

Form 990-T

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

2016

For calendar year 2016 or other tax year beginning 07/01/16, and ending 06/30/17

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

Name of organization QUAPAW HOUSE, INC.
Number, street, and room or suite no. If a P.O. box, see instructions P.O. BOX 3450
City or town, state or province, country, and ZIP or foreign postal code HOT SPRINGS AR 71914

D Employer identification number 71-0545718
E Unrelated business activity codes 531390 531120

C Book value of all assets at end of year

F Group exemption number
G Check organization type 501(c) corporation

H Describe the organization's primary unrelated business activity

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 501-767-4456

Table with 3 columns: (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Less returns and allowances, Cost of goods sold, etc. Total income 55,211, Total expenses 55,673, Net -462.

Table with 2 columns: Description, Amount. Rows include Compensation of officers, directors, and trustees; Salaries and wages; Repairs and maintenance; etc. Total deductions 18,399. Unrelated business taxable income -462.

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 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**

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 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

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

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.

Cathy Bright **5-15-18** **EXECUTIVE DIRECTOR**

Signature of officer Date 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 **ELIZABETH L HILL** Preparer's signature *Elizabeth Hill* Date **5-15-18** Check if PTIN self-employed *****

Firm's name **CRASS & SMITH, PA** Firm's EIN **** - *** 5665**

Firm's address **835 CENTRAL AVE STE 511** Phone no **501-624-1333**

HOT SPRINGS, AR 71901-5310

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				
b Other costs (attach schedule)	4b		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
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)	OFFICE SPACE RENTAL	104,130	13,075	89,879
(2)	QCC - GYM	24,000	5,324	19,730
(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)	405,807	1,188,403	34.15%	35,560
(2)	589,186	719,545	81.88%	19,651
(3)			%	
(4)			%	
Totals			55,211	55,673
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 inc	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)				
Totals			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)				
Totals		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)						
Totals		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)						
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
OFFICE SPACE RENTAL DEPRECIATION	13,075
TOTAL	<u>13,075</u>
QCC - GYM DEPRECIATION	5,324
TOTAL	<u>5,324</u>

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

Description	Deduction
OFFICE SPACE RENTAL MANAGEMENT FEES	20,000
INTEREST	7,443
INSURANCE	9,077
CLEANING & MAINTENANCE	2,618
SUPPLIES	75
REPAIRS	27,898
TAXES	226
UTILITIES	22,542
TOTAL	<u>89,879</u>
QCC - GYM MANAGEMENT FEES	2,500
INTEREST	5,403
INSURANCE	2,086
CLEANING & MAINTENANCE	425
SUPPLIES	952
REPAIRS	2,451
TAXES	25
UTILITIES	5,888
TOTAL	<u>19,730</u>

Federal Statements

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

Description	Deduction
OFFICE SPACE RENTAL	
SUM OF DEBT OUTSTANDING AT FIRST OF EACH MONTH	4,869,684
DIVIDED BY TOTAL NUMBER OF MONTHS PROPERTY HELD	12
AVERAGE ACQUISITION DEBT	405,807
 QCC - GYM	
SUM OF DEBT OUTSTANDING AT FIRST OF EACH MONTH	7,070,232
DIVIDED BY TOTAL NUMBER OF MONTHS PROPERTY HELD	12
AVERAGE ACQUISITION DEBT	589,186

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

Description	Deduction
OFFICE SPACE RENTAL	
ADJUSTED BASIS ON FIRST DAY PROPERTY WAS HELD	1,188,403
ADJUSTED BASIS ON LAST DAY PROPERTY WAS HELD	1,188,403
	2,376,806
DIVIDED BY 2	2
AVERAGE ADJUSTED BASIS	1,188,403
 QCC - GYM	
ADJUSTED BASIS ON FIRST DAY PROPERTY WAS HELD	719,545
ADJUSTED BASIS ON LAST DAY PROPERTY WAS HELD	719,545
	1,439,090
DIVIDED BY 2	2
AVERAGE ADJUSTED BASIS	719,545