

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2016 calendar year, or tax year beginning 7/01, 2016, and ending 6/30, 2017

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C
TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE
5855 STREAMVIEW DRIVE
SAN DIEGO, CA 92105

D Employer identification number

95-2151829

E Telephone number

(619) 287-5460

G Gross receipts \$ 606,703.

F Name and address of principal officer: JOHN PRENDERGAST
SAME AS C ABOVE

H(a) Is this a group return for subordinates? ☐ Yes ☒ NoH(b) Are all subordinates included? ☐ Yes ☐ No
If 'No,' attach a list. (see instructions)I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: WWW.HEARTLANDHOUSE.ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1960 M State of legal domicile: CA

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>OUR MISSION IS TO ESTABLISH, OPERATE, AND MAINTAIN A REHABILITATION CENTER FOR THE CARE, TREATMENT, AND REHABILITATION OF MEN SUFFERING FROM ALCOHOLISM AND DRUG ABUSE.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a).....	3	8
	4	Number of independent voting members of the governing body (Part VI, line 1b).....	4	9
	5	Total number of individuals employed in calendar year 2016 (Part V, line 2a).....	5	12
	6	Total number of volunteers (estimate if necessary).....	6	0
		7a	Total unrelated business revenue from Part VIII, column (C), line 12.....	7a
7b		Net unrelated business taxable income from Form 990-T, line 34.....	7b	29,288.
Revenue	8	Contributions and grants (Part VIII, line 1h).....	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g).....	890,320.	39,462.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d).....	513,626.	536,953.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e).....	10,969.	30,288.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12).....	1,414,915.	606,703.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3).....		
	14	Benefits paid to or for members (Part IX, column (A), line 4).....		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10).....	262,270.	315,272.
	16a	Professional fundraising fees (Part IX, column (A), line 11e).....		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 34,103.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e).....	333,782.	361,942.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25).....	596,052.	677,214.
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12.....	818,863.	-70,511.
	20	Total assets (Part X, line 16).....	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26).....	1,075,043.	1,428,008.
	22	Net assets or fund balances. Subtract line 21 from line 20.....	10,479.	433,595.
			1,064,564.	994,413.

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	JOHN PRENDERGAST		MANAGING DIRECTOR		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
	PAULA D. BREWER	PAULA D. BREWER	11/09/17		P01205692
	Firm's name ▶	PAULA D. BREWER, EA		Firm's EIN ▶	27-3367485
	Firm's address ▶	1646 ANNETTE WAY EL CAJON, CA 92020-5603		Phone no. (619)	252-2834

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III. ☐

1 Briefly describe the organization's mission:

OUR MISSION IS TO ESTABLISH, OPERATE, AND MAINTAIN A REHABILITATION CENTER FOR THE CARE, TREATMENT, AND REHABILITATION OF MEN SUFFERING FROM ALCOHOLISM AND DRUG ABUSE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 536,889. including grants of \$) (Revenue \$)

THE TWELFTH STEP HOUSE OF SAN DIEGO PROVIDED HIGH QUALITY, EFFECTIVE RESIDENTIAL TREATMENT TO 137 MEN ADDICTED TO ALCOHOL OR DRUGS. 52.6% OF CLIENTS COMPLETED THEIR PROGRAM OR MADE SATISFACTORY PROGRESS. OF THOSE SURVEYED, 94.9% REPORTED NO RELAPSE IN THE LAST 30 DAYS, 83.5% WERE EMPLOYED, 99% HAD NO CRIMINAL ACTIVITY, 72.9% WERE ATTENDING 12-STEP MEETINGS AND 76.7% HAD A SPONSOR. OUR RECOVERY PROGRAM CONTINUED A LEVEL OF CARE DESIGNATION FROM THE AMERICAN SOCIETY OF ADDICTION MEDICINE, WAS ACCREDITED BY THE PATRIOTS' INITIATIVE FOR PROVIDING QUALITY SERVICES TO VETERANS, AND RECEIVED A GOLD RATING FROM GUIDESTAR.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 536,889.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments — other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments — program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX	X	
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional.		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If 'Yes,' complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H.</i>		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

BAA

Form 990 (2016)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V. ☐

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	0	
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	12	
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
3 b	If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O.	X	
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4 b	If 'Yes,' enter the name of the foreign country: ▶ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7 Organizations that may receive deductible contributions under section 170(c).			
7 a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year.		
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9 a	Did the sponsoring organization make any taxable distributions under section 4966?		
9 b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10 a	Initiation fees and capital contributions included on Part VIII, line 12.		
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11 a	Gross income from members or shareholders		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13 a	Is the organization licensed to issue qualified health plans in more than one state?		
Note. See the instructions for additional information the organization must report on Schedule O.			
13 b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13 c	Enter the amount of reserves on hand		
14 a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14 b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI. ☒ X**Section A. Governing Body and Management**

		Yes	No
1 a	Enter the number of voting members of the governing body at the end of the tax year.	8	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
1 b	Enter the number of voting members included in line 1a, above, who are independent.	9	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Did the organization have members or stockholders?	6	X
7 a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7 a	X
7 b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7 b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8 a	X
b	Each committee with authority to act on behalf of the governing body?	8 b	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10 a	Did the organization have local chapters, branches, or affiliates?	10 a	X
10 b	If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10 b	
11 a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11 a	X
11 b	Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O		
12 a	Did the organization have a written conflict of interest policy? If 'No,' go to line 13.	12 a	X
12 b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12 b	X
12 c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done.	12 c	X
13	Did the organization have a written whistleblower policy?	13	X
14	Did the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official.	15 a	X
b	Other officers or key employees of the organization.	15 b	X
If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions).			
16 a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16 a	X
16 b	If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16 b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ CA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. SEE SCHEDULE O

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶

ROBERT COOK-ADMINISTRATOR 5855 STREAMVIEW DRIVE SAN DIEGO CA 92105 (619) 287-5460

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN PRENDERGAST MANAGING DIR	5 0	X						0.	0.	0.
(2) MICHAEL J. MCDANIEL CHAIRMAN	4 0	X						0.	0.	0.
(3) JASON BUSTAD DIRECTOR	4 0	X						0.	0.	0.
(4) TOM BELTZ SECRETARY	4 0	X						0.	0.	0.
(5) MARY GESSNER DIRECTOR	4 0	X						0.	0.	0.
(6) JAMES HUTZELMAN DIRECTOR	4 0	X						0.	0.	0.
(7) FREDERICK TREPTE DIRECTOR	4 0	X						0.	0.	0.
(8) WILLIAM J. HURLEY TREASURER	4 0	X						0.	0.	0.
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(15) _____									
(16) _____									
(17) _____									
(18) _____									
(19) _____									
(20) _____									
(21) _____									
(22) _____									
(23) _____									
(24) _____									
(25) _____									
1 b Sub-total							0.	0.	0.
c Total from continuation sheets to Part VII, Section A							0.	0.	0.
d Total (add lines 1b and 1c)							0.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If 'Yes,' complete Schedule J for such individual.*

	Yes	No
3		X

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If 'Yes,' complete Schedule J for such individual.*

4		X
----------	--	---

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If 'Yes,' complete Schedule J for such person.*

