

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

**2017**

Department of the Treasury  
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2017 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>722513</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>610 HAYWOOD RD.</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 or province, country, and ZIP or foreign postal code <b>ASHEVILLE NC 28806</b>	<b>F</b> Total assets (see instructions)  \$ <b>66,954</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** **5**

**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>298,483</b>		
	b Returns and allowances	<b>1b</b>			
	c Balance. Subtract line 1b from line 1a			<b>1c</b>	<b>298,483</b>
	2 Cost of goods sold (attach Form 1125-A)			<b>2</b>	<b>155,476</b>
	3 Gross profit. Subtract line 2 from line 1c			<b>3</b>	<b>143,007</b>
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			<b>4</b>	
<b>Deductions</b> <small>(see instructions for limitations)</small>	5 Other income (loss) (see instructions—attach statement)		<b>SEE STMT 1</b>	<b>5</b>	<b>17,796</b>
	6 <b>Total income (loss).</b> Add lines 3 through 5		<b>u</b>	<b>6</b>	<b>160,803</b>
	7 Compensation of officers (see instructions—attach Form 1125-E)			<b>7</b>	<b>45,932</b>
	8 Salaries and wages (less employment credits)			<b>8</b>	<b>20,340</b>
	9 Repairs and maintenance			<b>9</b>	<b>1,193</b>
	10 Bad debts			<b>10</b>	
	11 Rents			<b>11</b>	<b>32,785</b>
	12 Taxes and licenses			<b>12</b>	<b>5,926</b>
	13 Interest			<b>13</b>	<b>2,907</b>
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			<b>14</b>	<b>1,052</b>
	15 Depletion ( <b>Do not deduct oil and gas depletion.</b> )			<b>15</b>	
	16 Advertising			<b>16</b>	<b>1,484</b>
	17 Pension, profit-sharing, etc., plans			<b>17</b>	
	18 Employee benefit programs			<b>18</b>	
	19 Other deductions (attach statement)			<b>19</b>	<b>27,055</b>
20 <b>Total deductions.</b> Add lines 7 through 19			<b>u</b>	<b>138,674</b>	
21 <b>Ordinary business income (loss).</b> Subtract line 20 from line 6			<b>21</b>	<b>22,129</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 2017 estimated tax payments and 2016 overpayment credited to 2017	<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>	<b>24</b>
	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 2018 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 <b>CHAD T. STORCK, CPA</b>	Preparer's signature	Date <b>02/28/18</b>	Check <input type="checkbox"/> if self-employed PTIN <b>P00955658</b>
	Firm's name <b>u</b> <b>STORCK CPA, P.C.</b>	Firm's EIN <b>u</b> <b>26-4129801</b>		
<b>Use Only</b>	Firm's address <b>u</b> <b>PO BOX 1373 ASHEVILLE, NC</b>	<b>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>Yes</b>	<b>No</b>
		<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	<b>u</b> .....	<b>Yes</b>	<b>No</b>
(ii) Total shares of non-restricted stock	<b>u</b> .....		

**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	<b>u</b> .....	<b>Yes</b>	<b>No</b>
(ii) Total shares of stock outstanding if all instruments were executed	<b>u</b> .....		

**6** Has this corporation filed, or is it required to file, **Form 8918**, Material Advisor Disclosure Statement, to provide information on any reportable transaction? **X**

**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?

<b>a</b> The corporation's total receipts (see instructions) for the tax year were less than \$250,000	<b>Yes</b>	<b>No</b>
<b>b</b> The corporation's total assets at the end of the tax year were less than \$250,000		<b>X</b>

