

1509

Form 990-T

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

OMB No 1545-0687

For calendar year 2017 or other tax year beginning 10/01, 2017, and ending 09/30, 2018.

2017

Department of the Treasury Internal Revenue Service

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)

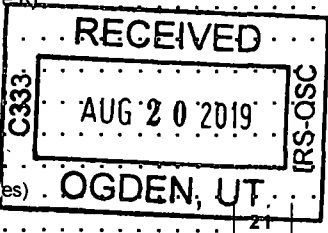
Open to Public Inspection for 501(c)(3) Organizations Only

Header section containing organization name (FAMILY HEALTH INTERNATIONAL), address (359 BLACKWELL STREET, DURHAM, NC 27701), and identification numbers (23-7413005).

Section H: Describe the organization's primary unrelated business activity (QTF BENEFIT EXPENSES). Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? (Yes/No).

Table with 4 columns: (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 of a section 501(c)(7), (9), or (17) organization, Exploited exempt activity income, Advertising income, Other income, Total. Combine lines 3 through 12.

Table with 4 columns: (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. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32.



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Part III Tax Computation

Table with 2 columns: Description and Amount. Rows include Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), Tax on Non-Compliant Facility Income (39), and Total (40). Total amount is 105,305.

Part IV Tax and Payments

Table with 2 columns: Description and Amount. Rows include Foreign tax credit (41a-e), Other taxes (43), Total tax (44), Payments (45a-f), Total payments (46), Estimated tax penalty (47), Tax due (48), Overpayment (49), and Refunded (50). Total tax is 140,000 and tax due is 34,695.

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

Table with 3 columns: Question, Yes, No. Rows include questions about foreign interest (51), foreign trust distributions (52), and tax-exempt interest (53).

Sign Here section containing a signature, date (08/14/2019), title (CFO), and a box for IRS discussion consent.

Paid Preparer Use Only section containing preparer's name (SCOTT TIDWELL), signature, date (8-14-19), firm's name (ERNST & YOUNG U.S. LLP), and address (100 NORTH TRYON STREET #3800, CHARLOTTE, NC 28202).

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 section 263A costs (attach schedule)	4a					
b	Other costs (attach schedule)	4b					
5	Total. Add lines 1 through 4b	5					
				8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
							X

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	Total	

(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) ▶

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)				
(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)		%		
(2)		%		
(3)		%		
(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 ▶				
Total dividends-received deductions included in column 8 ▶				

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

Table with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income (loss), 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.

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable Income, 8. Net unrelated income (loss), 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.

Totals row with instructions: 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).

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

Table with 5 columns: 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).

Totals row with instructions: Enter here and on page 1, Part I, line 9, column (A). Enter here and on page 1, Part I, line 9, column (B).

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

Table with 7 columns: 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, 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).

Totals row with instructions: 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.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 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).

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)						
(2)						
(3)						
(4)						
Totals from Part I ▶						
	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) ▶						

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 ▶			

**SCHEDULE O
(Form 1120)**

(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

**Consent Plan and Apportionment Schedule
for a Controlled Group**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ Information about Schedule O (Form 1120) and its instructions is available at www.irs.gov/form1120.

OMB No 1545-0123

Name FAMILY HEALTH INTERNATIONAL	Employer identification number 23-7413005
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Part I Apportionment Plan Information

- 1 Type of controlled group
 - a Parent-subsidary group
 - b Brother-sister group
 - c Combined group
 - d Life insurance companies only

- 2 This corporation has been a member of this group
 - a For the entire year
 - b From _____, until _____

- 3 This corporation consents and represents to
 - a Adopt an apportionment plan All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on SEPTEMBER 30, 2018, and for all succeeding tax years
 - b Amend the current apportionment plan All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending _____, and for all succeeding tax years
 - c Terminate the current apportionment plan and not adopt a new plan All the other members of this group are not adopting an apportionment plan
 - d Terminate the current apportionment plan and adopt a new plan All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years

- 4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was
 - a Elected by the component members of the group
 - b Required for the component members of the group

- 5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions)
 - a No apportionment plan is in effect and none is being adopted
 - b An apportionment plan is already in effect It was adopted for the tax year ending _____, and for all succeeding tax years

- 6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency?
See instructions
 - a Yes
 - (i) The statute of limitations for this year will expire on _____
 - (ii) On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____
 - b No The members may not adopt or amend an apportionment plan

- 7 Required information and elections for component members Check the applicable box(es) (see instructions)
 - a The corporation will determine its tax liability by applying the maximum tax rate imposed by section 11 to the entire amount of its taxable income
 - b The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the additional taxes for the group imposed by section 11(b)(1)
 - c The corporation has a short tax year that does not include December 31

Part II Taxable Income Apportionment (See instructions)

Caution: Each total in Part II, column (g) for each component member must equal taxable income from Form 1120, page 1, line 30 or the comparable line of such member's tax return

