

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

**2016**

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.  
Information about Form 1120S and its separate instructions is at [www.irs.gov/form1120s](http://www.irs.gov/form1120s).

For calendar year 2016 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

|  |  |   |  |
|--|--|---|--|
| <b>A</b> S election effective date<br><b>05/16/08</b>                      | <b>TYPE</b><br><br><b>OR</b><br><br><b>PRINT</b> | Name<br><b>FIRESTORM CAFE, LLC</b>  | <b>D</b> Employer identification number<br><b>26-2625465</b>     |
| <b>B</b> Business activity code number (see instructions)<br><b>722513</b> |  | Number, street, and room or suite no. If a P.O. box, see instructions.<br><b>610 HAYWOOD RD.</b>      | <b>E</b> Date incorporated<br><b>05/16/2008</b>                  |
| <b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>               |  | City or town, state or province, country, and ZIP or foreign postal code<br><b>ASHEVILLE NC 28806</b> | <b>F</b> Total assets (see instructions)<br><br>\$ <b>60,144</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 **u 4**

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

|  |  |            |                   |                          |               |
|--|--|------------|-------------------|--------------------------|---------------|
| <b>Income</b>  | 1a Gross receipts or sales   | <b>1a</b>  | <b>274,526</b>    |                          |               |
|  | b Returns and allowances   | <b>1b</b>  |                   |                          |               |
|  | c Balance. Subtract line 1b from line 1a   |            |                   | <b>274,526</b>           | <b>1c</b>     |
|  | 2 Cost of goods sold (attach Form 1125-A)  |            |                   | <b>155,583</b>           | <b>2</b>      |
|  | 3 Gross profit. Subtract line 2 from line 1c   |            |                   | <b>118,943</b>           | <b>3</b>      |
|  | 4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)                         |            |                   |                          | <b>4</b>      |
| <b>Deductions</b><br><small>(see instructions for limitations)</small>                                 | 5 Other income (loss) (see instructions—attach statement)                            |            | <b>SEE STMT 1</b> | <b>10,141</b>            | <b>5</b>      |
|  | 6 <b>Total income (loss).</b> Add lines 3 through 5                                  |            | <b>u</b>          | <b>129,084</b>           | <b>6</b>      |
|  | 7 Compensation of officers (see instructions—attach Form 1125-E)                     |            |                   | <b>34,476</b>            | <b>7</b>      |
|  | 8 Salaries and wages (less employment credits)                                       |            |                   | <b>33,439</b>            | <b>8</b>      |
|  | 9 Repairs and maintenance  |            |                   | <b>1,219</b>             | <b>9</b>      |
|  | 10 Bad debts   |            |                   |                          | <b>10</b>     |
|  | 11 Rents   |            |                   | <b>38,991</b>            | <b>11</b>     |
|  | 12 Taxes and licenses  |            |                   | <b>6,251</b>             | <b>12</b>     |
|  | 13 Interest  |            |                   | <b>3,092</b>             | <b>13</b>     |
|  | 14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) |            |                   | <b>1,130</b>             | <b>14</b>     |
|  | 15 Depletion (Do not deduct oil and gas depletion.)                                  |            |                   |                          | <b>15</b>     |
|  | 16 Advertising   |            |                   | <b>2,102</b>             | <b>16</b>     |
|  | 17 Pension, profit-sharing, etc., plans  |            |                   |                          | <b>17</b>     |
|  | 18 Employee benefit programs   |            |                   |                          | <b>18</b>     |
|  | 19 Other deductions (attach statement)   |            |                   | <b>SEE STMT 2</b>        | <b>23,294</b> |
| 20 <b>Total deductions.</b> Add lines 7 through 19   |  |            | <b>u</b>          | <b>143,994</b>           |               |
| 21 <b>Ordinary business income (loss).</b> Subtract line 20 from line 6                                |  |            |                   | <b>-14,910</b>           |               |
| <b>Tax and Payments</b>  | 22a Excess net passive income or LIFO recapture tax (see instructions)               | <b>22a</b> |                   |                          |               |
|  | b Tax from Schedule D (Form 1120S)   | <b>22b</b> |                   |                          |               |
|  | c Add lines 22a and 22b (see instructions for additional taxes)                      |            |                   |                          | <b>22c</b>    |
|  | 23a 2016 estimated tax payments and 2015 overpayment credited to 2016                | <b>23a</b> |                   |                          |               |
|  | b Tax deposited with Form 7004   | <b>23b</b> |                   |                          |               |
|  | c Credit for federal tax paid on fuels (attach Form 4136)                            | <b>23c</b> |                   |                          |               |
|  | d Add lines 23a through 23c  |            |                   |                          | <b>23d</b>    |
| 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached                            |  |            | <b>u</b>          | <input type="checkbox"/> |               |
| 25 <b>Amount owed.</b> If line 23d is smaller than the total of lines 22c and 24, enter amount owed    |  |            |                   | <b>25</b>                |               |
| 26 <b>Overpayment.</b> If line 23d is larger than the total of lines 22c and 24, enter amount overpaid |  |            |                   | <b>26</b>                |               |
| 27 Enter amount from line 26 <b>Credited to 2017 estimated tax</b> <b>u</b>                            |  |            | <b>Refunded u</b> | <b>27</b>                |               |

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

|                               |  |                                |                         |  |
|-------------------------------|--|--------------------------------|-------------------------|--|
| <b>Sign Here</b>              | Signature of officer <b>LIBERTIE VALANCE</b>                 | Date                           | Title <b>DIRECTOR</b>   |  |
|                               | Print/Type preparer's name<br><b>CHAD T. STORCK, CPA</b>     | Preparer's signature           | Date<br><b>03/27/17</b> | Check <input type="checkbox"/> if self-employed PTIN<br><b>P00955658</b> |
| <b>Paid Preparer Use Only</b> | Firm's name <b>u STORCK CPA, P.C.</b>                        | Firm's EIN <b>u 26-4129801</b> |                         |  |
|                               | Firm's address <b>u PO BOX 1373 ASHEVILLE, NC 28802-1373</b> | Phone no. <b>828-505-3791</b>  |                         |  |

