

1120SEF

EF Transmission Status

2011

(Keep for your records)

Name(s) as shown on return

EIN number

SUNSHINE S CORPORATION

40-0003013

The following will be transmitted to the IRS.

1120S 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

For calendar year 2011 or tax year beginning , 2011, ending , 20

Header section containing: A S election effective date (02-28-2002), B Business activity code number (424400), C Check if Sch. M-3 attached, D Employer identification number (40-0003013), E Date incorporated (02-28-2002), F Total assets (\$134,026), TYPE OR PRINT, Name (SUNSHINE S CORPORATION), Address (789 HOPE RIDGE ROAD, FRANKLIN NC 28734)

G Is the corporation electing to be an S corporation beginning with this tax year? [] Yes [X] No
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 4

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

Income section table with columns for description, sub-column, and amount. Includes lines 1a-1e (Total income 414,317) and lines 2-6.

Deductions section table with columns for description, sub-column, and amount. Includes lines 7-21 (Total deductions 250,800; Ordinary business income 163,517).

Tax and Payments section table with columns for description, sub-column, and amount. Includes lines 22a-23c, 24-27 (Amount owed 0, Overpayment 0).

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.

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

George Smith, Signature of officer; 11-28-2011, Date; Treasurer, Title

Paid Preparer Use Only section: Print/Type preparer's name (Preparer1), Preparer's signature, Date (11-28-2011), Check self-employed [], PTIN (P00777777), Firm's name (Drake Software), Firm's EIN (11-1222333), Firm's address (235 East Main Street, Franklin NC 28734), Phone no. ((828) 524-1234)

Schedule B Other Information (see instructions)		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____		
2	See the instructions and enter the: a Business activity ▶ WHOLESALE FOODS b Product or service ▶ FOOD		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a qualified subchapter S subsidiary election made?		X
4	Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
5	Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
6	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$ _____		
7	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____		
8	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1		X
9	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
10 a	Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?		X
b	If "Yes," did the corporation file or will it file all required Forms 1099?		

Schedule K Shareholders' Pro Rata Share Items		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	163,517
2	Net rental real estate income (loss) (attach Form 8825)	2	
I n c o m e	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
4	Interest income	4	
5	Dividends: a Ordinary dividends	5a	10,000
	b Qualified dividends	5b	10,000
6	Royalties	6	
7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss)	8b	
	c Unrecaptured section 1250 gain (attach statement)	8c	
9	Net section 1231 gain (loss) (attach Form 4797)	9	
10	Other income (loss) (see instructions) . . . Type ▶	10	

		Shareholders' Pro Rata Share Items (continued)	Total amount
Deductions	11	Section 179 deduction (attach Form 4562)	11
	12a	Contributions	12a
	b	Investment interest expense	12b
	c	Section 59(e)(2) expenditures (1) Type ▶ _____ (2) Amount ▶ _____	12c(2)
	d	Other deductions (see instructions) Type ▶ _____	12d
Credits	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)	13c
	d	Other rental real estate credits (see instructions) Type ▶ _____	13d
	e	Other rental credits (see instructions) Type ▶ _____	13e
	f	Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f
	g	Other credits (see instructions) Type ▶ _____	13g
Foreign Trans- actions	14a	Name of country or U.S. possession ▶ _____	
	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): ▶ <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)	
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a (147)
	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
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a
	b	Other tax-exempt income	16b
	c	Nondeductible expenses	16c
	d	Distributions (attach statement if required) (see instructions)	16d 236,000
	e	Repayment of loans from shareholders	16e
Other Information	17a	Investment income	17a 10,000
	b	Investment expenses	17b
	c	Dividend distributions paid from accumulated earnings and profits	17c
	d	Other items and amounts (attach statement)	
Recon- ciliation	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l . . .	18 173,517

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		46,028		38,630
2 a	Trade notes and accounts receivable	11,500		4,500	
b	Less allowance for bad debts	()	11,500	()	4,500
3	Inventories		36,960		17,000
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders		19,000		
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10 a	Buildings and other depreciable assets	363,000		363,000	
b	Less accumulated depreciation	(276,979)	86,021	(289,104)	73,896
11 a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13 a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach statement)				
15	Total assets		199,509		134,026
Liabilities and Shareholders' Equity					
16	Accounts payable		7,900		4,900
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock		5,000		5,000
23	Additional paid-in capital				
24	Retained earnings		186,609		124,126
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity		199,509		134,026

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

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

1	Net income (loss) per books	173,517	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3	173,517	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	173,517

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
1	Balance at beginning of tax year	186,609	
2	Ordinary income from page 1, line 21	163,517	
3	Other additions Statement # 29	10,000	
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5	360,126	
7	Distributions other than dividend distributions	236,000	
8	Balance at end of tax year. Subtract line 7 from line 6	124,126	

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax
year beginning _____, 2011
ending _____, 20__

2011

Final K-1

Amended K-1

671110

OMB No. 1545-0130

**Shareholder's Share of Income, Deductions,
Credits, etc.**

▶ See page 2 of form and separate instructions.

Part I Information About the Corporation	
A Corporation's employer identification number	40-0003013
B Corporation's name, address, city, state, and ZIP code	SUNSHINE S CORPORATION 789 HOPE RIDGE ROAD FRANKLIN NC 28734
C IRS Center where corporation filed return	CINCINNATI
Part II Information About the Shareholder	
D Shareholder's identifying number	400-00-2091
E Shareholder's name, address, city, state, and ZIP code	GEORGE SMITH 444 REDBIRD LANE FRANKLIN NC 28734
F Shareholder's percentage of stock ownership for tax year	14.28571 %
<p style="text-align: center;">F o r I R S U s e O n l y</p>	

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits
	23,360		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
	1,429		
5b	Qualified dividends	14	Foreign transactions
	1,429		
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	(21)
11	Section 179 deduction	16	Items affecting shareholder basis
		D	33,714
12	Other deductions		
		17	Other information
		A	1,429
* See attached statement for additional information.			

