

EXTENDED TO MAY 15, 2018

Form 990-T

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

OMB No. 1545-0687

2016

For calendar year 2016 or other tax year beginning JUL 1, 2016 and ending JUN 30, 2017

Information about Form 990-T and its instructions is available at www.irs.gov/form990t.

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

A Check box if address changed

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

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

B Exempt under section: [X] 501(c)(3), [ ] 408(e), [ ] 220(e), [ ] 408A, [ ] 530(a), [ ] 529(a)

Print or Type

THE CATHOLIC DIOCESE OF LEXINGTON, KY

61-1132894

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

1310 W. MAIN STREET

E Unrelated business activity codes (See instructions)

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

LEXINGTON, KY 40508-2040

451211 511110

C Book value of all assets at end of year: 23,161,873.

F Group exemption number (See instructions.)

G Check organization type: [X] 501(c) corporation, [ ] 501(c) trust, [ ] 401(a) trust, [ ] Other trust

H Describe the organization's primary unrelated business activity: BOOKSTORE & PUBLICATION OF NEWSPAPER

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

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

J The books are in care of: DEBBIE SWISHER Telephone number: (859) 253-1993

Part I Unrelated Trade or Business Income

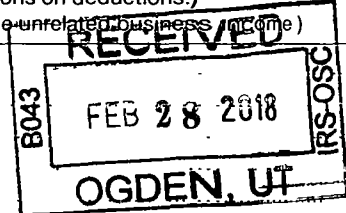
Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales (448,102), Cost of goods sold (287,572), Gross profit (160,530), Net gain (loss) (-52,520), and Total (285,666).

SCANNED APR 11 2018

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)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Compensation of officers (127,949), Charitable contributions (8,116), Depreciation (12,582), and Total deductions (264,796).



Handwritten numbers: 9-11 14

**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 0.

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 0.

**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 0.

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 ▶ 44 0.

45a Payments: A 2015 overpayment credited to 2016 ▶ 45a

b 2016 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

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 0.

49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid ▶ 49 0.

50 Enter the amount of line 49 you want: Credited to 2017 estimated tax  Refunded  ▶ 50

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

51 At any time during the 2016 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

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]* 2/23/18 FINANCIAL OFFICER  
 Signature of officer Date Title

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

<b>Paid Preparer Use Only</b>	Print/Type preparer's name KRING, RAY, FARLEY & RIDDLE, PSC	Preparer's signature <i>[Signature]</i>	Date 2/23/18	Check <input type="checkbox"/> if self-employed	PTIN P00067109
	Firm's name ▶ KRING, RAY, FARLEY & RIDDLE, PSC			Firm's EIN ▶ 61-1015031	
	Firm's address ▶ 444 EAST MAIN STREET; STE 203 LEXINGTON, KY 40507			Phone no. (859) 231-0541	

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

1	Inventory at beginning of year	1	76,956.	6	Inventory at end of year	6	25,038.
2	Purchases	2	223,591.	7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	287,572.
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					
b	Other costs (attach schedule)	4b	12,063.				X
5	Total. Add lines 1 through 4b	5	312,610.				

**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.

(e) 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)	
		STATEMENT 5	STATEMENT 6	
(1) CLIFFVIEW RETREAT CENTER	228,501.	47,033.	269,698.	
(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) 546,985.	889,251.	61.51%	140,551.	194,821.
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b>		Enter here and on page 1, Part I, line 7, column (A)		Enter here and on page 1, Part I, line 7, column (B)
		140,551.		194,821.
<b>Total dividends-received deductions included in column 8</b>				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)				
<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).

**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)				
<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)

**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)						
<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 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) CROSSROADS	24,565.	27,042.				
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>	24,565.	27,042.	-2,477.			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)						
<b>Totals from Part I</b>	<b>24,565.</b>	<b>27,042.</b>				<b>0.</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
<b>Totals, Part II (lines 1-5)</b>	<b>24,565.</b>	<b>27,042.</b>				<b>0.</b>

**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)		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			<b>0.</b>

FORM 990-T	OTHER INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
MISCELLANEOUS INCOME			252.
TOTAL TO FORM 990-T, PAGE 1, LINE 12			252.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
AUTO AND TRAVEL EXPENSES			1,169.
RENT			25,000.
JANITORIAL EXPENSE			145.
EQUIPMENT EXPENSES			64.
OFFICE EXPENSES			1,136.
POSTAGE			3,189.
TELEPHONE			3,629.
UTILITIES			8,884.
ADVERTISING AND PROMOTION			2,574.
CREDIT CARD FEES/BANK CHARGES			6,647.
PRINTING			626.
INTEREST EXPENSE			8,874.
LEGAL AND ACCOUNTING			618.
DUES AND SUBSCRIPTIONS			1,762.
PROGRAM EXPENSES			4,181.
MANAGEMENT FEES			23,521.
COMPUTER MAINTENANCE AND EXPENSES			1,166.
INSURANCE			1,448.
TRAVEL/CONFERENCES/MEETINGS			1,014.
TOTAL TO FORM 990-T, PAGE 1, LINE 28			95,647.

