	13,045	7 Add lines 5 and 6	
4 Add lines 1 through 3	26,550	8 Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	26,550

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year	37,002			
2 Ordinary income from page 1, line 21	27,050			
3 Other additions				
4 Loss from page 1, line 21	()			
5 Other reductions Statement #30	(13,545)			()
6 Combine lines 1 through 5	50,507			
7 Distributions	6,000			
8 Balance at end of tax year. Subtract line 7 from line 6	44,507			

Cost of Goods Sold

(Rev. November 2018)
Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name **RELIANCE TELEPHONE OF GRAND FORKS** Employer identification number **45-0441064**

1	Inventory at beginning of year	1	306,910
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) Statement #5.	5	879,572
6	Total. Add lines 1 through 5	6	1,186,482
7	Inventory at end of year	7	306,910
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	879,572

- 9a** Check all methods used for valuing closing inventory:
- (i) Cost
 - (ii) Lower of cost or market
 - (iii) Other (Specify method used and attach explanation.) ▶ _____
- b** Check if there was a writedown of subnormal goods
- c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
- d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO **9d** _____
- e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions Yes No
- f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No