

**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

<p><b>1</b> Net income (loss) per books . . . . .</p> <p><b>2</b> Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) _____</p> <p><b>3</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):</p> <p style="padding-left: 20px;"><b>a</b> Depreciation \$ _____</p> <p style="padding-left: 20px;"><b>b</b> Travel and entertainment \$ _____</p> <p>_____</p> <p><b>4</b> Add lines 1 through 3 . . . . .</p>		<p><b>5</b> Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):</p> <p style="padding-left: 20px;"><b>a</b> Tax-exempt interest \$ _____</p> <p>_____</p> <p><b>6</b> Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):</p> <p style="padding-left: 20px;"><b>a</b> Depreciation \$ _____</p> <p>_____</p> <p><b>7</b> Add lines 5 and 6 . . . . .</p> <p><b>8</b> Income (loss) (Schedule K, line 18). Line 4 less line 7</p>	
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**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed** (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
<b>1</b> Balance at beginning of tax year . . . . .			
<b>2</b> Ordinary income from page 1, line 21 . . . . .			
<b>3</b> Other additions . . . . .			
<b>4</b> Loss from page 1, line 21 . . . . .	( )		
<b>5</b> Other reductions . . . . .	( )	( )	
<b>6</b> Combine lines 1 through 5 . . . . .			
<b>7</b> Distributions other than dividend distributions			
<b>8</b> Balance at end of tax year. Subtract line 7 from line 6			