Shareholder's Adjusted Basis Worksheet

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2091	Tax year ending: 12-31-2011	Ownership %: 14.285714
Shareholder Name: GEORGE SMITH			
Corporation Name: SUNSHINE S CORPORATION			EIN 40-0003013

Stock basis

1 Stock basis, beginning of year (Not less than zero)				1 <u>80,942</u>	
2 Additional Capital Contributions of Stock Purchased				2 _____	
3 Increases for income and gain items:					
a Ordinary Income (Sch K-1, Line 1)		a <u>23,360</u>			
b Real Estate Rental Income (Sch K-1, Line 2)		b _____			
c Other Rental Income (Sch K-1, Line 3c)		c _____			
d Interest, Dividends & Royalties (Sch K-1, Lines 4, 5 & 6)		d <u>1,429</u>			
e Capital Gain (Sch K-1, Lines 7 & 8a)		e _____			
f Other Portfolio Income (Sch K-1, Line 10a)		f _____			
g Section 1231 Gain (Sch K-1, Line 9)		g _____			
h Other Income (Sch K-1, Line 10)		h _____			
Total Income and Gain Items (Total lines 3a-3h)			3a-h <u>24,789</u>		
i Increase for Non-Taxable Income (Sch K-1, Lines 16a & b)			3i _____		
j Increase for Excess Depletion Adjustment			3j _____		
k Increase from Recapture of Business Credits (See IRC §49(a), 50(a), 50(c)(2) & 1371(d))			3k _____		
l Gain from 179 asset disposition			3l _____		
4 Stock Basis Before Distributions (Add lines 1 through 3)				4 <u>105,731</u>	
5 Reduction for Non-Taxable Distributions (Sch K-1, Line 16d)				5 <u>33,714</u>	
6 Stock Basis Before Non-Ded. Expense & Depletion (Cannot be negative)				6 <u>72,017</u>	
7a Decrease for Non-Deductible Expense/Credit Adj (Sch K-1, Line 16c & 13)		a _____			
b Decrease for Depletion (Sch K-1, Line 17r)		b _____		7 _____	
8 Stock Basis Before Allowable Losses & Deductions (Cannot be negative)				8 <u>72,017</u>	
9 Decreases for Loss and Deduction items					
a Ordinary Loss (Page 2, Col e, Line 9a)		a _____			
b Real Estate Rental Loss (Page 2, Col e, Line 9b)		b _____			
c Other Rental Loss (Page 2, Col e, Line 9c)		c _____			
d Capital Loss (Page 2, Col e, Line 9d)		d _____			
e Other Portfolio Loss (Page 2, Col e, Line 9e)		e _____			
f Section 1231 Loss (Page 2, Col e, Line 9f)		f _____			
g Other Loss (Page 2, Col e, Line 9g)		g _____			
h Charitable Contributions (Page 2, Col e, Line 9h)		h _____			
i Section 179 Expense (Page 2, Col e, Line 9i)		i _____			
j Portfolio Income Expenses (Page 2, Col e, Line 9j)		j _____			
k Other Deductions (Page 2, Col e, Line 9k)		k _____			
l Interest Expense on Investment Debt (Page 2, Col e, Line 9l)		l _____			
m Total Foreign Taxes Paid/Accrued (Page 2, Col e, Line 9m)		m _____			
n Section 59(e) Expenditures (Page 2, Col e, Line 9n)		n _____			
Total Loss and Deduction Items (Total Lines 9a-9n)			9a-n _____		
o Other decreases (Page 2, Col e, Line 9o)			9o _____		
p Loss from 179 asset disposition (Page 2, Col e, Line 9n)			9p _____		
Total Decrease for Loss and Deductions Items and Business Credits				9 _____	
10 Less: net increase applied to debt basis				10 _____	
11 Stock Basis at End of Year (Cannot be negative)				11 <u>72,017</u>	

Debt Basis

12 Debt basis at beginning of year (not less than zero)				12 _____	
13 New loans to corporation during year				13 _____	
14 Restoration of Debt Basis (Line 10)				14 _____	
15 Less: Loans repaid by corporation during the year				15 _____	
16 Less: Applied against excess loss and deductions / non-deductible items				16 _____	
17 Debt basis at the end of tax year (combine lines 12-16) (not less than zero)				17 _____	
18 Shareholder's total basis at end of tax year (combine lines 11 and 17)				18 <u>72,017</u>	

Carryover

	Total Disallowed Losses	Debt Basis Applied Against Excess Losses and Deductions
19 Total Beginning of year	_____	_____
20 Add: Losses and deductions this year	_____	_____
21 Less: Applied this year	_____	_____
22 End of year (Not less than zero)	_____	_____

Allocation of Losses and Deductions

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2091	Year Ended: 12-31-2011	Ownership %: 14.285714
Shareholder Name: GEORGE SMITH			
Corporation Name: SUNSHINE S CORPORATION			EIN: 40-0003013

		(a) Beginning of Year Losses and Deductions	(b) Current Year Losses and Deductions	(c) Total Losses and Deductions	(d) %	(e) Allocable Losses and Deductions in Current Year	(f) Disallowed Losses and Deductions (Carryover to Next Year)
9a Ordinary losses from trade or business	(Sch K, Line 1)	_____	_____	_____	_____	_____	_____
b Net losses from rental real estate activities	(Sch K, Line 2)	_____	_____	_____	_____	_____	_____
c Net losses from other rental activities	(Sch K, Line 3c)	_____	_____	_____	_____	_____	_____
d Net short-term capital losses	(Sch K, Lines 7 & 8a)	_____	_____	_____	_____	_____	_____
d Net long-term capital losses		_____	_____	_____	_____	_____	_____
e Other portfolio losses	(Sch K, Line 10a)	_____	_____	_____	_____	_____	_____
f Net losses under Section 1231	(Sch K, Line 9)	_____	_____	_____	_____	_____	_____
g Other losses	(Sch K, Line 10e)	_____	_____	_____	_____	_____	_____
h Charitable contributions	(Sch K, Line 12a-g)	_____	_____	_____	_____	_____	_____
i Section 179 expense deduction	(Sch K, Line 11)	_____	_____	_____	_____	_____	_____
j Portfolio income expenses	(Sch K, Line 12l)	_____	_____	_____	_____	_____	_____
k Other deductions	(Sch K, Ln 12, i,m-o,s)	_____	_____	_____	_____	_____	_____
l Interest expense on investment debts	(Sch K, Line 12h)	_____	_____	_____	_____	_____	_____
m Foreign taxes paid or accrued	(Sch K, Line 14l & m)	_____	_____	_____	_____	_____	_____
n Section 59(e) expenditures	(Sch K, Line 12j)	_____	_____	_____	_____	_____	_____
o Other decreases		_____	_____	_____	_____	_____	_____
p Loss from 179 asset		_____	_____	_____	_____	_____	_____
Total deductible losses and deductions		_____	_____	_____	_____	_____	_____
7a Nondeductible expenses & credit adj	(Sch K, Line 16c & 13)	_____	_____	_____	_____	_____	_____
b Oil and gas depletion	(Sch K, Line 17r)	_____	_____	_____	_____	_____	_____
Total nondeductible losses and deductions		_____	_____	_____	_____	_____	_____
Totals		_____	_____	_____	_____	_____	_____

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax
year beginning _____, 2011
ending _____, 20__

2011

Final K-1 Amended K-1

671110
OMB No. 1545-0130

Shareholder's Share of Income, Deductions, Credits, etc.
▶ See page 2 of form and separate instructions.

