

1120EF

EF Transmission Status

2011

(Keep for your records)

Name(s) as shown on return

KOOL SYSTEMS INC

Your social security number

40-0003011

The following will be transmitted to the IRS.

1120 7004 Amended

The following state returns will be transmitted:

_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

The following returns have been suppressed or are not eligible and will NOT be transmitted.

_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

EF Notes

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

Name
KOOL SYSTEMS INC

TYPE
Number, street, and room or suite no. If a P.O. box, see instructions.

OR

PRINT **2710 MARLEY CT**

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

B Employer identification number
40-0003011

C Date incorporated
02-15-1997

D Total assets (see instructions)
\$ **230,666**

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

Income	1a Merchant card and third-party payments. For 2011, enter -0-	1a	0
	b Gross receipts or sales not reported on line 1a (see instructions)	1b	190,000
	c Total. Add lines 1a and 1b	1c	190,000
	d Returns and allowances plus any other adjustments (see instructions)	1d	9,000
	e Subtract line 1d from line 1c	1e	181,000
	2 Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A)	2	5,000
	3 Gross profit. Subtract line 2 from line 1e	3	176,000
	4 Dividends (Schedule C, line 19)	4	
	5 Interest	5	
	6 Gross rents	6	
	7 Gross royalties	7	
8 Capital gain net income (attach Schedule D (Form 1120))	8		
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9		
10 Other income (see instructions - attach schedule)	10		
11 Total income. Add lines 3 through 10 ▶	11	176,000	

Deductions (See instructions for limitations on deductions.)	12 Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E) ▶	12	50,000
	13 Salaries and wages (less employment credits)	13	36,000
	14 Repairs and maintenance	14	5,000
	15 Bad debts	15	3,000
	16 Rents	16	
	17 Taxes and licenses ATT_CTL	17	13,000
	18 Interest	18	
	19 Charitable contributions	19	
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	22,073
	21 Depletion	21	
	22 Advertising	22	2,000
	23 Pension, profit-sharing, etc., plans	23	
	24 Employee benefit programs	24	
	25 Domestic production activities deduction (attach Form 8903)	25	
	26 Other deductions (attach schedule) Statement # 5	26	21,500
	27 Total deductions. Add lines 12 through 26 ▶	27	152,573
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	23,427
29a Net operating loss deduction (see instructions)	29a		
b Special deductions (Schedule C, line 20)	29b		
c Add lines 29a and 29b	29c		

Tax, Refundable Credits and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions)	30	23,427
	31 Total tax (Schedule J, Part I, line 11)	31	3,514
	32 Total payments and refundable credits (Schedule J, Part II, line 21)	32	29,354
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>	33	
	34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	
	35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	25,840
36 Enter amount from line 35 you want: Credited to 2012 estimated tax ▶ Refunded ▶	36	25,840	

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.

Sign Here

▶ Ken Kool 11-21-2011 ▶ President
Signature of officer Date Title

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

Paid Preparer Use Only	Print/Type preparer's name Preparer1	Preparer's signature	Date 11-21-2011	Check <input type="checkbox"/> if self-employed	PTIN P00777777
	Firm's name ▶ Drake Software	Firm's EIN ▶ 11-1222333	Phone no. (828) 524-1234		
	Firm's address ▶ 235 East Main Street Franklin NC 28734				

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	Total. 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	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 ▶			
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

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"/>	3,514
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		3,514
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834, line 30 (attach Form 8834)	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	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	3,514
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method - completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method - income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions - attach schedule)	9f	
10	Total. Add lines 9a through 9f	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	3,514

Part II - Payments and Refundable Credits

12	2010 overpayment credited to 2011	12	5,354
13	2011 estimated tax payments	13	24,000
14	2011 refund applied for on Form 4466	14	()
15	Combine lines 12, 13, and 14	15	29,354
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17	18	29,354
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	
c	Form 3800, line 17c and Form 8827, line 8c	19c	
d	Other (attach schedule - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	29,354

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. ▶ <u>238220</u>		
b	Business activity ▶ <u>HEATING AND AIR CONDITIONING</u>		
c	Product or service ▶ <u>CONSTRUCTION</u>		
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 ▶ _____		X
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)		X
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)	X	

Schedule K Other Information continued (see instructions)

5 At the end of the tax year, did the corporation:

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 Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions.

If "Yes," complete (i) through (iv) below.

Table with Yes/No columns for question 5a. 'No' is checked.

Table with 4 columns: (i) Name of Corporation, (ii) Employer identification Number, (iii) Country of Incorporation, (iv) Percentage Owned in Voting Stock.

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.

If "Yes," complete (i) through (iv) below.

Table with Yes/No columns for question 5b. 'No' is checked.

Table with 4 columns: (i) Name of Entity, (ii) Employer Identification Number, (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.)

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.

Table with Yes/No columns for question 6. 'No' is checked.