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? **X**

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 **X**

**13a** Did the corporation make any payments in 2017 that would require it to file Form(s) 1099? **X**

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

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

		Total amount	
<b>Income (Loss)</b>	1 Ordinary business income (loss) (page 1, line 21)	1	22,129
	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	8
	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	3,251
	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 Foreign gross income sourced at corporate level	14c	
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement) Deductions allocated and apportioned at shareholder level	14f	
	g Interest expense	14g	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
	i Passive category	14i	
	j General category	14j	
	k Other (attach statement) 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	8
	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	539
	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>8</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>SEE STATEMENT 4</b> .....		
<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>18,886</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>13,246</b>		<b>16,633</b>
<b>2a</b> Trade notes and accounts receivable .....	<b>2,173</b>			<b>4,906</b>	
<b>b</b> Less allowance for bad debts .....	( )	<b>2,173</b>	( )	<b>4,906</b>	( )
<b>3</b> Inventories .....		<b>27,421</b>			<b>29,607</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>32,378</b>	
<b>b</b> Less accumulated depreciation .....	( <b>19,883</b> )	<b>12,673</b>	( <b>20,758</b> )	<b>11,620</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>369</b> )	<b>845</b>	( <b>585</b> )	<b>629</b>	( )
<b>14</b> Other assets (attach statement) <b>STMT 5</b> .....		<b>3,786</b>			<b>3,559</b>
<b>15</b> Total assets .....		<b>60,144</b>			<b>66,954</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>16</b> Accounts payable .....		<b>16,931</b>			<b>8,175</b>
<b>17</b> Mortgages, notes, bonds payable in less than 1 year .....					
<b>18</b> Other current liabilities (attach statement) <b>STMT 6</b> .....		<b>5,668</b>			<b>6,555</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 7</b> .....		<b>53,332</b>			<b>48,674</b>
<b>22</b> Capital stock .....		<b>217</b>			<b>217</b>
<b>23</b> Additional paid-in capital .....		<b>9,873</b>			<b>10,863</b>
<b>24</b> Retained earnings .....		<b>-25,877</b>			<b>-7,530</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>60,144</b>			<b>66,954</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)

<p><b>1</b> Net income (loss) per books ..... <b>18,347</b></p> <p><b>2</b> Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) .....</p> <p><b>3</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):</p> <p style="padding-left: 20px;"><b>a</b> Depreciation \$ .....</p> <p style="padding-left: 20px;"><b>b</b> Travel and entertainment \$ .....</p> <p style="padding-left: 20px;"><b>STMT 8</b> ..... <b>539</b></p> <p><b>4</b> Add lines 1 through 3 ..... <b>18,886</b></p>	<p><b>5</b> Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):</p> <p style="padding-left: 20px;"><b>a</b> Tax-exempt interest \$ .....</p> <p><b>6</b> Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):</p> <p style="padding-left: 20px;"><b>a</b> Depreciation \$ .....</p> <p><b>7</b> Add lines 5 and 6 .....</p> <p><b>8</b> Income (loss) (Schedule K, line 18). Line 4 less line 7 ..... <b>18,886</b></p>	
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**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
<b>1</b> Balance at beginning of tax year .....	<b>-25,877</b>		
<b>2</b> Ordinary income from page 1, line 21 .....	<b>22,129</b>		
<b>3</b> Other additions ..... <b>STMT 9</b>	<b>8</b>		
<b>4</b> Loss from page 1, line 21 .....	(		
<b>5</b> Other reductions ..... <b>STMT 10</b>	<b>3,790</b>	(	
<b>6</b> Combine lines 1 through 5 .....	<b>-7,530</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>-7,530</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>27,421</b>
<b>2</b>	Purchases .....	<b>2</b>	<b>157,662</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>185,083</b>
<b>7</b>	Inventory at end of year .....	<b>7</b>	<b>29,607</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>155,476</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 ..... **u**