Part I Information About the Corporation	
A	Corporation's employer identification number 40-0003013
B	Corporation's name, address, city, state, and ZIP code SUNSHINE S CORPORATION 789 HOPE RIDGE ROAD FRANKLIN NC 28734
C	IRS Center where corporation filed return CINCINNATI
Part II Information About the Shareholder	
D	Shareholder's identifying number 400-00-2092
E	Shareholder's name, address, city, state, and ZIP code FRED SMITH 333 SUNNY LANE FRANKLIN NC 28734
F	Shareholder's percentage of stock ownership for tax year 42.85714 %
<p style="font-size: 2em; margin: 0;">F o r I R S U s e O n l y</p>	

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss) 70,079	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends 4,286		
5b	Qualified dividends 4,286	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items (63)
		A	
11	Section 179 deduction	16	Items affecting shareholder basis 101,143
12	Other deductions	D	
		17	Other information 4,286
		A	
* See attached statement for additional information.			

Shareholder's Adjusted Basis Worksheet

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2092	Tax year ending: 12-31-2011	Ownership %: 42.857143
Shareholder Name: FRED SMITH			
Corporation Name: SUNSHINE S CORPORATION			EIN 40-0003013

Stock basis

1 Stock basis, beginning of year (Not less than zero)				1	<u>49,018</u>
2 Additional Capital Contributions of Stock Purchased				2	<u> </u>
3 Increases for income and gain items:					
a Ordinary Income (Sch K-1, Line 1)		a	<u>70,079</u>		
b Real Estate Rental Income (Sch K-1, Line 2)		b	<u> </u>		
c Other Rental Income (Sch K-1, Line 3c)		c	<u> </u>		
d Interest, Dividends & Royalties (Sch K-1, Lines 4, 5 & 6)		d	<u>4,286</u>		
e Capital Gain (Sch K-1, Lines 7 & 8a)		e	<u> </u>		
f Other Portfolio Income (Sch K-1, Line 10a)		f	<u> </u>		
g Section 1231 Gain (Sch K-1, Line 9)		g	<u> </u>		
h Other Income (Sch K-1, Line 10)		h	<u> </u>		
Total Income and Gain Items (Total lines 3a-3h)		3a-h	<u>74,365</u>		
i Increase for Non-Taxable Income (Sch K-1, Lines 16a & b)		3i	<u> </u>		
j Increase for Excess Depletion Adjustment		3j	<u> </u>		
k Increase from Recapture of Business Credits (See IRC §49(a), 50(a), 50(c)(2) & 1371(d))		3k	<u> </u>		
l Gain from 179 asset disposition		3l	<u> </u>		
4 Stock Basis Before Distributions (Add lines 1 through 3)				4	<u>123,383</u>
5 Reduction for Non-Taxable Distributions (Sch K-1, Line 16d)				5	<u>101,143</u>
6 Stock Basis Before Non-Ded. Expense & Depletion (Cannot be negative)				6	<u>22,240</u>
7a Decrease for Non-Deductible Expense/Credit Adj (Sch K-1, Line 16c & 13)		a	<u> </u>		
b Decrease for Depletion (Sch K-1, Line 17r)		b	<u> </u>	7	
8 Stock Basis Before Allowable Losses & Deductions (Cannot be negative)				8	<u>22,240</u>
9 Decreases for Loss and Deduction items					
a Ordinary Loss (Page 2, Col e, Line 9a)		a	<u> </u>		
b Real Estate Rental Loss (Page 2, Col e, Line 9b)		b	<u> </u>		
c Other Rental Loss (Page 2, Col e, Line 9c)		c	<u> </u>		
d Capital Loss (Page 2, Col e, Line 9d)		d	<u> </u>		
e Other Portfolio Loss (Page 2, Col e, Line 9e)		e	<u> </u>		
f Section 1231 Loss (Page 2, Col e, Line 9f)		f	<u> </u>		
g Other Loss (Page 2, Col e, Line 9g)		g	<u> </u>		
h Charitable Contributions (Page 2, Col e, Line 9h)		h	<u> </u>		
i Section 179 Expense (Page 2, Col e, Line 9i)		i	<u> </u>		
j Portfolio Income Expenses (Page 2, Col e, Line 9j)		j	<u> </u>		
k Other Deductions (Page 2, Col e, Line 9k)		k	<u> </u>		
l Interest Expense on Investment Debt (Page 2, Col e, Line 9l)		l	<u> </u>		
m Total Foreign Taxes Paid/Accrued (Page 2, Col e, Line 9m)		m	<u> </u>		
n Section 59(e) Expenditures (Page 2, Col e, Line 9n)		n	<u> </u>		
Total Loss and Deduction Items (Total Lines 9a-9n)		9a-n	<u> </u>		
o Other decreases (Page 2, Col e, Line 9o)		9o	<u> </u>		
p Loss from 179 asset disposition (Page 2, Col e, Line 9n)		9p	<u> </u>		
Total Decrease for Loss and Deductions Items and Business Credits				9	<u> </u>
10 Less: net increase applied to debt basis				10	<u> </u>
11 Stock Basis at End of Year (Cannot be negative)				11	<u>22,240</u>

Debt Basis

12 Debt basis at beginning of year (not less than zero)				12	<u> </u>
13 New loans to corporation during year				13	<u> </u>
14 Restoration of Debt Basis (Line 10)				14	<u> </u>
15 Less: Loans repaid by corporation during the year				15	<u> </u>
16 Less: Applied against excess loss and deductions / non-deductible items				16	<u> </u>
17 Debt basis at the end of tax year (combine lines 12-16) (not less than zero)				17	<u> </u>
18 Shareholder's total basis at end of tax year (combine lines 11 and 17)				18	<u>22,240</u>

