

Preparer Package — Tax Year 2026

Birchbark Strategy — Books · filing status: SINGLE · **basis of accounting: CASH** · generated 2026-09-13 by The Keep (fully local books) · knowledge pack 2026.07v1 · ALL FIGURES DIRECTIONAL — preparer to verify

Basis of accounting: CASH. Income is booked when the money lands and expense when the money leaves. These books carry no receivables, no payables and no accruals, and The Keep offers no accrual mode: an invoice issued in December and paid in January appears in January, in the later tax year. Every schedule, total and appendix below is on that basis. If this return must be prepared on the accrual method, these figures are not it — and the underlying dated entries, not these totals, are what a conversion would have to start from.

Read the federal summary as a reserve estimate, deliberately high. The engine that produced it has no above-the-line deduction slot: it does not subtract retirement plan contributions, HSA contributions, self-employed health insurance premiums or a home office, and it applies no credits of any kind. It also does not model itemized deductions, carryforwards, withholding, or K-1 income. The real liability is lower, and the direction of the error is one-sided.

1. Federal summary — reserve estimate (high)

Lines shown to the cent; each subtotal is the sum of the lines above it, so the column foots. Tax lines are computed by the engine from the same figures.

Business net profit — all entities (Schedule C)	\$118,481.78
Other income (reported)	\$0.00
Investment income — Sch B / Sch E (interest, dividends, rents; not SE-taxed)	\$20.53
½ self-employment tax deduction	-\$8,370.47
Adjusted gross income (AGI)	\$110,131.84
Standard deduction	-\$16,100.00
QBI deduction (§199A, est.)	-\$18,806.37
Taxable income	\$75,225.47
Self-employment tax	\$16,741
Federal income tax (est.)	\$11,262
Total federal (est.)	\$28,003
Estimated payments made	\$8,400
Est. balance due	\$19,603

2. Schedule C draft — Birchbark Strategy LLC

Gross receipts (line 1)	\$138,987
Sch C ln 8 — Advertising	\$360

Sch C ln 9 — Car and truck expenses	\$252
Sch C ln 11 — Contract labor	\$2,800
Sch C ln 15 — Insurance (other than health)	\$947
Sch C ln 17 — Legal and professional services	\$950
Sch C ln 18 — Office expense	\$169
Sch C ln 20 — Rent or lease	\$3,825
Sch C ln 22 — Supplies	\$560
Sch C ln 23 — Taxes and licenses	\$82
Sch C ln 24a — Travel	\$3,156
Sch C ln 24b — Deductible meals	\$191
Sch C ln 27a — Other expenses	\$1,023
Form 4562	\$3,299
(unmapped) — uncategorized, not yet reviewed; carried until sorted	\$2,892
Net profit	\$118,482

Income routed to other schedules (not Schedule C / not SE-taxed)	Amount
Sch B	\$21

Vehicle: standard mileage method, 344 miles, rate applied per trip date (72.5¢ → 76¢/mi by trip date). Full dated log attached below.
Owner draws excluded from deductions: \$58,500.

3. Positions & elections flagged by the owner

None flagged

4. Mileage log

Date	Miles	Purpose	Entity
2026-02-19	118	Client meeting — Halvorsen Grain Cooperative, Willmar	Birchbark Strategy LLC
2026-04-16	118	Client meeting — Halvorsen Grain Cooperative, Willmar	Birchbark Strategy LLC
2026-05-07	22	Kestrel Dynamics quarterly review, Eden Prairie	Birchbark Strategy LLC
2026-07-22	64	Meridian Lakes site visit, St. Cloud	Birchbark Strategy LLC
2026-08-27	22	Kestrel Dynamics quarterly review, Eden Prairie	Birchbark Strategy LLC

5. Estimated payments

Q1 — 2026-04-14	\$4,200
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Appendix — Contractor payments (1099-NEC)

Contractor	Paid 2026	1099 required	W-9 on file
NORTHSTAR BOOKKEEPING LLC	\$2,800	YES	NO

Appendix — MN state estimate

MN taxable (AGI – standard deduction \$15,300)	\$94,832
MN tax without exemption	\$5,966

MN TY2026 brackets/standard deduction per MN DOR release of Dec 16, 2025. AGI – MN standard deduction approximation; MN additions/subtractions beyond the exemption not modeled — preparer to compute M1 precisely.

Prepared from 227 ledger entries dated 2026 onward and maintained in The Keep: 167 categorized, 42 unsorted (carried on the Schedule C draft as (unmapped) until sorted), 18 transfers (money between the owner's own accounts — in no total above). Source data never left the owner's machine.