	(a) Group member's name and employer identification number	(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket					(g) Total (add columns (c) through (f))
			(c) 15%	(d) 25%	(e) 34%	(f) 35%		
1	FAMILY HEALTH INTERNATIONAL 23-7413005	18-09	50,000	25,000	370,971		445,971	
2	FHI VENTURES INC. 82-3688587	18-09						
3								
4								
5								
6								
7								
8								
9								
10								
Total			50,000	25,000	370,971		445,971	

Part III Income Tax Apportionment (See instructions)

Income Tax Apportionment

	(a) Group member's name	(b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1	FAMILY HEALTH INTERNATIONAL	7,500	6,250	126,130				139,880
2	FHI VENTURES INC.							
3								
4								
5								
6								
7								
8								
9								
10								
	Total	7,500	6,250	126,130				139,880

Part IV Other Apportionments (See instructions)

		Other Apportionments				
	(a) Group member's name	(b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phasout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1	FAMILY HEALTH INTERNATIONAL					
2	FHI VENTURES INC.					
3						
4						
5						
6						
7						
8						
9						
10						
Total						

FORM 990-T: FISCAL YEAR CORPORATION TAX COMPUTATION APPLYING BLENDED TAX RATE

1 UNRELATED BUSINESS TAXABLE INCOME (PAGE1, PART II, LINE 34).	445,971.
2 TAX ON LINE 1 FIGURED USING THE TAX RATE SCHEDULE OR TAX COMPUTATION WORKSHEET FOR MEMBERS OF A CONTROLLED GROUP.....	139,880.
3 TAX ON LINE 1 FIGURED USING THE 21% RATE.....	93,654.
4 MULTIPLY LINE 2 BY THE NUMBER OF DAYS 92 IN THE CORPORATION'S TAX YEAR BEFORE 01/01/2018.....	12,868,960.
5 MULTIPLY LINE 3 BY THE NUMBER OF DAYS 273 IN THE CORPORATION'S TAX YEAR AFTER 12/31/2017.....	25,567,542.
6 DIVIDE LINE 4 BY THE TOTAL NUMBER OF DAYS 365 IN THE CORPORATION'S TAX YEAR.....	35,257.
7 DIVIDE LINE 5 BY THE TOTAL NUMBER OF DAYS 365 IN THE CORPORATION'S TAX YEAR.....	<u>70,048.</u>
8 ADD LINES 6 AND 7: THE TOTAL TAX FOR THE FISCAL YEAR.....	<u><u>105,305.</u></u>

a

ATTACHMENT 1

PART I - LINE 12 - OTHER INCOME

QUALIFIED TRANSPORTATION FRINGE BEN EXP SEC 512(A)(7)

446,971.

PART I - LINE 12 - OTHER INCOME

446,971.

PART V - LINE 1 - NAME OF FOREIGN COUNTRY

AFGHANISTAN
ANGOLA
ARGENTINA
BAHAMAS
BANGLADESH
BARBADOS
BOSNIA AND HERZEGOVINA
BOTSWANA
BRAZIL
BURKINA FASO
BURUNDI
CAMBODIA
CAMEROON
CHINA
COLOMBIA
DEMOCRATIC REPUBLIC OF THE CONGO
COSTA RICA
CÔTE D'IVOIRE
DJIBOUTI
DOMINICAN REPUBLIC
ECUADOR
EGYPT
EL SALVADOR
EQUATORIAL GUINEA
ETHIOPIA
GABON
GAMBIA
GHANA
GUADELOUPE
GUATEMALA
GUINEA
HAITI
HONDURAS
INDIA
INDONESIA
IRELAND
JAMAICA
JORDAN
KAZAKHSTAN
KENYA
KYRGYZSTAN
LAO PDR
LATVIA
LEBANON
LIBERIA

PART V - LINE 1 - NAME OF FOREIGN COUNTRY

REPUBLIC OF MACEDONIA
MADAGASCAR
MALAWI
MALI
MARTINIQUE
MEXICO
MOLDOVA
MONTENEGRO
MOROCCO
MOZAMBIQUE
MYANMAR
NAMIBIA
NEPAL
NEW ZEALAND
NIGER
NIGERIA
PAKISTAN
PAPUA NEW GUINEA
PERU
PHILIPPINES
QATAR
RWANDA
SENEGAL
SERBIA
SIERRA LEONE
SINGAPORE
SOUTH AFRICA
SOUTH SUDAN
SRI LANKA
SURINAME
SWAZILAND
SWITZERLAND
TAJIKISTAN
UNITED REPUBLIC OF TANZANIA
THAILAND
TOGO
TRINIDAD AND TOBAGO
TUNISIA
UGANDA
UKRAINE
UNITED KINGDOM
VIETNAM
YEMEN
ZAMBIA
ZIMBABWE