Carryover

	Total Disallowed Losses	Debt Basis Applied Against Excess Losses and Deductions
19 Total Beginning of year	<u> </u>	<u> </u>
20 Add: Losses and deductions this year	<u> </u>	<u> </u>
21 Less: Applied this year	<u> </u>	<u> </u>
22 End of year (Not less than zero)	<u> </u>	<u> </u>

Allocation of Losses and Deductions

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2092	Year Ended: 12-31-2011	Ownership %: 42.857143
Shareholder Name: FRED SMITH			
Corporation Name: SUNSHINE S CORPORATION			EIN: 40-0003013

		(a) Beginning of Year Losses and Deductions	(b) Current Year Losses and Deductions	(c) Total Losses and Deductions	(d) %	(e) Allocable Losses and Deductions in Current Year	(f) Disallowed Losses and Deductions (Carryover to Next Year)
9a Ordinary losses from trade or business	(Sch K, Line 1)	_____	_____	_____	_____	_____	_____
b Net losses from rental real estate activities	(Sch K, Line 2)	_____	_____	_____	_____	_____	_____
c Net losses from other rental activities	(Sch K, Line 3c)	_____	_____	_____	_____	_____	_____
d Net short-term capital losses	(Sch K, Lines 7 & 8a)	_____	_____	_____	_____	_____	_____
d Net long-term capital losses		_____	_____	_____	_____	_____	_____
e Other portfolio losses	(Sch K, Line 10a)	_____	_____	_____	_____	_____	_____
f Net losses under Section 1231	(Sch K, Line 9)	_____	_____	_____	_____	_____	_____
g Other losses	(Sch K, Line 10e)	_____	_____	_____	_____	_____	_____
h Charitable contributions	(Sch K, Line 12a-g)	_____	_____	_____	_____	_____	_____
i Section 179 expense deduction	(Sch K, Line 11)	_____	_____	_____	_____	_____	_____
j Portfolio income expenses	(Sch K, Line 12l)	_____	_____	_____	_____	_____	_____
k Other deductions	(Sch K, Ln 12, i,m-o,s)	_____	_____	_____	_____	_____	_____
l Interest expense on investment debts	(Sch K, Line 12h)	_____	_____	_____	_____	_____	_____
m Foreign taxes paid or accrued	(Sch K, Line 14l & m)	_____	_____	_____	_____	_____	_____
n Section 59(e) expenditures	(Sch K, Line 12j)	_____	_____	_____	_____	_____	_____
o Other decreases		_____	_____	_____	_____	_____	_____
p Loss from 179 asset		_____	_____	_____	_____	_____	_____
Total deductible losses and deductions		_____	_____	_____	_____	_____	_____
7a Nondeductible expenses & credit adj	(Sch K, Line 16c & 13)	_____	_____	_____	_____	_____	_____
b Oil and gas depletion	(Sch K, Line 17r)	_____	_____	_____	_____	_____	_____
Total nondeductible losses and deductions		_____	_____	_____	_____	_____	_____
Totals		_____	_____	_____	_____	_____	_____

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax
year beginning _____, 2011
ending _____, 20__

2011

Final K-1 Amended K-1

671110
OMB No. 1545-0130

Shareholder's Share of Income, Deductions, Credits, etc.
▶ See page 2 of form and separate instructions.

Part I Information About the Corporation	
A	Corporation's employer identification number 40-0003013
B	Corporation's name, address, city, state, and ZIP code SUNSHINE S CORPORATION 789 HOPE RIDGE ROAD FRANKLIN NC 28734
C	IRS Center where corporation filed return CINCINNATI
Part II Information About the Shareholder	
D	Shareholder's identifying number 400-00-2093
E	Shareholder's name, address, city, state, and ZIP code MARLIN MAXWELL 555 SMITHSON ROAD FRANKLIN NC 28734
F	Shareholder's percentage of stock ownership for tax year 28.57143 %
<p style="font-size: 2em; margin: 0;">F o r I R S U s e O n l y</p>	

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss) 46,719	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends 2,857		
5b	Qualified dividends 2,857	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items (42)
11	Section 179 deduction	16	Items affecting shareholder basis 67,429
12	Other deductions		
		17	Other information 2,857
* See attached statement for additional information.			

Shareholder's Adjusted Basis Worksheet

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2093	Tax year ending: 12-31-2011	Ownership %: 28.571429
Shareholder Name: MARLIN MAXWELL			
Corporation Name: SUNSHINE S CORPORATION			EIN 40-0003013

