

**U.S. Income Tax Return for an S Corporation**

**2011**

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. See separate instructions.

For calendar year 2011 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

<b>A</b> S election effective date <b>05/16/08</b>	<b>TYPE</b>  <b>OR</b>  <b>PRINT</b>	Name <b>FIRESTORM CAFE, LLC</b>	<b>D</b> Employer identification number <b>26-2625465</b>
<b>B</b> Business activity code number (see instructions) <b>722210</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>48 COMMERCE STREET</b>	<b>E</b> Date incorporated <b>05/16/2008</b>
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code <b>ASHEVILLE NC 28801</b>	<b>F</b> Total assets (see instructions) <b>\$ 18,967</b>

**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 **8**

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

<b>Income</b>	<b>1a</b> Merchant card and third-party payments. For 2011, enter -0- <b>0</b>	<b>1a</b>	<b>0</b>
	<b>b</b> Gross receipts or sales not reported on line 1a (see instructions) <b>230,353</b>	<b>1b</b>	<b>230,353</b>
	<b>c</b> Total. Add lines 1a and 1b <b>230,353</b>	<b>1c</b>	<b>230,353</b>
	<b>d</b> Returns and allowances plus any other adjustments (see instructions)	<b>1d</b>	
	<b>e</b> Subtract line 1d from line 1c	<b>1e</b>	<b>230,353</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A) <b>130,385</b>	<b>2</b>	<b>130,385</b>
<b>3</b> Gross profit. Subtract line 2 from line 1e <b>99,968</b>	<b>3</b>	<b>99,968</b>	
<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>4</b>		
<b>5</b> Other income (loss) (see instructions - attach statement)	<b>5</b>		
<b>6 Total income (loss).</b> Add lines 3 through 5 <b>99,968</b>	<b>6</b>	<b>99,968</b>	
<b>Deductions</b> (see instructions for limitations)	<b>7</b> Compensation of officers <b>10,443</b>	<b>7</b>	<b>10,443</b>
	<b>8</b> Salaries and wages (less employment credits) <b>27,053</b>	<b>8</b>	<b>27,053</b>
	<b>9</b> Repairs and maintenance <b>3,910</b>	<b>9</b>	<b>3,910</b>
	<b>10</b> Bad debts	<b>10</b>	
	<b>11</b> Rents <b>17,740</b>	<b>11</b>	<b>17,740</b>
	<b>12</b> Taxes and licenses <b>4,555</b>	<b>12</b>	<b>4,555</b>
	<b>13</b> Interest <b>2,326</b>	<b>13</b>	<b>2,326</b>
	<b>14</b> Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) <b>202</b>	<b>14</b>	<b>202</b>
	<b>15</b> Depletion (Do not deduct oil and gas depletion.)	<b>15</b>	
	<b>16</b> Advertising <b>2,522</b>	<b>16</b>	<b>2,522</b>
	<b>17</b> Pension, profit-sharing, etc., plans	<b>17</b>	
	<b>18</b> Employee benefit programs	<b>18</b>	
	<b>19</b> Other deductions (attach statement) <b>SEE STMT 1</b> <b>20,667</b>	<b>19</b>	<b>20,667</b>
	<b>20 Total deductions.</b> Add lines 7 through 19 <b>89,418</b>	<b>20</b>	<b>89,418</b>
	<b>21 Ordinary business income (loss).</b> Subtract line 20 from line 6 <b>10,550</b>	<b>21</b>	<b>10,550</b>

<b>Tax and Payments</b>	<b>22a</b> Excess net passive income or LIFO recapture tax (see instructions)	<b>22a</b>	
	<b>b</b> Tax from Schedule D (Form 1120S)	<b>22b</b>	
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes)	<b>22c</b>	
	<b>23a</b> 2011 estimated tax payments and 2010 overpayment credited to 2011	<b>23a</b>	
	<b>b</b> Tax deposited with Form 7004	<b>23b</b>	
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	<b>23c</b>	
	<b>d</b> Add lines 23a through 23c	<b>23d</b>	
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>24</b>	
	<b>25 Amount owed.</b> If line 23d is smaller than the total of lines 22c and 24, enter amount owed	<b>25</b>	
	<b>26 Overpayment.</b> If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	<b>26</b>	
<b>27</b> Enter amount from line 26 <b>Credited to 2012 estimated tax</b> <b>Refunded</b>	<b>27</b>		

**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 **LIBERTIE VALANCE** Date \_\_\_\_\_ Title **DIRECTOR**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>CHAD T. STORCK, CPA</b>	Preparer's signature	Date <b>03/27/12</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00955658</b>
	Firm's name <b>CHAD T. STORCK, CPA, P.C.</b>	Firm's EIN <b>26-4129801</b>			
	Firm's address <b>PO BOX 1373 ASHEVILLE, NC 28802-1373</b>	Phone no. <b>828-505-3791</b>			

<b>Other Information (see instructions)</b>		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2	See the instructions and enter the: a Business activity ▶ <b>CAFE &amp; BOOK SALES</b> b Product or service ▶ <b>FOOD &amp; BOOKS</b>		
3	At the end of the tax year, did the corporation 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 employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a qualified subchapter S subsidiary election made?		X
4	Has this corporation filed, or is it required to file, <b>Form 8918</b> , Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
5	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.		
6	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) ▶ \$		
7	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1	X	
9	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
10a	Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?	X	
b	If "Yes," did the corporation file or will it file all required Forms 1099?	X	

