

1120EF

**EF Transmission Status**

**2009**

(Keep for your records)

Name(s) as shown on return

Your EIN

**KOOL SYSTEMS INC**

**40-0001911**

The following will be transmitted to the IRS.

1120     7004

The following State(s) will be transmitted.

\_\_\_\_\_

\*\*\*\*\*  
Fed return has MESSAGE PAGE.

- A Check if:**
- 1a** Consolidated return (attach Form 851)
  - b** Life/nonlife consolidated return
  - 2** Personal holding co. (attach Sch. PH)
  - 3** Personal service corp. (see instructions)
  - 4** Schedule M-3 attached

**Use IRS label. Otherwise, print or type.**

Name  
**KOOL SYSTEMS INC**

Number, street, and room or suite no. If a P.O. box, see instructions.  
**2710 MARLEY CT**

City or town, state, and ZIP code  
**FLETCHER NC 28732**

**B Employer identification number**  
**40-0001911**

**C Date incorporated**  
**02-15-1997**

**D Total assets (see instructions)**  
**\$ 239,127**

**E Check if:** (1)  Initial return (2)  Final return (3)  Name change (4)  Address change

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>205,410</b>	<b>b</b> Less returns and allowances	<b>11,300</b>	<b>c Bal</b>	<b>1c</b>	<b>194,110</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8)				<b>2</b>	<b>88,333</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c				<b>3</b>	<b>105,777</b>	
	<b>4</b> Dividends (Schedule C, line 19)				<b>4</b>		
	<b>5</b> Interest				<b>5</b>		
	<b>6</b> Gross rents				<b>6</b>	<b>27,500</b>	
	<b>7</b> Gross royalties				<b>7</b>		
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))				<b>8</b>		
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				<b>9</b>		
	<b>10</b> Other income (see instructions - attach schedule)				<b>10</b>		
	<b>11 Total income.</b> Add lines 3 through 10				<b>11</b>	<b>133,277</b>	

<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (Schedule E, line 4)		<b>12</b>	<b>4,500</b>
	<b>13</b> Salaries and wages (less employment credits)		<b>13</b>	<b>46,400</b>
	<b>14</b> Repairs and maintenance		<b>14</b>	<b>6,500</b>
	<b>15</b> Bad debts		<b>15</b>	<b>4,500</b>
	<b>16</b> Rents		<b>16</b>	
	<b>17</b> Taxes and licenses	<b>AFT. CTL.</b>	<b>17</b>	<b>17,600</b>
	<b>18</b> Interest		<b>18</b>	
	<b>19</b> Charitable contributions		<b>19</b>	
	<b>20</b> Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		<b>20</b>	<b>23,290</b>
	<b>21</b> Depletion		<b>21</b>	
	<b>22</b> Advertising		<b>22</b>	<b>1,500</b>
	<b>23</b> Pension, profit-sharing, etc., plans		<b>23</b>	
	<b>24</b> Employee benefit programs		<b>24</b>	
	<b>25</b> Domestic production activities deduction (attach Form 8903)		<b>25</b>	
	<b>26</b> Other deductions (attach schedule)	<b>STATEMENT # 5</b>	<b>26</b>	<b>23,600</b>
	<b>27 Total deductions.</b> Add lines 12 through 26		<b>27</b>	<b>127,890</b>
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		<b>28</b>	<b>5,387</b>
	<b>29 Less:</b> <b>a</b> Net operating loss deduction (see instructions)	<b>29a</b>		
	<b>b</b> Special deductions (Schedule C, line 20)	<b>29b</b>		
	<b>29c</b>			