**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ..... **u**

**d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO ..... **9d** |

**e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions .....  Yes  No

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



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

<u>Description</u>	<u>Amount</u>
DONATIONS	\$ 17,796
TOTAL	\$ <u>17,796</u>

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

<u>Description</u>	<u>Amount</u>
BANK SERVICE CHARGES	\$ 50
CAFE & BOOKSTORE SUPPLIES	128
COMPUTER & INTERNET EXPENSES	121
CREDIT CARD MERCHANT FEES	10,425
DE MINIMIS ASSETS < \$2,500	1,326
DUES & SUBSCRIPTIONS	1,858
INSURANCE - LIABILITY	770
INSURANCE - WORKERS' COMP.	372
JANITORIAL EXPENSE	1,657
OFFICE SUPPLIES	408
POSTAGE	622
PRINTING & REPRODUCTION	285
PROFESSIONAL FEES	955
TELEPHONE	1,275
TRAVEL & MILEAGE REIMBURS.	237
UTILITIES	6,350
AMORTIZATION	216
TOTAL	\$ <u>27,055</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>Qualified Disaster</u>	<u>Total</u>
MISCELLANEOUS CASH	\$ 3,251	\$	\$	\$ 3,251
TOTAL	\$ <u>3,251</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>3,251</u>

**Statement 4 - Form 1120S, Page 4, Schedule K, Line 17d - Other Items and Amounts**

<u>Description</u>	<u>Amount</u>
DISPOSAL OF SECTION 179 PROPERTY - SEE ATTACHED WRK	

**Statement 5 - Form 1120S, Page 4, Schedule L, Line 14 - Other Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DUE FROM MEMBERS	\$ 517	\$ 290
INVESTMENT IN SCC	150	150
RENT & UTILITY DEPOSITS	3,119	3,119
TOTAL	\$ <u>3,786</u>	\$ <u>3,559</u>



**Federal Statements****Statement 6 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities**

Description	Beginning of Year	End of Year
ACCRUED PAYROLL TAX	\$ 1,559	\$ 1,776
GIFT CERTIFICATES	1,830	2,164
SALES TAX PAYABLE	2,279	2,615
TOTAL	<u>\$ 5,668</u>	<u>\$ 6,555</u>

**Statement 7 - Form 1120S, Page 4, Schedule L, Line 21 - Other Liabilities**

Description	Beginning of Year	End of Year
N/P - JULIE [REDACTED]	\$ 9,755	\$ 9,755
N/P - MOUNTAIN BIZWORKS	7,570	5,634
N/P - SCC	35,107	32,385
N/P - TRAVIS [REDACTED]	900	900
TOTAL	<u>\$ 53,332</u>	<u>\$ 48,674</u>

**Statement 8 - Form 1120S, Page 5, Schedule M-1, Line 3 - Expenses on Books Not on Return**

Description	Amount
N/D DONATIONS	\$ 539
TOTAL	<u>\$ 539</u>

**Statement 9 - Form 1120S, Page 5, Schedule M-2, Line 3(a) - Other Additions**

Description	Amount
INTEREST INCOME	\$ 8
TOTAL	<u>\$ 8</u>

**Statement 10 - Form 1120S, Page 5, Schedule M-2, Line 5(a) - Other Reductions**

Description	Amount
N/D DONATIONS	\$ 539
CHARITABLE CONTRIBUTIONS	3,251
TOTAL	<u>\$ 3,790</u>

**S Corporation Tax Return 2017**  
North Carolina Department of Revenue

For calendar year 2017, or other tax year beginning 17 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	

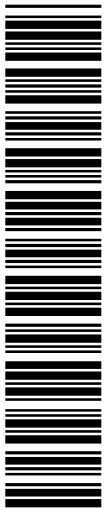
<input type="checkbox"/> Initial Return	<input type="checkbox"/> NC-Rehab	<input type="checkbox"/> Has Nonresident Shareholders
<input type="checkbox"/> Final Return	<input type="checkbox"/> NC-478	<input type="checkbox"/> Has Escheatable Property
<input type="checkbox"/> Short Year Return	<input type="checkbox"/> Amended Return	
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 AR N NRS N EP N QSSS N