<b>Shareholders' Pro Rata Share Items</b>		<b>Total amount</b>	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	10,550
	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 1120S))	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	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		

		Shareholders' Pro Rata Share Items (continued)	Total amount	
<b>Deductions</b>	<b>11</b>	Section 179 deduction (attach Form 4562) <span style="float: right;"><b>SEE STMT 2</b></span>	11	<b>3,345</b>
	<b>12a</b>	Contributions <span style="float: right;"><b>SEE STMT 3</b></span>	12a	<b>90</b>
	<b>b</b>	Investment interest expense	12b	
	<b>c</b>	Section 59(e)(2) expenditures(1) Type ▶ <span style="float: right;">(2) Amount ▶</span>	12c(2)	
	<b>d</b>	Other deductions (see instructions) Type ▶	12d	
<b>Credits</b>	<b>13a</b>	Low-income housing credit (section 42(j)(5))	13a	
	<b>b</b>	Low-income housing credit (other)	13b	
	<b>c</b>	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	<b>d</b>	Other rental real estate credits (see instructions) Type ▶	13d	
	<b>e</b>	Other rental credits (see instructions) Type ▶	13e	
	<b>f</b>	Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	<b>g</b>	Other credits (see instructions) Type ▶	13g	
<b>Foreign Transactions</b>	<b>14a</b>	Name of country or U.S. possession ▶		
	<b>b</b>	Gross income from all sources	14b	
	<b>c</b>	Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14c	
	<b>d</b>	Passive category	14d	
	<b>e</b>	General category	14e	
	<b>f</b>	Other (attach statement) Deductions allocated and apportioned at shareholder level	14f	
	<b>g</b>	Interest expense	14g	
	<b>h</b>	Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
	<b>i</b>	Passive category	14i	
	<b>j</b>	General category	14j	
	<b>k</b>	Other (attach statement) Other information	14k	
	<b>l</b>	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	<b>m</b>	Reduction in taxes available for credit (attach statement)	14m	
	<b>n</b>	Other foreign tax information (attach statement)		
<b>Alternative Minimum Tax (AMT) Items</b>	<b>15a</b>	Post-1986 depreciation adjustment	15a	
	<b>b</b>	Adjusted gain or loss	15b	
	<b>c</b>	Depletion (other than oil and gas)	15c	
	<b>d</b>	Oil, gas, and geothermal properties – gross income	15d	
	<b>e</b>	Oil, gas, and geothermal properties – deductions	15e	
	<b>f</b>	Other AMT items (attach statement)	15f	
<b>Items Affecting Shareholder Basis</b>	<b>16a</b>	Tax-exempt interest income	16a	
	<b>b</b>	Other tax-exempt income	16b	
	<b>c</b>	Nondeductible expenses	16c	
	<b>d</b>	Distributions (attach statement if required) (see instructions)	16d	
	<b>e</b>	Repayment of loans from shareholders	16e	<b>3,161</b>
<b>Other Information</b>	<b>17a</b>	Investment income	17a	
	<b>b</b>	Investment expenses	17b	
	<b>c</b>	Dividend distributions paid from accumulated earnings and profits	17c	
	<b>d</b>	Other items and amounts (attach statement)		
<b>Reconciliation</b>	<b>18</b>	<b>Income/loss reconciliation.</b> 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 14l	18	<b>7,115</b>

Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		487		1,616
2a	Trade notes and accounts receivable	270		838	
b	Less allowance for bad debts	( )	270	( )	838
3	Inventories		11,367		14,209
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	9,263		12,608	
b	Less accumulated depreciation	( 6,757)	2,506	( 10,304)	2,304
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)				
15	<b>Total assets</b>		<b>14,630</b>		<b>18,967</b>
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable		1,005		1,411
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement) <b>STMT 4</b>		13,720		13,565
19	Loans from shareholders		11,674		8,513
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement) <b>STMT 5</b>		243		100
22	Capital stock				275
23	Additional paid-in capital				
24	Retained earnings		-12,012		-4,897
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	( )		( )	
27	<b>Total liabilities and shareholders' equity</b>		<b>14,630</b>		<b>18,967</b>

**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

1	Net income (loss) per books	7,115	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 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3	7,115	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	7,115

**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
1	Balance at beginning of tax year	-12,012	
2	Ordinary income from page 1, line 21	10,550	
3	Other additions		
4	Loss from page 1, line 21	( )	
5	Other reductions <b>STMT 6</b>	( 3,435)	
6	Combine lines 1 through 5	-4,897	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-4,897	