<b>Tax, Refundable Credits, and Payments</b>	<b>30 Taxable income.</b> Subtract line 29c from line 28 (see instructions)		<b>30</b>	<b>5,387</b>
	<b>31 Total tax</b> (Schedule J, line 10)		<b>31</b>	<b>808</b>
	<b>32a</b> 2008 overpayment credited to 2009	<b>32a</b>		
	<b>b</b> 2009 estimated tax payments	<b>32b</b>		
	<b>c</b> 2009 refund applied for on Form 4466	<b>32c</b>		
	<b>d Bal</b>	<b>32d</b>		
	<b>e</b> Tax deposited with Form 7004	<b>32e</b>		
	<b>f</b> Credits: (1) Form 2439 (2) Form 4136	<b>32f</b>		
	<b>g</b> Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	<b>32g</b>		
	<b>32h</b>			
<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached		<b>33</b>		
<b>34 Amount owed.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed		<b>34</b>	<b>808</b>	
<b>35 Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		<b>35</b>		
<b>36</b> Enter amount from line 35 you want: <b>Credited to 2010 estimated tax</b> ▶ <b>Refunded</b> ▶		<b>36</b>		

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: **CEO**

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

**Paid Preparer's Use Only**

Preparer's signature: \_\_\_\_\_ Date: **12-18-2009** Check if self-employed  Preparer's SSN or PTIN: **11111111**

Firm's name (or yours if self-employed), address, and ZIP code: **Pats taxes**  
**222 WEST PALMER ST**  
**FRANKLIN NC 28734** EIN: \_\_\_\_\_ Phone no. **(828) 111-1111**

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year . . . . .	1	8,000
2	Purchases . . . . .	2	75,333
3	Cost of labor . . . . .	3	9,000
4	Additional section 263A costs (attach schedule) . . . . .	4	
5	Other costs (attach schedule) . . . . .	5	
6	<b>Total.</b> Add lines 1 through 5 . . . . .	6	92,333
7	Inventory at end of year . . . . .	7	4,000
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 . . . . .	8	88,333

- 9a Check all methods used for valuing closing inventory:
- (i)  Cost
  - (ii)  Lower of cost or market
  - (iii)  Other (Specify method used and attach explanation.) ▶ \_\_\_\_\_
- b Check if there was a writedown of subnormal goods . . . . . ▶
- c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ▶
- d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO . . . . . **9d** \_\_\_\_\_
- e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? . . . . .  Yes  No
- f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . .  Yes  No

**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80	
3 Dividends on debt-financed stock of domestic and foreign corporations . . . . .		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities . . . . .		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities . . . . .		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs . . . . .		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . . . .		80	
8 Dividends from wholly owned foreign subsidiaries . . . . .		100	
9 <b>Total.</b> Add lines 1 through 8. See instructions for limitation . . . . .			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
11 Dividends from affiliated group members . . . . .		100	
12 Dividends from certain FSCs . . . . .		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 . . . . .			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471) . . . . .			
15 Foreign dividend gross-up . . . . .			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 . . . . .			
17 Other dividends . . . . .			
18 Deduction for dividends paid on certain preferred stock of public utilities . . . . .			
19 <b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4 . . . . . ▶			
20 <b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b . . . . . ▶			

**Schedule E Compensation of Officers** (see instructions for page 1, line 12)

**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	Total compensation of officers . . . . .				
3	Compensation of officers claimed on Schedule A and elsewhere on return . . . . .				
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12 . . . . .				

**Schedule J Tax Computation** (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	<b>808</b>
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		<b>808</b>
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834, line 29	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	<b>Total credits.</b> Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	<b>808</b>
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	<b>Total tax.</b> Add lines 7 through 9. Enter here and on page 1, line 31	10	<b>808</b>

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

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ <b>238220</b>		
b	Business activity ▶ <b>HEATING AND AIR CONDITIONING</b>		
c	Product or service ▶ <b>CONSTRUCTION</b>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . If "Yes," enter name and EIN of the parent corporation ▶ _____		<b>X</b>
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G) . . . . .		<b>X</b>
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes", complete Part II of Schedule G (Form 1120) (attach Schedule G) . . .	<b>X</b>	
5	At the end of the tax year, did the corporation:	Yes	No
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on <b>Form 851</b> , Affiliations Schedule? For rules of constructive ownership, see instructions . . . . . If "Yes," complete (i) through (iv).		<b>X</b>

