

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.

2019

For calendar year 2019 or tax year beginning , 2019, ending , 20

A S election effective date 07-01-1995	TYPE OR PRINT	Name RELIANCE TELEPHONE OF GRAND FORKS	D Employer identification number 45-0441064
B Business activity code number (see instructions) 517000		Number, street, and room or suite no. If a P.O. box, see instructions. 1533 S 42nd ST	E Date incorporated 07-01-1995
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code GRAND FORKS ND 58201	F Total assets (see instructions) \$ 1,403,426

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed
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.

Income	1 a Gross receipts or sales	1a	6,436,865
	b Returns and allowances	1b	
	c Balance. Subtract line 1b from line 1a	1c	6,436,865
	2 Cost of goods sold (attach Form 1125-A)	2	718,667
	3 Gross profit. Subtract line 2 from line 1c	3	5,718,198
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	
5 Other income (loss) (see instructions - attach statement)	5		
6 Total income (loss). Add lines 3 through 5 ▶	6	5,718,198	
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions - attach Form 1125-E)	7	20,000
	8 Salaries and wages (less employment credits)	8	802,635
	9 Repairs and maintenance	9	647
	10 Bad debts	10	
	11 Rents	11	132,744
	12 Taxes and licenses Wks. Tax/Lic	12	65,582
	13 Interest (see instructions)	13	
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	41,807
	15 Depletion (Do not deduct oil and gas depletion.)	15	
	16 Advertising	16	4,574
	17 Pension, profit-sharing, etc., plans	17	32,260
	18 Employee benefit programs	18	45,485
	19 Other deductions (attach statement) Statement #2	19	4,534,423
	20 Total deductions. Add lines 7 through 19 ▶	20	5,680,157
	21 Ordinary business income (loss). Subtract line 20 from line 6.	21	38,041
Tax and Payments	22 a Excess net passive income or LIFO recapture tax (see instructions)	22a	
	b Tax from Schedule D (Form 1120-S)	22b	
	c Add lines 22a and 22b (see instructions for additional taxes)	22c	
	23 a 2019 estimated tax payments and 2018 overpayment credited to 2019	23a	
	b Tax deposited with Form 7004	23b	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c	
	d Reserved for future use	23d	
	e Add lines 23a through 23d	23e	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>	24	
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed	25	
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid.	26		
27 Enter amount from line 26: Credited to 2020 estimated tax ▶ Refunded ▶	27		

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.

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

DAVE W HANGSLEBEN Signature of officer Date **PRESIDENT** Title

Paid Preparer Use Only	Print/Type preparer's name ERNEST BENNETT EA	Preparer's signature 	Date 09-02-2020	Check <input type="checkbox"/> if self-employed	PTIN P00981587
	Firm's name ▶ E & G PROFESSIONAL TAX SERVICES LLC	Firm's EIN ▶ 27-2631783		Phone no.	
	Firm's address ▶ 2831 ST ROSE PARKWAY SUITE 242 HENDERSON NV 89052	(702) 589-4794			

Schedule B Other Information (see instructions)

1 Check accounting method: a [] Cash b [X] Accrual c [] Other (specify)
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.
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

Table with 5 columns: (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

Table with 5 columns: (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? 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? 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?

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

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

- 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?

- 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?			X
	If "Yes," enter the amount of principal reduction	▶ \$		
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 2019 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?		X	
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?			X
	If "Yes," enter the amount from Form 8996, line 14	▶ \$		

Schedule K		Shareholders' Pro Rata Share Items	Total amount
Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)	1 38,041
	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
Income (Loss)	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 ▶ Statement #8	10 315
Deductions	11	Section 179 deduction (attach Form 4562)	11
	12a	Charitable contributions Statement #9	12a 1,824
	b	Investment interest expense	12b
	c	Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)
	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 7,220
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	7,278
	d	Distributions (attach statement if required) (see instructions)	16d	39,007
	e	Repayment of loans from shareholders	16e	
Other Information	17 a	Investment income	17a	315
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement)		
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	36,532

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
1	Cash		637,635		113,322		
2a	Trade notes and accounts receivable	74,351		826,258			
b	Less allowance for bad debts	()	74,351	()	826,258		
3	Inventories		323,063		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		1,252,657			
b	Less accumulated depreciation	(1,068,415)	184,242	(1,110,222)	142,435		
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	18,101	Statement #21	14,501		
15	Total assets		1,237,392		1,403,426		
Liabilities and Shareholders' Equity							
16	Accounts payable		1,019,380		1,193,267		
17	Mortgages, notes, bonds payable in less than 1 year						
18	Other current liabilities (attach statement)	Statement #22	165,464	Statement #22	167,364		
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		5,793		
24	Retained earnings		46,755		37,002		
25	Adjustments to shareholders' equity (attach statement)						
26	Less cost of treasury stock		()		()		
27	Total liabilities and shareholders' equity		1,237,392		1,403,426		

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	29,254	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 \$ _____ 58			
Statement #26 7,220			
	7,278	7 Add lines 5 and 6	
4 Add lines 1 through 3	36,532	8 Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	36,532

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	46,755			
2 Ordinary income from page 1, line 21	38,041			
3 Other additions Statement #29	315			
4 Loss from page 1, line 21	()			
5 Other reductions Statement #30	(9,102)			()
6 Combine lines 1 through 5	76,009			
7 Distributions	39,007			
8 Balance at end of tax year. Subtract line 7 from line 6	37,002			

(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		Employer identification number
RELIANCE TELEPHONE OF GRAND FORKS		45-0441064
1	Inventory at beginning of year	323,063
2	Purchases	
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule) Statement #5.	702,514
6	Total. Add lines 1 through 5	1,025,577
7	Inventory at end of year	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	718,667
9a Check all methods used for valuing closing inventory:		
(i) <input type="checkbox"/> Cost		
(ii) <input type="checkbox"/> Lower of cost or market		
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶ _____		
b Check if there was a writedown of subnormal goods ▶ <input type="checkbox"/>		
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ <input type="checkbox"/>		
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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation <input type="checkbox"/> Yes <input type="checkbox"/> No		