

1065EF

EF Transmission Status

2011

(Keep for your records)

Name(s) as shown on return

EIN number

LAKESIDE FERTILIZER MFG

40-0003012

The following will be transmitted to the IRS.

1065 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

U.S. Return of Partnership Income
For calendar year 2011, or tax year beginning _____, 2011, ending _____, 20____
▶ See separate instructions.

2011

| | | | |
|--|-------------------------------|--|---|
| A Principal business activity MANUFACTURING | Print or type. | Name of partnership LAKESIDE FERTILIZER MFG | D Employer identification number 40-0003012 |
| B Principal product or service FERTILIZER | | Number, street, and room or suite no. If a P.O. box, see the instructions. 1234 UNIVERSITY AVE | E Date business started 05-12-2000 |
| C Business code number 325300 | | City or town, state, and ZIP code GAINESVILLE, FL 32611 | F Total assets (see the instructions) \$ 687,614 |

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
(6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2
- J** Check if Schedules C and M-3 are attached

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

| | | | | |
|--|---|------------|---------|--|
| I n c o m e | 1a Merchant card and third-party payments (including amounts reported on Form(s) 1099-K). For 2011, enter -0- | 1a | 0 | |
| | b Gross receipts or sales not reported on line 1a (see instructions) | 1b | 885,000 | |
| | c Total. Add lines 1a and 1b | 1c | 885,000 | |
| | d Returns and allowances plus any other adjustments to line 1a (see instructions) | 1d | 30,271 | |
| | e Subtract line 1d from line 1c | 1e | 854,729 | |
| | 2 Cost of goods sold (attach Form 1125-A) | 2 | 528,000 | |
| | 3 Gross profit. Subtract line 2 from line 1e | 3 | 326,729 | |
| | 4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) | 4 | | |
| 5 Net farm profit (loss) (attach Schedule F (Form 1040)) | 5 | | | |
| 6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) | 6 | | | |
| 7 Other income (loss) (attach statement) | 7 | | | |
| 8 Total income (loss). Combine lines 3 through 7 | 8 | 326,729 | | |
| D e d u c t i o n s (see the instructions for limitations) | 9 Salaries and wages (other than to partners) (less employment credits) | 9 | 54,000 | |
| | 10 Guaranteed payments to partners | 10 | | |
| | 11 Repairs and maintenance | 11 | 11,000 | |
| | 12 Bad debts | 12 | | |
| | 13 Rent | 13 | 36,000 | |
| | 14 Taxes and licenses See ATT_PTL | 14 | 17,000 | |
| | 15 Interest | 15 | | |
| | 16a Depreciation (if required, attach Form 4562) | 16a | 19,726 | |
| | b Less depreciation reported on Form 1125-A and elsewhere on return | 16b | | |
| | 16c Total depreciation. Subtract line 16b from line 16a | 16c | 19,726 | |
| | 17 Depletion (Do not deduct oil and gas depletion.) | 17 | | |
| 18 Retirement plans, etc. | 18 | 4,000 | | |
| 19 Employee benefit programs | 19 | 6,000 | | |
| 20 Other deductions (attach statement) Statement # 4 | 20 | 59,350 | | |
| 21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20 | 21 | 207,076 | | |
| 22 Ordinary business income (loss). Subtract line 21 from line 8 | 22 | 119,653 | | |

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 general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

▶ **John Lake** ▶ **12-30-2011**
Signature of general partner or limited liability company member manager Date

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

| | | | | | |
|-------------------------------|---|---------------------------------|---------------------------|---|--------------------------|
| Paid Preparer Use Only | Print/Type preparer's name Preparer1 | Preparer's signature | Date 12-30-2011 | Check <input type="checkbox"/> if self-employed | PTIN P00000777 |
| | 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 | | | |

| | Yes | No |
|---|-----|----|
| 5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details | | X |
| 6 Does the partnership satisfy all four of the following conditions? | | |
| a The partnership's total receipts for the tax year were less than \$250,000. | | |
| b The partnership's total assets at the end of the tax year were less than \$1 million. | | |
| c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. | | |
| d The partnership is not filing and is not required to file Schedule M-3 | | X |
| If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1. | | |
| 7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)? | | X |
| 8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? | | X |
| 9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? | | X |
| 10 At any time during calendar year 2011, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶ | | X |
| 11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions | | X |
| 12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election. | | X |
| b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions | | X |
| c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions | | X |
| 13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year) ▶ <input type="checkbox"/> | | |
| 14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? | | X |
| 15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶ | | |
| 16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶ | | X |
| 17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶ <u>0</u> | | |
| 18a Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions | | X |
| b If "Yes," did you or will you file all required Form(s) 1099? | | |
| 19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶ | | |

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

| | | | |
|---|---|---------------------------|----------------------|
| Name of designated TMP | ▶ JOHN LAKE | Identifying number of TMP | ▶ 400-00-2001 |
| If the TMP is an entity, name of TMP representative | ▶ | Phone number of TMP | ▶ |
| Address of designated TMP | ▶ 888 VINYL ROAD GAINESVILLE, FL 32611 | | |

| Schedule K Partners' Distributive Share Items | | Total amount | |
|--|--|---------------------|---------|
| Income (Loss) | 1 Ordinary business income (loss) (page 1, line 22) | 1 | 119,653 |
| | 2 Net rental real estate income (loss) (attach Form 8825) | 2 | 20,400 |
| | 3 a 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 Guaranteed payments | 4 | |
| | 5 Interest income | 5 | |
| | 6 Dividends: a Ordinary dividends | 6a | 4,000 |
| | b Qualified dividends | 6b | 1,000 |
| | 7 Royalties | 7 | |
| | 8 Net short-term capital gain (loss) (attach Schedule D (Form 1065)) | 8 | |
| 9 a Net long-term capital gain (loss) (attach Schedule D (Form 1065)) | 9a | | |
| | b Collectibles (28%) gain (loss) | 9b | |
| | c Unrecaptured section 1250 gain (attach statement) | 9c | |
| 10 Net section 1231 gain (loss) (attach Form 4797) | 10 | | |
| 11 Other income (loss) (see instructions) Type ▶ | 11 | | |
| Deductions | 12 Section 179 deduction (attach Form 4562) | 12 | |
| | 13 a Contributions Statement # 12 | 13a | 6,000 |
| | b Investment interest expense | 13b | |
| | c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶ | 13c(2) | |
| d Other deductions (see instructions) Type ▶ | 13d | | |
| Self-Employment | 14 a Net earnings (loss) from self-employment | 14a | 140,053 |
| | b Gross farming or fishing income | 14b | |
| | c Gross nonfarm income | 14c | 326,729 |
| Credits | 15 a Low-income housing credit (section 42(j)(5)) | 15a | |
| | b Low-income housing credit (other) | 15b | |
| | c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) | 15c | |
| | d Other rental real estate credits (see instructions) Type ▶ | 15d | |
| | e Other rental credits (see instructions) Type ▶ | 15e | |
| | f Other credits (see instructions) Type ▶ | 15f | |
| Foreign Transactions | 16 a Name of country or U.S. possession ▶ | | |
| | b Gross income from all sources | 16b | |
| | c Gross income sourced at partner level Foreign gross income sourced at partnership level | 16c | |
| | d Passive category ▶ e General category ▶ f Other ▶ | 16f | |
| | Deductions allocated and apportioned at partner level | | |
| | g Interest expense ▶ h Other ▶ | 16h | |
| | Deductions allocated and apportioned at partnership level to foreign source income | | |
| | i Passive category ▶ j General category ▶ k Other ▶ | 16k | |
| | l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/> | 16l | |
| | m Reduction in taxes available for credit (attach statement) | 16m | |
| n Other foreign tax information (attach statement) | | | |
| Alternative Minimum Tax (AMT) Items | 17 a Post-1986 depreciation adjustment | 17a | |
| | b Adjusted gain or loss | 17b | |
| | c Depletion (other than oil and gas) | 17c | |
| | d Oil, gas, and geothermal properties-gross income | 17d | |
| | e Oil, gas, and geothermal properties-deductions | 17e | |
| | f Other AMT items (attach statement) | 17f | |
| Other Information | 18 a Tax-exempt interest income | 18a | |
| | b Other tax-exempt income | 18b | |
| | c Nondeductible expenses | 18c | |
| | 19 a Distributions of cash and marketable securities | 19a | 130,000 |
| | b Distributions of other property | 19b | |
| | 20 a Investment income | 20a | 4,000 |
| b Investment expenses | 20b | | |
| c Other items and amounts (attach statement) | | | |

