

Extended to November 15, 2018

Form 990-T

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

OMB No 1545-0087

2017

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).

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

Department of the Treasury Internal Revenue Service

Form 990-T header section containing fields A through H: A (Check box if address changed), B (Exempt under section 501(c)(3)), C (Book value of all assets at end of year: 19,043,437), D (Employer identification number: 74-1984482), E (Unrelated business activity codes: 541800, 531120), F (Group exemption number), G (Check organization type: 501(c) corporation), H (Describe the organization's primary unrelated business activity: Advertising and rental income).

If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of Patrick Murray Telephone number 713-626-4234

Part I Unrelated Trade or Business Income

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include 1a Gross receipts or sales, 1b Less returns and allowances, 2 Cost of goods sold, 3 Gross profit, 4a Capital gain net income, 4b Net gain (loss).

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

1,337.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

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		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (attach schedule)	4a					X
4b	Other costs (attach schedule)	4b					
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)	
(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	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

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		
		(a) Straight line depreciation (attach schedule) Statement 1	(b) Other deductions (attach schedule) Statement 2	
(1) Single story office building				
(2) located @ 6919 Portwest Dr,				
(3) Houston, TX 77024	78,000.	18,257.	34,626.	
(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	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3) 298,142.	755,135.	39.48%	30,794.	20,878.
(4)		%		
Totals			30,794.	20,878.
Total dividends-received deductions included in column 8				0.

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

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		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)					
(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)				
Totals			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 0. 0.

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)				
(2)				
(3)				
(4)				
Totals		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 0. 0.

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)						
(2)						
(3)						
(4)						
Totals		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 28

Totals 0. 0. 0.

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)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Totals (carry to Part II, line (5)) 0. 0. 0.

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) TIDE Magazine	146,154.	137,380.	8,774.	101,092.	628,427.	8,774.
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
	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
Totals, Part II (lines 1-5)	146,154.	137,380.				8,774.

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)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

PAGE: 3
 SCHEDULE: E
 QUESTION: 1

DESCRIPTION OF DEBT-FINANCED PROPERTY

Property (1) Single story office building - 6919 Portwest Drive, Houston, TX 77024
 Total square footage = 19,707
 Rented = 7,543
 Allocation % 38.28%

PAGE: 3
 SCHEDULE: E
 QUESTION: 2

GROSS INCOME FROM DEBT-FINANCED PROPERTY

Property (1) 78,000

PAGE: 3
 SCHEDULE: E
 QUESTION: 3 (a)

STRAIGHT LINE DEPRECIATION

	<u>Gross Amount</u>	<u>Net Amount</u>	<u>Method</u>	<u>Life</u>	<u>In Service</u>
Property (1)					
Land	0	0			
Building	47,697	18,257	S/L	39 yrs	Dec-01
Leasehold improvements	0	0	S/L	3 yrs	Jan-08
Total	47,697	18,257			

PAGE: 3
SCHEDULE: E
QUESTION: 3 (b)

OTHER DEDUCTIONS

	Gross	Net
Property (1)		
Insurance	16,317	6,245
Interest	31,815	12,177
Utilities	24,408	9,342
Landscape maintenance	14,340	5,489
Dumpster rental	3,587	1,373
Total	90,467	34,626

PAGE: 3
SCHEDULE: E
QUESTION: 4

AVERAGE ACQUISITION DEBT

	<u>Debt Balance</u>
Property (1)	
January	819,301
February	812,119
March	804,630
April	797,384
May	790,029
June	782,735
July	775,327
August	767,986
September	760,616
October	753,139
November	745,720
December	738,187
	Gross 9,347,173
	divided by 12 months 778,931
Net average	298,142

PAGE: 3
SCHEDULE: E
QUESTION: 5

AVERAGE BASIS

	Cost	Accum Depr	Net
Property (1)			
Beginning of year	2,763,137	766,407	1,996,730
End of year	2,763,137	814,104	1,949,033
			<u>3,945,762</u>
		Average	1,972,881
		Net Average	755,135

Form 990-T	Schedule E - Depreciation Deduction	Statement 1
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Description	Activity Number	Amount	Total
Depreciation		18,257.	
- SubTotal -	1		18,257.
Total of Form 990-T, Schedule E, Column 3(a)			18,257.

Form 990-T	Schedule E - Other Deductions	Statement 2
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Description	Activity Number	Amount	Total
Insurance		6,245.	
Interest		12,177.	
Utilities		9,342.	
Landscape maintenance		5,489.	
Dumpster rental		1,373.	
- SubTotal -	1		34,626.
Total of Form 990-T, Schedule E, Column 3(b)			34,626.