

Form **990-T**

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

**2018**

Department of the Treasury  
Internal Revenue Service

For calendar year 2018 or other tax year beginning 06/01/18, and ending 05/31/19

Go to [www.irs.gov/Form990T](http://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)  408A  529(a)

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

**Compadres for Scholarships**

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

**22822 Malabar Peak**

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

**San Antonio TX 78261**

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

**20-5301344**

E Unrelated business activity code (See instructions)

**713200**

C Book value of all assets at end of year

**51,297**

F Group exemption number (See instructions)

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

H Enter the number of the organization's unrelated trades or businesses 1 Describe the only (or first) unrelated trade or business here

If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete Schedule M for each additional trade or business, then complete Parts III-V

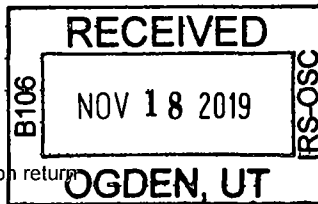
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No

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

J The books are in care of Raul Martinez Telephone number 210-632-4692

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales <u>1,403,820</u>			
b	Less returns and allowances			
	<b>c Balance</b>	<b>1c</b>		
2	Cost of goods sold (Schedule A, line 7)	<u>1,403,820</u>		
3	Gross profit Subtract line 2 from line 1c	<u>1,403,820</u>		<u>1,403,820</u>
4a	Capital gain net income (attach Schedule D)			
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 partnership and S corporation (attach statement)			
5				
6	Rent income (Schedule C)			
6				
7	Unrelated debt-financed income (Schedule E)			
7				
8	Interest, annuities, royalties, and rents from controlled organization (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	<b>Total.</b> Combine lines 3 through 12	<u>1,403,820</u>		<u>1,403,820</u>

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 <u>70,828</u>
16	Repairs and maintenance	16
17	Bad debts	17
18	Interest (attach schedule) (see instructions)	18
19	Taxes and licenses	19 <u>56</u>
20	Charitable contributions (See instructions for limitation rules)	20
21	Depreciation (attach Form 4562)	21
22	Less depreciation claimed on Schedule A and elsewhere on return	22a
22b		<u>0</u>
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 <u>1,318,195</u>
29	<b>Total deductions.</b> Add lines 14 through 28	29 <u>1,389,079</u>
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30 <u>14,741</u>
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31
32	Unrelated business taxable income Subtract line 31 from line 30	32 <u>14,741</u>



See Statement 1

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Part II Total Unrelated Business Taxable income

Table with 4 columns: Line number, Description, Column number, and Amount. Rows 33-38 showing unrelated business taxable income calculations.

Part III Tax Computation

Table with 4 columns: Line number, Description, Column number, and Amount. Rows 39-44 showing tax computation details.

Part IV Tax and Payments

Table with 4 columns: Line number, Description, Column number, and Amount. Rows 45a-55 showing tax credits, payments, and tax due.

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

Table with 3 columns: Line number, Description, and Yes/No columns. Rows 56-58 regarding foreign interest and tax-exempt interest.

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.

Preparer information section including name (Perry L. Deckard, CPA), firm name (Gilliam & Associates, P.C.), address (11010 Coachlight St., Suite 200, San Antonio, TX), and phone number (210-979-7055).

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

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

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

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

(see instructions)

**1** Description of property

(1) <b>N/A</b>
(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)		
<b>Total</b>	<b>Total</b>	<b>(b) Total deductions.</b> 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)

<b>1</b> Description of debt-financed property		<b>2</b> Gross income from or allocable to debt-financed property	<b>3</b> Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) <b>N/A</b>				
(2)				
(3)				
(4)				
<b>4</b> Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	<b>5</b> Average adjusted basis of or allocable to debt-financed property (attach schedule)	<b>6</b> Column 4 divided by column 5	<b>7</b> Gross income reportable (column 2 x column 6)	<b>8</b> 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)**

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)				
<b>Totals</b>			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)**

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)				
<b>Totals</b>		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)**

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)						
<b>Totals</b>		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**

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)						
<b>Totals (carry to Part II, line (5))</b>						

**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) <b>N/A</b>						
(2)						
(3)						
(4)						
<b>Totals from Part I</b> ▶						
<b>Totals, Part II (lines 1-5)</b> ▶	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) <b>N/A</b>		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 ▶			

**Federal Statements****Statement 1 - Form 990-T, Part II, Line 28 - Other Deductions**

<u>Description</u>	<u>Amount</u>
Advertising	\$ 4,631
Occupancy	120,619
Accounting	800
Office	2,284
Other Professional Fees	19,523
Cash Prizes	1,077,585
Other Direct Fundraising/Gaming	92,753
Direct Expense allocation	
Total	<u>\$ 1,318,195</u>

