

Form **990-T**

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

OMB No 1545-0047

**2019**

For calendar year 2019 or other tax year beginning June 1, 2019, and ending May 31, 2020

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)
  - 408(e)  220(e)
  - 408A  530(a)
  - 529(a)
- C Book value of all assets at end of year

Name of organization (  Check box if name changed and see instructions )  
**Hendrix College**  
 Number, street, and room or suite no. If a P.O. box, see instructions  
**1600 Washington Avenue**  
 City or town, state or province, country, and ZIP or foreign postal code  
**Conway, AR 72032**

D Employer identification number (Employees' trust, see instructions)  
**71-0236897**  
 E Unrelated business activity code (See instructions)  
**531120**

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 **RE Development and Commercial leasing**. 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.

The books are in care of **Hendrix College Business Office** Telephone number **501-450-1333**

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**Part I Unrelated Trade or Business Income**

|   | (A) Income | (B) Expenses | (C) Net |
|---|------------|--------------|---------|
| 1a Gross receipts or sales  | 154,046    |              |         |
| b Less returns and allowances   | 0          |              |         |
| c Balance   | 154,046    |              |         |
| 2 Cost of goods sold (Schedule A, line 7)   | 0          |              |         |
| 3 Gross profit. Subtract line 2 from line 1c  | 154,046    |              | 154,046 |
| 4a Capital gain net income (attach Schedule D)  |            |              |         |
| b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)                      |            |              |         |
| c Capital loss deduction for trusts   |            |              |         |
| 5 Income (loss) from a partnership or an S corporation (attach statement)               | (1,692)    |              | (1,692) |
| 6 Rent income (Schedule C)  |            |              |         |
| 7 Unrelated debt-financed income (Schedule E)   |            |              |         |
| 8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F) |            |              |         |
| 9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)      |            |              |         |
| 10 Exploited exempt activity income (Schedule I)  |            |              |         |
| 11 Advertising income (Schedule J)  |            |              |         |
| 12 Other income (See instructions, attach schedule)                                     |            |              |         |
| 13 Total. Combine lines 3 through 12  | 152,354    |              | 152,354 |

**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)   |  |         |          |
| 15 Salaries and wages   |  |         | 12,500   |
| 16 Repairs and maintenance  |  |         | 7,299    |
| 17 Bad debts  |  |         |          |
| 18 Interest (attach schedule) (see instructions)  |  |         | 73,296   |
| 19 Taxes and licenses   |  |         | 22,800   |
| 20 Depreciation (attach Form 4562)  |  | 105,820 |          |
| 21 Less depreciation claimed on Schedule A and elsewhere on return  |  |         |          |
| 22 Depletion  |  |         |          |
| 23 Contributions to deferred compensation plans   |  |         |          |
| 24 Employee benefit programs  |  |         |          |
| 25 Excess exempt expenses (Schedule I)  |  |         |          |
| 26 Excess readership costs (Schedule J)   |  |         |          |
| 27 Other deductions (attach schedule)   |  |         | 5,279    |
| 28 Total deductions. Add lines 14 through 27  |  |         | 226,994  |
| 29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13           |  |         | (74,640) |
| 30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions) |  |         |          |
| 31 Unrelated business taxable income. Subtract line 30 from line 29   |  |         | (74,640) |

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Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Includes lines 32-39 for unrelated business taxable income calculation, ending at (74,640) on line 39.

Part IV Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 40-45 for tax computation, ending at 0 on line 45.

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 46a-56 for tax and payments, ending at 0 on line 54.

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

Table with 3 columns: Line number, Description, and Yes/No columns. Includes lines 57-59 regarding foreign accounts, distributions, and tax-exempt interest.

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

Sign Here: Signature of officer, Date (4/15/2021), Title (Asst. Business Controller), and a box for 'May the IRS discuss this return with the preparer shown below?' with Yes/No options.

Paid Preparer Use Only: Print/Type preparer's name, Preparer's signature, Date, Check if self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone 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 line 6 from line 5. Enter here and in Part I, line 2                           | <b>7</b> |            |
| <b>3</b> Cost of labor                                    | <b>3</b>  |  |   |          |            |
| <b>4a</b> Additional section 263A costs (attach schedule) | <b>4a</b> |  | <b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? |          | <b>Yes</b> |
| <b>b</b> Other costs (attach schedule)                    | <b>4b</b> |  |   |          | <b>No</b>  |
| <b>5</b> <b>Total.</b> Add lines 1 through 4b             | <b>5</b>  |  |   |          |            |

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

(see instructions)

|  |  |  |
|--|--|--|
| <b>1.</b> Description of property  |  |  |
| (1)  |  |  |
| (2)  |  |  |
| (3)  |  |  |
| (4)  |  |  |
| <b>2.</b> Rent received or accrued   |  |  |
| <b>(a)</b> From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) | <b>(b)</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) | <b>3(a)</b> 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) ►                  |
| <b>(c) Total income.</b> 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 |  |
|  |  |  | <b>(a)</b> Straight line depreciation (attach schedule)                             | <b>(b)</b> Other deductions (attach schedule)                              |
| (1)  |  |  |   |  |
| (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 × column 6)                             | <b>8.</b> Allocable deductions (column 6 × total of columns 3(a) and 3(b)) |
| (1)  |  | %  |   |  |
| (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)                       |
| <b>Total dividends-received deductions</b> 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)                                |                                   |   |                                     |   |  |
| (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<br>Enter here and on page 1,<br>Part I, line 8, column (A) | Add columns 6 and 11<br>Enter here and on page 1,<br>Part I, line 8, column (B) |
|--|--|--|---|---|