Stock basis

1 Stock basis, beginning of year (Not less than zero)			1 <u>29,715</u>	
2 Additional Capital Contributions of Stock Purchased			2 _____	
3 Increases for income and gain items:				
a Ordinary Income (Sch K-1, Line 1)		a <u>46,719</u>		
b Real Estate Rental Income (Sch K-1, Line 2)		b _____		
c Other Rental Income (Sch K-1, Line 3c)		c _____		
d Interest, Dividends & Royalties (Sch K-1, Lines 4, 5 & 6)		d <u>2,857</u>		
e Capital Gain (Sch K-1, Lines 7 & 8a)		e _____		
f Other Portfolio Income (Sch K-1, Line 10a)		f _____		
g Section 1231 Gain (Sch K-1, Line 9)		g _____		
h Other Income (Sch K-1, Line 10)		h _____		
Total Income and Gain Items (Total lines 3a-3h)			3a-h <u>49,576</u>	
i Increase for Non-Taxable Income (Sch K-1, Lines 16a & b)			3i _____	
j Increase for Excess Depletion Adjustment			3j _____	
k Increase from Recapture of Business Credits (See IRC §49(a), 50(a), 50(c)(2) & 1371(d))			3k _____	
l Gain from 179 asset disposition			3l _____	
4 Stock Basis Before Distributions (Add lines 1 through 3)			4 <u>79,291</u>	
5 Reduction for Non-Taxable Distributions (Sch K-1, Line 16d)			5 <u>67,429</u>	
6 Stock Basis Before Non-Ded. Expense & Depletion (Cannot be negative)			6 <u>11,862</u>	
7a Decrease for Non-Deductible Expense/Credit Adj (Sch K-1, Line 16c & 13)		a _____		
b Decrease for Depletion (Sch K-1, Line 17r)		b _____		7 _____
8 Stock Basis Before Allowable Losses & Deductions (Cannot be negative)				8 <u>11,862</u>
9 Decreases for Loss and Deduction items				
a Ordinary Loss (Page 2, Col e, Line 9a)		a _____		
b Real Estate Rental Loss (Page 2, Col e, Line 9b)		b _____		
c Other Rental Loss (Page 2, Col e, Line 9c)		c _____		
d Capital Loss (Page 2, Col e, Line 9d)		d _____		
e Other Portfolio Loss (Page 2, Col e, Line 9e)		e _____		
f Section 1231 Loss (Page 2, Col e, Line 9f)		f _____		
g Other Loss (Page 2, Col e, Line 9g)		g _____		
h Charitable Contributions (Page 2, Col e, Line 9h)		h _____		
i Section 179 Expense (Page 2, Col e, Line 9i)		i _____		
j Portfolio Income Expenses (Page 2, Col e, Line 9j)		j _____		
k Other Deductions (Page 2, Col e, Line 9k)		k _____		
l Interest Expense on Investment Debt (Page 2, Col e, Line 9l)		l _____		
m Total Foreign Taxes Paid/Accrued (Page 2, Col e, Line 9m)		m _____		
n Section 59(e) Expenditures (Page 2, Col e, Line 9n)		n _____		
Total Loss and Deduction Items (Total Lines 9a-9n)			9a-n _____	
o Other decreases (Page 2, Col e, Line 9o)			9o _____	
p Loss from 179 asset disposition (Page 2, Col e, Line 9n)			9p _____	
Total Decrease for Loss and Deductions Items and Business Credits				9 _____
10 Less: net increase applied to debt basis				10 _____
11 Stock Basis at End of Year (Cannot be negative)				11 <u>11,862</u>

Debt Basis

12 Debt basis at beginning of year (not less than zero)			12 _____	
13 New loans to corporation during year			13 _____	
14 Restoration of Debt Basis (Line 10)			14 _____	
15 Less: Loans repaid by corporation during the year			15 _____	
16 Less: Applied against excess loss and deductions / non-deductible items			16 _____	
17 Debt basis at the end of tax year (combine lines 12-16) (not less than zero)				17 _____
18 Shareholder's total basis at end of tax year (combine lines 11 and 17)				18 <u>11,862</u>

Carryover

	Total Disallowed Losses	Debt Basis Applied Against Excess Losses and Deductions
19 Total Beginning of year	_____	_____
20 Add: Losses and deductions this year	_____	_____
21 Less: Applied this year	_____	_____
22 End of year (Not less than zero)	_____	_____

Allocation of Losses and Deductions

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2093	Year Ended: 12-31-2011	Ownership %: 28.571429
Shareholder Name: MARLIN MAXWELL			
Corporation Name: SUNSHINE S CORPORATION			EIN: 40-0003013

		(a) Beginning of Year Losses and Deductions	(b) Current Year Losses and Deductions	(c) Total Losses and Deductions	(d) %	(e) Allocable Losses and Deductions in Current Year	(f) Disallowed Losses and Deductions (Carryover to Next Year)
9a Ordinary losses from trade or business	(Sch K, Line 1)	_____	_____	_____	_____	_____	_____
b Net losses from rental real estate activities	(Sch K, Line 2)	_____	_____	_____	_____	_____	_____
c Net losses from other rental activities	(Sch K, Line 3c)	_____	_____	_____	_____	_____	_____
d Net short-term capital losses	(Sch K, Lines 7 & 8a)	_____	_____	_____	_____	_____	_____
d Net long-term capital losses		_____	_____	_____	_____	_____	_____
e Other portfolio losses	(Sch K, Line 10a)	_____	_____	_____	_____	_____	_____
f Net losses under Section 1231	(Sch K, Line 9)	_____	_____	_____	_____	_____	_____
g Other losses	(Sch K, Line 10e)	_____	_____	_____	_____	_____	_____
h Charitable contributions	(Sch K, Line 12a-g)	_____	_____	_____	_____	_____	_____
i Section 179 expense deduction	(Sch K, Line 11)	_____	_____	_____	_____	_____	_____
j Portfolio income expenses	(Sch K, Line 12l)	_____	_____	_____	_____	_____	_____
k Other deductions	(Sch K, Ln 12, i,m-o,s)	_____	_____	_____	_____	_____	_____
l Interest expense on investment debts	(Sch K, Line 12h)	_____	_____	_____	_____	_____	_____
m Foreign taxes paid or accrued	(Sch K, Line 14l & m)	_____	_____	_____	_____	_____	_____
n Section 59(e) expenditures	(Sch K, Line 12j)	_____	_____	_____	_____	_____	_____
o Other decreases		_____	_____	_____	_____	_____	_____
p Loss from 179 asset		_____	_____	_____	_____	_____	_____
Total deductible losses and deductions		_____	_____	_____	_____	_____	_____
7a Nondeductible expenses & credit adj	(Sch K, Line 16c & 13)	_____	_____	_____	_____	_____	_____
b Oil and gas depletion	(Sch K, Line 17r)	_____	_____	_____	_____	_____	_____
Total nondeductible losses and deductions		_____	_____	_____	_____	_____	_____
Totals		_____	_____	_____	_____	_____	_____

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax
year beginning _____, 2011
ending _____, 20__

2011

**Shareholder's Share of Income, Deductions,
Credits, etc.** ▶ See page 2 of form and separate instructions.

Part I Information About the Corporation	
A Corporation's employer identification number	40-0003013
B Corporation's name, address, city, state, and ZIP code	SUNSHINE S CORPORATION 789 HOPE RIDGE ROAD FRANKLIN NC 28734
C IRS Center where corporation filed return	CINCINNATI
Part II Information About the Shareholder	
D Shareholder's identifying number	400-00-2094
E Shareholder's name, address, city, state, and ZIP code	MANNY LOPEZ 1234 WETS GREEN PL FRANKLIN NC 28734
F Shareholder's percentage of stock ownership for tax year	14.28571 %
F o r I R S U s e O n l y	

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits
	23,359		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
	1,428		
5b	Qualified dividends	14	Foreign transactions
	1,428		
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	(21)
11	Section 179 deduction	16	Items affecting shareholder basis
		D	33,714
12	Other deductions		
		17	Other information
		A	1,428
* See attached statement for additional information.			