## Net Operating Loss Carryover Worksheet for Pre-2018 Losses

Form **990-T**

**2018**

For calendar year 2018, or tax year beginning **06/01/18**, ending **05/31/19**

Name

**Compadres for Scholarships**

Employer Identification Number  
**20-5301344**

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 Prior Carryover	
20th 05/30/99					
19th 05/31/00					
18th 05/31/01					
17th 05/31/02					
16th 05/31/03					
15th 05/31/04					
14th 05/31/05					
13th 05/31/06					
12th 05/31/07					
11th 05/31/08					
10th 05/31/09					
9th 05/31/10					
8th 05/31/11					
7th 05/31/12					
6th 05/31/13	-2,322	2,322			
5th 05/31/14	-4,766	4,766			
4th 05/31/15	22,236				
3rd 05/31/16	16,670				
2nd 05/31/17	-14,374		14,374	14,374	
1st 05/31/18	-15,944		15,944	367	15,577
NOL carryover available to current year			30,318		
Current year	14,741			13,741	
NOL carryover available to next year					15,577

**Two Year Comparison Report**

For calendar year 2018, or tax year beginning **06/01/18**, ending **05/31/19**

Name

Taxpayer Identification Number

**Compadres for Scholarships**

**20-5301344**

		2017	2018	Differences
<b>Revenue</b>	1. Gross profit/loss on business activities	1. 1,089,021	1,403,820	314,799
	2. Capital gains/losses	2.		
	3. Income/loss from partnerships and S corporations	3.		
	4. Rental income (net of expense)	4.		
	5. Unrelated debt-financed income (net of expense)	5.		
	6. Interest, and other income from controlled organizations (net of expense)	6.		
	7. Investment income of specific organizations (net of expense)	7.		
	8. Exploited exempt activity income (net of expense)	8.		
	9. Advertising income (net of expense)	9.		
	10. Other income	10.		
	11. <b>Total trade or business income.</b> Combine lines 1 through 10	11. 1,089,021	1,403,820	314,799
<b>Expenses</b>	12. Compensation of officers, directors, and trustees	12.		
	13. Other salaries and wages	13. 51,366	70,828	19,462
	14. Repairs and maintenance	14.		
	15. Bad debts	15.		
	16. Interest	16.		
	17. Taxes and licenses	17. -542	56	598
	18. Charitable contributions	18.		
	19. Depreciation and Depletion	19.		
	20. Contributions to deferred compensation plans	20.		
	21. Employee benefit programs	21.		
	22. Other deductions	22. 1,054,141	1,318,195	264,054
	23. <b>Total deductions.</b> Add lines 12 through 22	23. 1,104,965	1,389,079	284,114
	24. <b>Net income on Page 1;</b> Subtract line 23 from 11	24. -15,944	14,741	30,685
	25. Unrelated business taxable income from all trades	25. -15,944	14,741	30,685
	26. Disallowed employee fringe benefits	26.		
	27. Net operating loss (pre-2018)	27.	14,741	14,741
	28. <b>Taxable income after NOL loss</b>	28.		
	29. Specific deduction	29.	1,000	1,000
	30. <b>Unrelated business taxable income.</b>	30.		
<b>Tax &amp; Credits</b>	31. <i>Income tax (corporate or trust)</i>	31. -1,385		1,385
	32. Proxy tax	32.		
	33. Other taxes	33.		
	34. <b>Total taxes</b> .....	34. -1,385		1,385
	35. Other credits .....	35.		
	36. General business credit	36.		
	37. Credit for prior year minimum tax	37.		
	38. <b>Total credits</b>	38.		
	39. <b>Net tax after credits</b>	39.		
	40. Recapture taxes and 965 tax	40.		
	41. <b>Total Taxes</b>	41.		
<b>Due/Refund</b>	42. Prior year overpayment and estimated tax payments	42.		
	43. Payment made with extension	43.		
	44. Backup withholding and foreign withholding	44.		
	45. Other payments	45.		
	46. <b>Total payments</b>	46.		
	47. <b>Balance due/(Overpayment)</b>	47.		
	48. Overpayment applied to next year	48.		
	49. Penalties	49.		
	50. <b>Total due/(Refund)</b>	50.		