FIRESTORM CAFE LLC

610 HAYWOOD RD ASHEVILLE NC 28806

GR	298483	07	175	16	22137	22D	0
TA	66954	08	25	17	0	22E	0
01	3550	09	0	19	0	24	0
HCE	N	10	22137	20	0	25	0
02	41228	11	0	21	0	29A	0
03	7454	13	0	22A	0	29B	0
05	200	14	22137	22B	0	31	0
06	0	15	1000000	22C	0		
PFSP	P	PP	P00955658	TN			



6200142019

Sch. A Computation of Franchise Tax		Sch. B Computation of Corporate Income Tax	
1. Net Worth	3550	10. Shareholder's Shares of	22137
Holding Company Exception	N	Corporation Income (Loss)	
2. Investment in N.C. Tangible Property	41228	11. Adjustments to Corporation Income (Loss)	0
3. Appraised Value of N.C. Tangible Property	7454	12. N.C. Taxable Income	22137
4. Taxable Amount	41228	13. Nonapportionable Income	0
5. Total Franchise Tax Due	200	14. Apportionable Income	22137
6. Application for Franchise Tax Ext.	0	15. Apportionment Factor	100.0000 %
7. Tax Credits	175	16. Income Apportioned to N.C.	22137
8. Franchise Tax Due	25	17. Nonapportionable Income Allocated to N.C.	0
9. Franchise Tax Overpaid	0	18. Total Net Taxable Income	22137

**Sign Return Below**  Refund Due 0  **Payment Due** 25

DIRECTOR		
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. 27640-0500. 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 Filing Composite 0	1. County tax value of N.C. tangible property 13553 2. Appraised value of N.C. tangible property 7454
20. Separately Stated items of Income Attributable 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. Payments and Credits	b. Date incorporated 05 16 08
a. Income Tax Extension 0	2. Date of N.C. Certificate of Authority 05 16 08
b. Other Prepayments of Tax 0	3. Trade or business: a. In N.C. CAFE & BOOK SA
c. Partnership (Include Form D-403, NC K-1) 0	b. Everywhere CAFE & BOOK SA
d. Nonresident Withholding (Include 1099/W-2) 0	4. Principal place of business ASHEVILLE NC
e. Tax Credits 0	5. a. What was the last year the RS redetermined the corporation's federal taxable income?
23. Add Lines 22a through 22e 0	b. Were adjustments reported to N.C.?
24. Income Tax Due 0	c. If so, when?
25. Income Tax Overpaid 0	6. Is corporation subject to franchise tax but not N.C. income tax because its income tax activities are protected? (If yes, attach explanation) N
<b>Tax Due or Refund</b>	<b>Sch. G Ordinary Income (Loss) from Trade or Business Activities</b>
26. Franchise Tax Due or Overpayment 25	1. a. Gross receipts or sales 298483
27. Income Tax Due or Overpayment 0	b. Returns and allowances 0
28. Balance of Tax Due or Overpayment 25	c. Balance - Line 1a minus Line 1b 298483
29. a. Interest 0	2. Cost of goods sold (Attach schedule) STMT 1 155476
b. Penalties 0	3. Gross Profit (Line 1c minus Line 2) 143007
c. Add Lines 29a and 29b 0	4. Net gain (loss) (Attach schedule) 0
30. Total Due 25	5. Other income (loss) (Attach schedule) STMT 2 17796
31. Amount to be Refunded 0	6. <b>Total Income (Loss)</b> 160803
<b>Sch. C Net Worth</b>	7. Compensation of officers (Attach schedule) STMT 3 45932
1. Total assets 88297	8. Salaries and wages (less employment credits) 20340
2. Total liabilities 63404	9. Repairs and maintenance 1193
3. Line 1 minus Line 2 24893	10. Bad debts 0
4. Treasury Stock 0	11. Rents 32785
5. Accumulated depreciation, depletion, and amortization permitted for income tax purposes 21343	12. Taxes and licenses STMT 4 5926
6. Line 3 minus Lines 4 and 5 3550	13. Interest 2907
7. Affiliated indebtedness (Attach schedule) 0	14. a. Depreciation 1052
8. Line 6 plus (or minus) Line 7 3550	b. Depreciation included in cost of goods sold 0
9. Apportionment factor 100.0000 %	c. Balance - Line 14a minus 14b 1052
10. Net Worth 3550	15. Depletion 0
<b>Sch. D Investment in N.C. Tangible Property</b>	16. Advertising 1484
Inventory valuation method COST	17. Pension, profit-sharing, and similar plans 0
1. Total inventories located in N.C. 29607	18. Employee benefit programs 0
2. Total furniture, fixtures, and M & E located in N.C. 18852	19. Other deductions (Attach schedule) STMT 5 27055
3. Total land and buildings located in N.C. 0	20. Total Deductions 138674
4. Total leasehold improvements and other N.C. tangible property 13524	21. Ordinary Business Income (Loss) 22129
5. Add Lines 1 through 4 61983	<b>Sch. H Computation of Income (Loss)</b>
6. Accumulated depreciation, depletion, and amortization with respect to N.C. tangible property 20755	1. Ordinary business income (loss) 22129
7. Investment in N.C. Tangible Property 41228	2. Net rental real estate income (loss) 0