5		X
----------	--	---

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns.....	1 a				
	b Membership dues.....	1 b				
	c Fundraising events.....	1 c				
	d Related organizations.....	1 d				
	e Government grants (contributions)....	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above....	1 f 39,462.				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f.....		39,462.			
Program Service Revenue	Business Code					
	2 a PROGRAM FEES-PARTICIPANT.....	623990	327,728.	327,728.		
	b CONTRACT REVENUE.....	623990	207,004.	207,004.		
	c MISCELLANEOUS RECEIPTS.....	812900	2,221.	2,221.		
	d					
	e					
	f All other program service revenue....					
g Total. Add lines 2a-2f.....		536,953.				
Other Revenue	3 Investment income (including dividends, interest and other similar amounts).....		30,288.		30,288.	
	4 Income from investment of tax-exempt bond proceeds..					
	5 Royalties.....					
	6 a Gross rents.....	(i) Real (ii) Personal				
	b Less: rental expenses.....					
	c Rental income or (loss)....					
	d Net rental income or (loss).....					
	7 a Gross amount from sales of assets other than inventory.....	(i) Securities (ii) Other				
	b Less: cost or other basis and sales expenses.....					
	c Gain or (loss).....					
	d Net gain or (loss).....					
	8 a Gross income from fundraising events (not including...\$ of contributions reported on line 1c). See Part IV, line 18.....	a				
	b Less: direct expenses.....	b				
	c Net income or (loss) from fundraising events.....					
	9 a Gross income from gaming activities. See Part IV, line 19.....	a				
	b Less: direct expenses.....	b				
	c Net income or (loss) from gaming activities.....					
10 a Gross sales of inventory, less returns and allowances.....	a					
b Less: cost of goods sold.....	b					
c Net income or (loss) from sales of inventory.....						
Miscellaneous Revenue		Business Code				
11 a						
b						
c						
d All other revenue.....						
e Total. Add lines 11a-11d.....						
12 Total revenue. See instructions.....		606,703.	536,953.	30,288.	0.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX. ☒ X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.				
2 Grants and other assistance to domestic individuals. See Part IV, line 22.				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	265,006.	185,206.	69,975.	9,825.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).				
9 Other employee benefits.	24,151.	16,354.	6,734.	1,063.
10 Payroll taxes.	26,115.	21,153.	4,440.	522.
11 Fees for services (non-employees):				
a Management.				
b Legal.				
c Accounting.	6,439.	4,010.	2,429.	
d Lobbying.				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion.				
13 Office expenses.	6,161.	5,506.	655.	
14 Information technology.				
15 Royalties.				
16 Occupancy.				
17 Travel.				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.				
20 Interest.	3,144.	3,144.		
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	4,129.	4,129.		
23 Insurance.	23,352.	18,228.	4,493.	631.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a RENT	74,080.	74,080.		
b GROCERIES	54,998.	54,998.		
c REPAIRS & MAINTENANCE (BLDG)	27,618.	26,926.	692.	
d UTILITIES	24,651.	24,651.		
e All other expenses. SEE SCH. O.	137,370.	98,504.	16,804.	22,062.
25 Total functional expenses. Add lines 1 through 24e.	677,214.	536,889.	106,222.	34,103.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X. ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash — non-interest-bearing	115,979.	1	180,553.
	2 Savings and temporary cash investments	368,248.	2	43,524.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	26,812.	4	39,039.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	6,564.	9	2,635.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 821,661.		
	b Less: accumulated depreciation	10b 176,108.		
		49,602.	10c	645,553.
	11 Investments — publicly traded securities		11	
	12 Investments — other securities. See Part IV, line 11		12	
	13 Investments — program-related. See Part IV, line 11		13	
	14 Intangible assets		14	9,511.
15 Other assets. See Part IV, line 11	507,838.	15	507,193.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,075,043.	16	1,428,008.	
Liabilities	17 Accounts payable and accrued expenses	4,667.	17	5,252.
	18 Grants payable		18	
	19 Deferred revenue	1,250.	19	1,250.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	418,190.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	4,562.	25	8,903.
	26 Total liabilities. Add lines 17 through 25	10,479.	26	433,595.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,064,564.	27	994,413.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances.	1,064,564.	33	994,413.
34 Total liabilities and net assets/fund balances.	1,075,043.	34	1,428,008.	

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Form 990 (2016)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒ X

1	Total revenue (must equal Part VIII, column (A), line 12).	1	606,703.
2	Total expenses (must equal Part IX, column (A), line 25).	2	677,214.
3	Revenue less expenses. Subtract line 2 from line 1.	3	-70,511.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)).	4	1,064,564.
5	Net unrealized gains (losses) on investments.	5	
6	Donated services and use of facilities.	6	
7	Investment expenses.	7	
8	Prior period adjustments.	8	
9	Other changes in net assets or fund balances (explain in Schedule O). SEE SCHEDULE O	9	360.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)).	10	994,413.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?		X
If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

BAA

Form 990 (2016)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization **TWELFTH STEP HOUSE OF SAN DIEGO, INC.**
HEARTLAND HOUSE

Employer identification number
95-2151829

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations: _____
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)	459,984.	473,965.	509,171.	577,247.	574,194.	2,594,561.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 Total. Add lines 1 through 3.	459,984.	473,965.	509,171.	577,247.	574,194.	2,594,561.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						0.
6 Public support. Subtract line 5 from line 4.						2,594,561.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4.	459,984.	473,965.	509,171.	577,247.	574,194.	2,594,561.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.	76.	37.	34.	10,969.	19,446.	30,562.
9 Net income from unrelated business activities, whether or not the business is regularly carried on.						0.
10 Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part VI.) SEE PART VI.		2,458.	1,282.	826,699.	13,063.	843,502.
11 Total support. Add lines 7 through 10.						3,468,625.
12 Gross receipts from related activities, etc. (see instructions).					12	0.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)).	14	74.80 %
15 Public support percentage from 2015 Schedule A, Part II, line 14.	15	74.42 %
16a 33-1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input checked="" type="checkbox"/>		
b 33-1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513.						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here.** ☐**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a **33-1/3% support tests—2016.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization. ☐b **33-1/3% support tests—2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization. ☐20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If 'No,' describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If 'Yes,' explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If 'Yes,' answer (b) and (c) below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If 'Yes,' describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If 'Yes,' explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ('foreign supported organization')? If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If 'Yes,' describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If 'Yes,' explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If 'Yes,' provide detail in Part VI .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If 'Yes,' provide detail in Part VI .		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If 'Yes,' provide detail in Part VI .		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If 'Yes,' provide detail in Part VI .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If 'Yes,' answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

11 Has the organization accepted a gift or contribution from any of the following persons?

a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?

b A family member of a person described in (a) above?

c A 35% controlled entity of a person described in (a) or (b) above? If 'Yes' to a, b, or c, provide detail in **Part VI**.

	Yes	No
11a		
11b		
11c		

Section B. Type I Supporting Organizations

1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If 'No,' describe in **Part VI** how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.

2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If 'Yes,' explain in **Part VI** how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

	Yes	No
1		
2		

Section C. Type II Supporting Organizations

1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If 'No,' describe in **Part VI** how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

Section D. All Type III Supporting Organizations

1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?

2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If 'No,' explain in **Part VI** how the organization maintained a close and continuous working relationship with the supported organization(s).

3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If 'Yes,' describe in **Part VI** the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).

a ☐ The organization satisfied the Activities Test. Complete line 2 below.

b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.

c ☐ The organization supported a governmental entity. Describe in **Part VI** how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If 'Yes,' then in **Part VI** identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.

b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If 'Yes,' explain in **Part VI** the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

3 Parent of Supported Organizations. Answer (a) and (b) below.

a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in **Part VI**.

b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If 'Yes,' describe in **Part VI** the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4).	8	

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C – Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

BAA

Schedule A (Form 990 or 990-EZ) 2016

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**Section D – Distributions**

Current Year

1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in Part VI). See instructions.	
7	Total annual distributions. Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9	Distributable amount for 2016 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E – Distribution Allocations (see instructions)(i)
Excess
Distributions(ii)
Underdistributions
Pre-2016(iii)
Distributable
Amount for 2016

1	Distributable amount for 2016 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2016 (reasonable cause required – explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2016:		
a			
b			
c	From 2013.....		
d	From 2014.....		
e	From 2015.....		
f	Total of lines 3a through e		
g	Applied to underdistributions of prior years		
h	Applied to 2016 distributable amount		
i	Carryover from 2011 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.		
4	Distributions for 2016 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2016 distributable amount		
c	Remainder. Subtract lines 4a and 4b from 4.		
5	Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2017. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a			
b	Excess from 2013.....		
c	Excess from 2014.....		
d	Excess from 2015.....		
e	Excess from 2016.....		

BAA

Schedule A (Form 990 or 990-EZ) 2016

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

PART II, LINE 10 - OTHER INCOME

NATURE AND SOURCE	2016	2015	2014	2013	2012
LAUNDRY MACHINES			\$ 837.	\$ 749.	
HEALTH INSURANCE CREDIT			445.	1,709.	
FROZE ESTATE TRUST PROCEEDS		\$ 826,699.			
CASH REWARDS	\$ 445.				
UNREALIZED GAINS	10,842.				
SODA MACHINE	527.				
MISCELLANEOUS	564.				
AA GROUP DONATION	685.				
TOTAL	\$ 13,063.	\$ 826,699.	\$ 1,282.	\$ 2,458.	\$ 0.

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered 'Yes' on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.

► Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016**Open to Public
Inspection**

Name of the organization

TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

Employer identification number

95-2151829

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year.....		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year.....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements.....	2 a
b Total acreage restricted by conservation easements.....	2 b
c Number of conservation easements on a certified historic structure included in (a).....	2 c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register.....	2 d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?..... ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?..... ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1..... ► \$

(ii) Assets included in Form 990, Part X..... ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1..... ► \$

b Assets included in Form 990, Part X..... ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

	Amount
1 c Beginning balance	
1 d Additions during the year	
1 e Distributions during the year	
1 f Ending balance	

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII. ☐

Part V Endowment Funds. Complete if the organization answered 'Yes' on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ☐ _____ %
 b Permanent endowment ☐ _____ %
 c Temporarily restricted endowment ☐ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If 'Yes' on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land		228,327.		228,327.
b Buildings		437,226.	50,182.	387,044.
c Leasehold improvements		17,672.	7,324.	10,348.
d Equipment		138,436.	118,602.	19,834.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				645,553.