**Cost of Goods Sold**

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, and 1065-B.**

Name

**FIRESTORM CAFE, LLC**

Employer identification number

**26-2625465**

<b>1</b>	Inventory at beginning of year .....	<b>1</b>	<b>11,367</b>
<b>2</b>	Purchases .....	<b>2</b>	<b>133,227</b>
<b>3</b>	Cost of labor .....	<b>3</b>	
<b>4</b>	Additional section 263A costs (attach schedule) .....	<b>4</b>	
<b>5</b>	Other costs (attach schedule) .....	<b>5</b>	
<b>6</b>	<b>Total.</b> Add lines 1 through 5 .....	<b>6</b>	<b>144,594</b>
<b>7</b>	Inventory at end of year .....	<b>7</b>	<b>14,209</b>
<b>8</b>	<b>Cost of goods sold.</b> 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) .....	<b>8</b>	<b>130,385</b>

**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 the 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 corporation?  Yes  No

**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation  Yes  No

**Depreciation and Amortization**  
(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

**FIRESTORM CAFE, LLC**

Identifying number

**26-2625465**

Business or activity to which this form relates

**REGULAR DEPRECIATION**

**Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	3,345
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	<b>SEE STATEMENT 7</b>	<b>3,345</b>	<b>3,345</b>
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	3,345
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	3,345
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	10,550
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	3,345
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	▶ 13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	202

**MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶		

**Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

**Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	202
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Statement 1 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
BANK SERVICE CHARGES	\$ 584
CAFE EXPENSES	3,153
COMPUTER & INTERNET	951
CREDIT CARD MERCHANT FEES	284
DUES & SUBSCRIPTIONS	364
EMPLOYEE THEFT	2,309
INSURANCE	1,252
MISCELLANEOUS EXPENSES	99
OFFICE SUPPLIES	560
POSTAGE	176
PROFESSIONAL FEES	1,688
TELEPHONE	630
TRAVEL	49
UTILITIES	8,568
TOTAL	<u>\$ 20,667</u>

**Statement 2 - Form 1120S, Page 3, Schedule K, Line 11 - Section 179 Deduction**

<u>Description</u>	<u>Amount</u>
SECTION 179 - PERSONAL PROP	\$ <u>3,345</u>
TOTAL	\$ <u><u>3,345</u></u>



**Statement 3 - Form 1120S, Page 3, Schedule K, Line 12a - Cash Contributions**

<u>Description</u>	<u>Cash Contrib 50%</u>	<u>Cash Contrib 30%</u>	<u>Total</u>
MISCELLANEOUS CONTRIBUTIONS	\$ <u>90</u>	\$ <u>0</u>	\$ <u>90</u>
TOTAL	\$ <u><u>90</u></u>	\$ <u><u>0</u></u>	\$ <u><u>90</u></u>

**Federal Statements****Statement 4 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
ACCRUED PAYROLL	\$ 1,059	\$ 379
ACCRUED PAYROLL TAX	402	872
ADVANTA MASTERCARD	8,117	6,255
GIFT CERTIFICATES	2,917	2,956
SALES TAX PAYABLE	1,225	3,103
TOTAL	<u>\$ 13,720</u>	<u>\$ 13,565</u>

**Statement 5 - Form 1120S, Page 4, Schedule L, Line 21 - Other Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DUE TO EMPLOYEES	\$ 243	\$ 100
TOTAL	<u>\$ 243</u>	<u>\$ 100</u>

**Statement 6 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions**

<u>Description</u>	<u>Amount</u>
CHARITABLE CONTRIBUTIONS	\$ 90
SEC 179 EXPENSE	3,345
TOTAL	<u>\$ 3,435</u>

## Regular Depreciation

Statement 7 - Form 4562, Part I, Line 6 - Section 179 Expense

<u>Description of Property</u>	<u>Cost</u>	<u>Expense</u>
RICE COOKER	\$ 170	\$ 170
IMMERSION BLENDER	99	99
BOSE PA SYSTEM	2,000	2,000
NEMCO COOKER WARMER	178	178
COFFEE BREWER	387	387
16 OZ. FUNNEL MUG & SAUCER	183	183
DECK FURNITURE	127	127
IKEA BOOKSHELF	76	76
QUICKBOOKS PRO 2011	125	125
TOTAL	<u>\$ 3,345</u>	<u>\$ 3,345</u>

**S Corporation Tax Return 2011**  
North Carolina Department of Revenue

For calendar year 2011, or other tax year beginning <b>11</b> and ending	DOR Use Only
FIRESTORM CAFE, LLC 48 COMMERCE STREET ASHEVILLE NC 28801	Federal Employer ID Number 262625465 N.C. Secretary of State ID Number 1042479 NAICS Code 722210
<input type="checkbox"/> Fed Schedule M-3 is attached <input type="checkbox"/> Initial Filer <input type="checkbox"/> NC-478 <input checked="" type="checkbox"/> Limited Liability Corporation <input type="checkbox"/> Qualified Subchapter S Subsidiary <input type="checkbox"/> Final Return <input type="checkbox"/> CD-479 <input type="checkbox"/> Amended Return	

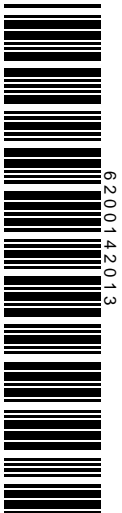
FIRE 48 C 28801 262625465 1042479 722210