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

**Schedule K Continued**

**b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including any entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions . . . . .  **X**  
 If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

**6** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) . . . . .  **X**  
 If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.  
 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

**7** At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock? . . . . .  **X**  
 For rules of attribution, see section 318. If "Yes," enter:  
**(i)** Percentage owned ▶ \_\_\_\_\_ and **(ii)** Owner's country ▶ \_\_\_\_\_  
**(c)** The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ 0

**8** Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . .   
 If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

**9** Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ \_\_\_\_\_

**10** Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1

**11** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here . . . . .   
 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

**12** Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ \_\_\_\_\_

**13** Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than \$250,000? . . . . .  **X**  
 If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ \_\_\_\_\_

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash . . . . .		40,145		20,579
2a	Trade notes and accounts receivable . . . . .	43,790		56,333	
b	Less allowance for bad debts . . . . .	( )	43,790	( )	56,333
3	Inventories . . . . .		8,000		4,000
4	U.S. government obligations . . . . .				
5	Tax-exempt securities (see instructions) . . . . .		31,235		45,654
6	Other current assets (attach schedule) . . . . .	STATEMENT # 8	2,860		2,033
7	Loans to shareholders . . . . .		16,025		19,938
8	Mortgage and real estate loans . . . . .				
9	Other investments (attach schedule) . . . . .				
10a	Buildings and other depreciable assets . . . . .	155,900		161,100	
b	Less accumulated depreciation . . . . .	( 47,220 )	108,680	( 70,510 )	90,590
11a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .	( )		( )	
12	Land (net of any amortization) . . . . .				
13a	Intangible assets (amortizable only) . . . . .				
b	Less accumulated amortization . . . . .	( )		( )	
14	Other assets (attach schedule) . . . . .				
15	<b>Total assets</b> . . . . .		<b>250,735</b>		<b>239,127</b>
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable . . . . .		27,650		13,857
17	Mortgages, notes, bonds payable in less than 1 year . . . . .		17,742		15,716
18	Other current liabilities (attach schedule) . . . . .				
19	Loans from shareholders . . . . .				
20	Mortgages, notes, bonds payable in 1 year or more . . . . .				
21	Other liabilities (attach schedule) . . . . .				
22	Capital stock: a Preferred stock . . . . .				
	b Common stock . . . . .	76,502	76,502	76,824	76,824
23	Additional paid-in capital . . . . .				
24	Retained earnings-Appropriated (attach schedule) . . . . .				
25	Retained earnings-Unappropriated . . . . .		128,841		132,730
26	Adjustments to shareholders' equity (attach schedule) . . . . .				
27	Less cost of treasury stock . . . . .		( )		( )
28	<b>Total liabilities and shareholders' equity</b> . . . . .		<b>250,735</b>		<b>239,127</b>

Schedule M-1		Reconciliation of Income (Loss) per Books With Income per Return	
<b>Note:</b> Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more-see instructions			
1	Net income (loss) per books . . . . .	3,889	7
2	Federal income tax per books . . . . .	808	Income recorded on books this year not included on this return (itemize):
3	Excess of capital losses over capital gains . . . . .		Tax-exempt interest \$ _____
4	Income subject to tax not recorded on books this year (itemize): _____		_____
5	Expenses recorded on books this year not deducted on this return (itemize):		8
a	Depreciation . . . . . \$ _____		Deductions on this return not charged against book income this year (itemize):
b	Charitable contributions . \$ _____		a Depreciation . . . . . \$ _____
c	Travel and entertainment \$ _____		b Charitable contributions \$ _____
	STATEMENT # 16	690	
6	Add lines 1 through 5 . . . . .	5,387	9
			Add lines 7 and 8 . . . . .
			10
			Income (page 1, line 28)-line 6 less line 9
			5,387