**Schedule B Other Information** (see instructions)

|   |  |  |  |            |           |
|---|--|--|--|------------|-----------|
| <b>1</b> Check accounting method:   | <b>a</b> <input type="checkbox"/> Cash   | <b>b</b> <input checked="" type="checkbox"/> Accrual | <b>c</b> <input type="checkbox"/> Other (specify) <b>u</b> ..... | <b>Yes</b> | <b>No</b> |
| <b>2</b> See the instructions and enter the:  | <b>a</b> Business activity <b>u</b> <b>CAFE &amp; BOOK SALES</b>   |  | <b>b</b> Product or service <b>u</b> <b>FOOD &amp; BOOKS</b>     |            |           |
| <b>3</b> 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 ..... |  |  |  |            | <b>X</b>  |
| <b>4</b> At the end of the tax year, did the corporation:   | <b>a</b> 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 ..... |  |  |            | <b>X</b>  |

| (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 .....

|  |          |
|--|----------|
|  | <b>X</b> |
|--|----------|

| (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 |
|--------------------|--|----------------------|------------------------------|--|
|                    |  |                      |                              |  |
|                    |  |                      |                              |  |
|                    |  |                      |                              |  |

**5a** 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 ..... **u** .....

**(ii)** Total shares of non-restricted stock ..... **u** .....

**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 ..... **u** .....

**(ii)** Total shares of stock outstanding if all instruments were executed ..... **u** .....

**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 ..... **u**

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) ..... **u** \$ .....

**9** Enter the accumulated earnings and profits of the corporation at the end of the tax year. .... \$ .....

**10** 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.

**11** 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 ..... \$ .....

**12** During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions .....

**13a** Did the corporation make any payments in 2016 that would require it to file Form(s) 1099? .....

**b** If "Yes," did the corporation file or will it file required Forms 1099? .....

**Schedule K Shareholders' Pro Rata Share Items**

|  |  | Total amount |         |
|--|--|--------------|---------|
| <b>Income (Loss)</b>                               | 1 Ordinary business income (loss) (page 1, line 21)  | 1            | -14,910 |
|  | 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       |
|  | 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            |         |
| <b>Deductions</b>                                  | 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 <b>u</b>  | 10           |         |
| <b>Credits</b>                                     | 11 Section 179 deduction (attach Form 4562)  | 11           |         |
|  | 12a Charitable contributions SEE STMT 3  | 12a          | 2,443   |
|  | b Investment interest expense  | 12b          |         |
|  | c Section 59(e)(2) expenditures (1) Type <b>u</b> (2) Amount <b>u</b>                                      | 12c(2)       |         |
| <b>Foreign Transactions</b>                        | d Other deductions (see instructions) Type <b>u</b>  | 12d          |         |
|  | 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 <b>u</b>  | 13d          |         |
|  | e Other rental credits (see instructions) Type <b>u</b>  | 13e          |         |
|  | f Biofuel producer credit (attach Form 6478)   | 13f          |         |
| g Other credits (see instructions) Type <b>u</b>   | 13g  |              |         |
| <b>Alternative Minimum Tax (AMT) Items</b>         | 14a Name of country or U.S. possession <b>u</b>  |              |         |
|  | b Gross income from all sources  | 14b          |         |
|  | c Gross income sourced at shareholder level<br>Foreign gross income sourced at corporate level             | 14c          |         |
|  | d Passive category   | 14d          |         |
|  | e General category   | 14e          |         |
|  | f Other (attach statement)<br>Deductions allocated and apportioned at shareholder level                    | 14f          |         |
|  | g Interest expense   | 14g          |         |
|  | h Other<br>Deductions allocated and apportioned at corporate level to foreign source income                | 14h          |         |
|  | i Passive category   | 14i          |         |
|  | j General category   | 14j          |         |
|  | k Other (attach statement)<br>Other information  | 14k          |         |
|  | l Total foreign taxes (check one): <b>u</b> <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14l          |         |
|  | m Reduction in taxes available for credit (attach statement)   | 14m          |         |
| n Other foreign tax information (attach statement) |  |              |         |
| <b>Items Affecting Shareholder Basis</b>           | 15a Post-1986 depreciation adjustment  | 15a          | 40      |
|  | 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          |         |
| <b>Items Affecting Shareholder Basis</b>           | 16a Tax-exempt interest income   | 16a          |         |
|  | b Other tax-exempt income  | 16b          |         |
|  | c Nondeductible expenses   | 16c          | 75      |
|  | d Distributions (attach statement if required) (see instructions)  | 16d          |         |
|  | e Repayment of loans from shareholders   | 16e          |         |

| <b>Schedule K Shareholders' Pro Rata Share Items</b> (continued) |   | <b>Total amount</b> |                |
|--|---|---------------------|----------------|
| <b>Other Information</b>   | <b>17a</b> Investment income .....  | <b>17a</b>          | <b>5</b>       |
|  | <b>b</b> Investment expenses .....  | <b>17b</b>          |                |
|  | <b>c</b> Dividend distributions paid from accumulated earnings and profits .....  | <b>17c</b>          |                |
|  | <b>d</b> Other items and amounts (attach statement) .....   |                     |                |
| <b>Reconciliation</b>  | <b>18 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 ..... | <b>18</b>           | <b>-17,348</b> |

