

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 JUL 1, 2017, and ending JUN 30, 2018

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

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3) **03**
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)

Bismarck State College Foundation

Number, street, and room or suite no. If a P.O. box, see instructions.

PO Box 5587

City or town, state or province, country, and ZIP or foreign postal code

Bismarck, ND 58506-5587

D Employer identification number (Employees' trust, see instructions)

45-0358929

E Unrelated business activity codes (See instructions)

531120

C Book value of all assets at end of year

48,986,654.

F Group exemption number (See instructions.)

G Check organization type ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. Rental of commercial real property

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?

☐ Yes ☒ No

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

J The books are in care of Kari Knudson

Telephone number (701) 224-5700

Part I Unrelated Trade or Business Income

	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales			
b Less returns and allowances			
c Balance	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule E)	6		
7 Unrelated debt-financed income (Schedule E)	7	380,229.	236,863.
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions, attach schedule)	12		
13 Total. Combine lines 3 through 12	13	380,229.	236,863.
			143,366.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions)

(Except for contributions, deductions must be directly connected with the unrelated business income)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	4,608.
20 Charitable contributions (See instructions for limitation rules)	20	13,726.
21 Depreciation (attach Form 4562)	21	127,858.
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	127,858.
23 Depletion	22b	0.
24 Contributions to deferred compensation plans	23	
25 Employee benefit programs	24	
26 Excess exempt expenses (Schedule I)	25	
27 Excess readership costs (Schedule J)	26	
28 Other deductions (attach schedule)	27	
29 Total deductions. Add lines 14 through 28	28	500.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	29	18,834.
31 Net operating loss deduction (limited to the amount on line 30)	30	124,532.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	31	
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	32	124,532.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	33	1,000.
	34	123,532.

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

See Statement 4

35c 28,707.

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

44 28,707.

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

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 28,707.

43 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule)

43

44 Total tax. Add lines 42 and 43

48 28,707.

45a Payments: A 2016 overpayment credited to 2017**b 2017 estimated tax payments**

50b 25,000.

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

51 25,000.

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

53 3,707.

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
	X

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.

	X
--	---

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

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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Executive Director

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

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Lisa Chaffee, CPA

Lisa Chaffee, CPA

11/12/18

P00193453

Firm's name EIDE BAILLY LLP

Firm's EIN 45-0250958

Firm's address 1730 BURNT BOAT LOOP, STE.100

BISMARCK, ND 58503-0886

Phone no. 701-255-1091

Form 990-T (2017)

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				
4a Additional section 263A costs (attach schedule)	4a		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b 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)**(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)	(b) Other deductions (attach schedule)	
(1) Commercial Office Building	535,459.		Statement 5 333,563.	
(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	7. Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
Statement 6	Statement 7			
(1) 4,567,985.	6,433,222.	71.01%	380,229.	236,863.
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A) 380,229.	Enter here and on page 1, Part I, line 7, column (B) 236,863.
Total dividends-received deductions included in column 8				0.

Form 990-T (2017)

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

1. Name of controlled organization		Exempt Controlled Organizations			
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)					
(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			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)				
		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)						
		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		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.

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)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27 0.

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.

Form 990-T (2017)

Alternative Minimum Tax - Corporations

OMB No 1545-0123

▶ Attach to the corporation's tax return.

▶ Go to www.irs.gov/Form4626 for instructions and the latest information.