Analysis of Net Income (Loss)

| | | | | | | | |
|---|--|---------------|--------------------------|----------------------------|------------------|-------------------------|--------------------|
| 1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l | | | | | | 1 | 138,053 |
| 2 Analysis by partner type: | | (i) Corporate | (ii) Individual (active) | (iii) Individual (passive) | (iv) Partnership | (v) Exempt organization | (vi) Nominee/Other |
| a General partners | | | 138,053 | | | | |
| b Limited partners | | | | | | | |

| Schedule L | Balance Sheets per Books | Beginning of tax year | | End of tax year | |
|--------------------------------|--|-----------------------|---------|-----------------|---------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 132,557 | | 102,461 |
| 2a | Trade notes and accounts receivable | 162,115 | | 210,000 | |
| b | Less allowance for bad debts | 1,000 | 161,115 | 1,000 | 209,000 |
| 3 | Inventories | | 147,600 | | 147,600 |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities | | 100,000 | | 100,000 |
| 6 | Other current assets (attach statement) | | | | |
| 7a | Loans to partners (or persons related to partners) | | | | |
| b | Mortgage and real estate loans | | | | |
| 8 | Other investments (attach statement) | | | | |
| 9a | Buildings and other depreciable assets | 317,000 | | 317,000 | |
| b | Less accumulated depreciation | 168,721 | 148,279 | 188,447 | 128,553 |
| 10a | Depletable assets | | | | |
| b | Less accumulated depletion | | | | |
| 11 | Land (net of any amortization) | | | | |
| 12a | Intangible assets (amortizable only) | | | | |
| b | Less accumulated amortization | | | | |
| 13 | Other assets (attach statement) | | | | |
| 14 | Total assets | | 689,551 | | 687,614 |
| Liabilities and Capital | | | | | |
| 15 | Accounts payable | | 123,266 | | 125,000 |
| 16 | Mortgages, notes, bonds payable in less than 1 year | | 8,000 | | 8,000 |
| 17 | Other current liabilities (attach statement) | Statement # 31 | 5,800 | | 5,800 |
| 18 | All nonrecourse loans | | | | |
| 19a | Loans from partners (or persons related to partners) | | | | |
| b | Mortgages, notes, bonds payable in 1 year or more | | 111,724 | | 100,000 |
| 20 | Other liabilities (attach statement) | | | | |
| 21 | Partners' capital accounts | | 440,761 | | 448,814 |
| 22 | Total liabilities and capital | | 689,551 | | 687,614 |

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

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

| | | | |
|--|---------|---|---------|
| 1 Net income (loss) per books | 138,053 | 6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize): | |
| 2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize): | | a Tax-exempt interest \$ | |
| 3 Guaranteed payments (other than health insurance) | | 7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize): | |
| 4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize): | | a Depreciation \$ | |
| a Depreciation \$ | | 8 Add lines 6 and 7 | |
| b Travel and entertainment \$ | | 9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5 | 138,053 |
| 5 Add lines 1 through 4 | 138,053 | | |

Schedule M-2 Analysis of Partners' Capital Accounts

| | | | | |
|--------------------------------|---------|---|------------|---------|
| 1 Balance at beginning of year | 440,761 | 6 Distributions: | a Cash | 130,000 |
| 2 Capital contributed: | | | b Property | |
| a Cash | | 7 Other decreases (itemize): | | |
| b Property | | | | |
| 3 Net income (loss) per books | 138,053 | 8 Add lines 6 and 7 | | 130,000 |
| 4 Other increases (itemize): | | 9 Balance at end of year. Subtract line 8 from line 5 | | 448,814 |
| 5 Add lines 1 through 4 | 578,814 | | | |

Cost of Goods Sold

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

Name LAKESIDE FERTILIZER MFG Employer identification number 40-0003012

| | | | |
|----------|---|----------|----------------|
| 1 | Inventory at beginning of year | 1 | <u>147,600</u> |
| 2 | Purchases | 2 | <u>351,000</u> |
| 3 | Cost of labor | 3 | <u>143,000</u> |
| 4 | Additional section 263A costs (attach schedule) Statement # <u>8</u> | 4 | <u>7,000</u> |
| 5 | Other costs (attach schedule) Statement # <u>9</u> | 5 | <u>27,000</u> |
| 6 | Total. Add lines 1 through 5 | 6 | <u>675,600</u> |
| 7 | Inventory at end of year | 7 | <u>147,600</u> |
| 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 | <u>528,000</u> |

- 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

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-1186

▶ See instructions.

▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

| | |
|--|---|
| Name LAKESIDE FERTILIZER MFG | Employer identification number 40-0003012 |
|--|---|

| | | | | |
|----------|--|--|------------------|-------------------|
| 1 | Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties. | | | |
| | Physical address of each property - street, city, state, ZIP code | Type - Enter code 1-8; see page 2 for list | Fair Rental Days | Personal Use Days |
| A | 222 VINYL DR Gainesville, FL 32611 | 4 Commercial | 365 | |
| B | | | | |
| C | | | | |
| D | | | | |

| Rental Real Estate Income | | Properties | | | | |
|------------------------------------|--|------------|---------------|---|---|--|
| | | A | B | C | D | |
| 2 | Gross rents | 2 | 24,000 | | | |
| Rental Real Estate Expenses | | | | | | |
| 3 | Advertising | 3 | | | | |
| 4 | Auto and travel | 4 | | | | |
| 5 | Cleaning and maintenance | 5 | | | | |
| 6 | Commissions | 6 | | | | |
| 7 | Insurance | 7 | | | | |
| 8 | Legal and other professional fees | 8 | | | | |
| 9 | Interest | 9 | | | | |
| 10 | Repairs | 10 | | | | |
| 11 | Taxes | 11 | 1,800 | | | |
| 12 | Utilities | 12 | 1,800 | | | |
| 13 | Wages and salaries | 13 | | | | |
| 14 | Depreciation (see instructions) | 14 | | | | |
| 15 | Other (list) ▶ _____ _____ | 15 | | | | |
| 16 | Total expenses for each property. Add lines 3 through 15 | 16 | 3,600 | | | |
| 17 | Income or (Loss) from each property. Subtract line 16 from line 2 | 17 | 20,400 | | | |

| | | |
|--|------------------------------------|------------------|
| 18 a Total gross rents. Add gross rents from line 2, columns A through H | 18a | 24,000 |
| b Total expenses. Add total expenses from line 16, columns A through H | 18b | (3,600) |
| 19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities | 19 | |
| 20 a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) | 20a | |
| b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed: | | |
| (1) Name | (2) Employer identification number | |
| _____ | _____ | |
| _____ | _____ | |

| | | |
|--|-----------|---------------|
| 21 Net rental estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4 | 21 | 20,400 |
|--|-----------|---------------|