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?

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

Table with Yes/No columns for question 7. 'No' is checked.

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount

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)

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 1c 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?

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.

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?

If "Yes," complete and attach Schedule UTP.

Table with Yes/No columns for questions 6, 7, 8, 9, 10, 11, 12, 13, 14, 15a, 15b. 'No' is checked for 6, 7, 13, 14, 15a, 15b. 'Yes' is checked for 13.

15a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?

b If "Yes," did or will the corporation file all required Forms 1099?

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		79,202		84,888
2a	Trade notes and accounts receivable	60,000		90,000	
b	Less allowance for bad debts	()	60,000	()	90,000
3	Inventories		6,000		8,000
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)	Statement # 8	2,200		2,000
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	161,100		161,100	
b	Less accumulated depreciation	(93,249)	67,851	(115,322)	45,778
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	Total assets		215,253		230,666
Liabilities and Shareholders' Equity					
16	Accounts payable		8,500		4,000
17	Mortgages, notes, bonds payable in less than 1 year				
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	20,000	20,000	20,000	20,000
23	Additional paid-in capital				
24	Retained earnings-Appropriated (attach schedule)				
25	Retained earnings-Unappropriated		186,753		206,666
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		215,253		230,666

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books	19,913	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	3,514		Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains			_____	
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	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$ _____		a	Depreciation \$ _____	
b	Charitable contributions \$ _____		b	Charitable contributions \$ _____	
c	Travel and entertainment \$ _____			_____	
6	Add lines 1 through 5	23,427	9	Add lines 7 and 8	
			10	Income (page 1, line 28)-line 6 less line 9	23,427

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	186,753	5	Distributions:	
2	Net income (loss) per books	19,913	a	Cash	
3	Other increases (itemize): _____		b	Stock	
			c	Property	
4	Add lines 1, 2, and 3	206,666	6	Other decreases (itemize): _____	
			7	Add lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	206,666

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

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

2011
Attachment
Sequence No. **179**

Name(s) shown on return KOOL SYSTEMS INC	Business or activity to which this form relates FORM 1120	Identifying number 40-0003011
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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 instructions)	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	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
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 smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
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 2012. Add lines 9 and 10, less line 12	13	

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

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	19,200

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 2011	17	998
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 2011 Tax Year Using the General Depreciation System

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

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

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

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	1,875
22	Total. 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	22,073
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, 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	1,875	
		%						
		%						
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							1,875	
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.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
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?												
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).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
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 2011 tax year (see instructions):					
43 Amortization of costs that began before your 2011 tax year 43					
44 Total. Add amounts in column (f). See the instructions for where to report 44					

Cost of Goods Sold

(December 2011)

Department of the Treasury
Internal Revenue Service

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

Name KOOL SYSTEMS INC	Employer identification number 40-0003011
--	--

1 Inventory at beginning of year	1	6,000
2 Purchases	2	7,000
3 Cost of labor	3	
4 Additional section 263A costs (attach schedule)	4	
5 Other costs (attach schedule).	5	
6 Total. Add lines 1 through 5	6	13,000
7 Inventory at end of year	7	8,000
8 Cost of goods sold. 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)	8	5,000

- 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 amount of closing inventory computed under LIFO. **9d** | _____
- e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No
- f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax year beginning _____, 2011, ending _____.

2011

▶ **See instructions. Do not send to the IRS. Keep for your records.**

Name of corporation

KOOL SYSTEMS INC

Employer identification number

40-0003011

Part I Tax Return Information (Whole dollars only)

1	Total income (Form 1120, line 11)	1	176,000
2	Taxable income (Form 1120, line 30)	2	23,427
3	Total tax (Form 1120, line 31)	3	3,514
4	Amount owed (Form 1120, line 34)	4	
5	Overpayment (Form 1120, line 35)	5	25,840

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2011 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize Drake Software to enter my PIN 12345 as my signature
ERO firm name do not enter all zeros
 on the corporation's 2011 electronically filed income tax return.

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2011 electronically filed income tax return.

Officer's signature ▶ _____ Date ▶ 01-01-2012 Title ▶ President

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 561332 12345
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ Preparer1 Date ▶ 11-21-2011