Form **990T**

**Tax Return History**

**2018**

Name

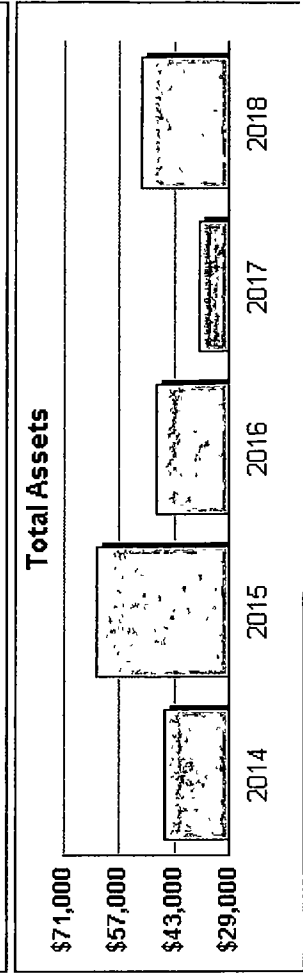
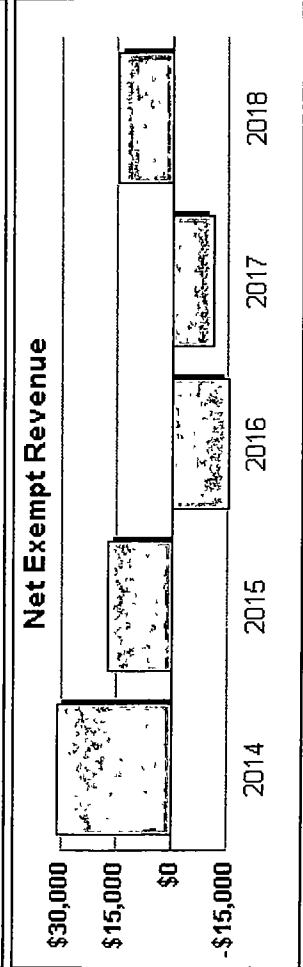
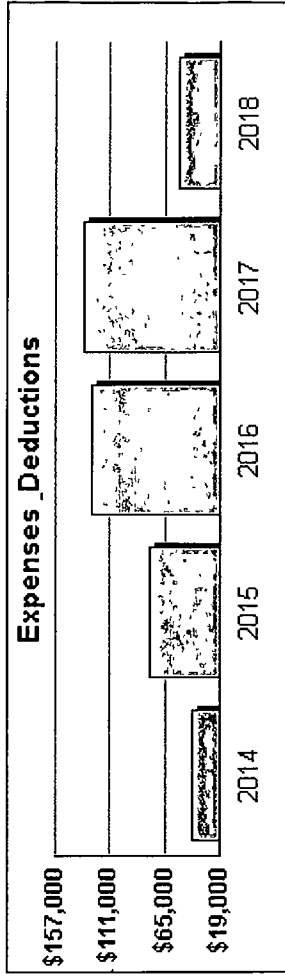
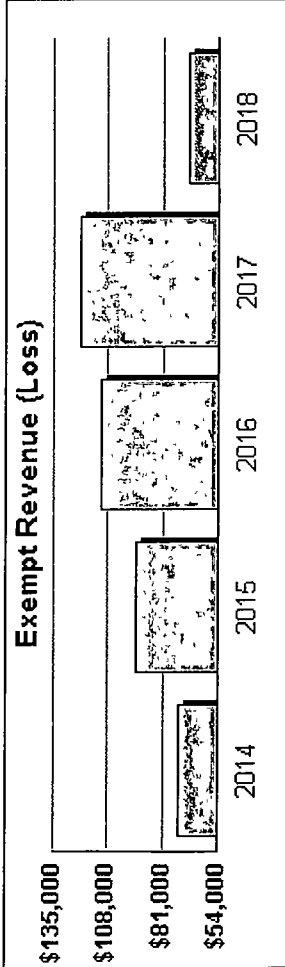
**Compadres for Scholarships**

Employer Identification Number

**20-5301344**

\* Income shown net of expenses

	2014	2015	2016	2017	2018	2019
Business activity profit/loss	1,054,110	1,068,380	1,090,350	1,089,021	1,403,820	
Capital gains/losses						
Partner and S Corp gain/loss						
Rental income*						
Debt-financed income*						
Controlled organizations income/interest*						
Investment income, specific organizations*						
Exploited exempt activity income*						
Other income						
<b>Total trade or business income.</b>	<b>1,054,110</b>	<b>1,068,380</b>	<b>1,090,350</b>	<b>1,089,021</b>	<b>1,403,820</b>	
Compensation of officers, ect						
Other salaries and wages	72,254	70,386	49,655	51,366	70,828	
Repairs and maintenance						
Bad debts						
Interest						
Taxes and licenses	5,756	5,223	2,248	-542	56	
Charitable contributions						
Depreciation and Depletion						
Deferred compensation plans						
Employee benefit programs						



Form **990T**

**Tax Return History**

**2018**

Name

**Compadres for Scholarships**

Employer Identification Number  
**20-5301344**

	2014	2015	2016	2017	2018	2019
Other deductions	953,864	976,101	1,052,821	1,054,141	1,318,195	
Net income (990T first activity)	22,236	16,670	-14,374	-15,944	14,741	
UBTI from all trades	22,236	16,670	0	0	14,741	
Taxable employee fringe benefits						
Net operating loss deduction					14,741	
Specific deduction	1,000	1,000			1,000	
Income after expense and deductions	21,236	15,670				
Income tax (corporate or trust)	3,185	2,351		-1,385		
Other taxes						
<b>Total taxes</b>	<b>3,185</b>	<b>2,351</b>		<b>-1,385</b>		
General business credit						
Other credits						
<b>Net tax after credits</b>	<b>3,185</b>	<b>2,351</b>				
Estimated tax payments						
Other payments						
<b>Balance due/Overpayment</b>	<b>3,185</b>	<b>2,351</b>				