Schedule M-2		Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)	
1	Balance at beginning of year . . . . .	128,841	5
2	Net income (loss) per books . . . . .	3,889	Distributions: a Cash . . . . .
3	Other increases (itemize): _____		b Stock . . . . .
			c Property . . . . .
			6
			Other decreases (itemize): _____
4	Add lines 1, 2, and 3 . . . . .	132,730	7
			Add lines 5 and 6 . . . . .
			8
			Balance at end of year (line 4 less line 7)
			132,730

# Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

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

**2009**  
Attachment  
Sequence No. **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

**KOOL SYSTEMS INC**

**FORM 1120**

**40-0001911**

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

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

1	Maximum amount. See the instructions for a higher limit for certain businesses . . . . .	1	
2	Total cost of section 179 property placed in service (see instructions) . . . . .	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions . . . . .	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6			

7	Listed property. Enter the amount from line 29 . . . . .	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .	8	
9	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8 . . . . .	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562 . . . . .	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12 . ▶	13	

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) . . . . .	14	
15	Property subject to section 168(f)(1) election . . . . .	15	
16	Other depreciation (including ACRS) . . . . .	16	<b>19,200</b>

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

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009 . . . . .	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		5,200	5	HY	200 DB	1,040
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

**Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System**

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

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28 . . . . .	21	<b>3,050</b>
22	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions . . . . .	22	<b>23,290</b>
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	23	

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

24a Do you have evidence to support the business/investment use claimed?		Yes	No	24b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . . . . .								25
26 Property used more than 50% in a qualified business use:								
TRUCK	20070713	100 %	21,500	21,500	5	200 DB-HY	3,050	
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 . . . . .							28	3,050
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .							29	

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles) . . . . .	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	31 Total commuting miles driven during the year . . . . .											
32 Total other personal (noncommuting) miles driven . . . . .												
33 Total miles driven during the year. Add lines 30 through 32 . . . . .												
34 Was the vehicle available for personal use during off-duty hours? . . . . .	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
36 Is another vehicle available for personal use? . . . . .												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		
39 Do you treat all use of vehicles by employees as personal use? . . . . .		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . . . .		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
43 Amortization of costs that began before your 2009 tax year . . . . .				43	
44 Total. Add amounts in column (f). See the instructions for where to report . . . . .				44	



Federal Supporting Statements

2009 PAGE 1

Name(s) as shown on return

FEIN

KOOL SYSTEMS INC

40-0001911

FORM 1120, SCHEDULE L, LINE 6

STATEMENT # 8

OTHER CURRENT ASSETS

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID EXPENSES	2,502	1,303
PREPAID TAXES	358	730
TOTALS:	<u>2,860</u>	<u>2,033</u>

Schedule M-1 Line 5C

PG01  
STATEMENT # 16

DESCRIPTION	AMOUNT
FINES AND PENALTIES	<u>690</u>

FORM 1120 PAGE 1

PG 1  
STATEMENT # 5

DESCRIPTION	AMOUNT
ACCOUNTING COST	1,700
CELL PHONE	200
INSURANCE	4,400
JANITORIAL	8,800
LEGAL AND PROFESSIONAL	550
TELEPHONE	1,250
UTILITIES	<u>6,700</u>
TOTAL	<u>23,600</u>

Federal Supporting Statements

2009

Name(s) as shown on return

FEIN

KOOL SYSTEMS INC

40-0001911

THE TAXPAYER MAKES THE FOLLOWING ELECTIONS RELATED TO BONUS DEPRECIATION FOR THE 2008 TAX YEAR

CLASS LIFE	50%	NO BONUS
3 YEAR		X
5 YEAR		X
7 YEAR		X
10 YEAR		X
15 YEAR		X
20 YEAR		X

# Estimated Tax for Corporations

For calendar year 2010, or tax year beginning \_\_\_\_\_, 2010, and ending \_\_\_\_\_, 20\_\_\_\_