M3 N QSSS N IF N FR N 478 N 479 N LLC Y AR N

FIRESTORM CAFE LLC

48 COMMERCE STREET ASHEVILLE NC 28801

BD	0	06	0	16	10550	24D	0
GR	230353	07	35	17	0	24E	0
TA	18967	08	0	19	0	26	0
		09	0	20	0	27	0
01	0	10	10550	21	0	31A	0
HCE	N	11	0	22	0	31B	0
02	16512	13	0	24A	0	34	0
03	6870	14	10550	24B	0	35	0
05	35	15	1000000	24C	0		
PFSP	P	PP	P00955658	TN			



Sch. A Computation of Franchise Tax	Sch. B Computation of Corporate Income Tax
1. Capital Stock, Surplus, & Undivided Profits Holding Company Exception	10. Shareholder's Shares of Corporate Income (Loss)
-4622 N	10550
2. Investment in N.C. Tangible Property	11. Adjustments to Corporation Income (Loss)
16512	0
3. Appraised Value of N.C. Tangible Property	12. N.C. Taxable Income
6870	10550
4. Taxable Amount	13. Nonapportionable Income
16512	0
5. Total Franchise Tax Due	14. Apportionable Income
35	10550
6. Application for Franchise Tax Extension	15. Apportionment Factor
0	100.0000%
7. Tax Credits	16. Income Apportioned to N.C.
35	10550
8. Franchise Tax Due	17. Nonapportionable Income Allocated to N.C.
0	0
9. Franchise Tax Overpaid	18. Total Net Taxable Income
0	10550

<b>Sign Return Below</b>	<input type="checkbox"/> <b>Refund Due</b> 0	<input type="checkbox"/> <b>Payment Due</b> 0	
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Signature and Title of Officer	Corporate Telephone Number	Date
<u>DIRECTOR</u>	8285053791	P00955658
Signature of Paid Preparer	Preparer's Telephone Number	Preparer's FEIN, SSN, or PTIN
I certify that, to the best of my knowledge, this return is accurate and complete.		<input type="checkbox"/> FEIN <input type="checkbox"/> SSN <input checked="" type="checkbox"/> PTIN

**CD-401S Line-by-Line Information**

Enter the amount of bonus depreciation from Schedule K, Line 6 for nonresident shareholders filing composite 0

<b>Sch. B Computation of Corporate Income Tax</b>			
19. Amount of Line 18 Attributable to Nonresidents		4. Total leasehold improvements and other N.C. tangible property	0
Filing Composite	0	5. Add Lines 1 through 4	26816
20. Separately Stated Items of Income Attributable to Nonresidents Filing Composite	0	6. Acc. depreciation, depletion, and amortization with respect to N.C. tangible property	10304
21. N.C. Income Tax	0	7. Debts existing for N.C. real estate	0
22. Annual Report Fee (\$25 00)	0	8. Investment in N.C. Tangible Property	16512
23. Add Lines 21 and 22	0		
24. Payments		<b>Sch. E Appraised Value of N.C. Tangible Property</b>	
a. Application for Income Tax Extension	0	1. County tax value of N.C. tangible property	12490
b. 2011 Estimated Tax (previous payments if amended)	0	2. Appraised value of N.C. tangible property	6870
c. Partnership (Include Form D-403, NC K-1)	0		
d. Nonresident W/holding (Include 1099/W-2)	0	<b>Sch. G Ordinary Income (Loss) from Trade or Business Activities</b>	
e. Tax Credits Attributable to Nonresidents Filing Composite	0	1. a. Merchant card and third party payments	0
25. Add Lines 24a through 24e	0	b. Gross receipts or sales	230353
26. Income Tax Due	0	c. Returns and allowances	0
27. Income Tax Overpaid	0	d. Balance - Line 1a plus 1b minus Line 1c	230353
		2. Cost of goods sold (Attach schedule) STMT 1	130385
		3. Gross Profit (Line 1d minus Line 2)	99968
		4. Net gain (loss) (Attach schedule)	0
		5. Other income (loss) (Attach schedule)	0
		6. <b>Total Income (Loss)</b>	99968
		7. Compensation of officers (Attach schedule) STMT 2	10443
		8. Salaries and wages (less employment credits)	27053
		9. Repairs and maintenance	3910
		10. Bad debts	0
		11. Rents	17740
		12. Taxes and licenses STMT 3	4555
		13. Interest	2326
		14. a. Depreciation SEE ATT	202
		b. Depreciation included in cost of goods sold	0
		c. Balance - Line 14a minus 14b	202
		15. Depletion	0
		16. Advertising	2522
		17. Pension, profit-sharing, and similar plans	0
		18. Employee benefit programs	0
		19. Other deductions (Attach schedule) STMT 4	20667
		20. Total Deductions	89418
		21. Ordinary Business Income (Loss)	10550
<b>Sch. C Capital Stock, Surplus, and Undivided Profits</b>		<b>Sch. H Computation of Income (Loss)</b>	
1. Total capital stock outstanding less cost of treasury stock	275	1. Ordinary business income (loss)	10550
2. Paid-in or capital surplus	0	2. Net rental real estate income (loss)	0
3. Retained earnings	-4897	3. Other net rental income (loss)	0
4. Other surplus	0	4. Interest income	0
5. Deferred or unearned income	0	5. Ordinary dividends	0
6. Allowance for bad debts	0	6. Royalties	0
7. LIFO reserves	0	7. Net short-term capital gain (loss)	0
8. Other reserves that do not represent definite and accrued legal liabilities (Attach schedule)	0	8. Net long-term capital gain (loss)	0
9. Add Lines 1 through 8	-4622	9. Net section 1231 gain (loss)	0
10. Affiliated indebtedness (Attach schedule)	0	10. Other income (loss) (Attach Schedule)	0
11. Line 9 plus (or minus) Line 10	-4622	11. Total Income (Loss)	10550
12. Apportionment factor	100.0000%		
13. Capital Stock, Surplus, and Undivided Profits	-4622		
<b>Sch. D Investment in N.C. Tangible Property</b>			
Inventory valuation method	COST		
1. Total inventories located in N.C.	14209		
2. Total furniture, fixtures, and M & E located in N.C.	12607		
3. Total land and buildings located in N.C.	0		