| <b>Schedule L Balance Sheets per Books</b>                                 |                   | Beginning of tax year |                   | End of tax year |                |
|--|-------------------|-----------------------|-------------------|-----------------|----------------|
| <b>Assets</b>  |                   | <b>(a)</b>            | <b>(b)</b>        | <b>(c)</b>      | <b>(d)</b>     |
| <b>1</b> Cash .....  |                   |                       | <b>4,429</b>      |                 | <b>13,246</b>  |
| <b>2a</b> Trade notes and accounts receivable .....                        | <b>1,828</b>      |                       |                   | <b>2,173</b>    |                |
| <b>b</b> Less allowance for bad debts .....                                | ( )               | <b>1,828</b>          | ( )               | <b>2,173</b>    |                |
| <b>3</b> Inventories .....   |                   | <b>35,950</b>         |                   |                 | <b>27,421</b>  |
| <b>4</b> U.S. government obligations .....                                 |                   |                       |                   |                 |                |
| <b>5</b> Tax-exempt securities (see instructions) .....                    |                   |                       |                   |                 |                |
| <b>6</b> Other current assets (attach statement) .....                     |                   |                       |                   |                 |                |
| <b>7</b> Loans to shareholders .....                                       |                   |                       |                   |                 |                |
| <b>8</b> Mortgage and real estate loans .....                              |                   |                       |                   |                 |                |
| <b>9</b> Other investments (attach statement) .....                        |                   |                       |                   |                 |                |
| <b>10a</b> Buildings and other depreciable assets .....                    | <b>32,556</b>     |                       |                   | <b>32,556</b>   |                |
| <b>b</b> Less accumulated depreciation .....                               | ( <b>18,754</b> ) | <b>13,802</b>         | ( <b>19,883</b> ) | <b>12,673</b>   |                |
| <b>11a</b> Depletable assets .....   |                   |                       |                   |                 |                |
| <b>b</b> Less accumulated depletion .....                                  | ( )               |                       | ( )               |                 |                |
| <b>12</b> Land (net of any amortization) .....                             |                   |                       |                   |                 |                |
| <b>13a</b> Intangible assets (amortizable only) .....                      | <b>1,214</b>      |                       |                   | <b>1,214</b>    |                |
| <b>b</b> Less accumulated amortization .....                               | ( <b>152</b> )    | <b>1,062</b>          | ( <b>369</b> )    | <b>845</b>      |                |
| <b>14</b> Other assets (attach statement) <b>STMT 4</b> .....              |                   | <b>3,551</b>          |                   |                 | <b>3,786</b>   |
| <b>15</b> Total assets .....   |                   | <b>60,622</b>         |                   |                 | <b>60,144</b>  |
| <b>Liabilities and Shareholders' Equity</b>                                |                   |                       |                   |                 |                |
| <b>16</b> Accounts payable .....   |                   | <b>4,123</b>          |                   |                 | <b>16,931</b>  |
| <b>17</b> Mortgages, notes, bonds payable in less than 1 year .....        |                   |                       |                   |                 |                |
| <b>18</b> Other current liabilities (attach statement) <b>STMT 5</b> ..... |                   | <b>5,278</b>          |                   |                 | <b>5,019</b>   |
| <b>19</b> Loans from shareholders .....                                    |                   |                       |                   |                 |                |
| <b>20</b> Mortgages, notes, bonds payable in 1 year or more .....          |                   |                       |                   |                 |                |
| <b>21</b> Other liabilities (attach statement) <b>STMT 6</b> .....         |                   | <b>50,436</b>         |                   |                 | <b>53,332</b>  |
| <b>22</b> Capital stock .....  |                   | <b>217</b>            |                   |                 | <b>217</b>     |
| <b>23</b> Additional paid-in capital .....                                 |                   | <b>8,373</b>          |                   |                 | <b>9,873</b>   |
| <b>24</b> Retained earnings .....  |                   | <b>-7,805</b>         |                   |                 | <b>-25,228</b> |
| <b>25</b> Adjustments to shareholders' equity (attach statement) .....     |                   |                       |                   |                 |                |
| <b>26</b> Less cost of treasury stock .....                                | ( )               |                       | ( )               |                 |                |
| <b>27</b> Total liabilities and shareholders' equity .....                 |                   | <b>60,622</b>         |                   |                 | <b>60,144</b>  |

**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)

|   |                |  |                |
|---|----------------|--|----------------|
| <b>1</b> Net income (loss) per books  | <b>-17,423</b> | <b>5</b> Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):                        |                |
| <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) |                | <b>a</b> Tax-exempt interest \$  |                |
| <b>3</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):               |                | <b>6</b> Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): |                |
| <b>a</b> Depreciation \$  |                | <b>a</b> Depreciation \$   |                |
| <b>b</b> Travel and entertainment \$  | <b>40</b>      |  |                |
| <b>STMT 7</b>   | <b>35</b>      | <b>7</b> Add lines 5 and 6   |                |
|   | <b>75</b>      |  |                |
| <b>4</b> Add lines 1 through 3  | <b>-17,348</b> | <b>8</b> Income (loss) (Schedule K, line 18). Line 4 less line 7   | <b>-17,348</b> |

**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>-7,805</b>                       |                               |   |
| <b>2</b> Ordinary income from page 1, line 21                    |                                     |                               |   |
| <b>3</b> Other additions <b>STMT 8</b>                           | <b>5</b>                            |                               |   |
| <b>4</b> Loss from page 1, line 21                               | <b>(14,910)</b>                     |                               |   |
| <b>5</b> Other reductions <b>STMT 9</b>                          | <b>(2,518)</b>                      |                               |   |
| <b>6</b> Combine lines 1 through 5                               | <b>-25,228</b>                      |                               |   |
| <b>7</b> Distributions other than dividend distributions         |                                     |                               |   |
| <b>8</b> Balance at end of tax year. Subtract line 7 from line 6 | <b>-25,228</b>                      |                               |   |

**Cost of Goods Sold**

**u Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.**  
**u Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).**

Name **FIRESTORM CAFE, LLC** Employer identification number **26-2625465**

|          |  |          |                |
|----------|--|----------|----------------|
| <b>1</b> | Inventory at beginning of year .....   | <b>1</b> | <b>35,950</b>  |
| <b>2</b> | Purchases .....  | <b>2</b> | <b>147,054</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>183,004</b> |
| <b>7</b> | Inventory at end of year .....   | <b>7</b> | <b>27,421</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>155,583</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.) **u** .....
- 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 .....
- e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions .....
- f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation .....

**Federal Statements****Statement 1 - Form 1120S, Page 1, Line 5 - Other Income (Loss)**

| <u>Description</u> | <u>Amount</u>    |
|--------------------|------------------|
| DONATIONS          | \$ 10,141        |
| TOTAL              | \$ <u>10,141</u> |

**Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions**

| <u>Description</u>           | <u>Amount</u>    |
|------------------------------|------------------|
| BANK SERVICE CHARGES         | \$ 74            |
| CAFE & BOOKSTORE SUPPLIES    | 1,820            |
| COMPUTER & INTERNET EXPENSES | 113              |
| CREDIT CARD MERCHANT FEES    | 5,062            |
| DE MINIMIS ASSETS < \$2,500  | 1,244            |
| DUES & SUBSCRIPTIONS         | 1,204            |
| INSURANCE - LIABILITY        | 695              |
| INSURANCE - WORKERS' COMP.   | 1,374            |
| JANITORIAL EXPENSE           | 1,073            |
| OFFICE SUPPLIES              | 491              |
| PAYROLL SERVICE FEES         | 212              |
| POSTAGE                      | 390              |
| PRINTING & REPRODUCTION      | 453              |
| PROFESSIONAL FEES            | 875              |
| TELEPHONE                    | 1,242            |
| TRAVEL                       | 360              |
| UTILITIES                    | 6,355            |
| AMORTIZATION                 | 217              |
| 50% OF MEALS & ENTERTAINMENT | 40               |
| TOTAL                        | \$ <u>23,294</u> |

