

Form **990-T**

EXTENDED TO AUGUST 16, 2021
Exempt Organization Business Income Tax Return
 (and proxy tax under section 6033(e))

OMB No 1545-0047

2019

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

For calendar year 2019 or other tax year beginning OCT 1, 2019, and ending SEP 30, 2020

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).

Department of the Treasury
Internal Revenue ServiceA ☐ Check box if address changedName of organization (☐ Check box if name changed and see instructions.)

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

B Exempt under section

Print or Type

BEST FRIENDS ANIMAL SOCIETY

☒ 501(c)(3)

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

23-7147797

☐ 408(e) ☐ 220(e)

5001 ANGEL CANYON ROAD

E Unrelated business activity code (See instructions)

☐ 408A ☐ 530(a)

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

453220

☐ 529(a)

KANAB, UT 84741

C Book value of all assets at end of year

F Group exemption number (See instructions.)

152,713,432.

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 **GIFT SHOP SALES**

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 a 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 **STEPHEN HOWELL, CHIEF OPERATING OF**Telephone number **435-644-2001****Part I Unrelated Trade or Business Income**

	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales 24,051.			
b Less returns and allowances			
c Balance	1c 24,051.		
2 Cost of goods sold (Schedule A, line 7)	2 13,412.		
3 Gross profit. Subtract line 2 from line 1c	3 10,639.		10,639.
4 a 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 a partnership or an S corporation (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7 127,012.	869,586.	-742,574.
8 Interest, annuities, royalties, and rents from a 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)	11 123,430.	15,526.	107,904.
12 Other income (See instructions, attach schedule)	12		
13 Total. Combine lines 3 through 12	13 261,081.	885,112.	-624,031.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions)
(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 10,055.	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule) (see instructions)	18	
19 Taxes and licenses	19	
20 Depreciation (attach Form 4562)	20 549,452.	
21 Less depreciation claimed on Schedule A and elsewhere on return	21a 549,452.	21b 0.
22 Depletion	22	
23 Contributions to deferred compensation plans	23	
24 Employee benefit programs	24	
25 Excess exempt expenses (Schedule I)	25	
26 Excess readership costs (Schedule J)	26 107,904.	
27 Other deductions (attach schedule)	27 41,651.	
28 Total deductions. Add lines 14 through 27	28 159,610.	
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	29 -783,641.	
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30 0.	
31 Unrelated business taxable income. Subtract line 30 from line 29	31 -783,641.	

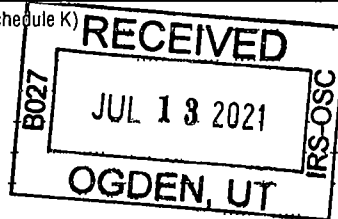
SEE STATEMENT 1

SEE STATEMENT 2

923701 01-27-20 LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-T** (2019)

SCANNED AUG 24 2021

2021 07 27
Received in
Batching Ogden

6.9 7

Part III Total Unrelated Business Taxable Income

32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32	-783,641.
33	Amounts paid for disallowed fringes	33	
34	Charitable contributions (see instructions for limitation rules)	34	0.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35	-783,641.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	36	
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37	-783,641.
38	Specific deduction (Generally \$1,000, but see line 38 instructions for exceptions)	38	1,000.
39	Unrelated business taxable income. Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39	-783,641.

Part IV Tax Computation

40	Organizations Taxable as Corporations. Multiply line 39 by 21% (0.21)	40	0.
41	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 39 from Tax rate schedule or Schedule O (Form 1041)	41	
42	Proxy tax. See instructions	42	
43	Alternative minimum tax (trusts only)	43	
44	Tax on Noncompliant Facility Income. See instructions	44	
45	Total. Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45	0.

Part V Tax and Payments

46a	Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116)	46a	
46b	Other credits (see instructions)	46b	
46c	General business credit. Attach Form 3800	46c	
46d	Credit for prior year minimum tax (attach Form 8801 or 8827)	46d	
46e	Total credits. Add lines 46a through 46d	46e	
47	Subtract line 46e from line 45	47	0.
48	Other taxes. Check if from <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	48	
49	Total tax. Add lines 47 and 48 (see instructions)	49	0.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3	50	0.
51a	Payments. A 2018 overpayment credited to 2019	51a	8,173.
51b	2019 estimated tax payments	51b	
51c	Tax deposited with Form 8868	51c	
51d	Foreign organizations. Tax paid or withheld at source (see instructions)	51d	
51e	Backup withholding (see instructions)	51e	0.
51f	Credit for small employer health insurance premiums (attach Form 8941)	51f	
51g	Other credits, adjustments, and payments. Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other <input type="checkbox"/> Total	51g	
52	Total payments. Add lines 51a through 51g	52	8,173.
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached	53	
54	Tax due. If line 52 is less than the total of lines 49, 50, and 53, enter amount owed	54	
55	Overpayment. If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid	55	8,173.
56	Enter the amount of line 55 you want credited to 2020 estimated tax. 8,173. Refunded	56	0.

