

Partnership Return #12

1065 Partnership for Lakeside Vinyl Siding Mfg- Partnership number: 400001812

Enter the following information in Drake Software to create a 1065 return.

Partnership General Information

The client is Lakeside Vinyl Siding Mfg.

Business start date: May 12, 2000

Accounting method: Accrual

The address is:

1234 University Ave
Gainesville, FL 32611
Alachua County
Telephone – 904-222-2222

Principal business activity: Manufacturing

Principal product: Siding

Principal business code: 238100

Resident state: FL but for this exercise suppress the state.

Income and Deductions

Enter the following information on the **Income and Deductions** screen:

Income	
Gross receipts or sales	\$869,658
Returns and allowances	\$ 29,242
Deductions	
Salaries and wages	\$ 52,000
Repairs and maintenance	\$ 4,000
Rents	\$ 36,000
Interest expense	\$ 8,000
Retirement plans	\$ 2,000
Employee benefit programs	\$ 4,000
Ordinary dividends	\$ 1,000
Qualified dividends	\$ 200

Taxes and licenses

Enter the following information:

Local property taxes	\$ 4,820
Payroll Taxes	\$ 4,000
Licenses	\$ 1,520

Enter the following **Other Deductions**:

Accounting	\$ 8,000
Insurance	
Building and Equipment	\$ 4,000
Liability	\$ 4,000
Workers' Compensation	\$ 4,000
Janitorial	\$11,250
Legal and Professional	\$ 6,000
Office expense	\$ 4,000
Postage	\$ 2,000
Supplies	\$ 6,500
Telephone	\$ 1,000

The **Cost of Goods Sold** information:

Line	Date entry	Amount or description	Amount
1	Inventory Beginning of year	\$ 64,000	
2	Purchases	\$340,800	
3	Cost of labor	\$143,204	
4	Additional section 263A	Warehousing	\$ 7,000
5	Other costs (Excluding depreciation)	Utilities	\$17,000
		Professional fees	\$60,000
		Miscellaneous	\$13,000
7	Inventory at end of year	\$104,800	
9a	Method used for valuing inventory	Lower of cost or market	
9d	Do 263A rules apply	Yes	
9e	Was there a change in determining inventories?	No	

Other Information

Lakeside Vinyl is a domestic general partnership.

All other questions answer **No**.

Enter number **1** as the **Partner Number** in the **Tax matter partner area**

Other Information Lines 3a and 3b.

John Lake
 ID Number 400001001
 Individual
 US Citizen
 50%

Fred Lake
 ID Number 400001002
 Individual
 US Citizen
 50%

Schedule K

Enter \$2,000 Federal tax exempt interest line 18A

Enter partner information:

John Lake

ID Number: 400001001

888 Vinyl Rd

Gainesville, FL 32611

Resident state: FL

Partner type: General

Partner is: Domestic

Partner's type of entity: Individual

Partner's %: Before Change Year End

Profit	50	50
Loss	50	50
Capital	50	50

Beginning capital account: \$156,596

Fred Lake

ID Number: 400001002

1015 Siding Way

Gainesville, FL 32611

Resident state: FL

Partner type: General

Partner is: Domestic

Partner's type of entity: Individual

Partner's %: Before Change Year End

Profit	50	50
Loss	50	50
Capital	50	50

Beginning capital account: \$156,596

Partner's Adjusted Basis

ID Number: 400001001

Name: John Lake

Fair market value of partner's personal property not used in the partnership – \$15,000.

Partner's Adjusted Basis

ID Number: 400001002

Name: Fred Lake

Create a worksheet for:

Prior Year contributions:

United Way	\$3,000
Tree City USA	\$3,000
Relay for Life	\$3,000

Partner Special Allocations

Enter Ordinary Dividends – dollar allocation

John Lake - \$600

Fred Lake - \$400

Schedule L assets

Enter the following Schedule L assets:

Item	Beginning of year	End of year
Cash	\$102,206	\$142,168
Trade Notes & Accounts rec	\$ 60,744	\$ 93,829
Less allowance for bad debt	\$ 1,000	\$ 1,000
Tax exempt securities	\$100,000	\$100,000

Schedule L – Liabilities and Capital

Item	Beginning of year	End of year
Accounts payable	\$ 26,000	\$ 19,001
Payables less than 1 year	\$ 4,000	\$ 4,000
Payables more than one year	\$130,000	\$119,724
Partners' capital accounts	\$313,192	\$435,109

Line 6 Other

Item	Beginning of year	End of year
Prepaid Insurance	\$ 7,000	\$0

Line 17 Other

Item	Beginning of year	End of year
Profit sharing	\$ 3,600	\$3,600

Schedule M-1 Reconciliation of Income

Make the following entries on income recorded on books but not on Schedule K:

And an entry for Unrealized gain: \$4,000

Enter the following Capital Gains or losses

Description	Date Acq	Date Sold	Sales Price	Cost
Sale stock 200 ABC	06-12-2007	05-12-2008	\$53,900	\$56,000
Sale stock 200 XYZ	02-28-2001	08-21-2007	\$19,500	\$15,000

Depreciation

Enter the following items:

#	For	Description	Date Acq	Cost	%Use	Method	Life	Prior Dep
1	1065	Saw	06-15-2004	\$ 26,000	100	SL	7	\$ 6,500
2	1065	Truck	05-15-2008	\$ 35,000	100	M	5	
3	1065	Forklift	11-22-2003	\$ 65,000	100	SL	7	\$46,428
4	8825	Warehouse	05-15-2002	\$125,000	100	SL	39	\$19,230

Enter Rental Real Estate on screen **8825**

Check the box "Check to include in self-employment income"

Kind of property: Warehouse

Address: 222 Vinyl Dr
Gainesville, FL

Gross rents:	\$23,000
-Taxes	\$ 1,600
Utilities:	\$ 3,600
Wages and salaries	\$ 1,200

PRNT screen

Form and Other schedules Print Options

Check **FORCE** print schedules **L, M-1, M-2 & K-1 Section L.**

Print partner's adjusted basis worksheet

Suppress Printing

Check **Turn off auto-balance**

Item L on Sch K1 (Partner's capital account analysis)

Check **GAAP.**