BAA

Schedule D (Form 990) 2016

Part VII Investments — Other Securities.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives.....		
(2) Closely-held equity interests.....		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.)		

Part VIII Investments — Program Related.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.)	507,193.

Part X Other Liabilities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) HOME DEPOT CC	2,136.
(3) ROUNDING	1.
(4) SECURITY DEPOSITS	1,400.
(5) VISA CC	5,366.
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	8,903.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☐

Part X Reconciliation of Revenue per Audited Financial Statements With Revenue per Return. N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements.....		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments.....	2 a		
	b Donated services and use of facilities.....	2 b		
	c Recoveries of prior year grants.....	2 c		
	d Other (Describe in Part XIII.).....	2 d		
	e Add lines 2a through 2d.....		2 e	
3	Subtract line 2e from line 1.....		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.....	4 a		
	b Other (Describe in Part XIII.).....	4 b		
	c Add lines 4a and 4b.....		4 c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.).....		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements.....		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities.....	2 a		
	b Prior year adjustments.....	2 b		
	c Other losses.....	2 c		
	d Other (Describe in Part XIII.).....	2 d		
	e Add lines 2a through 2d.....		2 e	
3	Subtract line 2e from line 1.....		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.....	4 a		
	b Other (Describe in Part XIII.).....	4 b		
	c Add lines 4a and 4b.....		4 c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.).....		5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

► Information about Schedule O (Form 990 or 990-EZ) and its instructions is
at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization **TWELFTH STEP HOUSE OF SAN DIEGO, INC.**
HEARTLAND HOUSE

Employer identification number
95-2151829

FORM 990, PAGE 6 PART VI, LINE 11B

PART VI SEC B - LINE 11B - REVIEW OF FORM 990. THE FORM IS REVIEWED BY THE MANAGING
DIRECTOR AND THE TREASURER.

FORM 990, PAGE 6, PART VI, LINE 12C

PART VI, SEC B - LINE 12C - CONFLICT OF INTEREST COMPLIANCE. THIS IS DONE IN THE
REGULAR COURSE OF THE BOARD OF DIRECTORS MEETINGS.

FORM 990, PAGE 6, PART VI, LINE 15A

PART VI, SEC B - LINE 15A - COMPENSATION OF MANAGEMENT. DETERMINATION IS MADE BY
REVIEW OF COMPENSATION OF COMPARABLE ORGANIZATIONS.

FORM 990, PAGE 6, PART VI, LINE 15B

PART VI, SEC B - LINE 15B - COMPENSATION OF MANAGEMENT. DETERMINATION IS MADE BY
REVIEW OF COMPENSATION OF COMPARABLE ORGANIZATIONS.

FORM 990, PAGE 6, PART VI, LINE 19

FORM 990, PAGE 6, PART VI LINE 19 - DOCUMENTS ARE AVAILABLE TO PUBLIC ON
ORGANIZATIONS WEBSITE.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

ORGANIZATION HAS COMPLETED SCHEDULE O.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

ORGANIZATION HAS COMPLETED SCHEDULE O.

**FORM 990, PART IX, LINE 24E
OTHER EXPENSES**

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
AUTOMOBILE EXPENSES	6,183.	5,565.	618.	
BAD DEBT	14,358.	14,358.		
BANKFEES	1,879.	1,774.	105.	
BANQUET EXPENSES	21,097.			21,097.
COMPUTER & INTERNET SERVICES	13,031.	12,509.	522.	
CONTINUING EDUCATION	13,011.	12,566.	423.	22.
DUES & SUBSCRIPTIONS	1,447.	1,447.		
EQUIPMENT < \$2500	1,124.	1,124.		

Name of the organization **TWELFTH STEP HOUSE OF SAN DIEGO, INC.**
HEARTLAND HOUSE

Employer identification number
95-2151829

FORM 990, PART IX, LINE 24E (CONTINUED)
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
EQUIPMENT RENTAL	504.	504.		
INVESTMENT FEES	5,153.	5,153.		
LAUNDRY & LINEN	1,842.	1,842.		
MEMBERSHIP FEES	915.	915.		
ORGANIZATIONAL DEVELOPMENT	14,901.		14,901.	
PRINTING AND PUBLICATIONS	700.	700.		
RECREATION/GIFTS	3,652.	2,709.		943.
SUPPLIES	11,992.	11,992.		
TAXES & LICENSES	11,503.	11,503.		
TELEPHONE	6,790.	6,790.		
TRAVEL	1,136.	901.	235.	
URINALYSIS TESTING	6,152.	6,152.		
TOTAL	\$ 137,370.	\$ 98,504.	\$ 16,804.	\$ 22,062.

FORM 990, PART XI, LINE 9
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

AUDIT ADJUSTMENT - PRIOR YEAR \$ 360.
TOTAL \$ 360.

Form **990-T****Exempt Organization Business Income Tax Return**
(and proxy tax under section 6033(e))

OMB No. 1545-0687

2016Department of the Treasury
Internal Revenue ServiceFor calendar year 2016 or other tax year beginning 7/01, 2016, and ending 6/30, 2017▶ 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

A <input type="checkbox"/> Check box if address changed	Print or Type TWELFTH STEP HOUSE OF SAN DIEGO, INC. HEARTLAND HOUSE 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	<input type="checkbox"/> Check box if name changed and see instructions.	D Employer identification number (Employees' trust, see instructions.) 95-2151829
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)		E Unrelated business activity codes (See instructions.)	
C Book value of all assets at end of year 1,428,008.	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.			

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 ▶ **ROBERT COOK-ADMINISTRATOR** Telephone number ▶ (619) 287-5460

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 (Schedule 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	30,288.	30,288.
13 Total. Combine lines 3 through 12.		13	30,288.	0.
				30,288.

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	
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	30,288.
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	30,288.
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	29,288.

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 **35 c** 4,393.**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** 4,393.**Part IV Tax and Payments****41 a** Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **41 a****b** Other credits (see instructions) **41 b****c** General business credit. Attach Form 3800 (see instructions) **41 c****d** Credit for prior year minimum tax (attach Form 8801 or 8827) **41 d****e Total credits.** Add lines 41a through 41d **41 e** 0.**42** Subtract line 41e from line 40 **42** 4,393.**43** Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866☐ Other (attach schedule) **43****44 Total tax.** Add lines 42 and 43 **44** 4,393.**45 a** Payments: A 2015 overpayment credited to 2016 **45 a****b** 2016 estimated tax payments **45 b** 1,496.**c** Tax deposited with Form 8868 **45 c****d** Foreign organizations: Tax paid or withheld at source (see instructions) **45 d****e** Backup withholding (see instructions) **45 e****f** Credit for small employer health insurance premiums (Attach Form 8941) **45 f****g** Other credits and payments: ☐ Form 2439 **45 g**☐ Form 4136 ☐ Other Total **45 g****46 Total payments.** Add lines 45a through 45g **46** 1,496.**47** Estimated tax penalty (see instructions). Check if Form 2220 is attached. ☒ **47** 6.**48 Tax due.** If line 46 is less than the total of lines 44 and 47, enter amount owed. **48** 2,903.**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** ☐ **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 **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. **Yes** **No****53** Enter the amount of tax-exempt interest received or accrued during the tax year \$ 0.**Sign Here**

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.

Signature of officer Date Title **MANAGING DIRECTOR** 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 ☒ if self-employed PTIN
PAULA D. BREWER **PAULA D. BREWER** **11/09/17** **P01205692**
Firm's name **PAULA D. BREWER, EA** Firm's EIN **27-3367485**
Firm's address **1646 ANNETTE WAY**
EL CAJON, CA 92020-5603 Phone no. **(619) 252-2834**

BAA

TEEA0202L 09/19/16

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 section 263A costs (attach schedule)	4a				
b Other costs (attach sch.).....	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				X

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		
(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	
(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)				
			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 (column 3 plus column 4)
(1)				
(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 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)						
		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.
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 (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. ▶			

BAA

TEEA0204 L 09/19/16

Form 990-T (2016)

Underpayment of Estimated Tax by Corporations

► Attach to the corporation's tax return.

► Information about Form 2220 and its separate instructions is at www.irs.gov/form2220.**2016**Department of the Treasury
Internal Revenue ServiceName **TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE**Employer identification number
95-2151829

Note: Generally, the corporation isn't required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions).....	1	4,393.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1.....	2a	
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method.....	2b	
2c	Credit for federal tax paid on fuels (see instructions).....	2c	
2d	Total. Add lines 2a through 2c.....	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation doesn't owe the penalty.....	3	4,393.
4	Enter the tax shown on the corporation's 2015 income tax return. See instructions. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5.	4	1,495.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3.....	5	1,495.

Part II Reasons for Filing — Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it doesn't owe a penalty. See instructions.