Sch. I Adjustments to Income (Loss)	Other Information - All Taxpayers Must Complete Schedule
1. Additions to Income (Loss)	1. a. State of incorporation NORTH CAROLINA
a. Taxes based on net income 0	b. Date incorporated 05 16 08
b. Interest on non-N.C. obligations 0	2. Date of N.C. Certificate of Authority 05 16 08
c. Bonus depreciation 0	3. Trade or business: a. In N.C. CAFE & BOOK SA
d. Other additions to federal taxable income 0	b. Everywhere CAFE & BOOK SA
2. Total Additions 0	4. Principal place of business ASHEVILLE NC
3. Deductions from Income (Loss)	5. a. What was the last year the IRS redetermined
a. U.S. obligation interest (net of expenses) 0	the corporation's federal taxable income?
b. Bonus depreciation 0	b. Were adjustments reported to N.C.?
c. Other deductions from federal taxable income 0	c. If so, when?
4. Total Deductions 0	6. Does this corporation have escheatable property? N
5. Adjustments to Income (Loss) 0	7. Is corporation subject to franchise tax but not N.C. income tax because its' income tax activities are protected? (If yes, attach explanation) N

**Income Tax Rate Schedule for Nonresident Shareholders Filing Composite**

	6.00% of the first \$12,750
<b>Income</b>	7.00% of the amount over \$12,750 but no more than \$60,000
	7.75% of the amount over \$60,000

**Sch. K Shareholders' Pro Rata Share Items**

	Shareholder 1	Shareholder 2	Shareholder 3	Shareholder 4
1. Identifying Number	[REDACTED]			
2. Name	LIBERTIE [REDACTED]	EMMA [REDACTED]	JOHN [REDACTED]	CYNTHIA [REDACTED]
3. Address	[REDACTED]			
	ASHEVILLE NC	ASHEVILLE NC	ASHEVILLE NC	ASHEVILLE NC
4. Ownership %	13.3855%	13.3855%	13.3855%	13.3855%
5. Share of income (loss)	1412	1412	1412	1412
6. Additions to income (loss)	0	0	0	0
7. Deductions from income (loss)	0	0	0	0
8. Income subject to N.C. tax	1412	1412	1412	1412
9. Share of tax credits	26	26	26	26
10. Tax withheld from nonwage compensation	0	0	0	0
11. Amount of Line 8 apportioned or allocated to N.C. (nonresidents only)	0	0	0	0
12. Separately stated items of income (nonresidents only)	0	0	0	0
13. Net tax paid for shareholder by corporation (nonresidents only)	0	0	0	0
	Shareholder 5	Shareholder 6	Shareholder 7	Shareholders' Total
1. Identifying Number	[REDACTED]			
2. Name	LANI [REDACTED]	MADELINE [REDACTED]	MEGAN [REDACTED]	
3. Address	[REDACTED]			
	ASHEVILLE NC	ASHEVILLE NC	ASHEVILLE NC	
4. Ownership %	13.3855%	13.3855%	13.3855%	100.0000%
5. Share of income (loss)	1412	1413	1412	10550
6. Additions to income (loss)	0	0	0	0
7. Deductions from income (loss)	0	0	0	0
8. Income subject to N.C. tax	1412	1413	1412	10550
9. Share of tax credits	27	26	27	196
10. Tax withheld from nonwage compensation	0	0	0	0
11. Amount of Line 8 apportioned or allocated to N.C. (nonresidents only)	0	0	0	0
12. Separately stated items of income (nonresidents only)	0	0	0	0
13. Net tax paid for shareholder by corporation (nonresidents only)	0	0	0	0