2017

Name Bismarck State College Foundation		Employer identification number 45-0358929
<p>Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).</p>		
1	Taxable income or (loss) before net operating loss deduction	123,532.
2	Adjustments and preferences:	
a	Depreciation of post-1986 property	2a
b	Amortization of certified pollution control facilities	2b
c	Amortization of mining exploration and development costs	2c
d	Amortization of circulation expenditures (personal holding companies only)	2d
e	Adjusted gain or loss	2e
f	Long-term contracts	2f
g	Merchant marine capital construction funds	2g
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h
i	Tax shelter farm activities (personal service corporations only)	2i
j	Passive activities (closely held corporations and personal service corporations only)	2j
k	Loss limitations	2k
l	Depletion	2l
m	Tax-exempt interest income from specified private activity bonds	2m
n	Intangible drilling costs	2n
o	Other adjustments and preferences	2o
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	-9,589.
4	Adjusted current earnings (ACE) adjustment:	113,943.
a	ACE from line 10 of the ACE worksheet in the instructions	4a
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See instructions	4b
c	Multiply line 4b by 75% (0.75). Enter the result as a positive amount	4c
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments. See instructions Note: You must enter an amount on line 4d (even if line 4b is positive)	4d
e	ACE adjustment.	4e
	<ul style="list-style-type: none"> If line 4b is zero or more, enter the amount from line 4c If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount 	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	95,894.
6	Alternative tax net operating loss deduction. See instructions	209,837.
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	6
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):	209,837.
a	Subtract \$150,000 from line 7. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8a
b	Multiply line 8a by 25% (0.25)	8b
c	Exemption. Subtract line 8b from \$40,000. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8c
9	Subtract line 8c from line 7. If zero or less, enter -0-	59,837.
10	Multiply line 9 by 20% (0.20)	14,959.
11	Alternative minimum tax foreign tax credit (AMTFTC). See instructions	25,041.
12	Tentative minimum tax. Subtract line 11 from line 10	184,796.
13	Regular tax liability before applying all credits except the foreign tax credit	36,959.
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	11
		12
		10
		14

JWA For Paperwork Reduction Act Notice, see separate instructions

Form 4626 (2017)

* See also

Statement 8

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1 Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	113,943.
2 ACE depreciation adjustment:			
a AMT depreciation	2a		127,858.
b ACE depreciation:			
(1) Post-1993 property	2b(1)		
(2) Post-1989, pre-1994 property	2b(2)		
(3) Pre-1990 MACRS property	2b(3)		
(4) Pre-1990 original ACRS property	2b(4)		
(5) Property described in sections 168(f)(1) through (4)	2b(5)		
(6) Other property	2b(6)		
(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		
c ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	127,858.
3 Inclusion in ACE of items included in earnings and profits (E&P):			
a Tax-exempt interest income	3a		
b Death benefits from life insurance contracts	3b		
c All other distributions from life insurance contracts (including surrenders)	3c		
d Inside buildup of undistributed income in life insurance contracts	3d		
e Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	
4 Disallowance of items not deductible from E&P:			
a Certain dividends received	4a		
b Dividends paid on certain preferred stock of public utilities that are deductible under section 247 (as affected by P.L. 113-295, Div. A, section 221(a)(4)(A), Dec. 19, 2014, 128 Stat. 4043)	4b		
c Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	
5 Other adjustments based on rules for figuring E&P:			
a Intangible drilling costs	5a		
b Circulation expenditures	5b		
c Organizational expenditures	5c		
d LIFO inventory adjustments	5d		
e Installment sales	5e		
f Total other E&P adjustments. Combine lines 5a through 5e		5f	
6 Disallowance of loss on exchange of debt pools		6	
7 Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8 Depletion		8	
9 Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10 Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	241,801.

Footnotes

Statement 1

Section 1.263(a)-1(f) De Minimis Safe Harbor Election

The organization is making the de minimis safe harbor election under Reg. Sec. 1.263(a)-1(f).

Form 990-T	Other Deductions	Statement	2
Description		Amount	
Professional Fees		500.	
Total to Form 990-T, Page 1, line 28		500.	