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

| <u>Description</u>          | <u>Cash<br/>Contrib 50%</u> | <u>Cash<br/>Contrib 30%</u> | <u>Total</u>    |
|-----------------------------|-----------------------------|-----------------------------|-----------------|
| MISCELLANEOUS CONTRIBUTIONS | \$ 2,443                    | \$                          | \$ 2,443        |
| TOTAL                       | \$ <u>2,443</u>             | \$ <u>0</u>                 | \$ <u>2,443</u> |

**Statement 4 - Form 1120S, Page 4, Schedule L, Line 14 - Other Assets**

| <u>Description</u>      | <u>Beginning<br/>of Year</u> | <u>End<br/>of Year</u> |
|-------------------------|------------------------------|------------------------|
| DUE FROM MEMBERS        | \$                           | \$ 517                 |
| INVESTMENT IN SCC       | 150                          | 150                    |
| RENT & UTILITY DEPOSITS | 3,401                        | 3,119                  |
| TOTAL                   | \$ <u>3,551</u>              | \$ <u>3,786</u>        |

**Federal Statements****Statement 5 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities**

| Description         | Beginning<br>of Year | End<br>of Year  |
|---------------------|----------------------|-----------------|
| ACCRUED PAYROLL TAX | \$ 1,860             | \$ 1,559        |
| GIFT CERTIFICATES   | 1,505                | 1,181           |
| SALES TAX PAYABLE   | 1,913                | 2,279           |
| TOTAL               | <u>\$ 5,278</u>      | <u>\$ 5,019</u> |

**Statement 6 - Form 1120S, Page 4, Schedule L, Line 21 - Other Liabilities**

| Description             | Beginning<br>of Year | End<br>of Year   |
|-------------------------|----------------------|------------------|
| N/P - JULIE [REDACTED]  | \$ 9,755             | \$ 9,755         |
| N/P - MOUNTAIN BIZWORKS | 4,623                | 7,570            |
| N/P - SCC               | 35,158               | 35,107           |
| N/P - TRAVIS [REDACTED] | 900                  | 900              |
| TOTAL                   | <u>\$ 50,436</u>     | <u>\$ 53,332</u> |

**Statement 7 - Form 1120S, Page 5, Schedule M-1, Line 3 - Expenses on Books Not on Return**

| Description         | Amount       |
|---------------------|--------------|
| FINES AND PENALTIES | \$ 35        |
| TOTAL               | <u>\$ 35</u> |

**Statement 8 - Form 1120S, Page 5, Schedule M-2, Line 3(a) - Other Additions**

| Description     | Amount      |
|-----------------|-------------|
| INTEREST INCOME | \$ 5        |
| TOTAL           | <u>\$ 5</u> |

**Statement 9 - Form 1120S, Page 5, Schedule M-2, Line 5(a) - Other Reductions**

| Description              | Amount          |
|--------------------------|-----------------|
| FINES AND PENALTIES      | \$ 35           |
| MEALS & ENTERTAINMENT    | 40              |
| CHARITABLE CONTRIBUTIONS | 2,443           |
| TOTAL                    | <u>\$ 2,518</u> |



**S Corporation Tax Return 2016**  
North Carolina Department of Revenue

For calendar year 2016, or other tax year beginning 16 and ending

FIRESTORM CAFE, LLC  
610 HAYWOOD RD.  
ASHEVILLE NC 28806

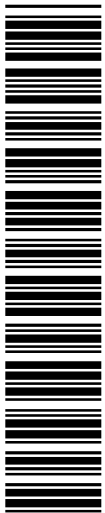
|                                   |           |
|-----------------------------------|-----------|
| DOR Use Only                      |           |
| Federal Employer ID Number        | 262625465 |
| N.C. Secretary of State ID Number | 1042479   |
| NAICS Code                        | 722513    |

|   |                                   |   |
|---|-----------------------------------|---|
| <input type="checkbox"/> Initial Return   | <input type="checkbox"/> NC-Rehab | <input type="checkbox"/> Amended Return               |
| <input type="checkbox"/> Final Return   | <input type="checkbox"/> NC-478   | <input type="checkbox"/> Has Nonresident Shareholders |
| <input type="checkbox"/> Short Year Return  | <input type="checkbox"/> CD-479   | <input type="checkbox"/> Has Escheatable Property     |
| Qualified Subchapter S Subsidiary <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                   |   |

FIRE 610 28806 262625465 1042479 722513 IR N FR N  
SR N NCR N 478 N 479 N AR N NRS N EP N QSSS N

FIRESTORM CAFE LLC

|                |                |                     |
|----------------|----------------|---------------------|
| 610 HAYWOOD RD | ASHEVILLE      | NC 28806            |
| GR             | 274526 07      | 175 16 -14905 24C 0 |
| TA             | 60144 08       | 25 17 0 24D 0       |
| 01             | 0 09           | 0 19 0 24E 0        |
| HCE            | N 10           | -14905 20 0 26 0    |
| 02             | 40093 11       | 0 21 0 27 0         |
| 03             | 8277 13        | 0 22 0 31A 0        |
| 05             | 200 14         | -14905 24A 0 31B 0  |
| 06             | 0 15           | 1000000 24B 0 33 0  |
| PFSP           | P PP P00955658 | TN [REDACTED]       |



6200142018

| Sch. A Computation of Franchise Tax               | Sch. B Computation of Corporate Income Tax      |
|---|---|
| 1. Net Worth -15138                               | 10. Shareholder's Shares of -14905              |
| Holding Company Exception N                       | Corporation Income (Loss)                       |
| 2. Investment in N.C. Tangible Property 40093     | 11. Adjustments to Corporation Income (Loss) 0  |
| 3. Appraised Value of N.C. Tangible Property 8277 | 12. N.C. Taxable Income -14905                  |
| 4. Taxable Amount 40093                           | 13. Nonapportionable Income 0                   |
| 5. Total Franchise Tax Due 200                    | 14. Apportionable Income -14905                 |
| 6. Application for Franchise Tax Ext. 0           | 15. Apportionment Factor 100.0000 %             |
| 7. Tax Credits 175                                | 16. Income Apportioned to N.C. -14905           |
| 8. Franchise Tax Due 25                           | 17. Nonapportionable Income Allocated to N.C. 0 |
| 9. Franchise Tax Overpaid 0                       | 18. Total Net Taxable Income -14905             |

Sign Return Below  Refund Due 0  Payment Due 25

|                                |                             |   |
|--------------------------------|-----------------------------|---|
| DIRECTOR [REDACTED]            |                             |   |
| Signature and Title of Officer | Corporate Telephone Number  | Date  |
|                                | 8285053791                  | P00955658   |
| Signature of Paid Preparer     | Preparer's Telephone Number | Preparer's FEIN, SSN, or PT N   |
|                                |                             | <input type="checkbox"/> FEIN <input type="checkbox"/> SSN <input checked="" type="checkbox"/> PTIN |

I certify that, to the best of my knowledge, this return is accurate and complete.

