

▶ Do not file this form unless the corporation has filed Form 2553

to elect to be an S corporation.

▶ See separate instructions.

2005

Department of the Treasury
Internal Revenue Service

For calendar year 2005, or tax year beginning

, 2005, and ending

, 20

A Effective date of S election 11-04-1997	Use the IRS label. Otherwise, print or type.	Name ARPS INC Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 1181 City or town, state, and ZIP code SOUTHWICK MA 01077	C Employer identification number 04-3361907
B Business code number (see instructions) 722410			D Date incorporated 01-01-1997
F Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return			E Total assets (see instructions) \$ 98,281
G Enter number of shareholders in the corporation at end of the tax year ▶			2

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

Income	1 a	Gross receipts or sales	335,143	b	Less returns and allowances	180	c Bal	1c	334,963
	2	Cost of goods sold (Schedule A, line 8)		2				2	115,326
	3	Gross profit. Subtract line 2 from line 1c		3				3	219,637
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		4				4	
	5	Other income (loss) (attach statement)		5				5	
	6	Total income (loss). Add lines 3 through 5		6				6	219,637
Deductions <small>(see the instructions for limitations)</small>	7	Compensation of officers		7				7	
	8	Salaries and wages (less employment credits)		8				8	46,836
	9	Repairs and maintenance		9				9	8,936
	10	Bad debts		10				10	
	11	Rents		11				11	25,151
	12	Taxes and licenses		12				12	35,199
	13	Interest		13				13	
	14 a	Depreciation (attach Form 4562)		14a		1,406			
	b	Depreciation claimed on Schedule A and elsewhere on return		14b					
	c	Subtract line 14b from line 14a		14c				14c	1,406
	15	Depletion (Do not deduct oil and gas depletion.)		15				15	
16	Advertising		16				16	9,285	
17	Pension, profit-sharing, etc., plans		17				17		
18	Employee benefit programs		18				18		
19	Other deductions (attach statement)		19			Statement # 2	19	79,493	
20	Total deductions. Add the amounts shown in the far right column for lines 7 through 19		20				20	206,306	
21	Ordinary business income (loss). Subtract line 20 from line 6		21				21	13,331	
Tax and Payments	22 a	Excess net passive income tax (attach statement)		22a					
	b	Tax from Schedule D (Form 1120S)		22b					
	c	Add lines 22a and 22b (see the instructions for additional taxes)		22c					
	23 a	2005 estimated tax payments and amount applied from 2004 return		23a					
	b	Tax deposited with Form 7004		23b					
	c	Credit for Federal tax paid on fuels (attach Form 4136)		23c					
	d	Add lines 23a through 23c		23d					
24	Estimated tax penalty (see instructions). Check if Form 2220 is attached		24				24		
25	Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed		25				25		
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid		26				26		
27	Enter amount of line 26 you want: Credited to 2006 estimated tax ▶		27			Refunded ▶	27		

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 _____	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Preparer's signature Walter E. Drenen, EA	Date 11-20-2007	Check if self-employed <input type="checkbox"/>	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	
	DRENEN FINANCIAL SERVICES, INC. 642 COLLEGE HIGHWAY SOUTHWICK MA 01077	20-0801914	(413) 569-0015	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	18,098
2	Purchases	2	113,203
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	131,301
7	Inventory at end of year	7	15,975
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	115,326

9 a 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? Yes No
 If "Yes," attach explanation.

Schedule B Other Information(see instructions)

		Yes	No
1	Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____		
2	See the instructions and enter the: (a) Business activity SPORTS BAR (b) Product or service BEVERIDGE SALES		
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, address, and employer identification number and (b) percentage owned		X
4	Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5	Has the corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
6	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.		
7	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 its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) 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 <input type="checkbox"/> \$ _____		
8	Check this box if the corporation had accumulated earnings and profits at the close of the tax year <input type="checkbox"/>		
9	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

Note: If the corporation 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.

Schedule K Shareholders' Shares of Income, Deductions, Credits, etc.

