

EXTENDED TO FEBRUARY 15, 2017

Form 990-T

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

OMB No. 1545-0687

For calendar year 2015 or other tax year beginning JUL 1, 2015, and ending JUN 30, 2016

2015

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 Only

Department of the Treasury Internal Revenue Service

A Check box if address changed

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

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

B Exempt under section 501(c)(3) 408(e) 220(e) 408A 530(a) 529(a)

Print or Type

ADULT LEARNING SYSTEMS OF OREGON

93-1234625

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

10541 SE CHERRY BLOSSOM DRIVE

E Unrelated business activity codes (See instructions)

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

PORTLAND, OR 97216-2826

453220 611610

C Book value of all assets at end of year 11,266,670.

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. ART CLASSES AND SALES

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

J The books are in care of BRETT TURNER Telephone number 503-489-6565

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales (14,185), Less returns and allowances, Cost of goods sold (6,170), Gross profit (8,015), Capital gain net income, Net gain (loss), Capital loss deduction, Income (loss) from partnerships and S corporations, Rent income, Unrelated debt-financed income (5,036), Interest, annuities, royalties, and rents from controlled organizations, Investment income, Exploited exempt activity income, Advertising income, Other income, Total (13,051).

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.)

Table with 4 columns: Description, Amount, Deduction Code, Net Income. Rows include Compensation of officers, directors, and trustees (Schedule K), Salaries and wages (18,546), Repairs and maintenance (403), Bad debts, Interest (attach schedule), Taxes and licenses, Charitable contributions (See instructions for limitation rules), Depreciation (attach Form 4562) (3,532), Less depreciation claimed on Schedule A and elsewhere on return (3,532), Depletion, Contributions to deferred compensation plans, Employee benefit programs, Excess exempt expenses (Schedule I), Excess readership costs (Schedule J), Other deductions (attach schedule) (6,003), Total deductions. Add lines 14 through 28 (29,147), Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 (-41,208), Net operating loss deduction (limited to the amount on line 30) (SEE STATEMENT 3), Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 (-41,208), Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions) (1,000), 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 (-41,208).

RECEIVED FEB 21 2017 SEE STATEMENT 1 OGDEN, UT

SCANNED ...AK 1 3 2017

9 all

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here... 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: 37 Proxy tax. See instructions 38 Alternative minimum tax 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40b Other credits (see instructions) 40c General business credit. Attach Form 3800 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40e Total credits. Add lines 40a through 40d 41 Subtract line 40e from line 39 42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule) 43 Total tax. Add lines 41 and 42 44a Payments: A 2014 overpayment credited to 2015 44b 2015 estimated tax payments 44c Tax deposited with Form 8868 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44e Backup withholding (see instructions) 44f Credit for small employer health insurance premiums (Attach Form 8941) 44g Other credits and payments: Form 2439 Form 4136 Other Total 45 Total payments. Add lines 44a through 44g 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 49 Enter the amount of line 48 you want Credited to 2016 estimated tax Refunded

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

1 At any time during the 2015 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 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 instructions for other forms the organization may have to file 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 N/A

1 Inventory at beginning of year 2 Purchases 3 Cost of labor 4a Additional section 263A costs (att schedule) 4b Other costs (attach schedule) 5 Total. Add lines 1 through 4b 6 Inventory at end of year 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

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 Title CEO 2/15/17 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 if PTIN Firm's name Firm's EIN Firm's address Phone no.

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		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)	
(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)			
(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)	
		0.	

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)	(b) Other deductions (attach schedule)
			STATEMENT 5	STATEMENT 6
(1)		8,035.	3,532.	36,532.
(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 8 x total of columns 3(a) and 3(b))
(1)	277,258.	442,367.	62.68%	5,036.
(2)			%	
(3)			%	
(4)			%	
Totals			5,036.	25,112.
Total dividends-received deductions included in column 8				0.

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

1. Name of controlled organization		Exempt Controlled Organizations			
2. Employer identification number		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)					
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)
				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)				
Totals		Enter here and on page 1, Part I, line 9, column (A) 0.		Enter here and on page 1, Part I, line 9, column (B) 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)						
Totals		Enter here and on page 1, Part I, line 10, col (A) 0.	Enter here and on page 1, Part I, line 10, col (B) 0.			Enter here and on page 1, Part II, line 26 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)						
(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) 0.	Enter here and on page 1, Part I, line 11, col (B) 0.			Enter here and on page 1, Part II, line 27 0.

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.