- 6 ☐ The corporation is using the adjusted seasonal installment method.
- 7 ☐ The corporation is using the annualized income installment method.
- 8 ☐ The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year.....	9	10/15/16	12/15/16	3/15/17	6/15/17
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% (0.25) of line 5 above in each column.....	10	373.	374.	374.	374.
11 Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 11 on line 15. See instructions.....	11			1,496.	
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column.....	12				375.
13 Add lines 11 and 12.....	13			1,496.	375.
14 Add amounts on lines 16 and 17 of the preceding column.....	14		373.	747.	
15 Subtract line 14 from line 13. If zero or less, enter -0-.....	15	0.	0.	749.	375.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.....	16		373.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.....	17	373.	374.		
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.....	18			375.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 — no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. (<i>C Corporations with tax years ending June 30 and S corporations:</i> Use 3rd month instead of 4th month. <i>Form 990-PF and Form 990-T filers:</i> Use 5th month instead of 4th month.) See instructions.	19 1/26/17	1/26/17		
20 Number of days from due date of installment on line 9 to the date shown on line 19	20 103	42		
21 Number of days on line 20 after 4/15/2016 and before 7/1/2016	21			
22 Underpayment on line 17 $\times \frac{\text{Number of days on line 21}}{366} \times 4\% (0.04)$	22			
23 Number of days on line 20 after 6/30/2016 and before 10/1/2016	23			
24 Underpayment on line 17 $\times \frac{\text{Number of days on line 23}}{366} \times 4\% (0.04)$	24			
25 Number of days on line 20 after 9/30/2016 and before 1/1/2017	25 77	16		
26 Underpayment on line 17 $\times \frac{\text{Number of days on line 25}}{366} \times 4\% (0.04)$	26 3.14	0.65		
27 Number of days on line 20 after 12/31/2016 and before 4/1/2017	27 26	26		
28 Underpayment on line 17 $\times \frac{\text{Number of days on line 27}}{365} \times 4\% (0.04)$	28 1.06	1.07		
29 Number of days on line 20 after 3/31/2017 and before 7/1/2017	29			
30 Underpayment on line 17 $\times \frac{\text{Number of days on line 29}}{365} \times \text{ } \%$	30			
31 Number of days on line 20 after 6/30/2017 and before 10/1/2017	31			
32 Underpayment on line 17 $\times \frac{\text{Number of days on line 31}}{365} \times \text{ } \%$	32			
33 Number of days on line 20 after 9/30/2017 and before 1/1/2018	33			
34 Underpayment on line 17 $\times \frac{\text{Number of days on line 33}}{365} \times \text{ } \%$	34			
35 Number of days on line 20 after 12/31/2017 and before 3/16/2018	35			
36 Underpayment on line 17 $\times \frac{\text{Number of days on line 35}}{365} \times \text{ } \%$	36			
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37 4.20	1.72		
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns.	38			6.

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

2016

FEDERAL STATEMENTS
TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

PAGE 1

95-2151829

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

DIVIDENDS AND INTEREST FROM SECURITIES.....	\$	13,324.
INTEREST ON SAVINGS AND CASH INVESTMENTS.....		6,122.
OTHER INVESTMENT INCOME.....		10,842.
TOTAL	\$	<u>30,288.</u>

2016

FEDERAL WORKSHEETS
TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

PAGE 1

95-2151829

FORM 990, PART III, LINE 4E
PROGRAM SERVICES TOTALS

	PROGRAM SERVICES TOTAL	FORM 990	SOURCE
TOTAL EXPENSES	536,889.	536,889.	PART IX, LINE 25, COL. B
GRANTS	0.	0.	PART IX, LINES 1-3, COL. B
REVENUE	0.	536,953.	PART VIII, LINE 2, COL. A

Form **990-W**

FOR FORM 990-T PURPOSES
**Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**
(and on Investment Income for Private Foundations)
Keep for your records. Do not send to the Internal Revenue Service.

(Worksheet)

Department of the Treasury
Internal Revenue Service

2017

1	Unrelated business taxable income expected in the tax year.....	1	29,288.
2	Tax on the amount on line 1. See instructions for tax computation.....	2	4,393.
3	Alternative minimum tax. See instructions.....	3	
4	Total. Add lines 2 and 3.....	4	4,393.
5	Estimated tax credits. See instructions.....	5	
6	Subtract line 5 from line 4.....	6	4,393.
7	Other taxes. See instructions.....	7	
8	Total. Add lines 6 and 7.....	8	4,393.
9	Credit for federal tax paid on fuels. See instructions.....	9	
10 a	Subtract line 9 from line 8. Note: If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions.....	10 a	4,393.
b	Enter the tax shown on the 2016 return. See instructions. Caution: If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c.....	10 b	
c	2017 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c.....	10 c	4,396.

		(a)	(b)	(c)	(d)	
11	Installment due dates. See instructions.....	11	10/16/17	12/15/17	3/15/18	6/15/18
12	Required installments. Enter 25% of line 10c in columns (a) through (d). But see instructions if the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a 'large organization'.....	12	0.	2,198.	1,099.	1,099.
13	2016 Overpayment. See instructions.....	13	0.	0.	0.	0.
14	Payment due (Subtract line 13 from line 12).....	14	0.	2,198.	1,099.	1,099.

BAA For Paperwork Reduction Act Notice, see instructions.

Form **990-W** (2017)

Installment 2 — File and Pay by the 15th day of the 6th month of the taxable year. When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

If no payment is due, do not mail this form.

WHERE TO FILE: Using black or blue ink, make check or money order payable to the 'Franchise Tax Board.' Write the corporation number and '2017 Form 100-ES' on the check or money order. Detach form below. Enclose, but **do not** staple, payment with form and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

ONLINE SERVICES: Corporations can make payments online with Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov for more information.

----- DETACH HERE ----- IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM -----

Caution: The corporation may be required to pay electronically. See instructions.

----- DETACH HERE -----

Installment 2

TAXABLE YEAR

CALIFORNIA FORM

2017

Corporation Estimated Tax

100-ES

0392388 TWEL 95-2151829 000000000000 17 FORM 2
 TYB 07-01-2017 TYE 06-30-2018
 TWELFTH STEP HOUSE OF SAN DIEGO INC HEARTLAND HOUSE
 ROBERT COOK-ADMINISTRATOR
 5855 STREAMVIEW DRIVE
 SAN DIEGO CA 92105 (619) 287-5460

EST TAX AMT 1813. QSUB TAX AMT TOTAL PAYMENT AMT 1813.

Installment 4 – File and Pay by the 15th day of the 12th month of the taxable year. When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

If no payment is due, do not mail this form.

WHERE TO FILE: Using black or blue ink, make check or money order payable to the 'Franchise Tax Board.' Write the corporation number and '2017 Form 100-ES' on the check or money order. Detach form below. Enclose, but **do not** staple, payment with form and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

ONLINE SERVICES: Corporations can make payments online with Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov for more information.

DETACH HERE

IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM

DETACH HERE

Caution: The corporation may be required to pay electronically. See instructions.

Installment 4

TAXABLE YEAR

CALIFORNIA FORM

2017

Corporation Estimated Tax

100-ES

0392388 TWEL 95-2151829 000000000000 17 FORM 2
 TYB 07-01-2017 TYE 06-30-2018
 TWELFTH STEP HOUSE OF SAN DIEGO INC HEARTLAND HOUSE
 ROBERT COOK-ADMINISTRATOR
 5855 STREAMVIEW DRIVE
 SAN DIEGO CA 92105 (619) 287-5460

EST TAX AMT 777. QSUB TAX AMT TOTAL PAYMENT AMT 777.

