

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

2016

Department of the Treasury
Internal Revenue Service

For calendar year 2016 or other tax year beginning _____, and ending _____

► 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 OnlyA Check box if
address changed

B Exempt under section

<input checked="" type="checkbox"/>	501(c)(3)
<input type="checkbox"/>	408(e)
<input type="checkbox"/>	408A
<input type="checkbox"/>	529(a)
<input type="checkbox"/>	220(e)
<input type="checkbox"/>	530(a)

C Book value of all assets
at end of year

986,415

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

Milagro Foundation, Inc.

Print
or
Type

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

695 Auburn Ave.

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

Delray Beach FL 33444

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

65-0804625

E Unrelated business activity codes
(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 Describe the organization's primary unrelated business activity.

► Nonresidential Building Rental

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 ► Barbara Stark Telephone number ► 561-279-2970

Part I Unrelated Trade or Business Income

		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances	c Balance		
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c			
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 partnerships and S corporations (attach statement)			
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (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	21,344	27,907	-6,563

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
16	Repairs and maintenance	16
17	Bad debts	17
18	Interest (attach schedule)	18
19	Taxes and licenses	19
20	Charitable contributions (See instructions for limitation rules)	20
21	Depreciation (attach Form 4562)	21 11,537
22	Less depreciation claimed on Schedule A and elsewhere on return	22a 11,537 22b 0
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
29	Total deductions. Add lines 14 through 28	29
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30 -6,563
31	Net operating loss deduction (limited to the amount on line 30)	31
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32 -6,563
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33 1,000
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34 -6,563

Application for Automatic Extension of Time To File an
Exempt Organization Return

► File a separate application for each return.

► Information about Form 8868 and its instructions is at www.irs.gov/form8868.

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profit, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions		
Type or print	Name of exempt organization or other filer, see instructions. Milagro Foundation, Inc.	Employer identification number (EIN) or 65-0804625
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 695 Auburn Ave.	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Delray Beach	FL 33444

Enter the Return Code for the return that this application is for (file a separate application for each return)

07

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**Barbara Stark
695 Auburn Ave**

- The books are in the care of ► **Delray Beach** **FL 33444**

- Telephone No. ► **561-279-2970** FAX No. ►
 • If the organization does not have an office or place of business in the United States, check this box ►
 • If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ► If it is for part of the group, check this box ► and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until **11/15/17** to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year **2016** or
 ► tax year beginning , and ending

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

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**

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 ► **45g**

Form 4136 ► **45g** Other ► **45g** 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 ► **50** 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 ► **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. **X**

53 Enter the amount of tax-exempt interest received or accrued during the tax year ► **\$**

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

Edward T. Holt

3/21/17

Executive Director

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

Paid Preparer	Print/Type preparer's name EDWARD T. HOLT, CPA	Preparer's signature <i>Edward T. Holt</i>	Date 07/14/17	Check <input type="checkbox"/> if self-employed	PTIN P00024170
	Firm's name Nowlen, Holt & Miner, P.A.	Firm's EIN ► 59-2749772			
Use Only	Firm's address 515 N. Flagler Drive, Ste. 1700 West Palm Beach, FL 33401-4330			Phone no. 561-659-3060	

Form 990-T (2016)

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	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes
b Other costs (attach schedule)	4b			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
(1) Unrelated debt financed		23,509	11,537	19,201
(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) 207,334	228,360	90.79%	21,344	27,907
(2)		%		
(3)		%		
(4)		%		
See Statement 3 See Statement 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			► 21,344	► 27,907
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)				
			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**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)				
	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**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)						
	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.

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) 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 ►						
	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.
Totals, Part II (lines 1-5) ►						

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
Unrelated debt financed	
Building 346	11,087
Carpet - 346 SW 6th	250
Fence Upgrade - 346 SW 6th Ave.	200
Total	<u>11,537</u>

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

Description	Deduction
Unrelated debt financed	
Interest	14,982
Utilities	4,192
Other	27
Total	<u>19,201</u>

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

Description	Deduction
Unrelated debt financed	
Sum of Debt Outstanding at First of Each Month	2,488,006
Divided by Total Number of Months Property Held	12
Average Acquisition Debt	<u>207,334</u>

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

Description	Deduction
Unrelated debt financed	
Adjusted Basis on First Day Property Was Held	234,129
Adjusted Basis on Last Day Property Was Held	222,591
	456,720
Divided by 2	2
Average Adjusted Basis	<u>228,360</u>

Depreciation and Amortization
(Including Information on Listed Property)

Name(s) shown on return

Milagro Foundation, Inc.

Identifying number
65-0804625

Business or activity to which this form relates

Unrelated debt financed**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)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,010,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	

7	Listed property. Enter the amount from line 29	7		
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8		
9	Tentative deduction. Enter the smaller of line 5 or line 8	9		
10	Carryover of disallowed deduction from line 13 of your 2015 Form 4562	10		
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12		
13	Carryover of disallowed deduction to 2017. Add lines 9 and 10, less line 12	13		

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)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	11,537

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 2016	17	0
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	18	

Section B—Assets Placed in Service During 2016 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
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2016 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
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	22	11,537
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

There are no amounts for Page 2

Year Ending: December 31, 2016

65-0804625

Milagro Foundation, Inc.
695 Auburn Ave.
Delray Beach, FL 33444

NOL Carryback Election

Under IRC Section 172(b)(3), the taxpayer elects to relinquish the entire carryback period with respect to any regular tax and AMT net operating loss incurred during the current tax year.