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	ACE Cost Or Basis	Regular Depreciation	AMT Depreciation	ACE Depreciation
12	BUILDING	091412SL		39.00	358,800.	0.	358,800.	3,532.	3,532.	3,532.
	TOTALS				358,800.	0.	358,800.	3,532.	3,532.	3,532.

FORM 990-T	INTEREST PAID	STATEMENT	1
DESCRIPTION		AMOUNT	
INTEREST		2,359.	
TOTAL TO FORM 990-T, PAGE 1, LINE 18		2,359.	

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
EMPLOYEE BENEFITS		3,027.	
UTILITIES		1,451.	
TELEPHONE		148.	
EQUIPMENT		394.	
OFFICE SUPPLIES		348.	
OTHER		635.	
TOTAL TO FORM 990-T, PAGE 1, LINE 28		6,003.	

FORM 990-T	NET OPERATING LOSS DEDUCTION			STATEMENT	3
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR	
06/30/13	25,590.	0.	25,590.	25,590.	
06/30/14	25,645.	0.	25,645.	25,645.	
06/30/15	26,598.	0.	26,598.	26,598.	
NOL CARRYOVER AVAILABLE THIS YEAR			77,833.	77,833.	

FORM 990-T	COST OF GOODS SOLD - OTHER COSTS	STATEMENT	4
DESCRIPTION		AMOUNT	
COMMISSION		6,170.	
TOTAL TO FORM 990-T, SCHEDULE A, LINE 4B		6,170.	

FORM 990-T **SCHEDULE E - DEPRECIATION DEDUCTION** **STATEMENT 5**

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		3,532.	
- SUBTOTAL -	1		3,532.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)			3,532.

FORM 990-T **SCHEDULE E - OTHER DEDUCTIONS** **STATEMENT 6**

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
WAGES		23,321.	
PAYROLL TAXES		1,974.	
EMPLOYEE BENEFITS		3,807.	
UTILITIES		1,825.	
TELEPHONE		187.	
INTEREST EXPENSE		2,966.	
OFFICE SUPPLIES		318.	
MAINTENANCE & REPAIR		507.	
LICENSE & TAXES		28.	
PROPERTY TAXES		307.	
EQUIPMENT		495.	
OTHER		797.	
- SUBTOTAL -	1		36,532.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			36,532.

2015 DEPRECIATION AND AMORTIZATION REPORT

E- 1

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
12	BUILDING	091412SL		39.00	16	358,800.	.7100		358,800.	28,987.		12,179.
	LESS EXCLUSION					-254,748.			-254,748.	-20,581.		-8,647.
13	LAND	091412L				101,200.			101,200.			0.
	* TOTAL 990-T SCH E DEPR					205,252.		0.	205,252.	8,406.	0.	3,532.

528102 04-01-15 (D) Asset disposed * ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

**Adult Learning Systems of Oregon
Debt Financed Property
June 30, 2016**

Gross Income from Debt Financed Property		8,035	
	A	<u>62.68%</u>	
			<u>5,036 B</u>
Direct Expenses from Debt Financed Property		40,064	
	A	<u>62.68%</u>	
			<u>25,112 C</u>

B - C = (20,076)

DFP Percentage Calculation

<u>average acquisition indebtedness</u>	<u>277,258</u>	=	<u>62.68%</u>	A
<u>average adjusted basis</u>	<u>442,367</u>			

Adult Learning Systems of Oregon
Debt Financed Property - Infusion Gallery
June 30, 2016

UBIT - DFP Income & Expense	ALSO 100%	ALSO Portion 71%	Public Use 29%	O/H Allocation	Total
Rental Income	8,035	-	8,035		8,035
Rental Expense					
Wages	80,417	(57,096)	23,321		23,321
Payroll Taxes	6,806	(4,832)	1,974		1,974
Employee Benefits	13,129	(9,322)	3,807		3,807
Utilities	6,293	(4,468)	1,825		1,825
Depreciation	12,178	(8,646)	3,532		3,532
Telephone	644	(457)	187		187
Equipment	1,707	(1,212)	495		495
Bank Service Fees	(1)	1	(0)		(0)
Advertising and Promotion	-	-	-		-
Interest Expense	10,229	(7,263)	2,966		2,966
Office Supplies	1,095	(777)	318		318
Maintenance & Repair	1,747	(1,240)	507		507
Other	2,752	(1,954)	798		798
License & Taxes	98	(70)	28		28
Property Taxes	1,059	(752)	307		307
Other Expenses	-	-	-		-
Total Expenses	138,153	(98,089)	40,064		40,064
Net Income/Loss	(130,118)	98,089	(32,029)		(32,029)
Interest Income/Other income	-				
Book Income/(Loss)	(130,118)				