6/30/17

2016 FEDERAL BOOK DEPRECIATION SCHEDULE

PAGE 1

TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

95-2151829

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.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990-PF																
AMORTIZATION																
15	LOAN FEES - 5869 STREAM	4/13/17		9,591				0	0	0	0	9,591		S/L	30	80
TOTAL AMORTIZATION																
AUTO / TRANSPORT EQUIPMENT																
5	2007 CHEVY VAN	9/01/06		32,998				0	0	0	0	32,998		S/L	5	0
8	2009 CHEVY TRAVERSE	9/15/09		27,409								27,409		S/L	5	0
TOTAL AUTO / TRANSPORT EQUIP																
BUILDINGS																
1	BUILDING	7/01/76		47,226								47,226		S/L	25	0
13	BUILDING-5869 STREAMVIEW	4/13/17		390,000								390,000		S/L MM	27.5	.00758 2,956
TOTAL BUILDINGS																
IMPROVEMENTS																
4	REMODELING	6/20/09		2,070								2,070		S/L MM	39	.02564 53
7	KITCHEN REMODEL	4/15/09		15,602								15,602		S/L	15	1,040
TOTAL IMPROVEMENTS																
LAND																
				17,672				0	0	0	0	17,672				1,093

6/30/17

2016 FEDERAL BOOK DEPRECIATION SCHEDULE

PAGE 2

TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

95-2151829

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.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
2	LAND	7/01/76		18,327							18,327					0
14	LAND-5869 STREAMVIEW	4/13/17		210,000							210,000					0
	TOTAL LAND			228,327		0	0	0	0	0	228,327	0				0
MACHINERY AND EQUIPMENT																
3	FIXTURES & EQUIPMENT	6/20/09		13,014							13,014	13,014	200DB HY	7		0
6	KITCHEN EQUIPMENT	4/15/09		19,797							19,797	19,797	S/L	5		0
9	IT SYSTEM	6/15/11		19,619							19,619	21,712	200DB HY	5		0
10	AELOTT HVAC	5/20/15		24,980							24,980	24,980	S/L MM	39	.02564	0
11	PROJECTOR & SCREEN	6/30/15		340							340	340	200DB HY	5	.19200	0
12	LAPTOP COMPUTER	6/30/15		279							279	279	200DB HY	5	.19200	0
	TOTAL MACHINERY AND EQUIPME			78,029		0	0	0	0	0	78,029	80,122				0
	TOTAL DEPRECIATION			821,661		0	0	0	0	0	821,661	172,059				4,049
	GRAND TOTAL AMORTIZATION			9,591		0	0	0	0	0	9,591	0				80
	GRAND TOTAL DEPRECIATION			821,661		0	0	0	0	0	821,661	172,059				4,049

Voucher at bottom of page.

**DO NOT MAIL A PAPER COPY OF THE CORPORATE OR EXEMPT ORGANIZATION
TAX RETURN WITH THE PAYMENT VOUCHER.**

If the amount of payment is zero, do not mail this voucher.

WHERE TO FILE: Using black or blue ink, make check or money order payable to the
'Franchise Tax Board.' Write the corporation number or FEIN and
'2016 FTB 3586' on the check or money order. Detach voucher below.
Enclose, but **do not** staple, payment with voucher and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: Corporations — File and Pay by the 15th day of the 4th month following the
close of the taxable year.
S corporations — File and Pay by the 15th day of the 3rd month following the
close of the taxable year.
Exempt organizations — File and Pay by the 15th day of the 5th month following
the close of the taxable year.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended
to the next business day.

Due to the federal Emancipation Day holiday observed on April 17, 2017, tax returns filed and payments
mailed or submitted on April 18, 2017, will be considered timely.

ONLINE SERVICES: Corporations can make payments online with Web Pay for Businesses. Corporations
can make an immediate payment or schedule payments up to a year in advance. Go
to ftb.ca.gov for more information.

--- DETACH HERE --- IF NO PAYMENT IS DUE, DO NOT MAIL THIS VOUCHER

--- DETACH HERE ---

CAUTION: You may be required to pay electronically, see instructions.

TAXABLE YEAR

2016

**Payment Voucher for Corporations and
Exempt Organizations e-filed Returns**

CALIFORNIA FORM

3586 (e-file)

0392388 TWEL 95-2151829 000000000000 16 FORM 3
TYB 07-01-16 TYE 06-30-17
TWELFTH STEP HOUSE OF SAN DIEGO INC HEARTLAND HOUSE
ROBERT COOK-ADMINISTRATOR
5855 STREAMVIEW DRIVE
SAN DIEGO CA 92105

(619) 287-5460

AMOUNT OF PAYMENT 10.

059

6181166

CACA1201L 12/15/16 FTB 3586 2016

Date Accepted _____

DO NOT MAIL THIS FORM TO THE FTB

TAXABLE YEAR

2016

California e-file Return Authorization for Exempt Organizations

FORM

8453-EO

Exempt Organization name

Identifying number

TWELFTH STEP HOUSE OF SAN DIEGO, INC.

95-2151829

Part I Electronic Return Information (whole dollars only)

1	Total gross receipts (Form 199, line 4)	1	606,703.
2	Total gross income (Form 199, line 8)	2	606,703.
3	Total expenses and disbursements (Form 199, Line 9)	3	677,214.

Part II Settle Your Account Electronically for Taxable Year 2016

4 ☐ Electronic funds withdrawal 4a Amount _____ 4b Withdrawal date (mm/dd/yyyy) _____

Part III Banking Information (Have you verified the exempt organization's banking information?)

5 Routing number _____
 6 Account number _____ 7 Type of account: ☐ Checking ☐ Savings

Part IV Declaration of Officer

I authorize the exempt organization's account to be settled as designated in Part II. If I check Part II, Box 4, I authorize an electronic funds withdrawal for the amount listed on line 4a.

Under penalties of perjury, I declare that I am an officer of the above exempt organization and that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider and the amounts in Part I above agree with the amounts on the corresponding lines of the exempt organization's 2016 California electronic return. To the best of my knowledge and belief, the exempt organization's return is true, correct, and complete. If the exempt organization is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the exempt organization's fee liability, the exempt organization will remain liable for the fee liability and all applicable interest and penalties. I authorize the exempt organization return and accompanying schedules and statements be transmitted to the FTB by the ERO, transmitter, or intermediate service provider. **If the processing of the exempt organization's return or refund is delayed, I authorize the FTB to disclose to the ERO or intermediate service provider, the reason(s) for the delay.**

Sign
Here

Signature of officer

Date

MANAGING DIRECTOR

Title

Part V Declaration of Electronic Return Originator (ERO) and Paid Preparer. See instructions.

I declare that I have reviewed the above exempt organization's return and that the entries on form FTB 8453-EO are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I understand that I am not responsible for reviewing the exempt organization's return. I declare, however, that form FTB 8453-EO accurately reflects the data on the return.) I have obtained the organization officer's signature on form FTB 8453-EO before transmitting this return to the FTB; I have provided the organization officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345, 2016 e-file Handbook for Authorized e-file Providers. I will keep form FTB 8453-EO on file for **four** years from the due date of the return or **four** years from the date the exempt organization return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above exempt organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

ERO
Must
Sign

ERO's signature

Paula D. Brewer
PAULA D. BREWER

Date

11/09/17

Check if also paid preparer ☒Check if self-employed ☒

ERO's PTIN

P01205692

Firm's name (or yours if self-employed) and address

PAULA D. BREWER, EA
1646 ANNETTE WAY
EL CAJON

FEIN

27-3367485

CA

ZIP Code 92020-5603

Paid
Preparer
Must
Sign

Paid preparer's signature

Date

Check if self-employed ☐

Paid preparer's PTIN

Firm's name (or yours if self-employed) and address

FEIN

ZIP code

For Privacy Notice, get FTB 1131 ENG/SP.

FTB 8453-EO 2016

2016

California Exempt Organization
Annual Information Return

199

Calendar Year 2016 or fiscal year beginning (mm/dd/yyyy) 7/01/2016, and ending (mm/dd/yyyy) 6/30/2017

Corporation/Organization name TWELFTH STEP HOUSE OF SAN DIEGO, INC. HEARTLAND HOUSE		California corporation number 0392388
Additional information. See instructions.		FEIN 95-2151829
Street address (suite or room) 5855 STREAMVIEW DRIVE		PMB no.
City SAN DIEGO	State CA	Zip code 92105
Foreign country name	Foreign province/state/county	Foreign postal code

A First Return ☐ Yes ☒ No

B Amended Return ☐ Yes ☒ No

C IRC Section 4947(a)(1) trust ☐ Yes ☒ No

D Final Information Return?

• ☐ Dissolved • ☐ Surrendered (Withdrawn) • ☐ Merged/Reorganized

Enter date (mm/dd/yyyy) _____

E Check accounting method:

1 ☐ Cash 2 ☒ Accrual 3 ☐ Other

F Federal return filed? 1 • ☒ 990T 2 • ☐ 990-PF 3 • ☐ Sch H (990)

4 ☐ Other 990 series

G Is this a group filing? See instructions. • ☐ Yes ☒ No

H Is this organization in a group exemption? ☐ Yes ☒ No

If 'Yes,' what is the parent's name? _____

I Did the organization have any changes to its guidelines not reported to the FTB? See instructions. • ☐ Yes ☒ No

J If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions. • ☐ Yes ☒ No

K Is the organization exempt under R&TC Section 23701g? • ☐ Yes ☒ No

If 'Yes,' enter the gross receipts from nonmember sources. \$ _____

L If organization is exempt under R&TC Section 23701d and meets the filing fee exception, check box.