**Information on Partners Owning 50% or
 More of the Partnership**

▶ **Attach to Form 1065. See instructions on back.**

| | |
|---|---|
| Name of partnership LAKESIDE FERTILIZER MFG | Employer identification number (EIN) 40-0003012 |
|---|---|

Part I **Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Org. | (v) Maximum Percentage Owned in Profit, Loss, or Capital |
|--------------------|--|----------------------|----------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Part II **Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

| (i) Name of Individual or Estate | (ii) Identifying Number (if any) | (iii) Country of Citizenship (see instructions) | (iv) Maximum Percentage Owned in Profit, Loss, or Capital |
|----------------------------------|----------------------------------|---|---|
| JOHN LAKE | 400-00-2001 | US | 50 |
| FRED LAKE | 400-00-2002 | US | 50 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**Schedule K-1
(Form 1065)**

Department of the Treasury
Internal Revenue Service

2011

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

Final K-1 Amended K-1

651111
OMB No. 1545-0099

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

▶ See page 2 of form and separate instructions.

| Part I Information About the Partnership | | | | | | | | | | | | | | | | | |
|--|------------|-----------|------------|--------|--------|------------|---|------------|------|------------|---|------------|---------|------------|---|------------|--|
| A Partnership's employer identification number 40-0003012 | | | | | | | | | | | | | | | | | |
| B Partnership's name, address, city, state, and ZIP code LAKESIDE FERTILIZER MFG 1234 UNIVERSITY AVE GAINESVILLE, FL 32611 | | | | | | | | | | | | | | | | | |
| C IRS Center where partnership filed return efile | | | | | | | | | | | | | | | | | |
| D <input type="checkbox"/> Check if this is a publicly traded partnership (PTP) | | | | | | | | | | | | | | | | | |
| Part II Information About the Partner | | | | | | | | | | | | | | | | | |
| E Partner's identifying number 400-00-2001 | | | | | | | | | | | | | | | | | |
| F Partner's name, address, city, state, and ZIP code JOHN LAKE 888 VINYL ROAD GAINESVILLE, FL 32611 | | | | | | | | | | | | | | | | | |
| G <input checked="" type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member | | | | | | | | | | | | | | | | | |
| H <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner | | | | | | | | | | | | | | | | | |
| I What type of entity is this partner? INDIVIDUAL | | | | | | | | | | | | | | | | | |
| J Partner's share of profit, loss, and capital (see instructions): | | | | | | | | | | | | | | | | | |
| <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Beginning</th> <th></th> <th style="text-align: center;">Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="text-align: right;">50.0000000</td> <td style="text-align: center;">%</td> <td style="text-align: right;">50.0000000</td> </tr> <tr> <td>Loss</td> <td style="text-align: right;">50.0000000</td> <td style="text-align: center;">%</td> <td style="text-align: right;">50.0000000</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">50.0000000</td> <td style="text-align: center;">%</td> <td style="text-align: right;">50.0000000</td> </tr> </tbody> </table> | | Beginning | | Ending | Profit | 50.0000000 | % | 50.0000000 | Loss | 50.0000000 | % | 50.0000000 | Capital | 50.0000000 | % | 50.0000000 | |
| | Beginning | | Ending | | | | | | | | | | | | | | |
| Profit | 50.0000000 | % | 50.0000000 | | | | | | | | | | | | | | |
| Loss | 50.0000000 | % | 50.0000000 | | | | | | | | | | | | | | |
| Capital | 50.0000000 | % | 50.0000000 | | | | | | | | | | | | | | |
| K Partner's share of liabilities at year end: | | | | | | | | | | | | | | | | | |
| Nonrecourse \$ _____ | | | | | | | | | | | | | | | | | |
| Qualified nonrecourse financing \$ _____ | | | | | | | | | | | | | | | | | |
| Recourse \$ 116,500 | | | | | | | | | | | | | | | | | |
| L Partner's capital account analysis: | | | | | | | | | | | | | | | | | |
| Beginning capital account \$ 220,381 | | | | | | | | | | | | | | | | | |
| Capital contributed during the year \$ _____ | | | | | | | | | | | | | | | | | |
| Current year increase (decrease) \$ 69,027 | | | | | | | | | | | | | | | | | |
| Withdrawals & distributions \$ (65,000) | | | | | | | | | | | | | | | | | |
| Ending capital account \$ 224,408 | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Tax basis <input checked="" type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Other (explain) | | | | | | | | | | | | | | | | | |
| M Did the partner contribute property with a built-in gain or loss? | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | |
| If "Yes", attach statement (see instructions) | | | | | | | | | | | | | | | | | |

| Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items | |
|--|--|
| 1 Ordinary business income (loss) 59,827 | 15 Credits |
| 2 Net rental real estate income (loss) 10,200 | |
| 3 Other net rental income (loss) | 16 Foreign transactions |
| 4 Guaranteed payments | |
| 5 Interest income | |
| 6a Ordinary dividends 2,000 | |
| 6b Qualified dividends 500 | |
| 7 Royalties | |
| 8 Net short-term capital gain (loss) | |
| 9a Net long-term capital gain (loss) | 17 Alternative minimum tax (AMT) items |
| 9b Collectibles (28%) gain (loss) | |
| 9c Unrecaptured section 1250 gain | |
| 10 Net section 1231 gain (loss) | 18 Tax-exempt income and nondeductible expenses |
| 11 Other income (loss) | |
| 12 Section 179 deduction | 19 Distributions A 65,000 |
| 13 Other deductions A 3,000 | 20 Other information A 2,000 |
| 14 Self-employment earnings (loss) A 70,027 C 163,365 | |
| *See attached statement for additional information. | |
| FOR USE ONLY | |

Partner's Adjusted Basis Worksheet

2011

Keep for your records.

| | | | |
|---|-------------------------|------------------------------------|-------------------------------|
| Partner Number: | TIN: 400-00-2001 | Tax year ending: 12-31-2011 | Ownership %: 50.000000 |
| Name of Partner: JOHN LAKE | | | |
| Name of Partnership: LAKESIDE FERTILIZER MFG | | | EIN 40-0003012 |