**Sch. L Balance Sheet per Books**

Assets	Beginning of Tax Year		End of Tax Year	
	(a)	(b)	(c)	(d)
1. Cash		487		1616
2. a. Trade notes and accounts receivable	270		838	
b. Less allowance for bad debts	( 0 )	270	( 0 )	838
3. Inventories		11367		14209
4. a. U.S. government obligations		0		0
b. State and other obligations		0		0
5. Tax-exempt securities		0		0
6. Other current assets (Attach schedule)		0		0
7. Loans to shareholders		0		0
8. Mortgage and real estate loans		0		0
9. Other investments (Attach schedule)		0		0
10. a. Buildings and other depreciable assets	9263		12608	
b. Less accumulated depreciation	( 6757 )	2506	( 10304 )	2304
11. a. Depletable assets	0		0	
b. Less accumulated depletion	( 0 )	0	( 0 )	0
12. Land (net of any amortization)		0		0
13. a. Intangible assets (amortizable only)	0		0	
b. Less accumulated amortization	( 0 )	0	( 0 )	0
14. Other assets (Attach schedule)		0		0
15. <b>Total Assets</b>		14630		18967
<b>Liabilities and Shareholders' Equity</b>				
16. Accounts payable		1005		1411
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach schedule) STMT 5		13720		13565
19. Loans from shareholders		11674		8513
20. Mortgages, notes, and bonds payable in 1 year or more		0		0
21. Other liabilities (Attach schedule) STMT 6		243		100
22. Capital stocks		0		275
23. Additional paid-in capital		0		0
24. Retained earnings		-12012		-4897
25. Adjustments to shareholders' equity (Attach schedule)		0		0
26. Less cost of treasury stock		( 0 )		( 0 )
27. <b>Total Liabilities and Shareholders' Equity</b>		14630		18967

**Sch. M-1 Federal Schedule**

1. Net income (loss) per books	7115	5. Income recorded on books this year not included on Federal Sch. K, Lines 1 through 10 (itemize):	
2. Income included on Federal Sch. K, Lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9 and 10 not recorded on books this year (itemize):		Tax-exempt interest	0
			0
	0	6. Deductions included on Federal Sch. K, Lines 1 through 12, 14I not charged against book income this year (itemize):	
3. Expenses recorded on books this year not included on Federal Sch. K, Lines 1 through 12, and 14I (itemize):		Depreciation	0
a. Depreciation	0		0
b. Travel and entertainment	0		0
	0	7. Total	0
4. Add Lines 1 through 3	7115	8. Income or Loss (Fed. Sch. K, Line 18)	7115

Explanation of Changes for Amended Return:

**CD-401S 2011 Page 5 (42)**

Legal Name (First 10 Characters)

FIRESTORM

Federal Employer ID Number

262625465

**Sch. M-2 Analysis of N.C. AAA**

	N.C. Accumulated Adjustments	N.C. Other Adjustments	Undistributed Taxable Income Previously Taxed
1. Balance at beginning of year	-12012	0	0
2. Ordinary income from Sch. G, Line 21	10550		
3. Other additions	0	0	
4. Loss from Sch. G, Line 21	( 0 )		
5. Other reductions SEE STATEMENT 7	( 3435 )	( 0 )	0
6. Compute Lines 1 through 5	-4897	0	0
7. Distributions other than dividend distributions	0	0	0
8. Balance at end of tax year	-4897	0	0

**Sch. N Nonapportionable Income**

Nonapportionable Income	Gross Amounts	Related Expenses	Net Amounts	Net Amounts Allocated Directly to N.C.
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
1. Nonapportionable Income			0	
2. Nonapportionable Income Allocated to N.C.				0

Explanation of why income listed is nonapportionable income rather than apportionable income:

**Sch. O Computation of Apportionment Factor**

**Part 1. Domestic Corporations and Other Corporations Not Apportioning Franchise or Income Outside N.C.** 100.0000%

**Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States**

	1. Within North Carolina		2. Total Everywhere		
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period	
1. Land	0	0	0	0	
2. Buildings	0	0	0	0	
3. Inventories	0	0	0	0	
4. Other property	0	0	0	0	
5. Total	0	0	0	0	
6. Average value of property		0		0	
7. Rented property		0		0	Factor
8. Property Factor		0		0	0.0000%
9. Gross payroll		0		0	
10. Compensation of general executive officers		0		0	
11. Payroll Factor		0		0	0.0000%
12. Sales Factor		0		0	0.0000%
13. Sales Factor					0.0000%
14. Total of Factors					0.0000%
15. N.C. Apportionment Factor					0.0000%

**Part 3. Corporations Apportioning Franchise or Income to N.C. and to Other States Using Single Sales Factor** 0.0000%

**Part 4. Special Apportionment** 0.0000%

This page must be filed with the first page of Form CD-401S.



**Sch. K Shareholders' Shares of Income, Adjustments, and Tax Credits (Continued)**

	Shareholder 8	Shareholder	Shareholder	Shareholder
1. Identifying Number				
2. Name	ALLYSA			
3. Address	ASHEVILLE NC 288			
4. Ownership %	6.3014%	%	%	%
5. Share of income (loss)	665	0	0	0
6. Additions to income (loss)	0	0	0	0
7. Deductions from income (loss)	0	0	0	0
8. Income subject to NC tax	665	0	0	0
9. Share of tax credits	12	0	0	0
10. Tax withheld from nonwage compensation	0	0	0	0
11. Amt of Line 8 apportioned or allocated to NC (nonresidents only)	0	0	0	0
12. Separately stated items of income (nonresidents only)	0	0	0	0
13. Net tax paid for shareholder by corporation (nonresidents only)	0	0	0	0

