

GMB NO 1546-0687

2017

Open to Public Inspection for 501(c)(3) Organizations Only

Form 990-T

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2017 or other tax year beginning and ending Go to www.irs.gov/Form990T for instructions and the latest information. Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Department of the Treasury Internal Revenue Service

A Check box if address changed B Exempt under section X 501(c)(3) 408(e) 220(e) 408A 530(a) 529(a) C Book value of all assets at end of year 4,327,493

Name of organization THE LAYMAN FOUNDATION Number, street, and room or suite no 6131 SHALLOWFORD ROAD, SUITE 101 City or town, state or province, country, and ZIP or foreign postal code CHATTANOOGA TN 37421 F Group exemption number G Check organization type X 501(c) corporation

D Employer identification number 62-0535344 E Unrelated business activity codes 531120

H Describe the organization's primary unrelated business activity DEBT FINANCED COMMERCIAL RENTAL OF REAL PROPERTY During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

J The books are in care of DAVID RUHLING, CPA Telephone number 423-892-8380

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Less returns and allowances, Cost of goods sold, Gross profit, Capital gain net income, Net gain (loss), Capital loss deduction for trusts, Income (loss) from partnerships and S corporations, Rent income, Unrelated debt-financed income, Interest, annuities, royalties, and rents from controlled organizations, Investment income, Exploited exempt activity income, Advertising income, Other income, Total. Values: 167,937, 165,065, 2,872.

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Compensation of officers, directors, and trustees, Salaries and wages, Repairs and maintenance, Bad debts, Interest, Taxes and licenses, Charitable contributions, Depreciation, Less depreciation claimed on Schedule A and elsewhere on return, Depletion, Contributions to deferred compensation plans, Employee benefit programs, Excess exempt expenses, Excess readership costs, Other deductions, Total deductions, Unrelated business taxable income before net operating loss deduction, Net operating loss deduction, Unrelated business taxable income before specific deduction, Specific deduction, Unrelated business taxable income. Values: 122,888, 122,888, 2,872, 2,872, 1,000, 0.

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Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here See instructions and

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order)
 (1) \$ _____ (2) \$ _____ (3) \$ _____

b Enter organization's share of (1) Additional 5% tax (not more than \$11,750) \$ _____
 (2) Additional 3% tax (not more than \$100,000) \$ _____

c Income tax on the amount on line 34 ▶ 35c

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from Tax rate schedule or Schedule D (Form 1041) ▶▶ 36

37 Proxy tax See instructions ▶▶ 37

38 Alternative minimum tax ▶▶ 38

39 Tax on Non-Compliant Facility Income See instructions ▶▶ 39

40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies ▶▶▶ 40

Part IV Tax and Payments

41a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116) 41a

b Other credits (see instructions) 41b

c General business credit. Attach Form 3800 (see instructions) 41c

d Credit for prior year minimum tax (attach Form 8801 or 8827) 41d

e Total credits. Add lines 41a through 41d 41e

42 Subtract line 41e from line 40 42

43 Other taxes. Check if from Form 4255 Form 8611 Form 8697 Form 8866 Other (all sch) 43

44 Total tax. Add lines 42 and 43 44 0

45a Payments. A 2016 overpayment credited to 2017 45a

b 2017 estimated tax payments 45b

c Tax deposited with Form 8868 45c

d Foreign organizations. Tax paid or withheld at source (see instructions) 45d

e Backup withholding (see instructions) 45e

f Credit for small employer health insurance premiums (Attach Form 8941) 45f

g Other credits and payments: Form 2439 _____
 Form 4136 _____ Other _____ Total ▶ 45g

46 Total payments. Add lines 45a through 45g 46

47 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ 47

48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed ▶▶ 48

49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid ▶▶▶ 49

50 Enter the amount of line 49 you want. Credited to 2018 estimated tax ▶ Refunded ▶ 50

Part V Statements Regarding Certain Activities and Other Information (see instructions)

51 At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶ Yes No

52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. Yes No

53 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

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 *Stephen E. Beck* **TREASURER** *President*
 Signature of officer Date Title

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

Paid Preparer Use Only
 Print/Type preparer's name: DAVID L. RUHLING, CPA
 Preparer's signature: *David L. Ruhling*
 Date: 6/19/18
 Check if self-employed if PTIN: P00473250
 Firm's name: RUHLING & ASSOCIATES, CPAS
 Firm's EIN: 62-1578786
 Firm's address: 6131 SHALLOWFORD ROAD, SUITE 101
 Phone no: 423-892-8380
 CHATTANOOGA, TN 37421