| | | | | |
|---|-------|----------------------|--|--------------------|
| A. Partner's share of partnership liabilities (Sch K-1, Item K) | | A. <u>116,500</u> | | |
| B. Partner's share of partnership liabilities from PRIOR year | | B. <u>(124,395)</u> | | |
| C. Increases (Decrease) in share of Partnership Liabilities during this tax period | | C. <u>(7,895)</u> | | |
| 1. Adjusted Basis from preceding year | | | | 1. <u>220,380</u> |
| 2. Capital contributions of property | | | | |
| a. Gain (if any) recognized this year on contribution of property to partnership | 2 a. | _____ | | |
| b. Cash contributed during the year | b. | _____ | | |
| c. Adjusted basis of property contributed during the year | c. | _____ | | |
| d. Partnership interest acquired other than by cash or property | d. | _____ | | |
| Total additional contributions (Total lines 2a-2d) | 2. | _____ | | |
| 3. Items of Income or Gain for this period | | | | |
| a. Ordinary Income (Sch K-1, Line 1) | 3 a. | <u>59,827</u> | | |
| b. Real Estate Rental Income (Sch K-1, Line 2) | b. | <u>10,200</u> | | |
| c. Other Rental Income (Sch K-1, Line 3c) | c. | _____ | | |
| d. Interest, Dividends & Royalties (Sch K-1, Lines 5, 6a & 7) | d. | <u>2,000</u> | | |
| e. Capital Gain (Sch K-1, Lines 8 & 9a) | e. | _____ | | |
| f. Other Portfolio Income (Sch K-1, Line 11a) | f. | _____ | | |
| g. Section 1231 Gain (Sch K-1, Line 10) | g. | _____ | | |
| h. Other Income (Sch K-1, Line 11) | h. | _____ | | |
| i. Tax Exempt Income (Sch K-1, Lines 18a & b) | i. | _____ | | |
| j. Excess Depletion Adjustment | j. | _____ | | |
| k. Increase from Recapture of Business Credits | k. | _____ | | |
| i. Gain from 179 disposition (See IRC §9(a), 50(a), 50(c)(2) & 1371 (d)) | i. | _____ | | |
| Total items of Income or Gains (Total lines 3a-3l) | 3. | <u>72,027</u> | | |
| 4. Increase in Partnership Share of Partnership Liabilities from line C above | 4. | _____ | | |
| 5. Total increases in basis (combine lines 1 through 4) | | | | 5. <u>292,407</u> |
| 6. Distributions to the Partner during the year | 6. | <u>65,000</u> | | |
| 7. Decrease in Partner's Share of Partnership Liabilities from line C above | 7. | <u>7,895</u> | | |
| 8 a. Decrease for Non-Deductible Expenses/Credit Adjustments | 8 a. | _____ | | |
| b. Decrease for Depletion | b. | _____ | | |
| Total other decreases (lines 8a-8b) | 8. | _____ | | |
| 9. Subtotal - basis after all distributions and other decreases (Line 5 minus lines 6-8) | | | | 9. <u>219,512</u> |
| 10. Items of Losses and Deductions (Allowed for the current year) | | | | |
| a. Ordinary Loss (Page 2, Col e, Line 10a) | 10 a. | _____ | | |
| b. Real Estate Rental Loss (Page 2, Col e, Line 10b) | b. | _____ | | |
| c. Other Rental Loss (Page 2, Col e, Line 10c) | c. | _____ | | |
| d. Capital Loss (Page 2, Col e, Line 10d) | d. | _____ | | |
| e. Other Portfolio Loss (Page 2, Col e, Line 10e) | e. | _____ | | |
| f. Section 1231 Loss (Page 2, Col e, Line 10f) | f. | _____ | | |
| g. Other Loss (Page 2, Col e, Line 10g) | g. | _____ | | |
| h. Charitable Contributions (Page 2, Col e, Line 10h) | h. | <u>3,000</u> | | |
| i. Section 179 Expense (Page 2, Col e, Line 10i) | i. | _____ | | |
| j. Portfolio Income Expenses (Page 2, Col e, Line 10j) | j. | _____ | | |
| k. Other Deductions (Page 2, Col e, Line 10k) | k. | _____ | | |
| l. Interest Expense on Investment Debt (Page 2, Col e, Line 10l) | l. | _____ | | |
| m. Total Foreign Taxes Paid/Accrued (Page 2, Col e, Line 10m) | m. | _____ | | |
| n. Section 59(e) Expenditures (Page 2, Col e, Line 10n) | n. | _____ | | |
| o. Other decreases (Page 2, Col e, Line 10o) | o. | _____ | | |
| p. Loss from 179 disposition (Page 2, Col e, Line 10p) | p. | _____ | | |
| Total items of Losses and Deductions (Total lines 10a-10p) | 10. | <u>3,000</u> | | |
| 11. Adjusted Basis of Partnership Interest (Cannot be negative) (Line 9-Line 10) At-Risk Basis | | | | 11. <u>216,512</u> |
| 12. At-risk adjustment: (Amount from lines 5) | 12. | <u>292,407</u> | | |
| 13. Enter the amount from lines 6, 7, 8 and 10 | 13. | <u>(75,895)</u> | | |
| 14. Enter any nonrecourse loans, etc. | 14. | <u>()</u> | | |
| 15. Enter the FMV of partner's personal property not used in the partnership that secures a nonrecourse loan on line 14 | 15. | _____ | | |
| 16. Combine lines 12 through 15. If negative, no current year loss can be deducted. See Form 6198 | | | | 16. <u>216,512</u> |

Allocation of Losses and Deductions

2011

Keep for your records.

| | | | |
|---|----------------------------|----------------------------------|----------------------------------|
| Partner Number: | TIN: 400-00-2001 | Year Ended: 12-31-2011 | Ownership %: 50.000000 |
| Partner Name: JOHN LAKE | | | |
| Partnership Name: LAKESIDE FERTILIZER MFG | | | EIN: 40-0003012 |

| | | (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) |
|--|--------------------------|---|---|--|------------|---|--|
| 10a Ordinary losses from trade or business | (Sch K-1, Line 1) | | | | | | |
| b Net losses from rental real estate activities | (Sch K-1, Line 2) | | | | | | |
| c Net losses from other rental activities | (Sch K-1, Line 3) | | | | | | |
| d Net short-term capital losses | (Sch K-1, Lines 8 & 9a) | | | | | | |
| d Net long-term capital losses | | | | | | | |
| e Other portfolio losses | (Sch K-1, Line 11a) | | | | | | |
| f Net losses under Section 1231 | (Sch K-1, Line 10) | | | | | | |
| g Other losses | (Sch K-1, Line 11f) | | | | | | |
| h Charitable contributions | (Sch K-1, Lines 13a-g) | | 3,000 | 3,000 | 100.000000 | 3,000 | |
| i Section 179 expense deduction | (Sch K-1, Line 12) | | | | | | |
| j Portfolio income expenses | (Sch K-1, Lines 13k & l) | | | | | | |
| k Other deductions | (Sch K-1, Lines 13m-s,w) | | | | | | |
| l Interest expense on investment debts | (Sch K-1, Line 13h) | | | | | | |
| m Foreign taxes paid or accrued | (Sch K-1, Lines 16i & m) | | | | | | |
| n Section 59(e) expenditures | (Sch K-1, Line 13j) | | | | | | |
| o Other decreases | | | | | | | |
| p Loss from 179 asset | | | | | | | |
| Total deductible losses and deductions | | | 3,000 | 3,000 | | 3,000 | |
| 8a Nondeductible expenses & credit adj | | | | | | | |
| b Oil and gas depletion | | | | | | | |
| Total nondeductible losses and deductions | | | | | | | |
| Totals | | | 3,000 | 3,000 | | 3,000 | |

**Schedule K-1
(Form 1065)**

Department of the Treasury
Internal Revenue Service

2011

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

Final K-1

Amended K-1

651111
OMB No. 1545-0099

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

▶ See page 2 of form and separate instructions.