Shareholder's Adjusted Basis Worksheet

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2094	Tax year ending: 12-31-2011	Ownership %: 14.285714
Shareholder Name: MANNY LOPEZ			
Corporation Name: SUNSHINE S CORPORATION			EIN 40-0003013

Stock basis

1 Stock basis, beginning of year (Not less than zero)		1	<u>26,934</u>
2 Additional Capital Contributions of Stock Purchased		2	_____
3 Increases for income and gain items:			
a Ordinary Income (Sch K-1, Line 1)	a	_____	23,359
b Real Estate Rental Income (Sch K-1, Line 2)	b	_____	_____
c Other Rental Income (Sch K-1, Line 3c)	c	_____	_____
d Interest, Dividends & Royalties (Sch K-1, Lines 4, 5 & 6)	d	_____	1,428
e Capital Gain (Sch K-1, Lines 7 & 8a)	e	_____	_____
f Other Portfolio Income (Sch K-1, Line 10a)	f	_____	_____
g Section 1231 Gain (Sch K-1, Line 9)	g	_____	_____
h Other Income (Sch K-1, Line 10)	h	_____	_____
Total Income and Gain Items (Total lines 3a-3h)	3a-h	_____	24,787
i Increase for Non-Taxable Income (Sch K-1, Lines 16a & b)	3i	_____	_____
j Increase for Excess Depletion Adjustment	3j	_____	_____
k Increase from Recapture of Business Credits (See IRC §49(a), 50(a), 50(c)(2) & 1371(d))	3k	_____	_____
l Gain from 179 asset disposition	3l	_____	_____
4 Stock Basis Before Distributions (Add lines 1 through 3)		4	51,721
5 Reduction for Non-Taxable Distributions (Sch K-1, Line 16d)		5	33,714
6 Stock Basis Before Non-Ded. Expense & Depletion (Cannot be negative)		6	18,007
7a Decrease for Non-Deductible Expense/Credit Adj (Sch K-1, Line 16c & 13)	a	_____	_____
b Decrease for Depletion (Sch K-1, Line 17r)	b	_____	_____
8 Stock Basis Before Allowable Losses & Deductions (Cannot be negative)		8	18,007
9 Decreases for Loss and Deduction items			
a Ordinary Loss (Page 2, Col e, Line 9a)	a	_____	_____
b Real Estate Rental Loss (Page 2, Col e, Line 9b)	b	_____	_____
c Other Rental Loss (Page 2, Col e, Line 9c)	c	_____	_____
d Capital Loss (Page 2, Col e, Line 9d)	d	_____	_____
e Other Portfolio Loss (Page 2, Col e, Line 9e)	e	_____	_____
f Section 1231 Loss (Page 2, Col e, Line 9f)	f	_____	_____
g Other Loss (Page 2, Col e, Line 9g)	g	_____	_____
h Charitable Contributions (Page 2, Col e, Line 9h)	h	_____	_____
i Section 179 Expense (Page 2, Col e, Line 9i)	i	_____	_____
j Portfolio Income Expenses (Page 2, Col e, Line 9j)	j	_____	_____
k Other Deductions (Page 2, Col e, Line 9k)	k	_____	_____
l Interest Expense on Investment Debt (Page 2, Col e, Line 9l)	l	_____	_____
m Total Foreign Taxes Paid/Accrued (Page 2, Col e, Line 9m)	m	_____	_____
n Section 59(e) Expenditures (Page 2, Col e, Line 9n)	n	_____	_____
Total Loss and Deduction Items (Total Lines 9a-9n)	9a-n	_____	_____
o Other decreases (Page 2, Col e, Line 9o)	9o	_____	_____
p Loss from 179 asset disposition (Page 2, Col e, Line 9n)	9p	_____	_____
Total Decrease for Loss and Deductions Items and Business Credits		9	_____
10 Less: net increase applied to debt basis		10	_____
11 Stock Basis at End of Year (Cannot be negative)		11	18,007

Debt Basis

12 Debt basis at beginning of year (not less than zero)		12	_____
13 New loans to corporation during year		13	_____
14 Restoration of Debt Basis (Line 10)		14	_____
15 Less: Loans repaid by corporation during the year		15	_____
16 Less: Applied against excess loss and deductions / non-deductible items		16	_____
17 Debt basis at the end of tax year (combine lines 12-16) (not less than zero)		17	_____
18 Shareholder's total basis at end of tax year (combine lines 11 and 17)		18	18,007

Carryover

	Total Disallowed Losses	Debt Basis Applied Against Excess Losses and Deductions
19 Total Beginning of year	_____	_____
20 Add: Losses and deductions this year	_____	_____
21 Less: Applied this year	_____	_____
22 End of year (Not less than zero)	_____	_____

Allocation of Losses and Deductions

2011

Keep for your records.

Shareholder Number:	TIN: 400-00-2094	Year Ended: 12-31-2011	Ownership %: 14.285714
Shareholder Name: MANNY LOPEZ			
Corporation Name: SUNSHINE S CORPORATION			EIN: 40-0003013

