

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20051530

1. REQUESTED MOTION:

ACTION REQUESTED:

Request Board's approval and Chairman's signature on federal and state tax returns for Three "S" Disposal, Incorporated. There is no tax due.

WHY ACTION IS NECESSARY:

To file federal and state tax returns.

WHAT ACTION ACCOMPLISHES:

File Forms 1120 and F-1120A, federal and state tax returns, for Three "S" Disposal, Incorporated for the year ended August 31, 2005.

2. DEPARTMENTAL CATEGORY: 15

CISA

3. MEETING DATE:

11-01-2005

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

5. REQUIREMENT/PURPOSE:
(Specify)

- STATUTE
- ORDINANCE
- ADMIN. CODE
- OTHER
- as above

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER
- B. DEPARTMENT Clerk of Circuit Court
- C. DIVISION Finance and Records Department

BY: Donna G. Harn

dh

7. BACKGROUND:

Lee County was appointed Receiver of the Public Service Commission regulated wastewater treatment plant previously operated by Three "S" Disposal, Inc. in July 1991.

Lee County, as receiver, is responsible for filing all federal and state income tax forms.

Tax returns that require signatures are as follows:

- Form 1120 U.S. Corporation Income Tax Return
- Form F-1120A Florida Corporate Short Form Income Tax Return

After approval by the Board and Chairman's signature please return the original forms to Finance for submission. The returns must be mailed on or before November 15, 2005.

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>dh</i>			<i>[Signature]</i>	<i>[Signature]</i>	OA <i>[Signature]</i> 10/18/05	OM <i>[Signature]</i> 10/19/05	Risk <i>[Signature]</i> 10/18/05	GC <i>[Signature]</i> 10/18/05	<i>[Signature]</i> 10/18/05

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

RECEIVED BY
COUNTY ADMIN: *[Signature]*
Date: 10-17-05
Time: 4:25
COUNTY ADMIN
FORWARDED TO: *[Signature]*
10/20/05
9:30am

Rec. by CoAtty
Date: 10/17/05
Time: 3:10pm
Forwarded to:
Budget
10/18/05 4:05pm

1120

U.S. Corporation Income Tax Return

OMB No. 1545-0123

Form Department of the Treasury Internal Revenue Service

For calendar year 2004 or tax year beginning 2004, ending 2004, ending 2004

2004

A Check if: 1 Consolidated return (attach Form 951) 2 Personal holding co. (attach Sch. PH) 3 Personal service corp. (see instructions) 4 Schedule M-3 required (attach Sch. M-3) Use IRS label. Otherwise, print or type. Name: Three S Disposal Incorporated. Employer identification number: 59-1948795. Date incorporated: 07/26/79. Total assets: \$0.

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

Income section table with columns 1a-11 and 1c. Rows include Gross receipts or sales, Cost of goods sold, Gross profit, Dividends, Interest, Gross rents, Gross royalties, Capital gain net income, Net gain or (loss) from Form 4797, and Total income (0).

Deductions section table with columns 12-29 and 21b-29c. Rows include Compensation of officers, Salaries and wages, Repairs and maintenance, Bad debts, Rents, Taxes and licenses, Interest, Charitable contributions, Depreciation, Less depreciation claimed, Depletion, Advertising, Pension, profit-sharing, etc., plans, Employee benefit programs, Other deductions, Total deductions (0), and Taxable income before net operating loss deduction.

Tax and Payments section table with columns 30-36. Rows include Taxable income, Total tax, Payments (2003 overpayment, 2004 estimated tax, Less 2004 refund, Tax deposited, Credit for tax paid, Credit for Federal tax on fuels), Estimated tax penalty, Tax due (0), Overpayment, and Enter amount of line 35.

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

Signature of officer, Date, Title, and box: May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, address, and ZIP code, FIN, Phone no.