Mail to: NCDOR, P.O. Box 25000, Raleigh, N.C. 27640-0530. Returns are due by the 15th day of the 4th month after the end of the income year.

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

| <b>Sch. B Computation of Corporate Income Tax</b>  | <b>Sch. E Appraised Value of N.C. Tangible Property</b>  |
|--|--|
| 19. Amount of Line 18 Attributable to Nonresidents<br>Filing Composite 0   | 1. County tax value of N.C. tangible property 15049<br>2. Appraised value of N.C. tangible property 8277   |
| 20. Separately Stated items of Income Attributable<br>to Nonresidents Filing Composite 0                           | <b>Sch. F Other Information - All Taxpayers Must Complete Schedule</b>   |
| 21. N.C. Income Tax 0  | 1. a. State of incorporation NC  |
| 22. Annual Report Fee (Include \$25.00 only if Form CD-479<br>is attached in paper form; otherwise, enter zero.) 0 | b. Date incorporated 05 16 08  |
| 23. Add Lines 21 and 22 0  | 2. Date of N.C. Certificate of Authority 05 16 08  |
| 24. Payments and Credits 0   | 3. Trade or business: a. In N.C. CAFE & BOOK SA<br>b. Everywhere CAFE & BOOK SA  |
| a. Income Tax Extension 0  | 4. Principal place of business ASHEVILLE NC  |
| b. Other Prepayments of Tax 0  | 5. a. What was the last year the RS redetermined<br>the corporation's federal taxable income?  |
| c. Partnership (Include Form D-403, NC K-1) 0  | b. Were adjustments reported to N.C.?  |
| d. Nonresident W/holding (Include 1099W-2) 0   | c. If so, when?  |
| e. Tax Credits 0   | 6. Is corporation subject to franchise tax but not N.C. income tax because its'<br>income tax activities are protected? (If yes, attach explanation) N |
| 25. Add Lines 24a through 24e 0  |  |
| 26. Income Tax Due 0   |  |
| 27. Income Tax Overpaid 0  |  |
| <b>Tax Due or Refund</b>   | <b>Sch. G Ordinary Income (Loss) from Trade or Business Activities</b>   |
| 28. Franchise Tax Due or Overpayment 25  | 1. a. Gross receipts or sales 274526   |
| 29. Income Tax Due or Overpayment 0  | b. Returns and allowances 0  |
| 30. Balance of Tax Due or Overpayment 25   | c. Balance - Line 1a minus Line 1b 274526  |
| 31. a. Interest 0  | 2. Cost of goods sold (Attach schedule) STMT 1 155583  |
| b. Penalties 0   | 3. Gross Profit (Line 1c minus Line 2) 118943  |
| c. Add Lines 31a and 31b 0   | 4. Net gain (loss) (Attach schedule) 0   |
| 32. Total Due 25   | 5. Other income (loss) (Attach schedule) STMT 2 10141  |
| 33. Amount to be Refunded 0  | 6. <b>Total Income (Loss)</b> 129084   |
|  | 7. Compensation of officers (Attach schedule) STMT 3 34476   |
|  | 8. Salaries and wages (less employment credits) 33439  |
|  | 9. Repairs and maintenance 1219  |
|  | 10. Bad debts 0  |
|  | 11. Rents 38991  |
|  | 12. Taxes and licenses STMT 4 6251   |
|  | 13. Interest 3092  |
|  | 14. a. Depreciation 1130   |
|  | b. Depreciation included in cost of goods sold 0   |
|  | c. Balance - Line 14a minus 14b 1130   |
|  | 15. Depletion 0  |
|  | 16. Advertising 2102   |
|  | 17. Pension, profit-sharing, and similar plans 0   |
|  | 18. Employee benefit programs 0  |
|  | 19. Other deductions (Attach schedule) STMT 5 23294  |
|  | 20. Total Deductions 143994  |
|  | 21. Ordinary Business Income (Loss) -14910   |
| <b>Sch. C Net Worth</b>  | <b>Sch. H Computation of Income (Loss)</b>   |
| 1. Total assets 80396  | 1. Ordinary business income (loss) -14910  |
| 2. Total liabilities 75282   | 2. Net rental real estate income (loss) 0  |
| 3. Line 1 minus Line 2 5114  |  |
| 4. Treasury Stock 0  |  |
| 5. Accumulated depreciation, depletion, and amortization<br>permitted for income tax purposes 20252                |  |
| 6. Line 3 minus Lines 4 and 5 -15138   |  |
| 7. Affiliated indebtedness (Attach schedule) 0   |  |
| 8. Line 6 plus (or minus) Line 7 -15138  |  |
| 9. Apportionment factor 100.0000 %   |  |
| 10. Net Worth -15138   |  |
| <b>Sch. D Investment in N.C. Tangible Property</b>   |  |
| Inventory valuation method COST  |  |
| 1. Total inventories located in N.C. 27421   |  |
| 2. Total furniture, fixtures, and M & E located in N.C. 19029  |  |
| 3. Total land and buildings located in N.C. 0  |  |
| 4. Total leasehold improvements and<br>other N.C. tangible property 13524  |  |
| 5. Add Lines 1 through 4 59974   |  |
| 6. Accumulated depreciation, depletion, and amortization<br>with respect to N.C. tangible property 19881           |  |
| 7. Investment in N.C. Tangible Property 40093  |  |

**Sch. H Computation of Income (Loss)**

|   |        |
|---|--------|
| 3. Other net rental income (loss)         | 0      |
| 4. Interest income                        | 5      |
| 5. Ordinary dividends                     | 0      |
| 6. Royalties                              | 0      |
| 7. Net short-term capital gain (loss)     | 0      |
| 8. Net long-term capital gain (loss)      | 0      |
| 9. Net section 1231 gain (loss)           | 0      |
| 10. Other income (loss) (Attach Schedule) | 0      |
| 11. Total Income (Loss)                   | -14905 |

**Sch. I Adjustments to Income (Loss)**

|   |   |
|---|---|
| 1. Additions to Federal Adjusted Gross Income (Loss)    | 0 |
| 2. Deductions from Federal Adjusted Gross Income (Loss) | 0 |
| 3. Adjustments to Income (Loss)                         | 0 |