No filing fee is required. • ☐ Yes ☒ No

M Is the organization a Limited Liability Company? • ☐ Yes ☒ No

N Did the organization file Form 100 or Form 109 to report taxable income? • ☒ Yes ☐ No

O Is the organization under audit by the IRS or has the IRS audited in a prior year? • ☐ Yes ☒ No

P Is federal Form 1023/1024 pending? • ☐ Yes ☐ No

Date filed with IRS _____

CACA1112L 11/30/16

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8.	1	567,241.
	2	Gross dues and assessments from members and affiliates.	2	
	3	Gross contributions, gifts, grants, and similar amounts received.	3	39,462.
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Instruction B...	4	606,703.
	5	Cost of goods sold.	5	
	6	Cost or other basis, and sales expenses of assets sold.	6	
	7	Total costs. Add line 5 and line 6.	7	
	8	Total gross income. Subtract line 7 from line 4.	8	606,703.
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18.	9	677,214.
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8.	10	-70,511.
Filing Fee	11	Total payments.	11	
	12	Use tax. See General Instruction K.	12	
	13	Payments balance. If line 11 is more than line 12, subtract line 12 from line 11.	13	
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12.	14	
	15	Filing fee \$10 or \$25. See General Instruction F.	15	10.
	16	Penalties and Interest. See General Instruction J.	16	
	17	Balance due. Add line 12, line 15, and line 16. Then subtract line 11 from the result.	17	10.
Sign Here	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.			
Paid Preparer's Use Only	Signature of officer	MANAGING DIRECTOR	Date	Telephone (619) 287-5460
	Preparer's signature	PAULA D. BREWER	Date	PTIN P01205692
	Firm's name (or yours, if self-employed) and address	PAULA D. BREWER, EA 1646 ANNETTE WAY EL CAJON, CA 92020-5603	Check if self-employed <input checked="" type="checkbox"/>	FEIN 27-3367485
				Telephone (619) 252-2834
May the FTB discuss this return with the preparer shown above? See instructions. • <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

Part II Organizations with gross receipts of more than \$50,000 and private foundations
regardless of amount of gross receipts — complete Part II or furnish substitute information.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1	
	2	Interest	•	2	6,122.
	3	Dividends	•	3	13,324.
	4	Gross rents	•	4	
	5	Gross royalties	•	5	
	6	Gross amount received from sale of assets (See instructions)	•	6	
	7	Other income. Attach schedule	•	7	547,795.
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1.	•	8	567,241.
Expenses and Disbursements	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule	•	9	
	10	Disbursements to or for members	•	10	
	11	Compensation of officers, directors, and trustees. Attach schedule	•	11	0.
	12	Other salaries and wages	•	12	265,006.
	13	Interest	•	13	3,144.
	14	Taxes	•	14	26,115.
	15	Rents	•	15	
	16	Depreciation and depletion (See instructions)	•	16	4,049.
	17	Other Expenses and Disbursements. Attach schedule	•	17	378,900.
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9.	•	18	677,214.

Schedule L Balance Sheet		Beginning of taxable year		End of taxable year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		484,227.	•	224,077.
2	Net accounts receivable		26,812.	•	39,039.
3	Net notes receivable			•	
4	Inventories			•	
5	Federal and state government obligations			•	
6	Investments in other bonds			•	
7	Investments in stock			•	
8	Mortgage loans			•	
9	Other investments. Attach schedule		507,838.	•	507,193.
10a	Depreciable assets	203,334.		593,334.	
b	Less accumulated depreciation	172,059.	31,275.	176,108.	417,226.
11	Land		18,327.	•	228,327.
12	Other assets. Attach schedule STM 4		6,564.	•	12,146.
13	Total assets		1,075,043.		1,428,008.
Liabilities and net worth					
14	Accounts payable		4,667.	•	5,252.
15	Contributions, gifts, or grants payable			•	
16	Bonds and notes payable			•	
17	Mortgages payable			•	418,190.
18	Other liabilities. Attach schedule STM 5		5,812.		10,153.
19	Capital stock or principal fund		1,064,564.	•	994,413.
20	Paid-in or capital surplus. Attach reconciliation			•	
21	Retained earnings or income fund			•	
22	Total liabilities and net worth		1,075,043.		1,428,008.

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.

1	Net income per books	•	-70,511.	7	Income recorded on books this year not included in this return. Attach schedule	•	
2	Federal income tax	•		8	Deductions in this return not charged against book income this year. Attach schedule	•	
3	Excess of capital losses over capital gains	•		9	Total. Add line 7 and line 8		
4	Income not recorded on books this year. Attach schedule	•		10	Net income per return. Subtract line 9 from line 6		-70,511.
5	Expenses recorded on books this year not deducted in this return. Attach schedule	•					
6	Total. Add line 1 through line 5		-70,511.				

2016 Corporation Depreciation and Amortization**3885**Attach to Form 100 or Form 100W. **FORM 199**Corporation name **TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE**California corporation number
0392388**Part I Election To Expense Certain Property Under IRC Section 179**

1	Maximum deduction under IRC Section 179 for California	1	\$25,000
2	Total cost of IRC Section 179 property placed in service	2	
3	Threshold cost of IRC Section 179 property before reduction in limitation.	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0.	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected IRC Section 179 cost).	7	
8	Total elected cost of IRC Section 179 property. Add amounts in column (c), line 6 and line 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from prior taxable years.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5.	11	
12	IRC Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2017. Add line 9 and line 10, less line 12.	13	

Part II Depreciation and Election of Additional First Year Depreciation Deduction Under R&TC Section 24356

14	(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	BUILDING	7/01/1976	47,226.	47,226.	S/L	25		
	LAND	7/01/1976	18,327.			0		
	FIXTURES & EQUI	6/20/2009	13,014.	13,014.	200DB	7		
	REMODELING	6/20/2009	2,070.	1,148.	S/L	39	53.	
	2007 CHEVY VAN	9/01/2006	32,998.	32,998.	S/L	5		
15	Add the amounts in column (g) and column (h). The total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).					15	4,049.	

Part III Summary

16	Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g).	16	
17	Total depreciation claimed for federal purposes from federal Form 4562, line 22.	17	
18	Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 2, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.)	18	

Part IV Amortization

19	(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC section (see instr)	(f) Period or percentage	(g) Amortization for this year	
	LOAN FEES - 5869	4/13/2017	9,591.		197	30	80.	
20	Total. Add the amounts in column (g).						20	80.
21	Total amortization claimed for federal purposes from federal Form 4562, line 44.						21	
22	Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 2, line 12.						22	

2016**Corporation Depreciation and Amortization****3885**Attach to Form 100 or Form 100W. **FORM 199**Corporation name **TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE**

California corporation number

0392388**Part I Election To Expense Certain Property Under IRC Section 179**

1	Maximum deduction under IRC Section 179 for California	1	\$25,000
2	Total cost of IRC Section 179 property placed in service	2	
3	Threshold cost of IRC Section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected IRC Section 179 cost)	7	
8	Total elected cost of IRC Section 179 property. Add amounts in column (c), line 6 and line 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from prior taxable years	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	IRC Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2017. Add line 9 and line 10, less line 12	13	

Part II Depreciation and Election of Additional First Year Depreciation Deduction Under R&TC Section 24356

14	(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	KITCHEN EQUIPME	4/15/2009	19,797.	19,797.	S/L	5		
	KITCHEN REMODEL	4/15/2009	15,602.	5,083.	S/L	15	1,040.	
	2009 CHEVY TRAV	9/15/2009	27,409.	5,482.	S/L	5		
	IT SYSTEM	6/15/2011	19,619.	21,712.	200DB	5		
	AELOTT HVAC	5/20/2015	24,980.	24,980.	S/L	39		
15	Add the amounts in column (g) and column (h). The total of column (h) may not exceed \$2,000. See instructions for line 14, column (h)						15	

Part III Summary

16	Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g)	16	
17	Total depreciation claimed for federal purposes from federal Form 4562, line 22	17	
18	Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 2, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.)	18	

Part IV Amortization

19	(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC section (see instr)	(f) Period or percentage	(g) Amortization for this year
20	Total. Add the amounts in column (g)						20
21	Total amortization claimed for federal purposes from federal Form 4562, line 44						21
22	Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 2, line 12						22

2016**Corporation Depreciation and Amortization****3885**

Attach to Form 100 or Form 100W. FORM 199

Corporation name **TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE**California corporation number
0392388**Part I Election To Expense Certain Property Under IRC Section 179**

1	Maximum deduction under IRC Section 179 for California	1	\$25,000
2	Total cost of IRC Section 179 property placed in service	2	
3	Threshold cost of IRC Section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected IRC Section 179 cost)	7	
8	Total elected cost of IRC Section 179 property. Add amounts in column (c), line 6 and line 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from prior taxable years	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	IRC Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2017. Add line 9 and line 10, less line 12	13	

Part II Depreciation and Election of Additional First Year Depreciation Deduction Under R&TC Section 24356

14	(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	PROJECTOR & SCR	6/30/2015	340.	340.	200DB	5		
	LAPTOP COMPUTER	6/30/2015	279.	279.	200DB	5		
	BUILDING-5869 S	4/13/2017	390,000.		S/L	28	2,956.	
	LAND-5869 STREA	4/13/2017	210,000.			0		
15	Add the amounts in column (g) and column (h). The total of column (h) may not exceed \$2,000. See instructions for line 14, column (h)						15	