		(a) Beginning of Year Losses and Deductions	(b) Current Year Losses and Deductions	(c) Total Losses and Deductions	(d) %	(e) Allocable Losses and Deductions in Current Year	(f) Disallowed Losses and Deductions (Carryover to Next Year)
9a Ordinary losses from trade or business	(Sch K, Line 1)	_____	_____	_____	_____	_____	_____
b Net losses from rental real estate activities	(Sch K, Line 2)	_____	_____	_____	_____	_____	_____
c Net losses from other rental activities	(Sch K, Line 3c)	_____	_____	_____	_____	_____	_____
d Net short-term capital losses	(Sch K, Lines 7 & 8a)	_____	_____	_____	_____	_____	_____
d Net long-term capital losses		_____	_____	_____	_____	_____	_____
e Other portfolio losses	(Sch K, Line 10a)	_____	_____	_____	_____	_____	_____
f Net losses under Section 1231	(Sch K, Line 9)	_____	_____	_____	_____	_____	_____
g Other losses	(Sch K, Line 10e)	_____	_____	_____	_____	_____	_____
h Charitable contributions	(Sch K, Line 12a-g)	_____	_____	_____	_____	_____	_____
i Section 179 expense deduction	(Sch K, Line 11)	_____	_____	_____	_____	_____	_____
j Portfolio income expenses	(Sch K, Line 12l)	_____	_____	_____	_____	_____	_____
k Other deductions	(Sch K, Ln 12, i,m-o,s)	_____	_____	_____	_____	_____	_____
l Interest expense on investment debts	(Sch K, Line 12h)	_____	_____	_____	_____	_____	_____
m Foreign taxes paid or accrued	(Sch K, Line 14l & m)	_____	_____	_____	_____	_____	_____
n Section 59(e) expenditures	(Sch K, Line 12j)	_____	_____	_____	_____	_____	_____
o Other decreases		_____	_____	_____	_____	_____	_____
p Loss from 179 asset		_____	_____	_____	_____	_____	_____
Total deductible losses and deductions		_____	_____	_____	_____	_____	_____
7a Nondeductible expenses & credit adj	(Sch K, Line 16c & 13)	_____	_____	_____	_____	_____	_____
b Oil and gas depletion	(Sch K, Line 17r)	_____	_____	_____	_____	_____	_____
Total nondeductible losses and deductions		_____	_____	_____	_____	_____	_____
Totals		_____	_____	_____	_____	_____	_____

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

Business or activity to which this form relates

Identifying number

SUNSHINE S CORPORATION

FORM 1120S

40-0003013

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	2,600

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	2,114
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	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

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

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

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	7,411
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	12,125
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	20090413	100 %	66,000	66,000	5	200 DB-HY	2,950		
Automobile	20100101	100 %	25,000	13,940	5	200 DB-HY	4,461		
		%							
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	7,411	
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

**IRS e-file Signature Authorization
for Form 1120S**

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax year beginning _____, 2011, ending _____, 20 _____.

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

Name of corporation

SUNSHINE S CORPORATION

Employer identification number

40-0003013

Part I Tax Return Information (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120S, line 1e)	1	541,800
2	Gross profit (Form 1120S, line 3)	2	391,840
3	Ordinary business income (loss) (Form 1120S, line 21)	3	163,517
4	Net rental real estate income (loss) (Form 1120S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120S, Schedule K, line 18)	5	173,517

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 on the corporation's 2011 electronically filed income tax return.
ERO firm name do not enter all zeros
- 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 ▶ Treasurer

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 ▶ 11-28-2011

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

Schedule K-1 Distribution Information

2011

Shareholder's name

GEORGE SMITH

Shareholder's ID Number

400-00-2091

Name of S Corporation

SUNSHINE S CORPORATION

S Corporation's EIN

40-0003013

Date of Distribution	Total Amount of Distribution	Ownership % at Date of Distribution	Shares	Shareholder's Pro Rata Share of Distribution
03-03-2011	120,000	14.28571	25	17,143
11-06-2011	116,000	14.28571	25	<u>16,571</u>
Total				<u><u>33,714</u></u>

Schedule K-1 Distribution Information**2011**

Shareholder's name

FRED SMITH

Name of S Corporation

SUNSHINE S CORPORATION

Shareholder's ID Number

400-00-2092

S Corporation's EIN

40-0003013

Date of Distribution	Total Amount of Distribution	Ownership % at Date of Distribution	Shares	Shareholder's Pro Rata Share of Distribution
03-03-2011	120,000	42.85714	75	51,429
11-06-2011	116,000	42.85714	75	<u>49,714</u>
Total				<u><u>101,143</u></u>

Schedule K-1 Distribution Information**2011**

Shareholder's name

MARLIN MAXWELL

Name of S Corporation

SUNSHINE S CORPORATION

Shareholder's ID Number

400-00-2093

S Corporation's EIN

40-0003013

Date of Distribution	Total Amount of Distribution	Ownership % at Date of Distribution	Shares	Shareholder's Pro Rata Share of Distribution
03-03-2011	120,000	28.57143	50	34,286
11-06-2011	116,000	28.57143	50	<u>33,143</u>
Total				<u><u>67,429</u></u>

Schedule K-1 Distribution Information**2011**

Shareholder's name

MANNY LOPEZ

Name of S Corporation

SUNSHINE S CORPORATION

Shareholder's ID Number

400-00-2094

S Corporation's EIN

40-0003013

Date of Distribution	Total Amount of Distribution	Ownership % at Date of Distribution	Shares	Shareholder's Pro Rata Share of Distribution
03-03-2011	120,000	14.28571	25	17,142
11-06-2011	116,000	14.28571	25	<u>16,572</u>
Total				<u><u>33,714</u></u>

Listing of Shareholder Distributions

2011

Name(s) as shown on return

Employer Identification Number

SUNSHINE S CORPORATION

40-0003013

Date

Amount

03-03-2011

120,000

11-06-2011

116,000

Total

236,000

Summary of Stock Ownership

2011

CORPORATION NAME SUNSHINE S CORPORATION					EIN 40-0003013	
Shareholder Information			Shares		% Ownership	
Name	EIN/SSN	Type	Beginning	Ending	Beginning	Ending
GEORGE SMITH	400-00-2091		25	25	14.28571	14.28571
FRED SMITH	400-00-2092		75	75	42.85714	42.85714
MARLIN MAXWELL	400-00-2093		50	50	28.57143	28.57143
MANNY LOPEZ	400-00-2094		25	25	14.28572	14.28572
			<u>175</u>	<u>175</u>		
Total			<u>175</u>	<u>175</u>		

Federal Supporting Statements**2011****PG01**

Name(s) as shown on return

FEIN

SUNSHINE S CORPORATION**40-0003013****Form 1120S Line 5**

Statement # 1

Description**Amount**

Interest Income on Receivables	4,500
Taxable Income from Insurance Proceeds	17,977
Total	<u>22,477</u>

Form 1120S Line 19**PG01**
Statement # 2**Description****Amount**

Accounting	850
Bank Charges	450
Cash Short/Over	350
Education and Training	2,950
Independent Contractor	9,000
Building and Equipment Insurance	1,200
Liability Insurance	2,500
Workers Comp Insurance	5,000
Internet	350
Janitorial	11,000
Legal and Professional	3,000
Marketing	1,750
Postage/Shipping	750
Printing	1,500
Software	1,000
Supplies	3,000
Telephone	575
Travel	6,200
Utilities	3,750
Total	<u>55,175</u>