**Sch. J Explanation of Changes for Amended Return**

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

|   | Shareholder 1   | Shareholder 2   | Shareholders' Total |
|---|---|---|---------------------|
| 1. Identifying Number   | [REDACTED]  |   |                     |
| 2. Name   | LIBERTIE [REDACTED]   | ANASTASIA [REDACTED]  |                     |
| 3. a. Address   | [REDACTED]  |   |                     |
|   | ASHEVILLE NC  | ASHEVILLE NC  |                     |
| b. Is shareholder a nonresident   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |
| 4. Ownership %  | 66.5301 %   | 16.8033 %   | 100.0000 %          |
| 5. Share of income (loss)   | -9916   | -2505   | -14905              |
| 6. Additions to income (loss)   | 0   | 0   | 0                   |
| 7. Deductions from income (loss)  | 0   | 0   | 0                   |
| 8. Income subject to N.C. tax   | -9916   | -2505   | -14905              |
| 9. Share of tax credits   | 0   | 0   | 0                   |
| 10. Tax withheld from nonwage compensation  | 0   | 0   | 0                   |
| 11. Amount of Line 8 apportioned or allocated to N.C. (nonresidents only)   | 0   | 0   | 0                   |
| 12. Separately stated items of income (nonresidents only)   | 0   | 0   | 0                   |
| 13. Net tax paid for shareholder by corporation (nonresidents only)   | 0   | 0   | 0                   |
| 14. Is the corporation filing a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder with this return?       | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |
| 15. Has the corporation filed a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder in a previous tax year? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |

If yes, what tax year?

Legal Name (First 10 Characters)

FIRESTORM

Federal Employer ID Number

262625465

**Sch. L Balance Sheet per Books**

|   | Beginning of Tax Year |       | End of Tax Year |        |
|---|-----------------------|-------|-----------------|--------|
|   | (a)                   | (b)   | (c)             | (d)    |
| <b>Assets</b>   |                       |       |                 |        |
| 1. Cash   |                       | 4429  |                 | 13246  |
| 2. a. Trade notes and accounts receivable                   | 1828                  |       | 2173            |        |
| b. Less allowance for bad debts                             | ( 0 )                 | 1828  | ( 0 )           | 2173   |
| 3. Inventories  |                       | 35950 |                 | 27421  |
| 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               | 32556                 |       | 32556           |        |
| b. Less accumulated depreciation                            | ( 18754 )             | 13802 | ( 19883 )       | 12673  |
| 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)                 | 1214                  |       | 1214            |        |
| b. Less accumulated amortization                            | ( 152 )               | 1062  | ( 369 )         | 845    |
| 14. Other assets (Attach schedule)                          | STMT 6                | 3551  |                 | 3786   |
| 15. <b>Total Assets</b>                                     |                       | 60622 |                 | 60144  |
| <b>Liabilities and Shareholders' Equity</b>                 |                       |       |                 |        |
| 16. Accounts payable  |                       | 4123  |                 | 16931  |
| 17. Mortgages, notes, and bonds payable in less than 1 year |                       | 0     |                 | 0      |
| 18. Other current liabilities (Attach schedule)             | STMT 7                | 5278  |                 | 5019   |
| 19. Loans from shareholders                                 |                       | 0     |                 | 0      |
| 20. Mortgages, notes, and bonds payable in 1 year or more   |                       | 0     |                 | 0      |
| 21. Other liabilities (Attach schedule)                     | STMT 8                | 50436 |                 | 53332  |
| 22. Capital stocks  |                       | 217   |                 | 217    |
| 23. Additional paid-in capital                              |                       | 8373  |                 | 9873   |
| 24. Retained earnings                                       |                       | -7805 |                 | -25228 |
| 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>       |                       | 60622 |                 | 60144  |

**Sch. M-1 Federal Schedule**

|  |        |  |        |
|--|--------|--|--------|
| 1. Net income (loss) per books   | -17423 | 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      |
| 3. Expenses recorded on books this year not included on Federal Sch. K, Lines 1 through 12, and 14l (itemize):             |        | 6. Deductions included on Federal Sch. K, Lines 1 through 12, 14l not charged against book income this year (itemize): |        |
| a. Depreciation  | 0      | Depreciation   | 0      |
| b. Travel and entertainment  | 40     |  | 0      |
| STMT 9   | 35     | 7. Add Lines 5 and 6   | 0      |
| 4. Add Lines 1 through 3   | -17348 | 8. Income or Loss (Fed. Sch. K, Line 18)   | -17348 |

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

Legal Name (First 10 Characters)

FIRESTORM

Federal Employer ID Number

262625465

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

|  | N.C. Accumulated<br>Adjustments | N.C. Other<br>Adjustments | Undistributed Taxable<br>Income Previously Taxed |
|--|---------------------------------|---------------------------|--|
| 1. Balance at beginning of year                    | -7805                           | 0                         | 0  |
| 2. Ordinary income from Sch. G, Line 21            | 0                               |                           |  |
| 3. Other additions SEE STMT 10                     | 5                               | 0                         |  |
| 4. Loss from Sch. G, Line 21                       | ( 14910 )                       |                           |  |
| 5. Other reductions SEE STATEMENT 11               | ( 2518 )                        | ( 0 )                     | 0  |
| 6. Compute Lines 1 through 5                       | -25228                          | 0                         | 0  |
| 7. Distributions other than dividend distributions | 0                               | 0                         | 0  |
| 8. Balance at end of tax year                      | -25228                          | 0                         | 0  |

**Sch. N Nonapportionable Income**

| (A) Nonapportionable<br>Income               | (B) Gross Amounts | (C) Related Expenses | (D) Net Amounts | (E) Net Amounts Allocated<br>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  |                   | Factor   |
|--|--------------------------|-------------------|----------------------|-------------------|----------|
|  | (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                 |          |
| 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. Total of Factors                           |                          |                   |                      |                   | 0.0000 % |
| 14. 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 %

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

|   | Shareholder 3   | Shareholder 4   | Shareholder  | Shareholder  |
|---|---|---|--|--|
| 1. Identifying Number   |   |   |  |  |
| 2. Name   | JOEY  | MARY  |  |  |
| 3. a. Address   | ASHEVILLE NC 288 ASHEVILLE NC 288                                   |   |  |  |
| b. Is shareholder a nonresident   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Ownership %  | 8.3333%   | 8.3333%   | %  | %  |
| 5. Share of income (loss)   | -1242   | -1242   | 0  | 0  |
| 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   | -1242   | -1242   | 0  | 0  |
| 9. Share of tax credits   | 0   | 0   | 0  | 0  |
| 10. Tax withheld from nonwage comp  | 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  |
| 14. Is the corporation filing a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder with this return?       | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 15. Has the corporation filed a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder in a previous tax year? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If yes, what tax year?

|   | Shareholder  | Shareholder  | Shareholder  | Shareholder  |
|---|--|--|--|--|
| 1. Identifying Number   |  |  |  |  |
| 2. Name   |  |  |  |  |
| 3. a. Address   |  |  |  |  |
| b. Is shareholder a nonresident   | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 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 N.C. tax   | 0  | 0  | 0  | 0  |
| 9. Share of tax credits   | 0  | 0  | 0  | 0  |
| 10. Tax withheld from nonwage comp  | 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  |
| 14. Is the corporation filing a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder with this return?       | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 15. Has the corporation filed a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder in a previous tax year? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If yes, what tax year?