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

57	At any time during the 2019 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
	SEE STATEMENT 3	X	
58	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		X
59	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 of officer

Date

CHIEF OPERATING OFFICER

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

Preparer's signature

Date

Check self-employed

PTIN

MARC A. METCALF

06/14/21

P00170461

Firm's name

Firm's EIN

20-2253063

36 S STATE STREET, SUITE 600

Firm's address

Phone no 801-532-7444

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **► LOWER OF COST OR MARKET**

1	Inventory at beginning of year	1	229,062.	6	Inventory at end of year	6	241,458.
2	Purchases	2	25,808.	7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	13,412.
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					
4b	Other costs (attach schedule)	4b					X
5	Total. Add lines 1 through 4b	5	254,870.				

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.	

(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) STATEMENT 6	(b) Other deductions (attach schedule) STATEMENT 7
(1) HOTEL		216,670.	549,452.	933,977.
(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) 5,995,457.	10,227,131.	58.62%	127,012.	869,586.
(2)		%		
(3)		%		
(4)		%		
STATEMENT 4		STATEMENT 5	Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
			127,012.	869,586.
Totals				
Total dividends-received deductions included in column 8				0.

Form 990-T (2019)

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)				
			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)				
		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)						
		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 25
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)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			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) BEST FRIENDS MAGAZINE	123,430.	15,526.	107,904.		1,394,437.	107,904.
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11 col (A) 123,430.	Enter here and on page 1, Part I, line 11, col (B) 15,526.				Enter here and on page 1, Part II line 26 107,904.

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			0.

Form 990-T (2019)

FORM 990-T	OTHER DEDUCTIONS	STATEMENT 1
DESCRIPTION		AMOUNT
PROFESSIONAL FEES		2,784.
ADVERTISING		304.
OFFICE EXPENSE		4,451.
INFORMATION TECHNOLOGY		3,403.
OCCUPANCY		23,092.
INTEREST		6.
INSURANCE		604.
MISCELLANEOUS		7,007.
TOTAL TO FORM 990-T, PAGE 1, LINE 27		41,651.

FORM 990-T	NET OPERATING LOSS DEDUCTION		STATEMENT 2
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
09/30/19	22,847.	0.	22,847.
NOL CARRYOVER AVAILABLE THIS YEAR			22,847.

FORM 990-T	NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST	STATEMENT 3
NAME OF COUNTRY		
CAYMAN ISLANDS		
BRITISH VIRGIN ISLANDS		

FORM 990-T SCHEDULE E - UNRELATED DEBT-FINANCED INCOME STATEMENT 4
AVERAGE ACQUISITION DEBT

DESCRIPTION OF DEBT-FINANCED PROPERTY	ACTIVITY NUMBER	AMOUNT OF OUTSTANDING DEBT
HOTEL	1	
BEGINNING FIRST MONTH		6,435,703.
BEGINNING SECOND MONTH		6,409,845.
BEGINNING THIRD MONTH		6,384,686.
BEGINNING FOURTH MONTH		6,358,638.
BEGINNING FIFTH MONTH		6,333,636.
BEGINNING SIXTH MONTH		6,308,272.
BEGINNING SEVENTH MONTH		6,281,238.
BEGINNING EIGHTH MONTH		6,255,671.
BEGINNING NINTH MONTH		6,229,226.
BEGINNING TENTH MONTH		6,203,457.
BEGINNING ELEVENTH MONTH		6,176,817.
BEGINNING TWELFTH MONTH		2,568,290.
TOTAL OF ALL MONTHS		71,945,479.
NUMBER OF MONTHS IN YEAR		12
AVERAGE AQUISITION DEBT		5,995,457.

TOTALS TO FORM 990-T, SCHEDULE E, COLUMN 4

FORM 990-T SCHEDULE E - UNRELATED DEBT-FINANCED INCOME STATEMENT 5
AVERAGE ADJUSTED BASIS

DESCRIPTION OF DEBT-FINANCED PROPERTY	ACTIVITY NUMBER	AMOUNT
HOTEL	1	
AVERAGE ADJUSTED BASIS OF PROPERTY FIRST DAY OF YEAR		10,506,499.
AVERAGE ADJUSTED BASIS OF PROPERTY LAST DAY OF YEAR		9,947,762.
AVERAGE ADJUSTED BASIS OF PROPERTY FOR THE YEAR		10,227,131.

TOTAL TO FORM 990-T, SCHEDULE E, COLUMN 5

FORM 990-T SCHEDULE E - DEPRECIATION DEDUCTION STATEMENT 6

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		549,452.	
- SUBTOTAL -	1		549,452.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)			549,452.

FORM 990-T SCHEDULE E - OTHER DEDUCTIONS STATEMENT 7

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
SALARIES		290,720.	
PENSION PLAN		3,867.	
OTHER EMPLOYEE BENEFITS		56,127.	
PAYROLL TAXES		21,117.	
PROFESSIONAL FEES OTHER		40,565.	
ADVERTISING		9,078.	
OFFICE EXPENSE		44,314.	
INFORMATION TECHNOLOGY		32,202.	
OCCUPANCY		64,462.	
INTEREST		270,997.	
INSURANCE		18,004.	
SUPPLIES & EQUIPMENT		11,680.	
POSTAGE AND SHIPPING		871.	
MANAGEMENT FEES		69,973.	
- SUBTOTAL -	1		933,977.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			933,977.