Part III Summary

16	Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g)	16	
17	Total depreciation claimed for federal purposes from federal Form 4562, line 22	17	
18	Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 2, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.)	18	

Part IV Amortization

19	(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC section (see instr)	(f) Period or percentage	(g) Amortization for this year
20	Total. Add the amounts in column (g)						20
21	Total amortization claimed for federal purposes from federal Form 4562, line 44						21
22	Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 2, line 12						22

STATEMENT 1
FORM 199, PART II, LINE 7
OTHER INCOME

OTHER INVESTMENT INCOME.....	\$	10,842.
PROGRAM SERVICE REVENUE.....		536,953.
TOTAL	\$	<u>547,795.</u>

STATEMENT 2
FORM 199, PART II, LINE 11
COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES

CURRENT OFFICERS:

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	TOTAL COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JOHN PRENDERGAST 5634 ASHLAND AVE SAN DIEGO, CA 92120	MANAGING DIR 5.00	\$ 0.	\$ 0.	\$ 0.
MICHAEL J. MCDANIEL 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	CHAIRMAN 4.00	0.	0.	0.
JASON BUSTAD 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	DIRECTOR 4.00	0.	0.	0.
TOM BELTZ 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	SECRETARY 4.00	0.	0.	0.
MARY GESSNER 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	DIRECTOR 4.00	0.	0.	0.
JAMES HUTZELMAN 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	DIRECTOR 4.00	0.	0.	0.
FREDERICK TREPTE 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	DIRECTOR 4.00	0.	0.	0.
WILLIAM J. HURLEY 5855 STREAMVIEW DRIVE SAN DIEGO, CA 92105	TREASURER 4.00	0.	0.	0.
TOTAL		\$ <u>0.</u>	\$ <u>0.</u>	\$ <u>0.</u>

STATEMENT 3
FORM 199, PART II, LINE 17
OTHER EXPENSES

ACCOUNTING FEES.....	\$ 6,439.
AMORTIZATION.....	80.
AUTOMOBILE EXPENSES.....	6,183.
BAD DEBT.....	14,358.
BANKFEES.....	1,879.
BANQUET EXPENSES.....	21,097.
COMPUTER & INTERNET SERVICES.....	13,031.
CONTINUING EDUCATION.....	13,011.
DUES & SUBSCRIPTIONS.....	1,447.
EQUIPMENT < \$2500.....	1,124.
EQUIPMENT RENTAL.....	504.
GROCERIES.....	54,998.
INSURANCE.....	23,352.
INVESTMENT FEES.....	5,153.
LAUNDRY & LINEN.....	1,842.
MEMBERSHIP FEES.....	915.
OFFICE EXPENSES.....	6,161.
ORGANIZATIONAL DEVELOPMENT.....	14,901.
OTHER EMPLOYEE BENEFIT.....	24,151.
PRINTING AND PUBLICATIONS.....	700.
RECREATION/GIFTS.....	3,652.
RENT.....	74,080.
REPAIRS & MAINTENANCE (BLDG).....	27,618.
SUPPLIES.....	11,992.
TAXES & LICENSES.....	11,503.
TELEPHONE.....	6,790.
TRAVEL.....	1,136.
URINALYSIS TESTING.....	6,152.
UTILITIES.....	24,651.
TOTAL	\$ 378,900.

STATEMENT 4
FORM 199, SCHEDULE L, LINE 12
OTHER ASSETS

NET INTANGIBLE ASSETS.....	9,511.
PREPAID EXPENSES AND DEFERRED CHARGES.....	2,635.
TOTAL	\$ 12,146.

STATEMENT 5
FORM 199, SCHEDULE L, LINE 18
OTHER LIABILITIES

DEFERRED REVENUE.....	1,250.
HOME DEPOT CC.....	2,136.
ROUNDING.....	1.
SECURITY DEPOSITS.....	1,400.
VISA CC.....	5,366.
TOTAL	\$ 10,153.

6/30/17

2016 CALIFORNIA BOOK DEPRECIATION SCHEDULE

PAGE 1

TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

95-2151829

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.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 199																
AMORTIZATION																
15	LOAN FEES - 5869 STREAM	4/13/17		9,591							9,591			S/L	30	80
TOTAL AMORTIZATION																
AUTO / TRANSPORT EQUIPMENT																
5	2007 CHEVY VAN	9/01/06		32,998							32,998	32,998		S/L	5	0
8	2009 CHEVY TRAVERSE	9/15/09		27,409							27,409	5,482		S/L	5	0
TOTAL AUTO / TRANSPORT EQUIP																
BUILDINGS																
1	BUILDING	7/01/76		47,226							47,226	47,226		S/L	25	0
13	BUILDING-5869 STREAMVIEW	4/13/17		390,000							390,000			S/L MM	27.5	2,956
TOTAL BUILDINGS																
IMPROVEMENTS																
4	REMODELING	6/20/09		2,070							2,070	1,148		S/L MM	39	53
7	KITCHEN REMODEL	4/15/09		15,602							15,602	5,083		S/L	15	1,040
TOTAL IMPROVEMENTS																
LAND																
				17,672							17,672	6,231				1,093

6/30/17

2016 CALIFORNIA BOOK DEPRECIATION SCHEDULE

PAGE 2

TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

95-2151829

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.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
2	LAND	7/01/76		18,327							18,327					0
14	LAND-5869 STREAMVIEW	4/13/17		210,000							210,000					0
	TOTAL LAND			228,327		0	0	0	0	0	228,327	0				0
	MACHINERY AND EQUIPMENT															
3	FIXTURES & EQUIPMENT	6/20/09		13,014							13,014	13,014	200DB HY	7		0
6	KITCHEN EQUIPMENT	4/15/09		19,797							19,797	19,797	S/L	5		0
9	IT SYSTEM	6/15/11		19,619							19,619	21,712	200DB HY	5		0
10	AELOTT HVAC	5/20/15		24,980							24,980	24,980	S/L MM	39	.02564	0
11	PROJECTOR & SCREEN	6/30/15		340							340	340	200DB HY	5	.19200	0
12	LAPTOP COMPUTER	6/30/15		279							279	279	200DB HY	5	.19200	0
	TOTAL MACHINERY AND EQUIPME			78,029		0	0	0	0	0	78,029	80,122				0
	TOTAL DEPRECIATION			821,661		0	0	0	0	0	821,661	172,059				4,049
	GRAND TOTAL AMORTIZATION			9,591		0	0	0	0	0	9,591	0				80
	GRAND TOTAL DEPRECIATION			821,661		0	0	0	0	0	821,661	172,059				4,049

2016

California Exempt Organization Business Income Tax Return

109

Calendar Year 2016 or fiscal year beginning (mm/dd/yyyy) 7/01/2016, and ending (mm/dd/yyyy) 6/30/2017Corporation/Organization name **TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE**

California corporation number

0392388

Additional information. See instructions.

FEIN

95-2151829

Street address (suite/room no.)

5855 STREAMVIEW DRIVE

PMB no.

City (If the corporation has a foreign address, see instructions.)

SAN DIEGO

State

CA

ZIP code

92105

Foreign country name

Foreign province/state/county

Foreign postal code

A First Return Filed? ☐ Yes ☒ NoB Is this an education IRA within the meaning of R&TC Section 23712? ☐ Yes ☒ NoC Is the organization under audit by the IRS or has the IRS audited in a prior year? ☐ Yes ☒ No

D Final Return?

☐ Dissolved ☐ Surrendered (Withdrawn) ☐ Merged/Reorganized

Enter date (mm/dd/yyyy)

E Amended Return? ☐ Yes ☒ NoF Accounting Method Used: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other

G Nature of trade or business

H Is the organization a non-exempt charitable trust as described in IRC Section 4947(a)(1)? ☐ Yes ☒ NoI Is this organization claiming any former Enterprise Zone (EZ), Los Angeles Revitalization Zone (LARZ), Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or Manufacturing Enhancement Area (MEA) tax benefits? ☐ Yes ☒ NoJ Is this organization a qualified pension, profit-sharing, or stock bonus plan as described in IRC Section 401(a)? ☐ Yes ☒ No

K Unrelated Business Activity (UBA) Code.