**2016 Corporate Tax Credit Summary**  
North Carolina Department of Revenue

|                                  |           |                            |           |
|----------------------------------|-----------|----------------------------|-----------|
| Legal Name (First 10 Characters) | FIRESTORM | Federal Employer ID Number | 262625465 |
|----------------------------------|-----------|----------------------------|-----------|

|              |     |     |   |              |   |
|--------------|-----|-----|---|--------------|---|
| 01           | 0   | 12  | 0 | 18B          | 0 |
| 02           | 0   | 15A | 0 | 19           | 0 |
| 03           | 0   | 15B | 0 | 20           | 0 |
| 04           | 0   | 16A | 0 | 21 RF N CP N | 0 |
| 05           | 0   | 16B | 0 | 21           | 0 |
| 06 RF N AA Y |     | 17A | 0 | 22           | 0 |
| 06           | 175 | 17B | 0 | 27           | 0 |
| 07           | 0   | 18A | 0 |              |   |

| Part 1. Franchise Tax Credits Not Subject to 50% of Tax Limit                             |                                     |     |
|---|-------------------------------------|-----|
| 1. Short period credit for change in income year  | $365 - \frac{0}{365} \times 0 = 1.$ | 0   |
| 2. Revitalizing an income-producing historic mill facility                                | 2.                                  | 0   |
| 3. Revitalizing a nonincome-producing historic mill facility                              | 3.                                  | 0   |
| 4. Rehabilitating an income-producing historic structure (Article 3L)                     | 4.                                  | 0   |
| 5. Rehabilitating a nonincome-producing historic structure (Article 3L)                   | 5.                                  | 0   |
| 6. Other franchise and tax credits not subject to 50% of tax limit                        | 6.                                  | 175 |
| <input type="checkbox"/> Investing in Recycling Facilities                                |                                     |     |
| <input checked="" type="checkbox"/> Additional Annual Report Fee Paid                     |                                     |     |
| 7. Franchise tax credits not subject to 50% of tax limit carried over from previous years | 7.                                  | 0   |
| 8. Total franchise tax credits not subject to 50% of tax limit                            | 8.                                  | 175 |
| Part 2. Computation of Franchise Tax Credits Taken in 2016                                |                                     |     |
| 9. Total franchise tax due  | 9.                                  | 200 |
| 10. Nonrefundable franchise tax credits   | 10.                                 | 175 |
| 11. Enter the lesser of Line 9 or 10  | 11.                                 | 175 |
| 12. Total franchise tax credits subject to 50% of tax limit taken in 2016                 | 12.                                 | 0   |
| 13. Refundable franchise tax credits  | 13.                                 | 0   |
| 14. Franchise Tax Credits Taken in 2016   | 14.                                 | 175 |



Submit this form directly after Form CD-405 or CD-401S. Attach separate schedule to substantiate any credit taken.

Legal Name (First 10 Characters)

FIRESTORM

Federal Employer ID Number

262625465

**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 15 through 22.)

|   |      |   |
|---|------|---|
| 15. Rehabilitating an income-producing historic structure (Article 3D)                  |      |   |
| A. Enter qualified rehabilitation expenditures  | 15a. | 0 |
| B. Enter installment amount of credit   | 15b. | 0 |
| 16. Rehabilitating a nonincome-producing historic structure (Article 3D)                |      |   |
| A. Enter rehabilitation expenses  | 16a. | 0 |
| B. Enter installment amount of credit   | 16b. | 0 |
| 17. Revitalizing an income-producing historic mill facility                             |      |   |
| A. Enter qualified rehabilitation expenditures  | 17a. | 0 |
| B. Enter credit amount  | 17b. | 0 |
| 18. Revitalizing a nonincome-producing historic mill facility                           |      |   |
| A. Enter rehabilitation expenses  | 18a. | 0 |
| B. Enter installment amount of credit   | 18b. | 0 |
| 19. Rehabilitating an income-producing historic structure (Article 3L)                  | 19.  | 0 |
| 20. Rehabilitating a nonincome-producing historic structure (Article 3L)                | 20.  | 0 |
| 21. Other income tax credits not subject to 50% of tax limit                            | 21.  | 0 |
| <input type="checkbox"/> Investing in Recycling Facilities                              |      |   |
| <input type="checkbox"/> Cogeneration Plant   |      |   |
| 22. Income tax credits not subject to 50% of tax limit carried over from previous years | 22.  | 0 |
| 23. Total income tax credits not subject to 50% of tax limit                            | 23.  | 0 |

**Part 4. Computation of Income Tax Credits Taken in 2016**

|  |     |   |
|--|-----|---|
| 24. N.C. net income tax due  | 24. | 0 |
| 25. Nonrefundable income tax credits                                   | 25. | 0 |
| 26. Enter lesser of Line 24 or 25                                      | 26. | 0 |
| 27. Total income tax credits subject to 50% of tax limit taken in 2016 | 27. | 0 |
| 28. Add Lines 26 and 27  | 28. | 0 |
| 29. Income tax credit adjustment (C Corporations only)                 | 29. | 0 |
| 30. Income Tax Credits Taken in 2016                                   | 30. | 0 |

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



# North Carolina Statements

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

| Description            | Amount     |
|------------------------|------------|
| BEGINNING INVENTORY    | \$ 35,950  |
| PURCHASES              | 147,054    |
| LESS: ENDING INVENTORY | -27,421    |
| TOTAL                  | \$ 155,583 |

## Statement 2 - Form CD-401S, Page 2, Schedule G, Line 5 - Other Income (Loss)

| Description | Amount    |
|-------------|-----------|
| DONATIONS   | \$ 10,141 |
| TOTAL       | \$ 10,141 |