Shareholders' Pro Rata Share Items		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	13,331
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	
(L o s s)	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
6	Royalties	6	
7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
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	1,251
	12a	Contributions	12a	350
	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 & Credit Recapture	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	Credit for alcohol used as fuel (attach Form 6478)	13f	
	g	Other credits and credit recapture (see instructions) Type ▶ _____	13g	
Foreign Transactions	14a	Name of country or U.S. possession ▶ _____		
	b	Gross income from all sources	14b	
	c	Gross income sourced at shareholder level	14c	
		Foreign gross income sourced at corporate level:		
	d	Passive	14d	
	e	Listed categories (attach statement)	14e	
	f	General limitation	14f	
		Deductions allocated and apportioned at shareholder level:		
	g	Interest expense	14g	
	h	Other	14h	
		Deductions allocated and apportioned at corporate level to foreign source income:		
	i	Passive	14i	
	j	Listed categories (attach statement)	14j	
	k	General limitation	14k	
	Other information:			
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	130
	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	Property distributions	16d	
	e	Repayment of loans from shareholders	16e	
Other Information	17a	Investment income	17a	
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement)		
	e	Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) 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	17e	11,730

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		16,367		31,285
2 a	Trade notes and accounts receivable	1,200		1,200	
b	Less allowance for bad debts		1,200		1,200
3	Inventories		18,098		15,975
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10 a	Buildings and other depreciable assets	105,391		115,042	
b	Less accumulated depreciation	76,428	28,963	79,085	35,957
11 a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13 a	Intangible assets (amortizable only)	25,500		25,500	
b	Less accumulated amortization	12,169	13,331	13,836	11,664
14	Other assets (attach statement)		2,200		2,200
15	Total assets		80,159		98,281
Liabilities and Shareholders' Equity					
16	Accounts payable		10,135		(695)
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)		10,844		9,669
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		17,100		13,601
21	Other liabilities (attach statement)				
22	Capital stock		1,500		1,500
23	Additional paid-in capital		51,402		62,743
24	Retained earnings		(10,822)		11,463
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		80,159		98,281

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

1	Net income (loss) per books	11,730	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	11,730	8	Income (loss) (Schedule K, line 17e). Line 4 less line 7	11,730

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	(10,822)	
2	Ordinary income from page 1, line 21	13,331	
3	Other additions	8,954	
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5	11,463	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	11,463	

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

Department of the Treasury
Internal Revenue Service

For calendar year 2005, or tax
year beginning _____, 2005
and ending _____, 20__

2005

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

▶ See separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
04-3361907

B Corporation's name, address, city, state, and ZIP code
ARPS INC
PO BOX 1181
SOUTHWICK MA 01077

C IRS Center where corporation filed return

D Tax shelter registration number, if any _____

E Check if Form 8271 is attached


Part II Information About the Shareholder

F Shareholder's identifying number
010-54-4219

G Shareholder's name, address, city, state and ZIP code
PAULINE M SLATE
138 COREY COLONIAL
AGAWAM MA 01001

H Shareholder's percentage of stock ownership for tax year **100.00000** %

For IRS Use Only



Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 13,331	13	Credits & credit recapture
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	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 A	Alternative minimum tax (AMT) items 130
11	Section 179 deduction 1,251	16	Items affecting shareholder basis
12 A	Other deductions 350		
		17	Other information