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

| | |
|--|---|
| 1 Ordinary business income (loss) 59,826 | 15 Credits |
| 2 Net rental real estate income (loss) 10,200 | |
| 3 Other net rental income (loss) | 16 Foreign transactions |
| 4 Guaranteed payments | |
| 5 Interest income | |
| 6a Ordinary dividends 2,000 | |
| 6b Qualified dividends 500 | |
| 7 Royalties | |
| 8 Net short-term capital gain (loss) | |
| 9a Net long-term capital gain (loss) | 17 Alternative minimum tax (AMT) items |
| 9b Collectibles (28%) gain (loss) | |
| 9c Unrecaptured section 1250 gain | |
| 10 Net section 1231 gain (loss) | 18 Tax-exempt income and nondeductible expenses |
| 11 Other income (loss) | |
| 12 Section 179 deduction | 19 Distributions A 65,000 |
| 13 Other deductions A 3,000 | 20 Other information A 2,000 |
| 14 Self-employment earnings (loss) A 70,027 C 163,364 | |

Part I Information About the Partnership

A Partnership's employer identification number
40-0003012

B Partnership's name, address, city, state, and ZIP code
LAKESIDE FERTILIZER MFG
1234 UNIVERSITY AVE
GAINESVILLE, FL 32611

C IRS Center where partnership filed return
efile

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
400-00-2002

F Partner's name, address, city, state, and ZIP code
FRED LAKE
1015 SIDING WAY
GAINESVILLE, FL 32611

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? **INDIVIDUAL**

J Partner's share of profit, loss, and capital (see instructions):

| | Beginning | | Ending |
|---------|------------|---|--------------|
| Profit | 50.0000000 | % | 50.0000000 % |
| Loss | 50.0000000 | % | 50.0000000 % |
| Capital | 50.0000000 | % | 50.0000000 % |

K Partner's share of liabilities at year end:

Nonrecourse\$ _____

Qualified nonrecourse financing\$ _____

Recourse\$ **116,500**

L Partner's capital account analysis:

| | | |
|-------------------------------------|-----------|-----------------|
| Beginning capital account |\$ | 220,380 |
| Capital contributed during the year |\$ | |
| Current year increase (decrease) |\$ | 69,026 |
| Withdrawals & distributions |\$ (| 65,000) |
| Ending capital account |\$ | 224,406 |

Tax basis GAAP Section 704(b) book
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes", attach statement (see instructions)

*See attached statement for additional information.

FOR USE ONLY

Partner's Adjusted Basis Worksheet

2011

Keep for your records.

| | | | |
|---|-------------------------|------------------------------------|-------------------------------|
| Partner Number: | TIN: 400-00-2002 | Tax year ending: 12-31-2011 | Ownership %: 50.000000 |
| Name of Partner: FRED LAKE | | | |
| Name of Partnership: LAKESIDE FERTILIZER MFG | | | EIN 40-0003012 |

| | | | | |
|---|-------|----------------------|-------------------|--|
| A. Partner's share of partnership liabilities (Sch K-1, Item K) | | A. <u>116,500</u> | | |
| B. Partner's share of partnership liabilities from PRIOR year | | B. <u>(124,395)</u> | | |
| C. Increases (Decrease) in share of Partnership Liabilities during this tax period | | C. <u>(7,895)</u> | | |
| 1. Adjusted Basis from preceding year | | | 1. <u>220,381</u> | |
| 2. Capital contributions of property | | | | |
| a. Gain (if any) recognized this year on contribution of property to partnership | 2 a. | _____ | | |
| b. Cash contributed during the year | b. | _____ | | |
| c. Adjusted basis of property contributed during the year | c. | _____ | | |
| d. Partnership interest acquired other than by cash or property | d. | _____ | | |
| Total additional contributions (Total lines 2a-2d) | 2. | _____ | | |
| 3. Items of Income or Gain for this period | | | | |
| a. Ordinary Income (Sch K-1, Line 1) | 3 a. | <u>59,826</u> | | |
| b. Real Estate Rental Income (Sch K-1, Line 2) | b. | <u>10,200</u> | | |
| c. Other Rental Income (Sch K-1, Line 3c) | c. | _____ | | |
| d. Interest, Dividends & Royalties (Sch K-1, Lines 5, 6a & 7) | d. | <u>2,000</u> | | |
| e. Capital Gain (Sch K-1, Lines 8 & 9a) | e. | _____ | | |
| f. Other Portfolio Income (Sch K-1, Line 11a) | f. | _____ | | |
| g. Section 1231 Gain (Sch K-1, Line 10) | g. | _____ | | |
| h. Other Income (Sch K-1, Line 11) | h. | _____ | | |
| i. Tax Exempt Income (Sch K-1, Lines 18a & b) | i. | _____ | | |
| j. Excess Depletion Adjustment | j. | _____ | | |
| k. Increase from Recapture of Business Credits | k. | _____ | | |
| i. Gain from 179 disposition (See IRC §9(a), 50(a), 50(c)(2) & 1371 (d)) | i. | _____ | | |
| Total items of Income or Gains (Total lines 3a-3i) | 3. | <u>72,026</u> | | |
| 4. Increase in Partnership Share of Partnership Liabilities from line C above | 4. | _____ | | |
| 5. Total increases in basis (combine lines 1 through 4) | 5. | <u>292,407</u> | | |
| 6. Distributions to the Partner during the year | 6. | <u>65,000</u> | | |
| 7. Decrease in Partner's Share of Partnership Liabilities from line C above | 7. | <u>7,895</u> | | |
| 8 a. Decrease for Non-Deductible Expenses/Credit Adjustments | 8 a. | _____ | | |
| b. Decrease for Depletion | b. | _____ | | |
| Total other decreases (lines 8a-8b) | 8. | _____ | | |
| 9. Subtotal - basis after all distributions and other decreases (Line 5 minus lines 6-8) | 9. | <u>219,512</u> | | |
| 10. Items of Losses and Deductions (Allowed for the current year) | | | | |
| a. Ordinary Loss (Page 2, Col e, Line 10a) | 10 a. | _____ | | |
| b. Real Estate Rental Loss (Page 2, Col e, Line 10b) | b. | _____ | | |
| c. Other Rental Loss (Page 2, Col e, Line 10c) | c. | _____ | | |
| d. Capital Loss (Page 2, Col e, Line 10d) | d. | _____ | | |
| e. Other Portfolio Loss (Page 2, Col e, Line 10e) | e. | _____ | | |
| f. Section 1231 Loss (Page 2, Col e, Line 10f) | f. | _____ | | |
| g. Other Loss (Page 2, Col e, Line 10g) | g. | _____ | | |
| h. Charitable Contributions (Page 2, Col e, Line 10h) | h. | <u>3,000</u> | | |
| i. Section 179 Expense (Page 2, Col e, Line 10i) | i. | _____ | | |
| j. Portfolio Income Expenses (Page 2, Col e, Line 10j) | j. | _____ | | |
| k. Other Deductions (Page 2, Col e, Line 10k) | k. | _____ | | |
| l. Interest Expense on Investment Debt (Page 2, Col e, Line 10l) | l. | _____ | | |
| m. Total Foreign Taxes Paid/Accrued (Page 2, Col e, Line 10m) | m. | _____ | | |
| n. Section 59(e) Expenditures (Page 2, Col e, Line 10n) | n. | _____ | | |
| o. Other decreases (Page 2, Col e, Line 10o) | o. | _____ | | |
| p. Loss from 179 disposition (Page 2, Col e, Line 10p) | p. | _____ | | |
| Total items of Losses and Deductions (Total lines 10a-10p) | 10. | <u>3,000</u> | | |
| 11. Adjusted Basis of Partnership Interest (Cannot be negative) (Line 9-Line 10) At-Risk Basis | 11. | <u>216,512</u> | | |
| 12. At-risk adjustment: (Amount from lines 5) | 12. | <u>292,407</u> | | |
| 13. Enter the amount from lines 6, 7, 8 and 10 | 13. | <u>(75,895)</u> | | |
| 14. Enter any nonrecourse loans, etc. | 14. | <u>()</u> | | |
| 15. Enter the FMV of partner's personal property not used in the partnership that secures a nonrecourse loan on line 14 | 15. | _____ | | |
| 16. Combine lines 12 through 15. If negative, no current year loss can be deducted. See Form 6198 | 16. | <u>216,512</u> | | |