## Statement 3 - Form CD-401S, Page 2, Schedule G, Line 7 - Compensation of Officers

| Officer Name         | Compensation |
|----------------------|--------------|
| JOEY [REDACTED]      | \$ 10,504    |
| MARY [REDACTED]      | 8,506        |
| ANASTASIA [REDACTED] | 8,632        |
| LIBERTIE [REDACTED]  | 6,834        |
| TOTAL                | \$ 34,476    |

## Statement 4 - Form CD-401S, Page 2, Schedule G, Line 12 - Taxes and Licenses

| Description        | Amount   |
|--------------------|----------|
| LICENSES & PERMITS | \$ 322   |
| PAYROLL TAXES      | 5,726    |
| PROPERTY TAXES     | 203      |
| TOTAL              | \$ 6,251 |

**Statement 5 - Form CD-401S, Page 2, Schedule G, Line 19 - Other Deductions**

| Description                  | Amount           |
|------------------------------|------------------|
| BANK SERVICE CHARGES         | \$ 74            |
| CAFE & BOOKSTORE SUPPLIES    | 1,820            |
| COMPUTER & INTERNET EXPENSES | 113              |
| CREDIT CARD MERCHANT FEES    | 5,062            |
| DE MINIMIS ASSETS < \$2,500  | 1,244            |
| DUES & SUBSCRIPTIONS         | 1,204            |
| INSURANCE - LIABILITY        | 695              |
| INSURANCE - WORKERS' COMP.   | 1,374            |
| JANITORIAL EXPENSE           | 1,073            |
| OFFICE SUPPLIES              | 491              |
| PAYROLL SERVICE FEES         | 212              |
| POSTAGE                      | 390              |
| PRINTING & REPRODUCTION      | 453              |
| PROFESSIONAL FEES            | 875              |
| TELEPHONE                    | 1,242            |
| TRAVEL                       | 360              |
| UTILITIES                    | 6,355            |
| AMORTIZATION                 | 217              |
| 50% MEALS AND ENTERTAINMENT  | 40               |
| TOTAL                        | <u>\$ 23,294</u> |

**Statement 6 - Form CD-401S, Page 4, Schedule L, Line 14 - Other Assets**

| Description             | Beginning<br>of Year | End<br>of Year  |
|-------------------------|----------------------|-----------------|
| DUE FROM MEMBERS        | \$                   | \$ 517          |
| INVESTMENT IN SCC       | 150                  | 150             |
| RENT & UTILITY DEPOSITS | 3,401                | 3,119           |
| TOTAL                   | <u>\$ 3,551</u>      | <u>\$ 3,786</u> |

**Statement 7 - Form CD-401S, Page 4, Schedule L, Line 18 - Other Current Liabilities**

| Description         | Beginning<br>of Year | End<br>of Year  |
|---------------------|----------------------|-----------------|
| ACCRUED PAYROLL TAX | \$ 1,860             | \$ 1,559        |
| GIFT CERTIFICATES   | 1,505                | 1,181           |
| SALES TAX PAYABLE   | 1,913                | 2,279           |
| TOTAL               | <u>\$ 5,278</u>      | <u>\$ 5,019</u> |

# North Carolina Statements

## Statement 8 - Form CD-401S, Page 4, Schedule L, Line 21 - Other Liabilities

| Description             | Beginning<br>of Year | End<br>of Year |
|-------------------------|----------------------|----------------|
| N/P - JULIE [REDACTED]  | \$ 9,755             | \$ 9,755       |
| N/P - MOUNTAIN BIZWORKS | 4,623                | 7,570          |
| N/P - SCC               | 35,158               | 35,107         |
| N/P - TRAVIS [REDACTED] | 900                  | 900            |
| TOTAL                   | \$ 50,436            | \$ 53,332      |

## Statement 9 - Form CD-401S, Page 4, Schedule M-1, Line 3b - Expenses Recorded on Books, Not Return

| Description         | Amount |
|---------------------|--------|
| FINES AND PENALTIES | \$ 35  |
| TOTAL               | \$ 35  |

## Statement 10 - Form CD-401S, Page 5, Schedule M-2, Line 3 - NC AAA Other Additions

| Description     | Amount |
|-----------------|--------|
| INTEREST INCOME | \$ 5   |
| TOTAL           | \$ 5   |

## Statement 11 - Form CD-401S, Page 5, Schedule M-2, Line 5 - NC AAA Other Reductions

| Description              | Amount   |
|--------------------------|----------|
| CHARITABLE CONTRIBUTIONS | \$ 2,443 |
| MEALS & ENTERTAINMENT    | 40       |
| FINES AND PENALTIES      | 35       |
| TOTAL                    | \$ 2,518 |

Form  
**CD-401S**

### NC Retained Earnings Reconciliation Worksheet

**2016**

For calendar year 2016, or other tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

|                                    |   |  |
|------------------------------------|---|--|
| Name<br><b>FIRESTORM CAFE, LLC</b> | NC Secretary of State ID Number<br><b>1042479</b> | Federal Employer ID Number<br><b>262625465</b> |
|------------------------------------|---|--|

#### Schedule L - Retained Earnings

|   |                           |
|---|---------------------------|
| Retained Earnings - Unappropriated          | <u>0</u>                  |
| Accumulated Adjustments Account             | <u>-25,228</u>            |
| Other Adjustments Account                   | <u>0</u>                  |
| Undistributed Txbl Inc Previously Taxed     | <u>0</u>                  |
| <br>Schedule L, Line 24 - Retained Earnings | <br><u><u>-25,228</u></u> |

#### Schedule M-2 - Retained Earnings

|                     | Accumulated<br>Adjustments<br>Account | Other<br>Adjustments<br>Account | Undistributed<br>Taxable Income<br>Previously Taxed | Retained Earnings<br>Unappropriated/<br>Timing Differences | Total<br>Retained<br>Earnings |
|---------------------|---------------------------------------|---------------------------------|---|--|-------------------------------|
| Beg Yr Bal          | -7,805                                | 0                               | 0   | 0  | -7,805                        |
| Ordinary Inc (Loss) | -14,910                               |                                 |   |  | -14,910                       |
| Other Additions     | 5                                     |                                 |   |  | 5                             |
| Other Reductions    | 2,518                                 |                                 |   |  | 2,518                         |
| Distributions       |                                       |                                 |   |  |                               |
| End Yr Bal          | <u><u>-25,228</u></u>                 | <u><u>0</u></u>                 | <u><u>0</u></u>                                     | <u><u>0</u></u>  | <u><u>-25,228</u></u>         |