**KOOL SYSTEMS INC** **40-0001911**  
(Keep for the corporation's records-Do not send to the Internal Revenue Service.)

**2010**

Department of the Treasury  
Internal Revenue Service

**Part I Estimated Tax Computation**

1	Taxable income expected for the tax year . . . . .	1	23,000			
Qualified personal service corporations (defined in the instructions), skip lines 2 through 13 and go to line 14. Members of a controlled group, see instructions.						
2	Enter the <b>smaller</b> of line 1 or \$50,000 . . . . .	2	23,000			
3	Multiply line 2 by 15% . . . . .	3		3,450		
4	Subtract line 2 from line 1 . . . . .	4				
5	Enter the <b>smaller</b> of line 4 or \$25,000 . . . . .	5				
6	Multiply line 5 by 25% . . . . .	6				
7	Subtract line 5 from line 4 . . . . .	7				
8	Enter the <b>smaller</b> of line 7 or \$9,925,000 . . . . .	8				
9	Multiply line 8 by 34% . . . . .	9				
10	Subtract line 8 from line 7 . . . . .	10				
11	Multiply line 10 by 35% . . . . .	11				
12	If line 1 is greater than \$100,000, enter the <b>smaller</b> of (a) 5% of the excess over \$100,000 or (b) \$11,750. Otherwise, enter -0- . . . . .	12		0		
13	If line 1 is greater than \$15 million, enter the <b>smaller</b> of (a) 3% of the excess over \$15 million or (b) \$100,000. Otherwise, enter -0- . . . . .	13		0		
14	Add lines 3, 6, 9, and 11 through 13. (Qualified personal service corporations, multiply line 1 by 35%.) . . . . .	14		3,450		
15	Alternative minimum tax (see instructions) . . . . .	15				
16	<b>Total.</b> Add lines 14 and 15 . . . . .	16				
17	Tax credits (see instructions) . . . . .	17				
18	Subtract line 17 from line 16 . . . . .	18		3,450		
19	Other taxes (see instructions) . . . . .	19				
20	<b>Total tax.</b> Add lines 18 and 19 . . . . .	20		3,450		
21	Credit for federal tax paid on fuels (see instructions) . . . . .	21				
22	Subtract line 21 from line 20. <b>Note:</b> If the result is less than \$500, the corporation is not required to make estimated tax payments . . . . .	22		3,450		
23a	Enter the tax shown on the corporation's 2009 tax return (see instructions). <b>Caution:</b> If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 22 on line 23b . . . . .	23a				
23b	Enter the <b>smaller</b> of line 22 or line 23a. If the corporation is required to skip line 23a, enter the amount from line 22 . . . . .	23b		3,450		
24	<b>Installment due dates</b> (see instructions) . . . . . ▶	24			24,000	
25	<b>Required installments.</b> Enter 25% of line 23b in columns (a) through (d) unless the corporation uses the annualized income installment method or adjusted seasonal installment method or is a "large corporation" (see instructions) . . . . .	25	(a)	(b)	(c)	(d)
			04-15-2010	06-15-2010	09-15-2010	12-15-2010
						3,450

For Paperwork Reduction Act Notice, see instructions.

EEA

Form 1120-W (2010)

6,000

6,000

6,000

6,000

**Summary of Estimates**

**2010**

Name(s) as shown on return

Your SSN/EIN

**KOOL SYSTEMS INC**

**40-0001911**

**Federal**  
**Form: 1120W**

**Payment Schedule**

Due Date	04-15-2010	06-15-2010	09-15-2010	12-15-2010	Total
Total Installment Amount	6,000	6,000	6,000	6,000	24,000
Overpayment Applied					
Net Installment Due	6,000	6,000	6,000	6,000	24,000

**Taxpayer Records**

Amount Actually Paid					
Date Paid					
Check #/Confirmation					

**TAX COMPUTATION WORKSHEET**

**2009**

Name(s) shown on return <b>KOOL SYSTEMS INC</b>	Identifying Number <b>40-0001911</b>
--	---

