

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

2015

For calendar year 2015 or other tax year beginning 7/01, 2015, and ending 6/30, 2016

► **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 <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	<input type="checkbox"/> Check box if name changed and see instructions THE ARC OF SAN DIEGO 3030 MARKET STREET SAN DIEGO, CA 92102	D Employer identification number (Employers' trust, see instructions) 95-1863913 E Unrelated business activity codes (See instructions) 531110
C Book value of all assets at end of year 31,640,642.	F Group exemption number (See instructions) ► 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		

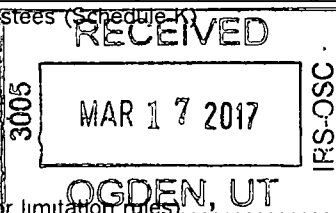
H Describe the organization's primary unrelated business activity
► **DEBT FINANCED RENTAL INCOME/PSHIP RENTAL**

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 ► **CHAD LYLE** Telephone number ► **619-685-1175**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances			
c Balance ►	1 c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit Subtract line 2 from line 1c	3		
4 a Capital gain net income (attach Schedule D)	4 a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4 b		
c Capital loss deduction for trusts	4 c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
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 (Sch G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions, attach schedule)			
SEE STATEMENT 1	12	6,607.	
13 Total. Combine lines 3 through 12	13	6,607.	0. 6,607.

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.)		(A) Income	(B) Expenses	(C) Net
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			
22 Less depreciation claimed on Schedule A and elsewhere on return	22 a			22 b
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			6,607.
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			6,607.
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			5,607.



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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 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 841.

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 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 841.

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116) 40a

b Other credits (see instructions) 40b

c General business credit. Attach Form 3800 (see instructions) 40c

d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d

e Total credits. Add lines 40a through 40d 40e 0.

41 Subtract line 40e from line 39 41 841.

42 Other taxes. Check if from Form 4255 Form 8611 Form 8697 Form 8866
 Other (attach schedule) 42

43 Total tax. Add lines 41 and 42 43 841.

44 a Payments. A 2014 overpayment credited to 2015 44a

b 2015 estimated tax payments 44b 800.

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 Credit for small employer health insurance premiums (Attach Form 8941) 44f

g Other credits and payments: Form 2439 Form 4136 Other _____ Total 44g

45 Total payments. Add lines 44a through 44g 45 800.

46 Estimated tax penalty (see instructions). Check if Form 2220 is attached 46 2.

47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 43.

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 2016 estimated tax** **Refunded** 49

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 _____ 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 instructions for other forms the organization may have to file. Yes No

3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ 0.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year 1

2 Purchases 2

3 Cost of labor 3

4 a Additional section 263A costs (attach schedule) 4a

b Other costs (attach sch) 4b

5 Total. Add lines 1 through 4b 5

6 Inventory at end of year 6

7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7

8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No

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 **3-6-17** Title **CEO**

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

Paid Preparer Use Only

Print/Type preparer's name **JULIE A. FIRL** Preparer's signature *Julie A. Firll* Date **2/27/17** Check if self-employed PTIN **P00085551**

Firm's name **LEAF & COLE, LLP** Firm's EIN **95-2076568**

Firm's address **2810 CAMINO DEL RIO SOUTH, SUITE 200 SAN DIEGO, CA 92108-3820** Phone no **619.294.7200**

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	Total	
(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)

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 sch)	(b) Other deductions (attach schedule)
(1)				
(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)

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)					
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)

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 (column 3 plus column 4)
(1)				
(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)

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 columns 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, column (A).	Enter here and on page 1, Part I, line 10, column (B)				Enter here and on page 1, Part II, line 26

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 col 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (col 6 minus col 5, but not more than col 4).
(1)						
(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 (col 6 minus col 5, but not more than col 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I						
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, column (A)	Enter here and on page 1, Part I, line 11, column (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
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			

CLIENT 04-116

THE ARC OF SAN DIEGO

95-1863913

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179/ BONUS	SPECIAL DEPR ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR BASIS	PRIOR DEPR	METHOD	LIFE	RATE	CURRENT DEPR
FORM 990/990-PF																
BUILDINGS																
2	BUILDING	VARIOUS		15,276,571							15,276,571	6,042,298	S/L			350,945
TOTAL BUILDINGS																
				15,276,571							15,276,571	6,042,298				350,945
IMPROVEMENTS																
3	BUILDING IMPROVEMENTS	VARIOUS		4,805,435							4,805,435	1,206,580	S/L			175,347
8	BUILDING IMPROVEMENTS	VARIOUS	5/02/16	358,782							358,782	358,782	S/L			0
TOTAL IMPROVEMENTS																
				5,164,217							5,164,217	1,565,362				175,347
LAND																
1	LAND	VARIOUS		2,413,316							2,413,316					0
TOTAL LAND																
				2,413,316							2,413,316	0				0
MACHINERY AND EQUIPMENT																
4	VEHICLES	VARIOUS		1,808,438							1,808,438	1,604,303	S/L			100,720
5	OFFICE EQUIPMENT	VARIOUS	5/12/16	29,187							29,187	29,187	S/L			0
6	OTHER EQUIPMENT	VARIOUS		726,680							726,680	553,703	S/L			49,269
9	VEHICLES	VARIOUS	5/07/16	9,700							9,700	8,811	S/L			0
10	OTHER EQUIPMENT	VARIOUS	5/12/16	200,917							200,917	200,917	S/L			0
TOTAL MACHINERY AND EQUIPME																
				2,774,922							2,774,922	2,396,921				149,989

6/30/16

2015 FEDERAL BOOK DEPRECIATION SCHEDULE

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CLIENT 04-116

THE ARC OF SAN DIEGO

95-1863913

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	CUR 179 BUS PCT. BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
MISCELLANEOUS														
7	SOFTWARE								137,321	6,866		S/L		27,464
TOTAL MISCELLANEOUS														
				0	0	0	0	0	137,321	6,866				27,464
TOTAL DEPRECIATION														
				0	0	0	0	0	25,766,347	10,011,447				703,745
GRAND TOTAL DEPRECIATION														
				0	0	0	0	0	25,766,347	10,011,447				703,745
DEPRECIATION ASSETS SOLD														
				0	0	0	0	0	598,586	597,697				0
DEPR REMAINING ASSETS														
				0	0	0	0	0	25,167,761	9,413,750				703,745

2015

FEDERAL STATEMENTS

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CLIENT 04-116

THE ARC OF SAN DIEGO

95-1863913

STATEMENT 1
FORM 990-T, PART I, LINE 12
OTHER INCOME

K-1 COMMERCIAL SITES

TOTAL \$ 6,607.
\$ 6,607.