Allocation of Losses and Deductions

2011

Keep for your records.

| | | | |
|---|----------------------------|----------------------------------|----------------------------------|
| Partner Number: | TIN: 400-00-2002 | Year Ended: 12-31-2011 | Ownership %: 50.000000 |
| Partner Name: FRED LAKE | | | |
| Partnership Name: LAKESIDE FERTILIZER MFG | | | EIN: 40-0003012 |

| | | (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) |
|--|--------------------------|---|---|--|------------|---|--|
| 10a Ordinary losses from trade or business | (Sch K-1, Line 1) | | | | | | |
| b Net losses from rental real estate activities | (Sch K-1, Line 2) | | | | | | |
| c Net losses from other rental activities | (Sch K-1, Line 3) | | | | | | |
| d Net short-term capital losses | (Sch K-1, Lines 8 & 9a) | | | | | | |
| d Net long-term capital losses | | | | | | | |
| e Other portfolio losses | (Sch K-1, Line 11a) | | | | | | |
| f Net losses under Section 1231 | (Sch K-1, Line 10) | | | | | | |
| g Other losses | (Sch K-1, Line 11f) | | | | | | |
| h Charitable contributions | (Sch K-1, Lines 13a-g) | | 3,000 | 3,000 | 100.000000 | 3,000 | |
| i Section 179 expense deduction | (Sch K-1, Line 12) | | | | | | |
| j Portfolio income expenses | (Sch K-1, Lines 13k & l) | | | | | | |
| k Other deductions | (Sch K-1, Lines 13m-s,w) | | | | | | |
| l Interest expense on investment debts | (Sch K-1, Line 13h) | | | | | | |
| m Foreign taxes paid or accrued | (Sch K-1, Lines 16i & m) | | | | | | |
| n Section 59(e) expenditures | (Sch K-1, Line 13j) | | | | | | |
| o Other decreases | | | | | | | |
| p Loss from 179 asset | | | | | | | |
| Total deductible losses and deductions | | | 3,000 | 3,000 | | 3,000 | |
| 8a Nondeductible expenses & credit adj | | | | | | | |
| b Oil and gas depletion | | | | | | | |
| Total nondeductible losses and deductions | | | | | | | |
| Totals | | | 3,000 | 3,000 | | 3,000 | |

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)
Name(s) shown on return

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

2011
Attachment
Sequence No. **179**

LAKESIDE FERTILIZER MFG

FORM 1065

Identifying number
40-0003012

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 | 12,776 |

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 | |
| 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 | | | | | | |
| 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 | 6,950 |
| 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 | 19,726 |
| 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 | 20090515 | 100 % | 35,000 | 23,940 | 5 | 200 DB-HY | 2,950 | | |
| 2010 FORD F-15 | 20100915 | 100 % | 25,000 | 12,500 | 5 | 200 DB-HY | 4,000 | | |
| | | % | | | | | | | |
| 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 | 6,950 | |
| 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 1065**

Department of the Treasury
Internal Revenue Service

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

2011

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

Name of partnership

LAKESIDE FERTILIZER MFG

Employer identification number

40-0003012

Part I Return Information (Whole dollars only)

| | | | |
|---|--|---|----------------|
| 1 | Gross receipts or sales less returns and allowances (Form 1065, line 1e) | 1 | <u>854,729</u> |
| 2 | Gross profit (Form 1065, line 3) | 2 | <u>326,729</u> |
| 3 | Ordinary business income (loss) (Form 1065, line 22) | 3 | <u>119,653</u> |
| 4 | Net rental real estate income (loss) (Form 1065, Schedule K, line 2) | 4 | <u>20,400</u> |
| 5 | Other net rental income (loss) (Form 1065, Schedule K, line 3c) | 5 | |

Part II Declaration and Signature Authorization of General Partner or Limited Liability Company Member Manager (Be sure to get a copy of the partnership's return)

Under penalties of perjury, I declare that I am a general partner or limited liability company member manager of the above partnership and that I have examined a copy of the partnership's 2011 electronic return of partnership income 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 partnership's electronic return of partnership income. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the partnership's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission and (b) the reason for any delay in processing the return. I have selected a personal identification number (PIN) as my signature for the partnership's electronic return of partnership income.

General Partner or Limited Liability Company Member Manager's PIN: check one box only

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

As a general partner or limited liability company member manager of the partnership, I will enter my PIN as my signature on the partnership's 2011 electronically filed return of partnership income.

General partner or limited liability company member manager's signature ▶ _____

Title ▶ General Partner

Date ▶ 01-01-2012

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 return of partnership income for the partnership 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 ▶ 12-30-2011

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

Federal Supporting Statements

2011 PG01

Name(s) as shown on return

FEIN

LAKESIDE FERTILIZER MFG

40-0003012

Form 1065 Line 20 - Other Deductions

Statement # 4

| <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|------------------------------------|---------------|
| Accounting | 2,700 |
| Advertising | 2,500 |
| Insurance - Building and Equipment | 6,500 |
| Insurance - Liability | 4,000 |
| Insurance - Other | 7,200 |
| Janitorial | 11,250 |
| Legal and professional | 6,000 |
| Office expense | 1,300 |
| Postage/Shipping | 2,000 |
| Supplies | 6,500 |
| Telephone | 1,000 |
| Uniforms | 8,400 |
| TOTAL | <u>59,350</u> |

Form 1065, Schedule A, Line 4

PG01
Statement # 8

| <u>Description</u> | <u>Amount</u> |
|--------------------|---------------|
| WAREHOUSING | <u>7,000</u> |
| Total | <u>7,000</u> |

Form 1065, Schedule A, Line 5

PG01
Statement # 9

| <u>Description</u> | <u>Amount</u> |
|--------------------|---------------|
| UTILITIES | 16,000 |
| PROFESSIONAL FEES | 6,000 |
| MISCELLANEOUS | 5,000 |
| Total | <u>27,000</u> |

Federal Supporting Statements

2011 PG01

Name(s) as shown on return

FEIN

LAKESIDE FERTILIZER MFG

40-0003012

Form 1065, Schedule K, Line 13a

Statement # 12

Description

Amount

Cash Contributions (50%)

6,000

Total

6,000

Form 1065, Schedule L, Line 17

PG01
Statement # 31

Other Current Liabilities

Description

Beg Of Year

End Of Year

PROFIT SHARING

5,800

5,800

Total

5,800

5,800

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

PARTNERSHIP NAME

LAKESIDE FERTILIZER MFG

EIN

40-0003012

Taxes and Licenses

Form 1065

Page 1, Line 14

| | | | |
|----|-------------------------------------|----|--------|
| 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 | 7,000 |
| 6 | Intangible property taxes | 6 | |
| 7 | Payroll taxes | 7 | 8,000 |
| 8 | Less: credit from Form 8846 | 8 | |
| 9 | Foreign taxes paid | 9 | |
| 10 | Occupancy taxes | 10 | |
| 11 | Other miscellaneous taxes | 11 | |
| 12 | Licenses | 12 | 2,000 |
| 13 | Total to Form 1065, Page 1, Line 14 | 13 | 17,000 |

1065

Overflow Statement

2011
Page 1

Name(s) as shown on return

FEIN

LAKESIDE FERTILIZER MFG

40-0003012

CONTRIBUTIONS

| Description | Amount |
|----------------|-----------------|
| UNITED WAY | \$ 3,000 |
| RELAY FOR LIFE | 3,000 |
| Total: | <u>\$ 6,000</u> |