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

3. Other net rental income (loss)	0
4. Interest income	8
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)	22137

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

1. Additions to Federal Adjusted Gross Income (Loss) (Attach Schedule)	0
2. Deductions from Federal Adjusted Gross Income (Loss) (Attach Schedule)	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]	JOEY [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 %	26.6122 %	26.6117 %	100.0000 %
5. Share of income (loss)	5891	5891	22137
6. Additions to income (loss)	0	0	0
7. Deductions from income (loss)	0	0	0
8. Income subject to N.C. tax	5891	5891	22137
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		13246		16633
2. a. Trade notes and accounts receivable	2173		4906	
b. Less allowance for bad debts	( 0 )	2173	( 0 )	4906
3. Inventories		27421		29607
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		32378	
b. Less accumulated depreciation	( 19883 )	12673	( 20758 )	11620
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	( 369 )	845	( 585 )	629
14. Other assets (Attach schedule)	STMT 6	3786		3559
15. <b>Total Assets</b>		60144		66954
<b>Liabilities and Shareholders' Equity</b>				
16. Accounts payable		16931		8175
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach schedule)	STMT 7	5668		6555
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	53332		48674
22. Capital stocks		217		217
23. Additional paid-in capital		9873		10863
24. Retained earnings		-25877		-7530
25. Adjustments to shareholders' equity (Attach schedule)		0		0
26. Less cost of treasury stock		( 0 )	( 0 )	0
27. <b>Total Liabilities and Shareholders' Equity</b>		60144		66954

**Sch. M-1 Federal Schedule**

1. Net income (loss) per books	18347	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	0		0
STMT 9	539	7. Add Lines 5 and 6	0
4. Add Lines 1 through 3	18886	8. Income or Loss (Fed. Sch. K, Line 18)	18886

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 Adjustments	N.C. Other Adjustments	Undistributed Taxable Income Previously Taxed
1. Balance at beginning of year	-25877	0	0
2. Ordinary income from Sch. G, Line 21	22129		
3. Other additions SEE STMT 10	8	0	
4. Loss from Sch. G, Line 21	( 0 )		
5. Other reductions SEE STATEMENT 11	( 3790 )	( 0 )	
6. Compute Lines 1 through 5	-7530	0	0
7. Distributions other than dividend distributions	0	0	0
8. Balance at end of tax year	-7530	0	0

**Sch. N Nonapportionable Income**

(A) Nonapportionable Income	(B) Gross Amounts	(C) Related Expenses	(D) Net Amounts	(E) 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	
8. Property Factor		0		0	Factor 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)

Table with 4 columns for Shareholders 3, 4, 5, and an unlabeled Shareholder. Rows include identifying numbers, names (MARY, LUCY, NATASSIA), addresses (ASHEVILLE NC 288), and financial data (Ownership %, Share of income, Additions, Deductions, etc.).