Schedule A – Cost of Goods Sold. Enter method of inventory valuation ►

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3				
4a Additional sec 263A costs (attach schedule)	4a				
b Other costs (attach schedule)	4b		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
5 Total. Add lines 1 through 4b	5				

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1 Description of property		
(1) N/A		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ►
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ►		

Schedule E – Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		STMT 1 (a) Straight line depreciation (attach schedule)	STMT 2 (b) Other deductions (attach schedule)		
(1) COMMERCIAL OFFICE BUILDIN	256,470	122,888	129,196		
(2)					
(3)					
(4)					
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5			
(1) 1,664,997	2,542,810	65.48%		167,937	165,065
(2)		%			
(3)		%			
(4)		%			
SEE STATEMENT 3 SEE STATEMENT 4			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)	
Totals			167,937	165,065	
Total dividends-received deductions included in column 8					

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Exempt Controlled Organizations					
1 Name of controlled organization	2 Employer identification number	3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1) N/A					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)

Totals

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col 3 plus col 4)
(1) N/A				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)

Totals

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26

Totals

Schedule J – Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5))

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
Totals from Part I ▶						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
(1) N/A		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

62-0535344

Federal Statements

FYE: 12/31/2017

Statement 1 - Form 990-T, Schedule E, Column 3a - Straight Line Depreciation

<u>Description</u>	<u>Deduction</u>
COMMERCIAL OFFICE BUILDING	
BUILDING	51,558
BUILDOUT	13,687
LAND IMPROVEMENTS	7,868
LANDSCAPING	12,705
ROADS/PARKING LOTS	37,070
TOTAL	<u>122,888</u>

Statement 2 - Form 990-T, Schedule E, Column 3b - Other Deductions

<u>Description</u>	<u>Deduction</u>
COMMERCIAL OFFICE BUILDING	
MANAGEMENT FEES	12,000
INTEREST	49,873
INSURANCE	4,774
CLEANING & MAINTENANCE	1,043
REPAIRS	9,447
TAXES	25,929
UTILITIES	8,667
LA COLLINA LAWN CARE	17,238
LA COLLINA PEST CONTROL	225
TOTAL	<u>129,196</u>

Statement 3 - Form 990-T, Schedule E, Column 4 - Average Acquisition Debt

<u>Description</u>	<u>Deduction</u>
COMMERCIAL OFFICE BUILDING	
SUM OF DEBT OUTSTANDING AT FIRST OF EACH MONTH	19,979,964
DIVIDED BY TOTAL NUMBER OF MONTHS PROPERTY HELD	12
AVERAGE ACQUISITION DEBT	<u>1,664,997</u>

62-0535344

Federal Statements

FYE: 12/31/2017

Statement 4 - Form 990-T, Schedule E, Column 5 - Average Adjusted Basis

<u>Description</u>	<u>Deduction</u>
COMMERCIAL OFFICE BUILDING	
ADJUSTED BASIS ON FIRST DAY PROPERTY WAS HELD	2,601,955
ADJUSTED BASIS ON LAST DAY PROPERTY WAS HELD	2,483,665
	<u>5,085,620</u>
DIVIDED BY 2	<u>2</u>
AVERAGE ADJUSTED BASIS	<u><u>2,542,810</u></u>

Net Operating Loss Carryover Worksheet

Form **990-T****2017**

For calendar year 2017, or tax year beginning

, ending

Name

THE LAYMAN FOUNDATIONEmployer Identification Number
62-0535344

Preceding Taxable Year	Prior Year			Current Year	Next Year Carryover
	Adj. To NOL Inc/(Loss) After Adj.	NOL Utilized (Income Offset)	Carryovers to Current Year	Income Offset By NOL Carryback / Carryover Utilized	
20th 12/30/97					
19th 12/30/98					
18th 12/30/99					
17th 12/31/00					
16th 12/31/01					
15th 12/31/02					
14th 12/31/03					
13th 12/31/04					
12th 12/31/05					
11th 12/31/06					
10th 12/31/07					
9th 12/31/08					
8th 12/31/09					
7th 12/31/10					
6th 12/31/11	-43,986	21,173	22,813	2,872	19,941
5th 12/31/12	-19,758		19,758		19,758
4th 12/31/13	3,020	-3,020			
3rd 12/31/14	-5,668		5,668		5,668
2nd 12/31/15	5,513	-5,513			
1st 12/31/16	12,640	-12,640			
NOL carryover available to current year			48,239		
Current year	2,872			2,872	0
NOL carryover available to next year					45,367