(Keep for your records)

PARTNERSHIP NAME

EIN

LAKESIDE FERTILIZER MFG

40-0003012

| Description | Schedule L | K-1 Totals | Difference |
|---|--------------|------------|------------|
| Recourse | 233,000 | 233,000 | |
| <hr/> | | | |
| Description | Schedule M-2 | K-1 Totals | Difference |
| 1 Partner's Beginning Capital | 440,761 | 440,761 | |
| 2 Capital Contributions | | | |
| 3 Net income or loss | 138,053 | 138,053 | |
| 4 Distributions | 130,000 | 130,000 | |
| 5 Partner's Ending Capital | 448,814 | 448,814 | |
| <hr/> | | | |
| Description | Schedule K | K-1 Totals | Difference |
| 1 Ordinary business income (loss) | 119,653 | 119,653 | |
| 2 Net rental real estate income (loss) | 20,400 | 20,400 | |
| 6 a Ordinary dividends | 4,000 | 4,000 | |
| b Qualified dividends | 1,000 | 1,000 | |
| 13 A Cash contributions (50%) | 6,000 | 6,000 | |
| 14 A Net earnings (loss) from self-employment | 140,053 | 140,054 | (1) |
| C Gross non-farm income | 326,729 | 326,729 | |
| 19 A Dist. of cash and marketable securities | 130,000 | 130,000 | |
| 20 A Investment income | 4,000 | 4,000 | |

**Worksheet for Figuring Net Earnings (Loss)
From Self-Employment**
(Keep for your records)

2011

Name(s) as shown on return

Identifying Number

LAKESIDE FERTILIZER MFG

40-0003012

| | | | | | |
|-----------|---|-----------|---------|---------|--|
| 1a | Ordinary business income (loss) (Schedule K, line 1) | 1a | 119,653 | | |
| b | Net income (loss) from certain rental real estate activities (see instructions) . . . | 1b | 20,400 | | |
| c | Other net rental income (loss) (Schedule K, line 3c) | 1c | | | |
| d | Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount | 1d | | | |
| e | Combine lines 1a through 1d | 1e | 140,053 | | |
| 2 | Net gain from Form 4797, Part II, line 17, included on line 1a above | 2 | | | |
| 3a | Subtract line 2 from line 1e. If line 1e is a loss, increase the loss on line 1e by the amount on line 2 | 3a | 140,053 | | |
| b | Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs | 3b | | | |
| c | Subtract line 3b from line 3a. If line 3a is a loss, reduce the loss on line 3a by the amount on line 3b. Include each individual general partner's share in box 14 of Schedule K-1, using code A | 3c | | 140,053 | |
| 4a | Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c) (see instructions) | 4a | | | |
| b | Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs | 4b | | | |
| c | Subtract line 4b from line 4a. Include each individual general partner's share and each individual limited partner's share in box 14 of Schedule K-1, using code A | 4c | | | |
| 5 | Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 14a . | 5 | | 140,053 | |

Capital Account Reconciliation

(Keep for your records)

2011

Page 1

PARTNERSHIP NAME

EIN

LAKESIDE FERTILIZER MFG

40-0003012

| Partner Name | Beginning Capital Account | Capital Contributed During Year | Partner's Share of Lines 3, 4 and 7 Form 1065, Sch M-2 | Withdrawals and Distributions | Ending Capital Account |
|---------------|---------------------------|---------------------------------|--|-------------------------------|------------------------|
| JOHN LAKE | 220,381 | | 69,027 | 65,000 | 224,408 |
| FRED LAKE | 220,380 | | 69,026 | 65,000 | 224,406 |
| TOTALS | <u>440,761</u> | | <u>138,053</u> | <u>130,000</u> | <u>448,814</u> |

| Schedule M-2/Partners' Capital Reconciliation Worksheet | | 2011 |
|--|---|--------------------------|
| Form 1065 | (Keep for your records) | |
| Partnership Name LAKESIDE FERTILIZER MFG | | EIN 40-0003012 |
| Analysis of Current-Year Partners' Capital | | |
| 1 | Beginning partners' capital per balance sheet (Schedule L, column b, line 21) | 1 <u>440,761</u> |
| 2 | Book income (loss) (Schedule M-1, line 1, or Schedule M-3, page 1, line 11) | 2 <u>138,053</u> |
| 3 | Capital contributions during the year (Schedule K-1, Item L) | 3 _____ |
| 4 | Other increases (Schedule M-2, line 4) | 4 _____ |
| 5 | Distributions (Schedule K, lines 19A and 19B) | 5 <u>(130,000)</u> |
| 6 | Withdrawals and other decreases (Schedule M-2, line 7) | 6 _____ |
| 7 | Subtotal (combines lines 1 through 6) | 7 <u>448,814</u> |
| 8 | Ending partners' capital per balance sheet (Schedule L, column d, line 21) | 8 <u>448,814</u> |
| 9 | Difference (line 7 minus line 8) (should be zero) | 9 _____ |
| Current-Year Change to Partners' Capital Compared to Current-Year Change to Schedule K, Item L (All Partners) | | |
| 1 | Ending partners' capital (Schedule L, column d, line 21) | 1 <u>448,814</u> |
| 2 | Beginning partners' capital (Schedule L, column b, line 21) | 2 <u>440,761</u> |
| 3 | Change in capital (line 1 minus line 2) | 3 <u>8,053</u> |
| 4 | Ending partners' capital (Schedules K-1, item L) | 4 <u>448,814</u> |
| 5 | Beginning partners' capital (Schedules K-1, item L) | 5 <u>440,761</u> |
| 6 | Difference (line 4 minus line 5) | 6 <u>8,053</u> |
| Current-Year Timing Adjustments from Schedule M-1 Screen (K-1 accounting method other than GAAP) | | |
| Subtractions from net income per books (Schedule M-1, lines 5 and 6 - not included on Schedule M-2, line 3) | | |
| 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 12 through 13) | 14 _____ |
| 15 | Schedule M-1 timing adjustments not included on Schedule M-2, lines 3, 4, and 7 (combine lines 10 and 14) | 15 _____ |
| Current-Year Timing Adjustments from Schedule M-3 Screens (K-1 accounting method other than GAAP) | | |
| 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 | Schedule M-3 timing adjustments not included on Schedule M-2 (combine lines 16 and 17) | 18 _____ |
| 19 | Capital amount after M-1 timing adjustments (add lines 6 & 15) | 19 <u>8,053</u> |
| 20 | Capital amount after M-3 timing adjustments (add lines 6 & 18) | 20 _____ |
| 21 | Net reconciliation difference (line 3 minus Line 19 or 20) | 21 _____ |

Depreciation Detail Listing

FORM 1065

For your records only

2011

PAGE 1

* Item was disposed
of during current year.