**Totals**

**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,<br>Part I, line 9, column (A) |                                 | Enter here and on page 1,<br>Part I, line 9, column (B) |

**Totals**

**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**

**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)  |                             |                             |   |                       |                     |  |
| <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)                                |  |  |   |                       |                     |  |
| (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 26                                       |

**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.</b> Enter here and on page 1, Part II, line 14 |          |  |  |

**Depreciation and Amortization**  
(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return.  
▶ Go to [www.irs.gov/Form4562](http://www.irs.gov/Form4562) for instructions and the latest information.

|   |   |                    |
|---|---|--------------------|
| Name(s) shown on return<br><b>Hendrix College</b> | Business or activity to which this form relates<br><b>Re Development and Commercial leasing</b> | Identifying number |
|---|---|--------------------|

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

|   |                              |                  |
|---|------------------------------|------------------|
| 1 Maximum amount (see instructions) . . . . .   | <b>1</b>                     |                  |
| 2 Total cost of section 179 property placed in service (see instructions) . . . . .   | <b>2</b>                     |                  |
| 3 Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .  | <b>3</b>                     |                  |
| 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .  | <b>4</b>                     |                  |
| 5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions . . . . . | <b>5</b>                     |                  |
| <b>6</b> (a) Description of property  | (b) Cost (business use only) | (c) Elected cost |
|   |                              |                  |
| 7 Listed property. Enter the amount from line 29 . . . . .  | <b>7</b>                     |                  |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .  | <b>8</b>                     |                  |
| 9 Tentative deduction. Enter the smaller of line 5 or line 8 . . . . .  | <b>9</b>                     |                  |
| 10 Carryover of disallowed deduction from line 13 of your 2018 Form 4562 . . . . .  | <b>10</b>                    |                  |
| 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions . . . . .                      | <b>11</b>                    |                  |
| 12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11 . . . . .   | <b>12</b>                    |                  |
| 13 Carryover of disallowed deduction to 2020. Add lines 9 and 10, less line 12 ▶ . . . . .  | <b>13</b>                    |                  |

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

|   |           |  |
|---|-----------|--|
| 14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions . . . . . | <b>14</b> |  |
| 15 Property subject to section 168(f)(1) election . . . . .   | <b>15</b> |  |
| 16 Other depreciation (including ACRS) . . . . .  | <b>16</b> |  |

**Part III MACRS Depreciation (Don't include listed property. See instructions.)**

**Section A**

|   |           |  |
|---|-----------|--|
| 17 MACRS deductions for assets placed in service in tax years beginning before 2019 . . . . .   | <b>17</b> |  |
| 18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . <input type="checkbox"/> |           |  |

**Section B—Assets Placed in Service During 2019 Tax Year Using the General Depreciation System**

| (a) Classification of property        | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|---------------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| <b>19a</b> 3-year property            |                                      |  |                     |                |            |                            |
| <b>b</b> 5-year property              |                                      |  |                     |                |            |                            |
| <b>c</b> 7-year property              |                                      | 228,003  |                     |                |            | 26,191                     |
| <b>d</b> 10-year property             |                                      |  |                     |                |            |                            |
| <b>e</b> 15-year property             |                                      | 305,360  |                     |                |            | 10,690                     |
| <b>f</b> 20-year property             |                                      |  |                     |                |            |                            |
| <b>g</b> 25-year property             |                                      |  | 25 yrs              |                | S/L        |                            |
| <b>h</b> Residential rental property  |                                      |  | 27 5 yrs            | MM             | S/L        |                            |
| <b>i</b> Nonresidential real property |                                      |  | 39 yrs.             | MM             | S/L        | 68,939                     |

**Section C—Assets Placed in Service During 2019 Tax Year Using the Alternative Depreciation System**

|                       |  |  |         |    |     |  |
|-----------------------|--|--|---------|----|-----|--|
| <b>20a</b> Class life |  |  |         |    | S/L |  |
| <b>b</b> 12-year      |  |  | 12 yrs. |    | S/L |  |
| <b>c</b> 30-year      |  |  | 30 yrs  | MM | S/L |  |
| <b>d</b> 40-year      |  |  | 40 yrs  | MM | S/L |  |

**Part IV Summary (See instructions.)**

|   |           |         |
|---|-----------|---------|
| 21 Listed property. Enter amount from line 28 . . . . .   | <b>21</b> |         |
| 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions . . . . . | <b>22</b> | 105,820 |
| 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .  | <b>23</b> |         |

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 10 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions. 25

26 Property used more than 50% in a qualified business use: Table with 10 columns for percentage and other details.

27 Property used 50% or less in a qualified business use: Table with 10 columns for percentage and other details.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with 6 columns for vehicles (a-f) and rows 30-36 for miles driven and availability questions.

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

Table for Section C with 2 columns (Yes/No) and rows 37-41 for policy and information requirements.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

Table for Part VI with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2019 tax year (see instructions):

43 Amortization of costs that began before your 2019 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

Part I, Line 5

|                         | Share of total<br>income |
|-------------------------|--------------------------|
| TVH Rowhouses           | (27,499)                 |
| Mckennon Properties LLC | 25,807                   |
|                         | <u>(1,692)</u>           |

Part II, Line 18

|                             | Average<br>Balance | Average<br>Rate | Interest      |
|-----------------------------|--------------------|-----------------|---------------|
| Conventional bank financing | 1,966,556          | 3.94%           | 73,296        |
|                             |                    |                 | <u>73,296</u> |

Part II, Line 28

|             |              |
|-------------|--------------|
| Legal       | 2,654        |
| Consulting  | -            |
| Advertising | -            |
| Utilities   | 2,625        |
| Supplies    | -            |
| Other       | -            |
| Total       | <u>5,279</u> |