Form 990-T	Contributions Summary	Statement	3
------------	-----------------------	-----------	---

Qualified Contributions Subject to 100% Limit

Carryover of Prior Years Unused Contributions

For Tax Year 2012	
For Tax Year 2013	
For Tax Year 2014	585,725
For Tax Year 2015	265,254
For Tax Year 2016	144,752

Total Carryover	995,731
-----------------	---------

Total Current Year 10% Contributions	
--------------------------------------	--

Total Contributions Available	995,731
-------------------------------	---------

Taxable Income Limitation as Adjusted	13,726
---------------------------------------	--------

Excess 10% Contributions	982,005
--------------------------	---------

Excess 100% Contributions	0
---------------------------	---

Total Excess Contributions	982,005
----------------------------	---------

Allowable Contributions Deduction	13,726
-----------------------------------	--------

Total Contribution Deduction	13,726
------------------------------	--------

Form 990-T	Line 35c Tax Computation	Statement	4
1.	Taxable Income	123,532	
2.	Lesser of Line 1 or First Bracket Amount . .	50,000	
3.	Line 1 Less Line 2	73,532	
4.	Lesser of Line 3 or Second Bracket Amount . .	25,000	
5.	Line 3 Less Line 4	48,532	
6.	Income Subject to 34% Tax Rate	48,532	
7.	Income Subject to 35% Tax Rate	0	
8.	15 Percent of Line 2	7,500	
9.	25 Percent of Line 4	6,250	
10.	34 Percent of Line 6	16,501	
11.	35 Percent of Line 7	0	
12.	Additional 5% Surtax	1,177	
13.	Additional 3% Surtax	0	
14.	Total Income Tax		31,428
15.	Tax at 21% Rate effective after 12/31/2017	25,942	
	Days		
16.	Tax Prorated for Number of Days in 2017 184	15,843	
17.	Tax Prorated for Number of Days in 2018 181	12,864	
18.	Total Tax Prorated 365		28,707

Form 990-T	Schedule E - Other Deductions	Statement	5
------------	-------------------------------	-----------	---

Description	Activity Number	Amount	Total
Depreciation		180,056.	
Interest Expense		139,279.	
Accounting and Legal Fees		4,295.	
Repairs		400.	
Management Salaries		7,883.	
Insurance		1,650.	
- SubTotal -	1		333,563.
Total of Form 990-T, Schedule E, Column 3(b)			333,563.

Form 990-T	Average Acquisition Debt on or Allocable to Debt-Financed Property	Statement	6
------------	---	-----------	---

Description	Activity Number	Amount	Total
Average Debt		4,567,985.	
- SubTotal -	1		4,567,985.
Total of Form 990-T, Schedule E, Column 4			4,567,985.

Form 990-T	Average Adjusted Basis of or Allocable to Debt-Financed Property	Statement 7
------------	---	-------------

Description	Activity Number	Amount	Total
Average Basis		6,433,222.	
- SubTotal -	1		6,433,222.
Total of Form 990-T, Schedule E, Column 5			6,433,222.

Form 4626	AMT Contributions	Statement	8
Carryover of Prior Years Unused Contributions			
For Tax Year 2012			
For Tax Year 2013			
For Tax Year 2014	585,725		
For Tax Year 2015	265,254		
For Tax Year 2016	144,752		
Total Carryover		995,731	
Current Year Contributions			
Total Contributions		995,731	
10% of Taxable Income as Adjusted		23,315	
Excess Contributions		972,416	
Allowable Contributions		23,315	
AMT charitable deduction		23,315	
Regular contribution deduction		13,726	
AMT contribution adjustment		-9,589	

Form 4626	Other AMT Adjustments	Statement	9
Description		Amount	
Charitable Contributions		-9,589.	
Total to Form 4626, Line 2o		-9,589.	

Tentative Minimum Tax (TMT) Proration

Statement 10

Tentative minimum tax for the entire year . . . 36,959.

TMT in effect before 01/01/2018 36,959.

TMT in effect after 12/31/2017 0.

Days

TMT prorated for number of days in 2017 . . 184 18,631.

TMT prorated for number of days in 2018 . . 181 0.

TMT prorated 365 18,631.