	Shareholder	Shareholder	Shareholder	Shareholder
1. Identifying Number				
2. Name				
3. Address				
4. Ownership %	%	%	%	%
5. Share of income (loss)	0	0	0	0
6. Additions to income (loss)	0	0	0	0
7. Deductions from income (loss)	0	0	0	0
8. Income subject to NC tax	0	0	0	0
9. Share of tax credits	0	0	0	0
10. Tax withheld from nonwage compensation	0	0	0	0
11. Amt of Line 8 apportioned or allocated to NC (nonresidents only)	0	0	0	0
12. Separately stated items of income (nonresidents only)	0	0	0	0
13. Net tax paid for shareholder by corporation (nonresidents only)	0	0	0	0

	Shareholder	Shareholder	Shareholder	Shareholder
1. Identifying Number				
2. Name				
3. Address				
4. Ownership %	%	%	%	%
5. Share of income (loss)	0	0	0	0
6. Additions to income (loss)	0	0	0	0
7. Deductions from income (loss)	0	0	0	0
8. Income subject to NC tax	0	0	0	0
9. Share of tax credits	0	0	0	0
10. Tax withheld from nonwage compensation	0	0	0	0
11. Amt. of Line 8 apportioned or allocated to NC (nonresidents only)	0	0	0	0
12. Separately stated items of income (nonresidents only)	0	0	0	0
13. Net tax paid for shareholder by corporation (nonresidents only)	0	0	0	0

2011 Corporate Tax Credit Summary  
North Carolina Department of Revenue

Legal Name (First 10 Characters) FIRESTORM

Federal Employer ID Number 262625465

For Computer Use Only										
01					0	14A		0	21	CP N CT N
02					0	14B		0		HD N PC N
03					0	15A		0		SC N RF N
04					0	15B		0		QB N ER N
05	PG	N	RF	N		16A		0		GC N
	ER	N	AA	Y		16B		0	21	
05					175	17		0	22	
10					0	18		0	23	
13A					0	19		0	28	
13B					0	20		0		

**Part 1. Franchise Tax Credits Not Subject to 50% of Tax Limit**

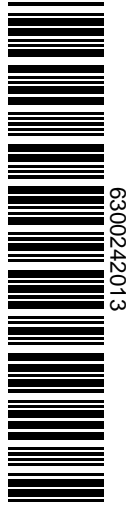
1. Short period credit for change in income year 365 - 0 = 0 x 0 = 1. 0		
2. Major computer manufacturing facility	2.	0
3. Revitalizing an income-producing historic mill facility	3.	0
4. Revitalizing a nonincome-producing historic mill facility	4.	0
5. Other franchise and tax credits not subject to 50% of tax limit	5.	175
<input type="checkbox"/> 1/2 of the amount of piped natural gas tax paid under G.S. 105-187.43		
<input type="checkbox"/> Investing in Recycling Facilities		
<input type="checkbox"/> Expenses Related to Dividends		
<input checked="" type="checkbox"/> Additional Annual Report Fee Paid		
6. Total franchise tax credits not subject to 50% of tax limit	6.	175

**Part 2. Computation of Franchise Tax Credits Taken in 2011**

7. Total franchise tax due	7.	35
8. Nonrefundable franchise tax credits	8.	175
9. Enter the lesser of Line 7 or 8	9.	35
10. Total franchise tax credits subject to 50% of tax limit taken in 2011	10.	0
11. Refundable franchise tax credits	11.	0
12. Franchise Tax Credits Taken in 2011	12.	35

**Part 3. Income Tax Credits Not Subject to 50% of Tax Limit**  
(S Corporations enter only the amount of tax credits attributable to nonresidents filing composite on Lines 13 through 23.)

13. Rehabilitating an income-producing historic structure		
A. Enter qualified rehabilitation expenditures	13a.	0
B. Enter credit amount	13b.	0
14. Rehabilitating a nonincome-producing historic structure		
A. Enter rehabilitation expenses	14a.	0
B. Enter installment amount of credit	14b.	0
15. Revitalizing an income-producing historic mill facility		
A. Enter qualified rehabilitation expenditures	15a.	0
B. Enter credit amount	15b.	0
16. Revitalizing a nonincome-producing historic mill facility		
A. Enter rehabilitation expenses	16a.	0
B. Enter installment amount of credit	16b.	0



Legal Name (First 10 Characters) FIRESTORM

Federal Employer ID Number 262625465

17. Major computer manufacturing facility	17.	0
18. Certain real property donations	18.	0
19. Savings and loan supervisory fees	19.	0
20. Recycling Oyster Shells	20.	0
21. Other income tax credits not subject to 50% of tax limit	21.	0
<input type="checkbox"/> Cogeneration Plant	<input type="checkbox"/> Subscriber Charges	<input type="checkbox"/> Gleaned Crops
<input type="checkbox"/> Conservation Tillage	<input type="checkbox"/> Investing in Recycling Facilities	
<input type="checkbox"/> Handicapped Dwelling	<input type="checkbox"/> Qualified Business Investments	
<input type="checkbox"/> Poultry Composting	<input type="checkbox"/> Expenses Related to Dividends	
22. Income tax credits not subject to 50% of tax limit carried over from previous years	22.	0
23. Small business unemployment insurance	23.	0
24. Total income tax credits not subject to 50% of tax limit	24.	0