* See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

	<u>Code</u>	<u>Enter on</u>
1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:		
Passive loss	<u>Enter on</u>	
Passive income	See the Shareholder's Instructions	
Nonpassive loss	Schedule E, line 28, column (h)	
Nonpassive income	Schedule E, line 28, column (j)	
2. Net rental real estate income (loss)	See the Shareholder's Instructions	
3. Other net rental income (loss)		
Net income	Schedule E, line 28, column (g)	
Net loss	See the Shareholder's Instructions	
4. Interest income	Form 1040, line 8a	
5a. Ordinary dividends	Form 1040, line 9a	
5b. Qualified dividends	Form 1040, line 9b	
6. Royalties	Schedule E, line 4	
7. Net short-term capital gain (loss)	Schedule D, line 5, column (f)	
8a. Net long-term capital gain (loss)	Schedule D, line 12, column (f)	
8b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	
8c. Unrecaptured section 1250 gain	See the Shareholder's Instructions	
9. Net section 1231 gain (loss)	See the Shareholder's Instructions	
10. Other income (loss)		
<u>Code</u>		
A Other portfolio income (loss)	See the Shareholder's Instructions	
B Involuntary conversions	See the Shareholder's Instructions	
C Sec. 1256 contracts & straddles	Form 6781, line 1	
D Mining exploration costs recapture	See Pub. 535	
E Other income (loss)	See the Shareholder's Instructions	
11. Section 179 deduction	See the Shareholder's Instructions	
12. Other deductions		
A Cash contributions (50%)	Schedule A, line 15a	
B Cash contributions (30%)	Schedule A, line 15a	
C Noncash contributions (50%)	Schedule A, line 16	
D Noncash contributions (30%)	Schedule A, line 16	
E Capital gain property to a 50% organization (30%)	Schedule A, line 16	
F Capital gain property (20%)	Schedule A, line 16	
G Cash contributions (100%)	See the Shareholder's Instructions	
H Investment interest expense	Form 4952, line 1	
I Deductions - royalty income	Schedule E, line 18	
J Section 59(e)(2) expenditures	See the Shareholder's Instructions	
K Deductions - portfolio (2% floor)	Schedule A, line 22	
L Deductions - portfolio (other)	Schedule A, line 27	
M Reforestation expense deduction	See the Shareholder's Instructions	
N Preproductive period expenses	See the Shareholder's Instructions	
O Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions	
P Domestic production activities information	See Form 8903 Instructions	
Q Qualified production activities income	Form 8903, line 7	
R Employer's W-2 wages	Form 8903, line 13	
S Other deductions	See the Shareholder's Instructions	
13. Credits & credit recapture		
A Low-income housing credit (section 42(j)(5))	Form 8586, line 4	
B Low-income housing credit (other)	Form 8586, line 4	
C Qualified rehabilitation expenditures (rental real estate)	Form 3468, line 1	
D Qualified rehabilitation expenditures (other than rental real estate)	Form 3468, line 1	
E Basis of energy property	See the Shareholder's Instructions	
F Other rental real estate credits	See the Shareholder's Instructions	
G Other rental credits	See the Shareholder's Instructions	
H Undistributed capital gains credit	Form 1040, line 70, check box a	
I Credit for alcohol used as fuel	Form 6478, line 4	
J Work opportunity credit	Form 5884, line 3	
K Welfare-to-Work credit	Form 8861, line 3	
L Disabled access credit	Form 8826, line 7	
M Empowerment zone and renewal community employment credit	Form 8844, line 3	
N Credit for increasing research activities	Form 6765, line 42	
O New markets credit	Form 8874, line 2	
P Credit for employer social security and Medicare taxes	Form 8846, line 5	
Q Backup withholding	Form 1040, line 64	
R Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
S Recapture of low-income housing credit (other)	Form 8611, line 8	
T Recapture of investment credit	See Form 4255	
U Other credits	See the Shareholder's Instructions	
V Recapture of other credits	See the Shareholder's Instructions	
14. Foreign transactions		
A Name of country or U.S. possession	Form 1116, Part I	
B Gross income from all sources	Form 1116, Part I	
C Gross income sourced at shareholder level	Form 1116, Part I	
<u>Foreign gross income sourced at corporate level</u>		
D Passive	Form 1116, Part I	
E Listed categories	Form 1116, Part I	
F General limitation	Form 1116, Part I	
<u>Deductions allocated and apportioned at shareholder level</u>		
G Interest expense	Form 1116, Part I	
H Other	Form 1116, Part I	
<u>Deductions allocated and apportioned at corporate level to foreign source income</u>		
I Passive	Form 1116, Part I	
J Listed categories	Form 1116, Part I	
K General limitation	Form 1116, Part I	
<u>Other information</u>		
L Total foreign taxes paid	Form 1116, Part II	
M Total foreign taxes accrued	Form 1116, Part II	
N Reduction in taxes available for credit	Form 1116, line 12	
O Foreign trading gross receipts	Form 8873	
P Extraterritorial income exclusion	Form 8873	
Q Other foreign transactions	See the Shareholder's Instructions	
15. Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment	} See the Shareholder's Instructions and the Instructions for Form 6251	
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal - gross income		
E Oil, gas, & geothermal - deductions		
F Other AMT items		
16. Items affecting shareholder basis		
A Tax-exempt interest income	Form 1040, line 8b	
B Other tax-exempt income	See the Shareholder's Instructions	
C Nondeductible expenses	See the Shareholder's Instructions	
D Property distributions	See the Shareholder's Instructions	
E Repayment of loans from shareholders	See the Shareholder's Instructions	
17. Other information		
A Investment income	Form 4952, line 4a	
B Investment expenses	Form 4952, line 5	
C Look-back interest - completed long-term contracts	See Form 8697	
D Look-back interest - income forecast method	See Form 8866	
E Dispositions of property with section 179 deductions	} See the Shareholder's Instructions	
F Recapture of section 179 deduction		
G Section 453(l)(3) information		
H Section 453A(c) information		
I Section 1260(b) information		
J Interest allocable to production expenditures		
K CCF nonqualified withdrawal		
L Information needed to figure depletion - oil and gas		
M Amortization of reforestation costs		
N Other information		