FORM 990-T	NET OPERATING LOSS DEDUCTION			STATEMENT	3
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR	
06/30/13	166,533.	0.	166,533.	166,533.	
06/30/14	113,369.	0.	113,369.	113,369.	
06/30/15	69,926.	0.	69,926.	69,926.	
06/30/16	169,455.	0.	169,455.	169,455.	
NOL CARRYOVER AVAILABLE THIS YEAR			519,283.	519,283.	

FORM 990-T COST OF GOODS SOLD - OTHER COSTS STATEMENT 4

DESCRIPTION	AMOUNT
SHIPPING AND HANDLING	12,063.
TOTAL TO FORM 990-T, SCHEDULE A, LINE 4B	12,063.

FORM 990-T SCHEDULE E - DEPRECIATION DEDUCTION STATEMENT 5

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		47,033.	
- SUBTOTAL -	1		47,033.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)			47,033.

FORM 990-T SCHEDULE E - OTHER DEDUCTIONS STATEMENT 6

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
MANAGEMENT FEES		17,670.	
PROGRAM EXPENSES		8,713.	
SALARIES AND WAGES		103,355.	
PAYROLL TAXES AND FEES		8,481.	
EMPLOYEE BENEFITS		27,451.	
OPERATING SUPPLIES		388.	
OFFICE EXPENSE		904.	
TAXES AND LICENSES		460.	
REPAIRS AND MAINTENANCE		37.	
BUILDING AND GROUNDS		10,535.	
AUTO AND TRUCK EXPENSE		5,741.	
SERVICE CONTRACTS		5,259.	
FOOD SUPPLIES		37,126.	
EQUIPMENT EXPENSES		2,681.	
TELEPHONE		5,321.	
UTILITIES		22,321.	
DUES AND SUBSCRIPTIONS		461.	
ADVERTISING AND PROMOTION		6,621.	
INSURANCE		4,748.	
BANK CHARGES		72.	
INTEREST		613.	
TRAVEL AND CONFERENCES		540.	

MISCELLANEOUS

- SUBTOTAL - 1

200.

269,698.

TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)

269,698.



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Asset No	Description	Date Acquired	Method	Life	Con y	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
2	(D) 9 DISPLAY CASES AND SHELVES	05/01/12	SL	7.00	16	16	1,250.				1,250.	746.		179.	925.
3	(D) SIGN	05/01/12	SL	7.00	16	16	650.				650.	387.		93.	480.
4	(D) SIGN	05/01/12	SL	7.00	16	16	950.				950.	567.		136.	703.
5	(D) BOOKSTORE MANAGER POS	05/01/12	SL	3.00	16	16	500.				500.	500.		0.	500.
6	(D) FRONT DESK COMPUTERS	05/01/12	SL	3.00	16	16	1,000.				1,000.	1,000.		0.	1,000.
7	(D) DELL POWEREDGE 1800	05/01/12	SL	3.00	16	16	800.				800.	800.		0.	800.
8	(D) CABINET	05/01/12	SL	7.00	16	16	150.				150.	88.		21.	109.
9	(D) TELEPHONE SYSTEM	05/01/12	SL	3.00	16	16	950.				950.	950.		0.	950.
10	(D) DELL POWEREDGE SERVER	05/01/12	SL	3.00	16	16	5,000.				5,000.	5,000.		0.	5,000.
11	(D) POS CASH REGISTER	05/01/12	SL	3.00	16	16	500.				500.	500.		0.	500.
12	(D) STORE FITUP EXPENSES	10/01/12	SL	15.00	16	16	106,187.				106,187.	21,775.		7,079.	28,854.
13	(D) PHILLIPS 55" LED TV	06/22/12	SL	5.00	16	16	1,098.				1,098.	880.		218.	1,098.
14	(D) SAMSUNG EQUIPMENT	06/22/12	SL	5.00	16	16	799.				799.	640.		159.	799.
15	(D) GLOBAL GOV/ED SOLUTIONS	05/30/12	SL	5.00	16	16	783.				783.	641.		142.	783.
16	(D) 2 POS COMPUTERS	01/06/14	SL	5.00	16	16	1,154.				1,154.	577.		231.	808.
17	(D) IPAD	07/09/13	SL	5.00	16	16	636.				636.	381.		127.	508.
18	(D) UNIFORM PRESS	01/09/14	SL	7.00	16	16	625.				625.	223.		89.	312.
19	(D) LAPTOP COMPUTER	08/09/13	SL	5.00	16	16	530.				530.	309.		106.	415.

628111 04-01-16

(D) - Asset disposed

\* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

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Asset No	Description	Date Acquired	Method	Life	C o n v	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
20	(D)GOV/ED SOLUTIONS	01/01/13	SL	5.00		16	935.				935.	374.		187.	561.
21	2008 SIENNA	11/30/12	SL	5.00		16	19,077.				19,077.	7,630.		3,815.	11,445.
	* TOTAL 990-T PG 1 DEPR						143,574.		0.	0.	143,574.	43,968.		12,582.	56,550.
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						143,574.		0.	0.	143,574.	43,968.			56,550.
	ACQUISITIONS						0.		0.	0.	0.	0.			0.
	DISPOSITIONS						124,497.		0.	0.	124,497.	36,338.			45,105.
	ENDING BALANCE						19,077.		0.	0.	19,077.	7,630.			11,445.