**Part 4. Computation of Income Tax Credits Taken in 2011**

25. N.C. net income tax due	25.	0
26. Nonrefundable income tax credits	26.	0
27. Enter lesser of Line 25 or 26	27.	0
28. Total income tax credits subject to 50% of tax limit taken in 2011	28.	0
29. Refundable income tax credits	29.	0
30. Add Lines 27 through 29	30.	0
31. Income tax credits not subject to G.S. 105-130.5(a)(10) adjustment	31.	0
32. Income tax credits subject to G.S. 105-130.5(a)(10) adjustment	32.	0
33. Income tax credit adjustment (C Corporations only)	33.	0
34. Income Tax Credits Taken in 2011	34.	0

**Form CD-425 must be attached to the last page of Form CD-405 or CD-401S if a tax credit is claimed.  
Failure to substantiate a tax credit may result in the disallowance of that credit.**

**Statement 1 - Form CD-401S, Page 2, Schedule G, Line 2 - Cost of Goods Sold**

<u>Description</u>	<u>Amount</u>
BEGINNING INVENTORY	\$ 11,367
PURCHASES	133,227
LESS: ENDING INVENTORY	-14,209
TOTAL	<u>\$ 130,385</u>

**Statement 2 - Form CD-401S, Page 2, Schedule G, Line 7 - Compensation of Officers**

<u>Officer Name</u>	<u>Compensation</u>
LIBERTIE [REDACTED]	\$ 4,437
JOHN [REDACTED]	807
CYNTHIA [REDACTED]	3,634
TRAVIS [REDACTED]	1,565
TOTAL	<u>\$ 10,443</u>

**Statement 3 - Form CD-401S, Page 2, Schedule G, Line 12 - Taxes and Licenses**

<u>Description</u>	<u>Amount</u>
DUES & LICENSES	\$ 101
NC ANNUAL REPORT FEE	200
PAYROLL TAXES	4,117
PROPERTY TAXES	137
TOTAL	<u>\$ 4,555</u>

**Statement 4 - Form CD-401S, Page 2, Schedule G, Line 19 - Other Deductions**

<u>Description</u>	<u>Amount</u>
BANK SERVICE CHARGES	\$ 584
CAFE EXPENSES	3,153
COMPUTER & INTERNET	951
CREDIT CARD MERCHANT FEES	284
DUES & SUBSCRIPTIONS	364
EMPLOYEE THEFT	2,309
INSURANCE	1,252
MISCELLANEOUS EXPENSES	99
OFFICE SUPPLIES	560
POSTAGE	176
PROFESSIONAL FEES	1,688
TELEPHONE	630
TRAVEL	49
UTILITIES	8,568
TOTAL	<u>\$ 20,667</u>

**Statement 5 - Form CD-401S, Page 4, Schedule L, Line 18 - Other Current Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
ACCRUED PAYROLL	\$ 1,059	\$ 379
ACCRUED PAYROLL TAX	402	872
ADVANTA MASTERCARD	8,117	6,255
GIFT CERTIFICATES	2,917	2,956
SALES TAX PAYABLE	1,225	3,103
TOTAL	<u>\$ 13,720</u>	<u>\$ 13,565</u>

**Statement 6 - Form CD-401S, Page 4, Schedule L, Line 21 - Other Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DUE TO EMPLOYEES	\$ 243	\$ 100
TOTAL	<u>\$ 243</u>	<u>\$ 100</u>

**Statement 7 - Form CD-401S, Page 5, Schedule M-2, Line 5 - NC AAA Other Reductions**

<u>Description</u>	<u>Amount</u>
CHARITABLE CONTRIBUTIONS	\$ 90
SECTION 179 EXPENSE	3,345
TOTAL	<u>\$ 3,435</u>

**Depreciation and Amortization**  
(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

**FIRESTORM CAFE, LLC**

Identifying number

**26-2625465**

Business or activity to which this form relates

**REGULAR DEPRECIATION**

**Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	3,345
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	<b>SEE STATEMENT 7</b>	<b>3,345</b>	<b>3,345</b>
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	3,345
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	3,345
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	10,550
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	3,345
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	▶ 13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	202

**MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶		

**Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

**Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

**Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	202
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form  
**CD-401S**

**NC Retained Earnings Reconciliation Worksheet**

**2011**

For calendar year 2011, or other tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

Name <b>FIRESTORM CAFE, LLC</b>	NC Secretary of State ID Number <b>1042479</b>	Federal Employer ID Number <b>262625465</b>
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**Schedule L - Retained Earnings**

Retained Earnings - Unappropriated	<u>0</u>
Accumulated Adjustments Account	<u>-4,897</u>
Other Adjustments Account	<u>0</u>
Undistributed Txbl Inc Previously Taxed	<u>0</u>
Schedule L, Line 24 - Retained Earnings	<u><u>-4,897</u></u>

**Schedule M-2 - Retained Earnings**

	Accumulated Adjustments Account	Other Adjustments Account	Undistributed Taxable Income Previously Taxed	Retained Earnings Unappropriated/ Timing Differences	Total Retained Earnings
Beg Yr Bal	-12,012	0	0	0	-12,012
Ordinary Inc (Loss)	10,550				10,550
Other Additions					
Other Reductions	3,435				3,435
Distributions					
End Yr Bal	<u><u>-4,897</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>-4,897</u></u>