Name(s) as shown on return

Social security number/EIN

LAKESIDE FERTILIZER MFG

40-0003012

| 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 | CHEMICAL MIXER | 20060615 | 67,000 | | 100.00 | | 67,000 | 7 | S/L HY | 14.286 | 9,571 | 57,427 | | | 9,571 |
| 2 | TRUCK | 20090515 | 35,000 | | 100.00 | | 23,940 | 5 | 200 DB HY | 19.2 | 2,950 | 18,910 | | PY 11,060 | 2,950 |
| 3 | FORKLIFT | 20041122 | 65,000 | | 100.00 | | 65,000 | 7 | S/L MQ | 14.286 | | 65,000 | | | |
| 4 | WAREHOUSE | 20020515 | 125,000 | | 100.00 | | 125,000 | 39 | S/L MM | 2.564 | 3,205 | 32,050 | | | 3,205 |
| 5 | 2010 FORD F-150 | 20100915 | 25,000 | | 100.00 | | 12,500 | 5 | 200 DB HY | 32 | 4,000 | 15,060 | | PY 11,060 | 4,000 |
| Totals | | | 317,000 | | | | 293,440 | | | | 19,726 | 188,447 | | | 19,726 |

Land Amount
Net Depreciable Cost

317,000

ST ADJ:

(461)

1065

Partnership
Diagnostic Summary

2011

Name

LAKESIDE FERTILIZER MFG

Employer Identification #

40-0003012

Demographics

Mailing Address: 1234 UNIVERSITY AVE
GAINESVILLE, FL 32611

Phone: (904) 222-2222

Resident State: 0

Diagnostics

Preparer: Preparer1

Invoice:

Date: 12-30-2011

Return Information

| Item on Return | 2011 Federal | 2010 Federal (If available) |
|----------------------|-----------------|--------------------------------|
| Total Assets | 687,614 | 689,551 |
| Number of Partners | 2 | 2 |
| Gross Receipts/Sales | 885,000 | 882,726 |
| Total Income | 326,729 | 367,417 |
| Total Deductions | 207,076 | 225,372 |
| Ordinary Income | 119,653 | 142,045 |
| Total Equity | 448,814 | 440,761 |

State/City Information

| <u>State/City</u> | <u>Gross Income</u> | <u>Taxable Income</u> | <u>Composite Tax</u> | <u>Other Tax</u> | <u>Refund/ (Balance Due)</u> |
|-------------------|-------------------------|---------------------------|--------------------------|------------------|----------------------------------|
|-------------------|-------------------------|---------------------------|--------------------------|------------------|----------------------------------|

**1065 TAX RETURN COMPARISON
2009 / 2010 / 2011**

2011

| | |
|--|----------------------------------|
| Name(s) as shown on return LAKESIDE FERTILIZER MFG | Identifying number 40-0003012 |
|--|----------------------------------|

| | 2009 FEDERAL | 2010 FEDERAL | 2011 FEDERAL | DIFFERENCE BETWEEN 2010 & 2011 |
|--|-----------------|-----------------|-----------------|-----------------------------------|
| Income | | | | |
| Net receipts | 840,416 | 852,621 | 854,729 | 2,108 |
| Cost of goods sold | 478,204 | 485,204 | 528,000 | 42,796 |
| Gross profit | 362,212 | 367,417 | 326,729 | (40,688) |
| Ordinary income (loss) from other partnerships, estates, trusts | | | | |
| Net farm profit (loss) | | | | |
| Net gain/loss from 4797 | | | | |
| Other income | | | | |
| Total income | 362,212 | 367,417 | 326,729 | (40,688) |
| Deductions | | | | |
| Salaries and wages | 52,000 | 54,000 | 54,000 | |
| Guaranteed payments to partners | | | | |
| Repairs and maintenance | 13,500 | 11,000 | 11,000 | |
| Bad debts | | | | |
| Rents | 36,000 | 36,000 | 36,000 | |
| Taxes and licenses | 17,000 | 17,000 | 17,000 | |
| Interest | | | | |
| Depreciation from Form 4562 | 33,122 | 38,022 | 19,726 | (18,296) |
| Depreciation claimed elsewhere | | | | |
| Net depreciation | 33,122 | 38,022 | 19,726 | (18,296) |
| Depletion | | | | |
| Pension, profit-sharing | 4,000 | 4,000 | 4,000 | |
| Employee benefits | 6,000 | 6,000 | 6,000 | |
| Other deductions | 59,350 | 59,350 | 59,350 | |
| Total deductions | 220,972 | 225,372 | 207,076 | (18,296) |
| Ordinary business income(loss) | 141,240 | 142,045 | 119,653 | (22,392) |

SCHEDULE K - Partner's Share Items

| Income | | | | |
|--|--|---------|---------|----------|
| Ordinary business income (loss) | | 142,045 | 119,653 | (22,392) |
| Net rental real estate income (loss) | | 20,800 | 20,400 | (400) |
| Other net rental income (loss) | | | | |
| Guaranteed Payments | | | | |
| Interest income | | | | |
| Ordinary dividends | | 4,000 | 4,000 | |
| Qualified dividends | | 1,000 | 1,000 | |
| Royalties | | | | |
| Net short-term capital gain (loss) | | | | |
| Net long-term capital gain (loss) | | 2,400 | | (2,400) |
| Collectibles (28%) gain (loss) | | | | |
| Unrecaptured section 1250 gain | | | | |
| Net section 1231 gain (loss) | | | | |
| Other income (loss) | | | | |
| Deductions | | | | |
| Section 179 deduction | | | | |
| Contributions | | 9,000 | 6,000 | (3,000) |
| Investment interest expense | | | | |
| Section 59(e)(2) expenditures | | | | |
| Other deductions | | | | |

| | | | |
|------|------|------|------------|
| 2009 | 2010 | 2011 | DIFFERENCE |
|------|------|------|------------|

**1065 TAX RETURN COMPARISON
2009/ 2010 / 2011**

2011

Page 2

Name(s) as shown on return

Identifying number

LAKESIDE FERTILIZER MFG

40-0003012

| | 2009 FEDERAL | 2010 FEDERAL | 2011 FEDERAL | DIFFERENCE BETWEEN 2010 & 2011 |
|--|-------------------------|-------------------------|-------------------------|---|
| Self-Employment | | | | |
| Net earnings (loss) from self-employment | 161,440 | 162,845 | 140,053 | (22,792) |
| Gross farming or fishing income | | | | |
| Gross nonfarm income | 362,212 | 367,418 | 326,729 | (40,689) |
| Credits | | | | |
| Low-income housing credit (section 42(j)(5)) | | | | |
| Low-income housing credit (other) | | | | |
| Qualified rehabilitation expenditures (rental real estate) | | | | |
| Other rental real estate credits | | | | |
| Other rental credits | | | | |
| Other credits | | | | |
| Foreign Transactions | | | | |
| Gross income from all sources | | | | |
| Gross income sourced at partner level | | | | |
| Foreign gross income sourced at partnership | | | | |
| Passive | | | | |
| General categories | | | | |
| Other limitation | | | | |
| Deductions allocated and apportioned at partner level | | | | |
| Interest expense | | | | |
| Other | | | | |
| Ded allocated / apportioned at ptr level to foreign source inc. | | | | |
| Passive | | | | |
| General categories | | | | |
| Other limitation | | | | |
| Total foreign taxes paid or accrued | | | | |
| Reduction in taxes available for credit | | | | |
| Alternative Minimum Tax (AMT) items | | | | |
| Post-1986 depreciation adjustment | | | | |
| Adjusted gain or loss | | | | |
| Depletion | | | | |
| Oil, gas, and geothermal properties - gross income | | | | |
| Oil, gas, and geothermal properties - deductions | | | | |
| Other AMT items | | | | |
| Other information | | | | |
| Tax-exempt interest income | | | | |
| Other tax-exempt income | | | | |
| Nondeductible expenses | | | | |
| Distribution of cash and marketable securities | | 130,000 | 130,000 | |
| Distributions of other property | | | | |
| Investment income | 5,000 | 4,000 | 4,000 | |
| Investment expenses | | | | |

| RESIDENT STATE | | | | |
|--------------------------|--|--|--|--|
| Taxable income | | | | |
| Total tax | | | | |
| Overpayment | | | | |
| Balance due | | | | |

2009 2010 2011 DIFFERENCE