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

Federal Supporting Statements

2011 PG01

Name(s) as shown on return

FEIN

KOOL SYSTEMS INC

40-0003011

Form 1120, Schedule L, Line 6

Statement # 8

Description

Beg Of Year

End Of Year

PREPAID EXPENSES

2,200

2,000

Total

2,200

2,000

FORM 1120 PAGE 1

PG 1
Statement # 5

DESCRIPTION

AMOUNT

Accounting cost

2,000

Bank charges

200

Cell Phone

800

Building and Equipment Insurance

3,000

Liability Insurance

2,000

Janitorial

1,500

Legal and professional

3,500

Office expense

500

Telephone

1,000

Utilities

7,000

TOTAL

21,500

Taxes and Licenses Attachment

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

2011

CORPORATION NAME

KOOL SYSTEMS INC

EIN

40-0003011

Taxes and Licenses

Form 1120, line 17
Form 1120-C, line 15
Form 1120-H, line 12

1	State income taxes	1	850
2	State franchise taxes	2	
3	City income taxes	3	
4	City franchise taxes	4	
5	Local property taxes	5	150
6	Intangible property taxes	6	
7	Payroll taxes	7	10,000
8	Less: credit from Form 8846	8	
9	Foreign taxes paid	9	
10	Occupancy taxes	10	
11	Other miscellaneous taxes	11	
12	Licenses	12	2,000
13	Total to Form 1120, Page 1, Line 17	13	13,000

Estimated Tax for Corporations

For calendar year 2012, or tax year beginning _____, 2012, and ending _____, 20_____
KOOL SYSTEMS INC 40-0003011
 (Keep for the corporation's records-Do not send to the Internal Revenue Service.)

2012

Department of the Treasury
Internal Revenue Service

Estimated Tax Computation

1	Taxable income expected for the tax year	1	23,427		
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 smaller of line 1 or \$50,000	2	23,427		
3	Multiply line 2 by 15%	3		3,514	
4	Subtract line 2 from line 1	4			
5	Enter the smaller 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 smaller 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 smaller 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 smaller 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		3,514	
15	Alternative minimum tax (see instructions).	15			
16	Total. Add lines 14 and 15	16		3,514	
17	Tax credits (see instructions)	17			
18	Subtract line 17 from line 16	18		3,514	
19	Other taxes (see instructions).	19			
20	Total tax. Add lines 18 and 19	20		3,514	
21	Credit for federal tax paid on fuels (see instructions)	21			
22	Subtract line 21 from line 20. Note: If the result is less than \$500, the corporation is not required to make estimated tax payments	22		3,514	
23a	Enter the tax shown on the corporation's 2011 tax return (see instructions). Caution: 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		3,514	
b	Enter the smaller of line 22 or line 23a. If the corporation is required to skip line 23a, enter the amount from line 22.	23b		3,514	

		(a)	(b)	(c)	(d)	
24	Installment due dates (see instructions) ▶	24	04-17-2012	06-15-2012	09-17-2012	12-17-2012
25	Required installments. Enter 25% of line 23b in columns (a) through (d). If the corporation uses the annualized income installment method or adjusted seasonal installment method or is a "large corporation," see the instructions for the amount to enter	25	879	879	879	879

Summary of Estimates

2012

Name(s) as shown on return

Your SSN/EIN

KOOL SYSTEMS INC

40-0003011

**Federal
Form: 1120W**

Payment Schedule

Due Date	04-17-2012	06-15-2012	09-17-2012	12-17-2012	Total
Total Installment Amount	879	879	879	879	3,516
Overpayment Applied					
Net Installment Due	879	879	879	879	3,516

Taxpayer Records

Amount Actually Paid				
Date Paid				
Check #/Confirmation				

TAX COMPUTATION WORKSHEET

2011

Name(s) shown on return KOOL SYSTEMS INC	Identifying Number 40-0003011
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LOWER END OF BRACKET	UPPER END OF BRACKET	TAX RATE	INCOME IN BRACKET	INCOME TAX BY BRACKET
0	50,000	15 %	23,427	3,514
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 %		
TOTALS			23,427	3,514

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 %		
TOTALS			

Depreciation Detail Listing

FORM 1120

For your records only

2011

PAGE 1

* Item was disposed
of during current year.

Name(s) as shown on return

KOOL SYSTEMS INC

Social security number/EIN

40-0003011

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		200 DB HY	11.52	1,875	14,193			1,875
2	COMPUTER	20090214	5,200		100.00		5,200		200 DB HY	19.2	998	3,702			928
3	SECURITY SYSTEM	20070822	12,400		100.00		12,400		S/L HY	14.286	1,771	8,855			1,771
4	FORKLIFT	20060922	66,000		100.00		66,000		S/L HY	14.286	9,429	56,572			9,429
5	COMPRESSOR	20081122	56,000		100.00		56,000		S/L MQ	14.286	8,000	32,000			8,000
Totals			161,100				161,100				22,073	115,322			22,003

Land Amount
Net Depreciable Cost

161,100

ST ADJ:

(Keep for your records)

CORPORATION NAME

EIN

KOOL SYSTEMS INC

40-0003011

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

3,514

Form 3800

General business credit carryforward

Form 4562

Section 179 Carryover

Form 4797

Nonrecaptured net Section 1231 losses - 2007
Nonrecaptured net Section 1231 losses - 2008
Nonrecaptured net Section 1231 losses - 2009
Nonrecaptured net Section 1231 losses - 2010
Nonrecaptured net Section 1231 losses - 2011
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

