

Form **990-T**

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

2017

Department of the Treasury
Internal Revenue Service

For calendar year 2017 or other tax year beginning 10/01/17, and ending 09/30/18

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) 220(e)
 408(e) 530(a)
 408A 529(a)

C Book value of all assets at end of year: 24,335,865

D Employer identification number (Employees' trust, see instructions): 23-7086112

E Unrelated business activity codes (See instructions): 531120

F Group exemption number (See instructions):

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

Name of organization: CODAC HEALTH, RECOVERY AND WELLNESS
 Number, street, and room or suite no. If a P.O. box, see instructions: 1650 E. FORT LOWELL ROAD, SUITE 202
 City or town, state or province, country, and ZIP or foreign postal code: TUCSON AZ 85719

H Describe the organization's primary unrelated business activity: RENTAL PROPERTY

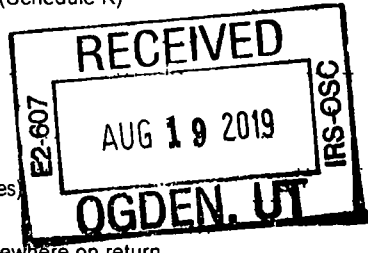
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

J The books are in care of: THE ORGANIZATION Telephone number: 520-327-4505

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 C)	6		
7	Unrelated debt-financed income (Schedule E)	7	70,920	70,920
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule 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	70,920	70,920

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	
20	Charitable contributions (See instructions for limitation rules)	20	
21	Depreciation (attach Form 4562)	21	92,877
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	92,877
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	
29	Total deductions. Add lines 14 through 28	29	
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	
31	Net operating loss deduction (limited to the amount on line 30)	31	
32	Unrelated business taxable income before specific deduction Subtract line 31 from line 30	32	
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	
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	34	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 (att sch) **43** _____

44 Total tax. Add lines 42 and 43 **44** _____ **0**

45a Payments. A 2016 overpayment credited to 2017 **45a** *209* 1,814

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** 1,814

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** 1,814

50 Enter the amount of line 49 you want **Credited to 2018 estimated tax ▶** 1,814 **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 **▶** **Yes** **No** **X**

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

Sign Here **▶** *Laura Klob* **8.12.19** **▶** **VP OF ADMIN SERVICES**

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.

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

Paid Preparer Use Only

Print/Type preparer's name: **JULIE S. KLEWER, CPA** Preparer's signature: *[Signature]* Date: **8/9/19** Check if self-employed if PTIN: **P00343046**

Firm's name: **LUDWIG KLEWER & RUDNER PLLC** Firm's EIN: **36-4538293**

Firm's address: **4783 E CAMP LOWELL DR TUCSON, AZ 85712** Phone no: **520-545-0500**

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		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
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)	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	
			STMT 1	STMT 2
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)	RENTAL	105,300	92,877	12,423
(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))
(1)	991,134	1,471,599	67.35%	70,920
(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			70,920	70,920
Total dividends-received deductions included in column 8				

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) 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			

Federal Statements

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

Description	Deduction
RENTAL DEPRECIATION	92,877
TOTAL	92,877

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

Description	Deduction
RENTAL INTEREST	10,777
INSURANCE	2,615
CLEANING & MAINTENANCE	1,176
REPAIRS	1,787
TAXES	16,167
UTILITIES	3,038
GAIN/LOSS ON DISPOSITION OF ASSET	1,492
SECURITY SYSTEM	672
DEDUCTION FOR LACK OF PROFIT MOTIVE	-25,301
TOTAL	12,423

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

Description	Deduction
RENTAL SUM OF DEBT OUTSTANDING AT FIRST OF EACH MONTH DIVIDED BY TOTAL NUMBER OF MONTHS PROPERTY HELD	11,893,602
AVERAGE ACQUISITION DEBT	991,134

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

Description	Deduction
RENTAL ADJUSTED BASIS ON FIRST DAY PROPERTY WAS HELD	1,639,235
ADJUSTED BASIS ON LAST DAY PROPERTY WAS HELD	1,303,963
	2,943,198
DIVIDED BY 2	2
AVERAGE ADJUSTED BASIS	1,471,599