Schedule A Cost of Goods Sold (see page 17 of instructions)

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

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶

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

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

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

Schedule C Dividends and Special Deductions (see page 18 of instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	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 that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total. Add lines 1 through 8. See page 19 of 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 and certain FSCs that are subject to the 100% deduction	100	
12	Dividends from controlled foreign corporations subject to the 85% deduction (attach Form 8895)	85	
13	Other 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 (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
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 E Compensation of Officers (see instructions for page 1, line 12, on page 13 of instructions)

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

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

Schedule J Tax Computation (see page 20 of instructions)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563). <input type="checkbox"/>		
Important: Members of a controlled group, see page 20 of instructions.			
2a	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):		
	(1) \$ _____ (2) \$ _____ (3) \$ _____		
b	Enter the corporation's share of:		
	(1) Additional 5% tax (not more than \$11,750) \$ _____		
	(2) Additional 3% tax (not more than \$100,000) \$ _____		
3	Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 21) <input type="checkbox"/>		3
4	Alternative minimum tax (attach Form 4626)		4
5	Add lines 3 and 4		5
6a	Foreign tax credit (attach Form 1118)	6a	
6b	Possessions tax credit (attach Form 5735)	6b	
6c	Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)	6c	
6d	General business credit. Check box(es) and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____	6d	
6e	Credit for prior year minimum tax (attach Form 8827)	6e	
6f	Qualified zone academy bond credit (attach Form 8860)	6f	
7	Total credits. Add lines 6a through 6f		7
8	Subtract line 7 from line 5		8
9	Personal holding company tax (attach Schedule PH (Form 1120))		9
10	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)		10
11	Total tax. Add lines 8 through 10. Enter here and on page 1, line 31		11

Schedule K Other Information (see page 23 of instructions)

	Yes	No		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 page 25 of the instructions and enter the:				
a	Business activity code no. ▶ _____				
b	Business activity ▶ Sewer Disposal				
c	Product or service ▶ Disposal				
3		<input checked="" type="checkbox"/>	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 schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.				
4		<input checked="" type="checkbox"/>	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 ▶ _____				
5		<input checked="" type="checkbox"/>	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)		
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ _____				
6		<input checked="" type="checkbox"/>	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, Affiliations Schedule, for each subsidiary.				
7			At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?		<input checked="" type="checkbox"/>
	If "Yes," enter: (a) Percentage owned ▶ _____ and (b) 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 number of Forms 5472 attached ▶ _____				
8		<input type="checkbox"/>	Check this box if the corporation issued publicly offered debt instruments with original issue discount		
	If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.				
9			Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0		
10			Enter the number of shareholders at the end of the tax year (if 75 or fewer) ▶ _____		
11		<input type="checkbox"/>	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 Temporary Regulations section 1.1502-21T(b)(3)(i) or (ii) 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.) ▶ \$ 657,238		
13		<input checked="" type="checkbox"/>	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?		
	If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____				

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120), Foreign Operations of U.S. Corporations**, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
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				
Liabilities and Shareholders' Equity				
16 Accounts payable				
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				
23 Additional paid-in capital				
24 Retained earnings—Appropriated (attach schedule)				
25 Retained earnings—Unappropriated				
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock	()		()	
28 Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see page 24 of instructions)

1 Net income (loss) per books		7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		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		9 Add lines 7 and 8	
		10 Income (page 1, line 28)—line 6 less line 9	

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

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

THREE "S" DISPOSAL INCORPORATED
FORM - 1120
F.E.I.N. 59-1948795
FY SEPTEMBER 1, 2004 TO AUGUST 31, 2005
TAX YEAR 2004

Page 1 - Line 29a- Net operating loss deduction

NOL YE 8/31/85	18,786
NOL YE 8/31/88	44,976
NOL YE 8/31/89	16,497
NOL YE 8/31/90	54,669
NOL YE 8/31/91	85,901
NOL YE 8/31/92	174,306
NOL YE 8/31/93	179,800
NOL YE 8/31/94	54,827
Net operating gain	
NOG YE 8/31/95	(1,366)
NOG YE 8/31/96	(2,656)
NOG YE 8/31/97	(1,863)
NOG YE 8/31/98	(2,237)
Net operating loss deduction	
NOL YE 8/31/99	40,990
Net operating gain	
NOG YE 8/31/00	(620)
NOG YE 8/31/01	(2,363)
NOG YE 8/31/02	(1,243)
NOG YE 8/31/03	(1,071)
NOG YE 8/31/04	(95)
TOTAL	<u>657,238</u>