

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

OMB No 1545-0687

2009

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2009 or other tax year beginning _____, and
ending _____ **See separate instructions.**

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

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section</p> <p><input checked="" type="checkbox"/> 501(c) (C) (3)</p> <p><input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)</p> <p><input type="checkbox"/> 408A <input type="checkbox"/> 530(a)</p> <p><input type="checkbox"/> 529(a)</p> <p>C Book value of all assets at end of year 391,433</p>	<p>Print Name of organization (<input type="checkbox"/> Check box if name changed and see instructions)</p> <p>or "LIVING HOPE" MISSIONS INTERNATIONAL</p> <p>Type Number, street, and room or suite no. If a P O box, see page 8 of instructions</p> <p>5425 HOB WARREN ROAD</p> <p>City or town, state, and ZIP code</p> <p>SOUR LAKE TX 77659</p>	<p>D Employer identification number (Employees' trust, see instructions for Block D on page 9) 20-5684659</p> <p>E Unrelated business activity codes (See instructions for Block E on page 9) 531120</p>	<p>F Group exemption number (See instructions for Block F on page 9) ▶ 1620</p>	<p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>
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H Describe the organization's primary unrelated business activity
▶ **RENTAL OF OFFICE BUILDING**

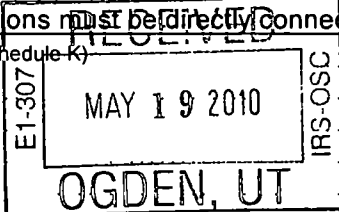
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation

J The books are in care of ▶ **BOBBY L. HALE, PRES** Telephone number ▶

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 ▶		1c		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit Subtract line 2 from line 1c	3		
4a	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 partnerships and S corporations (attach statement)	5		
6	Rent income (Schedule C)	6	48,000	10,981
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (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		
12	Other income (See page 10 of the instructions, attach schedule)	12		
13	Total. Combine lines 3 through 12	13	48,000	10,981

Part II Deductions Not Taken Elsewhere (See page 11 of the 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 page 13 of the instructions for limitation rules)	20	
21	Depreciation (attach Form 4562)	21	10,051
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	10,051
22b		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	37,019
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	37,019
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	36,019



SEE STATEMENT 1

SCANNED JUN 07 2009

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15 Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and		
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order) (1) \$ <input type="text"/> (2) \$ <input type="text"/> (3) \$ <input type="text"/>		
b Enter organization's share of (1) Additional 5% tax (not more than \$11,750) (2) Additional 3% tax (not more than \$100,000)	\$ <input type="text"/> \$ <input type="text"/>	
c Income tax on the amount on line 34		35c 5,403
36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16 Income tax on the amount on line 34 from <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)		36
37 Proxy tax. See page 16 of the instructions		37
38 Alternative minimum tax		38
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies		39 5,403

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116)	40a	
b Other credits (see page 16 of the instructions)	40b	
c General business credit Attach Form 3800	40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d	
e Total credits. Add lines 40a through 40d		40e
41 Subtract line 40e from line 39		41 5,403
42 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		42
43 Total tax. Add lines 41 and 42		43 5,403
44a Payments: A 2008 overpayment credited to 2009	44a	
b 2009 estimated tax payments	44b	
c Tax deposited with Form 8868	44c	
d Foreign organizations Tax paid or withheld at source (see instructions)	44d	
e Backup withholding (see instructions)	44e	
f Other credits and payments <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other <input type="text"/> Total	44f	
45 Total payments. Add lines 44a through 44f		45
46 Estimated tax penalty (see page 4 of the instructions) Check if Form 2220 is attached <input checked="" type="checkbox"/>		46 140
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed		47 5,543
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid		48
49 Enter the amount of line 48 you want Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		49

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

1 At any time during the 2009 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 Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts If YES, enter the name of the foreign country here	Yes	No
2 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 page 5 of the instructions for other forms the organization may have to file		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$		

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		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional sec 263A costs (attach sch)	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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

Linda R. Hale 15-15-10 President
Signature of officer Date Title

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

Paid

Preparer's signature **TERRY S. WHIDDON, CPA** Date **03/15/10** Check if self-employed Preparer's SSN or PTIN **P00012831**

Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code **FUNCHESS, MILLS, WHITE & CO., PC, CPA'S**
1150 NORTH ELEVENTH STREET
BEAUMONT, TX 77702-1207 EIN **76-0154479**
Phone no **409-838-3755**

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

(see instructions on page 18)

1. Description of property

(1) WAREHOUSE PASADENA, TEXAS
(2)
(3)
(4)

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule) SEE STATEMENT 2
(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)	
(1)	48,000	10,981
(2)		
(3)		
(4)		
Total	Total 48,000	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 10,981
(c) Total income. Add totals of columns 2(a) and 2(b) Enter here and on page 1, Part I, line 6, column (A) 48,000		

Schedule E – Unrelated Debt-Financed Income (see instructions on page 19)

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)	
(1) N/A				
(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)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)

Total dividends-received deductions included in column 8

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

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 on page 20)

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 on page 21)

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 on page 21)

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) N/A						
(2)						
(3)						
(4)						
(5) 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 on page 21)

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			

Statement 1 - Form 990-T, Part II, Line 28 - Other Deductions

Description	Amount
REAL ESTATE FEES	\$
UTILITIES	
CONTRACT SERVICES	
FEES	
MANAGEMENT	
LEGAL	
INVESTMENT MANAGEMENT	
TOTAL	\$ <u>0</u>

Federal Statements

Statement 2 - Form 990-T, Schedule C, Column 3 - Deductions

<u>Description</u>	<u>Deduction</u>
WAREHOUSE PASADENA, TEXAS	
INSURANCE	894
UTILITIES	36
DEPRECIATION	<u>10,051</u>
TOTAL	<u><u>10,981</u></u>

Depreciation and Amortization
 (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return **"LIVING HOPE" MISSIONS INTERNATIONAL** Identifying number **20-5684659**

Business or activity to which this form relates
WAREHOUSE PASADENA, TEXAS

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 the instructions for a higher limit for certain businesses	1	250,000
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	800,000
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 2008 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 do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)

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	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	10,051
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 2009 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 2009 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	10,051
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.