Table with 4 columns for Shareholders. Rows include identifying numbers, names, addresses, and financial data (Ownership %, Share of income, Additions, Deductions, etc.).

**2017 Corporate Tax Credit Summary**  
North Carolina Department of Revenue

Legal Name (First 10 Characters)	FIRESTORM	Federal Employer ID Number	262625465
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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 - $0 = \frac{0}{365} \times$	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 2017**

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 2017	12.	0
13. Refundable franchise tax credits	13.	0
14. Franchise Tax Credits Taken in 2017	14.	175

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



6300242019



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 21.)

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 2017**

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 2017	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 2017	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	\$ 27,421
PURCHASES	157,662
LESS: ENDING INVENTORY	-29,607
TOTAL	\$ 155,476

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

Description	Amount
DONATIONS	\$ 17,796
TOTAL	\$ 17,796

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

Officer Name	Compensation
JOEY [REDACTED]	\$ 9,787
MARY [REDACTED]	9,400
LIBERTIE [REDACTED]	9,873
LUCY [REDACTED]	9,465
NATASSIA [REDACTED]	7,407
TOTAL	\$ 45,932

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

Description	Amount
NC ANNUAL REPORT FEE	\$ 200
NC FRANCHISE TAX	25
PAYROLL TAXES	5,554
PROPERTY TAXES	147
TOTAL	\$ 5,926

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

Description	Amount
BANK SERVICE CHARGES	\$ 50
CAFE & BOOKSTORE SUPPLIES	128
COMPUTER & INTERNET EXPENSES	121
CREDIT CARD MERCHANT FEES	10,425
DE MINIMIS ASSETS < \$2,500	1,326
DUES & SUBSCRIPTIONS	1,858
INSURANCE - LIABILITY	770
INSURANCE - WORKERS' COMP.	372
JANITORIAL EXPENSE	1,657
OFFICE SUPPLIES	408
POSTAGE	622
PRINTING & REPRODUCTION	285
PROFESSIONAL FEES	955
TELEPHONE	1,275
TRAVEL & MILEAGE REIMBURS.	237
UTILITIES	6,350
AMORTIZATION	216
TOTAL	\$ 27,055

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

Description	Beginning of Year	End of Year
DUE FROM MEMBERS	\$ 517	\$ 290
INVESTMENT IN SCC	150	150
RENT & UTILITY DEPOSITS	3,119	3,119
TOTAL	\$ 3,786	\$ 3,559

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

Description	Beginning of Year	End of Year
ACCRUED PAYROLL TAX	\$ 1,559	\$ 1,776
GIFT CERTIFICATES	1,830	2,164
SALES TAX PAYABLE	2,279	2,615
TOTAL	\$ 5,668	\$ 6,555

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

Description	Beginning of Year	End of Year
N/P - JULIE [REDACTED]	\$ 9,755	\$ 9,755
N/P - MOUNTAIN BIZWORKS	7,570	5,634
N/P - SCC	35,107	32,385
N/P - TRAVIS [REDACTED]	900	900
TOTAL	\$ 53,332	\$ 48,674

# North Carolina Statements

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

Description	Amount
N/D DONATIONS	\$ 539
TOTAL	\$ 539

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

Description	Amount
INTEREST INCOME	\$ 8
TOTAL	\$ 8

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

Description	Amount
N/D DONATIONS	\$ 539
CHARITABLE CONTRIBUTIONS	3,251
TOTAL	\$ 3,790

Form  
**CD-401S**

### NC Retained Earnings Reconciliation Worksheet

**2017**

For calendar year 2017, 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>-7,530</u>
Other Adjustments Account	<u>0</u>
Undistributed Txbl Inc Previously Taxed	<u>0</u>
Schedule L, Line 24 - Retained Earnings	<u><u>-7,530</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	-25,877	0	0	0	-25,877
Ordinary Inc (Loss)	22,129				22,129
Other Additions	8				8
Other Reductions	3,790				3,790
Distributions					
End Yr Bal	<u><u>-7,530</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>-7,530</u></u>