Federal Supporting Statements

2011

PG01

Name(s) as shown on return

FEIN

SUNSHINE S CORPORATION

40-0003013

Schedule M-2 Line 3

Statement # 29

Description

Amount

Ordinary Dividends

10,000

Total

10,000

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

S CORPORATION NAME SUNSHINE S CORPORATION	EIN 40-0003013
--	---------------------------------

Taxes and Licenses	Form 1120S	Page 1, Line 12
---------------------------	-------------------	------------------------

1	State income taxes	1	
2	State franchise taxes	2	
3	City income taxes	3	
4	City franchise taxes	4	
5	Local property taxes	5	1,500
6	Intangible property taxes	6	
7	Payroll taxes	7	22,000
8	Less: credit from Form 8846	8	
9	Foreign taxes paid	9	
10	Occupancy taxes	10	
11	Other miscellaneous taxes	11	
12	Built in gains tax allocated to ordinary income	12	
13	Licenses	13	1,000
14	Total to Form 1120S, Page 1, Line 12	14	24,500

(Keep for your records)

S CORPORATION NAME

EIN

SUNSHINE S CORPORATION

40-0003013

Description	Schedule K	K-1 Totals	Difference
1 Ordinary business income (loss)	163,517	163,517	
5 a Ordinary dividends	10,000	10,000	
b Qualified dividends	10,000	10,000	
15 A Post - 1986 depreciation adjustment	(147)	(147)	
16 D Property distributions	236,000	236,000	
17 a Investment income	10,000	10,000	

Schedule M-2/Retained Earnings Worksheet (Keep for your records)	2011
Form 1120S	
Corporation Name SUNSHINE S CORPORATION	EIN 40-0003013
Analysis of Current-Year Retained Earnings	
1 Beginning retained earnings per balance sheet (Schedule L, column b, lines 24 and 25)	1 <u>186,609</u>
2 Book income (loss) (Schedule M-1, line 1, or Schedule M-3, page 1, line 11)	2 <u>173,517</u>
3 Distributions (Schedule K, line 16d)	3 <u>(236,000)</u>
4 Subtotal (combines lines 1 through 3)	4 <u>124,126</u>
5 Ending retained earnings per balance sheet (Schedule L, column d, lines 24 and 25)	5 <u>124,126</u>
6 Difference (line 4 minus line 5) (should be zero)	6 _____
Current-Year Change to Retained Earnings Compared to Current-Year Change to AAA & OAA	
1 Ending retained earnings (Schedule L, column d, line 24)	1 <u>124,126</u>
2 Beginning retained earnings (Schedule L, column b, line 24)	2 <u>186,609</u>
3 Retained earnings change (line 1 minus line 2)	3 <u>(62,483)</u>
4 Ending AAA plus OAA	4 <u>124,126</u>
5 Beginning AAA plus OAA	5 <u>186,609</u>
6 Difference (line 4 minus line 5)	6 <u>(62,483)</u>
Current-Year Timing Adjustments per Schedule M-1	
Subtractions from net income per books (Schedule M-1, lines 5 and 6 - not included on Schedule M-2)	
7 Other income recorded on books not included on Schedule K	7 _____
8 Depreciation on Schedule K not included on books	8 _____
9 Other Schedule K items not included on books	9 _____
10 Total subtractions (lines 7 through 9)	10 _____
Additions to net income per books (Schedule M-1, lines 2 and 3 - not included on Schedule M-2, line 3)	
11 Income included on Schedule K not recorded on books	11 _____
12 Depreciation on books not included on Schedule K	12 _____
13 Other items on books not included on Schedule K	13 _____
14 Total additions (lines 11 through 13)	14 _____
15 Sch M-1 timing adjustments not included on Schedule M-2, lines 2 thru 5 (subtract line 14 from line 10).	15 _____
Current-Year Timing Adjustments Per Schedule M-3	
Permanent or temporary book-to-tax difference amounts entered on the M32, M33, 8916A, and SCH3 screens appear on line 16 and line 17 as opposite of the actual entries. For example, an entry of -100 would appear as 100.	
16 Permanent differences	16 _____
17 Temporary differences	17 _____
18 Timing adjustments not included on Schedule M-2 (combine lines 16 and 17)	18 _____
19 Distributions reported on Schedule K, line 16d, not allowed on Schedule M-2, line 7	19 _____
20 Adjustments to retained earnings (Schedule L, line 25 column d minus Schedule L, line 25, column b)	20 _____
21 M-2 amount after M-1 timing adjustments (add lines 6, 15, 19, and 20)	21 <u>(62,483)</u>
22 M-2 amount after M-3 timing adjustments (add lines 6, 18, 19, and 20)	22 _____
23 Net reconciliation difference (line 3 minus line 21 or 22)	23 _____

Depreciation Detail Listing

FORM 1120S

For your records only

2011

PAGE 1

* Item was disposed
of during current year.

Name(s) as shown on return

SUNSHINE S CORPORATION

Social security number/EIN

40-0003013

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	FREEZER	20090712	13,000		100.00		13,000	5	S/L HY	20	2,600	6,500			2,600
2	TRUCK	20090413	66,000		100.00		66,000	5	200 DB HY	19.2	2,950	10,910			2,950
3	COMPUTER SYSTEM 2	20060312	15,000		100.00		15,000	5	200 DB HY	5.76	864	13,776			546
4	COMPUTER SYSTEM 1	20090312	55,000		100.00	55,000	0	7	EXP	0		55,000	55,000		
5	OFFICE FURNITURE	20070312	14,000		100.00		14,000	7	200 DB HY	8.93	1,250	12,397			1,715
6	Automobile	20100101	25,000		100.00		13,940	5	200 DB HY	32	4,461	15,521		PY 11,060	4,461
7	Freezer	20100630	175,000		100.00	175,000	0	5	EXP	0		175,000	175,000		
Totals			363,000			230,000	121,940				12,125	289,104	230,000		12,272

Land Amount
Net Depreciable Cost

363,000

ST ADJ:

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

Employer identification number

SUNSHINE S CORPORATION

40-0003013

1	Inventory at beginning of year	1	36,960
2	Purchases	2	116,000
3	Cost of labor	3	14,000
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	166,960
7	Inventory at end of year	7	17,000
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	149,960

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