

Form **990-T**

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

2017

For calendar year 2017 or other tax year beginning 07/01/17, and ending 06/30/18 **1806**

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).

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) **(03)**

408(e) 220(e)

408A 530(a)

529(a)

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

Print THE ARC OREGON

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

Type 2405 FRONT ST NE, SUITE 120

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

SALEM OR 97301

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

93-0504507

E Unrelated business activity codes (See instructions)

531120 | 531120

C Book value of all assets at end of year

22,454,485

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.

▶ **DEBT FINANCED RENTAL INCOME**

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

J The books are in care of ▶ **PAULA BOGA** Telephone number ▶ **503-581-2726**

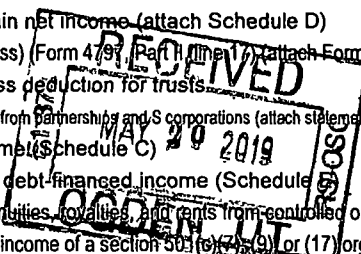
Part I Unrelated Trade or Business Income

	(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)			
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 D)	37,752	30,338	7,414
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
9 Investment income of a section 501(c)(2), (3), (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	37,752	30,338	7,414

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	489
20 Charitable contributions (See instructions for limitation rules)		20	
21 Depreciation (attach Form 4562)	5,996		
22 Less depreciation claimed on Schedule A and elsewhere on return	5,996	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	489
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	6,925
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	6,925
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	5,925

SCANNED JUL-08-2019



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Part III Tax Computation

35	Organizations Taxable as Corporations. See instructions for tax computation. 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)	\$	(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 1,065
36	Trusts Taxable at Trust Rates. See instructions for tax computation. 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 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	44	40 1,065

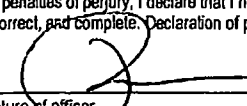
Part IV Tax and Payments

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	1,065
43	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 (att. sch.)	43	
44	Total tax. Add lines 42 and 43	44	1,065
45a	Payments: A 2016 overpayment credited to 2017	45a	
b	2017 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: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> 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	38
48	Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed	48	1,103
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 2018 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	50	

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

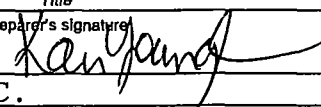
51	At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. 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.		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  5/14/2019 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 KARI YOUNG	Preparer's signature 	Date 05/13/19	Check <input type="checkbox"/> if self-employed	PTIN P01325552
	Firm's name JONES & ROTH, P.C.			Firm's EIN 93-0819646	
	Firm's address PO BOX 10086 EUGENE, OR 97440			Phone no 541-687-2320	

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		7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		STMT 1 (a) Straight line depreciation (attach schedule)	STMT 2 (b) Other deductions (attach schedule)		
(1) HWY 99 EAST	54,150	3,859	26,944	32,252	18,346
(2) STATE STREET	5,500	2,137	9,855	5,500	11,992
(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			
(1) 247,009	414,730	59.56%			
(2) 133,041	121,103	100.00%			
(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				37,752	30,338
Total dividends-received deductions included in column 8 ►					

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income (loss), 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. Row (1) contains 'N/A'.

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable income, 8. Net unrelated income (loss), 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. Includes 'Totals' row with instructions for adding columns.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

Table with 5 columns: 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). Row (1) contains 'N/A'. Includes 'Totals' row with instructions.

Totals

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

Table with 7 columns: 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, 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). Includes 'Totals' row with instructions.

Totals

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss) (col 2 minus col 3), 5. Circulation income, 6. Readership costs, 7. Excess readership costs (column 6 minus column 5, but not more than column 4). Row (1) contains 'N/A'. Includes 'Totals' row with instruction to carry to Part II, line (5).

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**

<u>Description</u>	<u>Deduction</u>
HWY 99 EAST DEPRECIATION	3,859
TOTAL	<u>3,859</u>
STATE STREET DEPRECIATION	2,137
TOTAL	<u>2,137</u>

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

<u>Description</u>	<u>Deduction</u>
HWY 99 EAST INTEREST	15,202
INSURANCE	1,066
CLEANING & MAINTENANCE	548
TAXES	4,768
UTILITIES	5,360
TOTAL	<u>26,944</u>
STATE STREET INTEREST	8,007
INSURANCE	640
UTILITIES	1,208
TOTAL	<u>9,855</u>

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

<u>Description</u>	<u>Deduction</u>
HWY 99 EAST SUM OF DEBT OUTSTANDING AT FIRST OF EACH MONTH DIVIDED BY TOTAL NUMBER OF MONTHS PROPERTY HELD	2,470,087 10
AVERAGE ACQUISITION DEBT	<u>247,009</u>
STATE STREET SUM OF DEBT OUTSTANDING AT FIRST OF EACH MONTH DIVIDED BY TOTAL NUMBER OF MONTHS PROPERTY HELD	1,330,410 10
AVERAGE ACQUISITION DEBT	<u>133,041</u>

04995 The Arc Oregon

93-0504507

FYE: 6/30/2018

Federal Statements

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

<u>Description</u>	<u>Deduction</u>
HWY 99 EAST	
ADJUSTED BASIS ON FIRST DAY PROPERTY WAS HELD	416,660
ADJUSTED BASIS ON LAST DAY PROPERTY WAS HELD	412,800
	<u>829,460</u>
DIVIDED BY 2	2
AVERAGE ADJUSTED BASIS	<u>414,730</u>
STATE STREET	
ADJUSTED BASIS ON FIRST DAY PROPERTY WAS HELD	122,171
ADJUSTED BASIS ON LAST DAY PROPERTY WAS HELD	120,034
	<u>242,205</u>
DIVIDED BY 2	2
AVERAGE ADJUSTED BASIS	<u>121,103</u>