LOWER END OF BRACKET	UPPER END OF BRACKET	TAX RATE	INCOME IN BRACKET	INCOME TAX BY BRACKET
0	50,000	15 %	5,387	808
50,000	75,000	25 %		
75,000	100,000	34 %		
100,000	335,000	39 %		
335,000	10,000,000	34 %		
10,000,000	15,000,000	35 %		
15,000,000	18,333,333	38 %		
18,333,333	AND UP	35 %		
<b>TOTALS</b>			<b>5,387</b>	<b>808</b>

**TAX COMPUTATION FOR CONTROLLED/CONSOLIDATED GROUPS**

50,000 BRACKET	15 %		
25,000 BRACKET	25 %		
9,925,000 BRACKET	34 %		
ADD'L 5% TAX AMOUNT	100 %		
ADD'L 3% TAX AMOUNT	100 %		
10,000,000 + BRACKET	35 %		
<b>TOTALS</b>			

**Taxes and Licenses Attachment**

**2009**

CORPORATION NAME

**KOOL SYSTEMS INC**

EIN

**40-0001911**

**Taxes and Licenses**

**Form 1120**

**Page 1, Line 17**

1	State income taxes	1	3,700
2	State franchise taxes	2	
3	City income taxes	3	
4	City franchise taxes	4	
5	Local property taxes	5	5,900
6	Intangible property taxes	6	
7	Payroll taxes	7	6,500
8	Less: credit from Form 8846	8	
9	Foreign taxes paid	9	
10	Occupancy taxes	10	
11	Other miscellaneous taxes	11	
12	Licenses	12	1,500
13	Total to Form 1120, Page 1, Line 17	13	17,600

Note: This information does not transmit to the IRS with e-filed returns. Including with a paper filed return is optional.

# Depreciation Detail Listing

FORM 1120

**2009**

PAGE 1

For your records only

\* Item was disposed  
of during current year.

Name(s) as shown on return

KOOL SYSTEMS INC

Social security number/EIN

40-0001911

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	TRUCK	20070713	21,500		100.00		21,500	5	200 DB HY	19.2	3,050	10,443			3,050
2	COMPUTER	20090214	5,200		100.00		5,200	5	200 DB HY	20	1,040	1,040			780
3	SECURITY SYSTEM	20070822	12,400		100.00		12,400	7	S/L HY	14.286	1,771	5,313			1,771
4	FORKLIFT	20060922	66,000		100.00		66,000	7	S/L HY	14.286	9,429	37,714			9,429
5	COMPRESSOR	20081122	56,000		100.00		56,000	7	S/L MQ	14.286	8,000	16,000			8,000
<b>Totals</b>			161,100				161,100				23,290	70,510			23,030

Land Amount  
Net Depreciable Cost

161,100

ST ADJ:

(Keep for your records)

CORPORATION NAME

EIN

KOOL SYSTEMS INC

40-0001911

To  
Next Year

Form 1120

Contributions carryover . . . . .  
Net Operating Loss Carryover . . . . .  
AMT Net Operating Loss Carryover . . . . .

Schedule D (Form 1120)

Unused capital loss carryover . . . . .  
Less current year capital loss carried back . . . . .  
Carryover expiring next year due to a 5 year limitation . . . . .  
Capital loss carryover to next year . . . . .

Form 2220

Tax . . . . .

808

Form 3800

General business credit carryforward . . . . .

Form 4562

Section 179 Carryover . . . . .

Form 4797

Nonrecaptured net Section 1231 losses - 2005 . . . . .  
Nonrecaptured net Section 1231 losses - 2006 . . . . .  
Nonrecaptured net Section 1231 losses - 2007 . . . . .  
Nonrecaptured net Section 1231 losses - 2008 . . . . .  
Nonrecaptured net Section 1231 losses - 2009 . . . . .  
Total nonrecaptured net Section 1231 loss carryforwards

Form 6478

Credit for alcohol used as fuel . . . . .

Form 8827

Current year Alternative Minimum Tax from Form 4626 . . . . .  
Minimum tax credit carryforward . . . . .

Form 8835, Section B

Electricity and refined coal production credit . . . . .

Form 8844

Empowerment zone employment (EZE) credit carryforward . . . . .