L Is this a Hospital? ☐ Yes ☒ No
If 'Yes,' attach federal Schedule H (Form 990)

Taxable Corporation	1	Unrelated business taxable income from Side 2, Part II, line 30.	1	29,288.
	2	Multiply line 1 by the average apportionment percentage _____ % from the Schedule R, Apportionment Formula Worksheet, Part A, line 2 or Part B, line 5. See instructions.	2	
	3	Enter the lesser amount from line 1 or line 2. If the unrelated business activity is wholly in California and Schedule R was not completed, enter the amount from line 1.	3	29,288.
Taxable Trust	4	Unrelated business taxable income from Side 2, Part II, line 30.	4	
Tax Computation	5	Unrelated business taxable income from line 3 or line 4.	5	29,288.
	6	Pierce's disease, EZ, LARZ, LAMBRA, or TTA NOL carryover deduction.	6	
	7	Net Operating Loss deduction. See General Information N.	7	
	8	Add line 6 and line 7.	8	
	9	Net unrelated business taxable income. Subtract line 8 from line 5.	9	29,288.
	10	Tax <u>8.84</u> % x line 9. See General Information J.	10	2,589.
	11	Tax credits from Schedule B. See instructions.	11	
Total Tax	12	Balance. Subtract line 11 from line 10. If line 11 is greater than line 10, enter -0-.	12	2,589.
	13	Alternative minimum tax. See General Information O.	13	
	14	Total tax. Add line 12 and line 13.	14	2,589.
Payments	15	Overpayment from a prior year allowed as a credit.	15	
	16	2016 estimated tax payments. See instructions.	16	890.
	17	Withholding (Form 592-B and/or 593.) See instructions.	17	
	18	Amount paid with extension (form FTB 3539).	18	
	19	Total payments and credits. Add line 15 through line 18.	19	890.
Use Tax/ Tax Due/ Overpayment	20	Use tax. See instructions.	20	
	21	Payments balance. If line 19 is more than line 20, subtract line 20 from line 19.	21	890.
	22	Use tax balance. If line 20 is more than line 19, subtract line 19 from line 20.	22	
	23	Tax due. Subtract line 21 from line 14. Pay entire amount with return. See instructions.	23	1,699.
	24	Overpayment. Subtract line 14 from line 21. See instructions.	24	
	25	Enter amount of line 24 to be applied to 2017 estimated tax.	25	

Refund or Amount Due	26 Refund. If line 25 is less than line 24, then subtract line 25 from line 24.	26	
	a Fill in the account information to have the refund directly deposited. Routing number	26a	
	b Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c Account Number.	26c	
	27 Penalties and interest. See General Information M.	27	29.
	28 <input type="checkbox"/> Check if estimate penalty computed using Exception B or C and attach form FTB 5806.		
	29 Total amount due. Add line 22, line 23, line 25, and line 27, then subtract line 24.	29	1,728.

Unrelated Business Taxable Income**Part I Unrelated Trade or Business Income**

1 a Gross receipts or gross sales	b Less returns and allowances	c Balance	1 c	
2 Cost of goods sold and/or operations (Schedule A, line 7)			2	
3 Gross profit. Subtract line 2 from line 1c			3	
4a Capital gain net income. See Specific Line Instructions – Trusts attach Schedule D (541)			4a	
b Net gain (loss) from Part II, Schedule D-1			4b	
c Capital loss deduction for trusts			4c	
5 Income (or loss) from partnerships, limited liability companies, or S corporations. See specific line instructions. Attach Schedule K-1 (565, 568, or 100S) or similar schedule			5	
6 Rental income (Schedule C)			6	
7 Unrelated debt-financed income (Schedule D)			7	
8 Investment income of an R&TC Section 23701g, 23701i, or 23701n organization (Schedule E)			8	
9 Interest, Annuities, Royalties and Rents from controlled organizations (Schedule F)			9	
10 Exploited exempt activity income (Schedule G)			10	
11 Advertising income (Schedule H, Part III, Column A)			11	
12 Other income. Attach schedule. SEE STATEMENT 1			12	30,288.
13 Total unrelated trade or business income. Add line 3 through line 12.			13	30,288.

Part II Deductions Not Taken Elsewhere (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees from Schedule L	14	
15 Salaries and wages	15	
16 Repairs	16	
17 Bad debts	17	
18 Interest. Attach schedule	18	
19 Taxes. Attach schedule	19	
20 Contributions. See instructions and attach schedule	20	
21a Depreciation (Corporations and Associations – Schedule J) (Trusts – form FTB 3885F)	21 a	
b Less: depreciation claimed on Schedule A. See instructions	21 b	
22 Depletion. Attach schedule	22	
23a Contributions to deferred compensation plans	23 a	
b Employee benefit programs. See instructions	23 b	
24 Other deductions. Attach schedule	24	
25 Total deductions. Add line 14 through line 24	25	
26 Unrelated business taxable income before allowable excess advertising costs. Subtract line 25 from line 13.	26	30,288.
27 Excess advertising costs (Schedule H, Part III, Column B)	27	
28 Unrelated business taxable income before specific deduction. Subtract line 27 from line 26.	28	30,288.
29 Specific deduction. See instructions	29	1,000.
30 Unrelated business taxable income. Subtract line 29 from line 28. If line 28 is a loss, enter line 28.	30	29,288.

Sign Here	To learn about your privacy rights, how we may use your information, and the consequences for not providing the requested information, go to ftb.ca.gov and search for privacy notice . To request this notice by mail, call 800.852.5711.		
	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.		
Paid Preparer's Use Only	Signature of officer	Title MANAGING DIRECTOR	Date 11/09/17
	Preparer's signature PAULA D. BREWER	Date 11/09/17	Check if self-employed <input checked="" type="checkbox"/>
	Firm's name (or yours, if self-employed) and address PAULA D. BREWER, EA 1646 ANNETTE WAY EL CAJON, CA 92020-5603		Telephone (619) 287-5460
			PTIN P01205692
			FEIN 27-3367485
			Telephone (619) 252-2834
May the FTB discuss this return with the preparer shown above? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

Schedule A Cost of Goods Sold and/or Operations.

Method of inventory valuation (specify) _____

1	Inventory at beginning of year.	1	
2	Purchases	2	
3	Cost of labor	3	
4a	Additional IRC Section 263A costs. Attach schedule.	4a	
b	Other costs. Attach schedule.	4b	
5	Total. Add line 1 through line 4b.	5	
6	Inventory at end of year.	6	
7	Cost of goods sold and/or operations. Subtract line 6 from line 5. Enter here and on Side 2, Part I, line 2.	7	

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to this organization? ☐ Yes ☒ No

Schedule B Tax Credits.

1	Enter credit name _____ code no. _____	1	
2	Enter credit name _____ code no. _____	2	
3	Enter credit name _____ code no. _____	3	
4	Total. Add line 1 through line 3. If claiming more than 3 credits, enter the total of all claimed credits, on line 4. Enter here and on Side 1, line 11.	4	

Schedule K Add-On Taxes or Recapture of Tax. See instructions.

1	Interest computation under the look-back method for completed long-term contracts. Attach form FTB 3834	1	
2	Interest on tax attributable to installment: a Sales of certain timeshares or residential lots	2a	
	b Method for non-dealer installment obligations	2b	
3	IRC Section 197(f)(9)(B)(ii) election to recognize gain on the disposition of intangibles.	3	
4	Credit recapture. Credit name _____	4	
5	Total. Combine the amounts on line 1 through line 4. See instructions.	5	

Schedule R Apportionment Formula Worksheet. Use only for unrelated trade or business amounts.**Part A. Standard Method -- Single-Sales Factor Formula.** Complete this part only if the corporation uses the single-sales factor formula.

	(a) Total within and outside California	(b) Total within California	(c) Percent within California [(b) ÷ (a)] x 100
1 Total Sales			
2 Apportionment percentage. Divide total sales column (b) by total sales column (a) and multiply the result by 100. Enter the result here and on Form 109, Side 1, line 2.			

Part B. Three Factor Formula. Complete this part only if the corporation uses the three-factor formula.

	(a) Total within and outside California	(b) Total within California	(c) Percent within California [(b) ÷ (a)] x 100
1 Property factor: See instructions			
2 Payroll factor: Wages and other compensation of employees			
3 Sales factor: Gross sales and/or receipts less returns and allowances.			
4 Total percentage: Add the percentages in column (c)			
5 Average apportionment percentage: Divide the factor on line 4 by 3 and enter the result here and on Form 109, Side 1, line 2. See instructions for exceptions.			

Schedule C Rental Income from Real Property and Personal Property Leased with Real Property

For rental income from debt-financed property, use Schedule D, R&TC Section 23701g, Section 23701i, and Section 23701n organizations. See instructions for exceptions.

1	Description of property	2	Rent received or accrued	3	Percentage of rent attributable to personal property
					%
					%
					%
4	Complete if any item in column 3 is more than 50%, or for any item if the rent is determined on the basis of profit or income	5	Complete if any item in column 3 is more than 10%, but not more than 50%		
(a) Deductions directly connected (attach schedule)	(b) Income includible, column 2 less column 4(a)	(a) Gross income reportable, column 2 x column 3	(b) Deductions directly connected with personal property (att sch)	(c) Net income includible, column 5(a) less column 5(b)	

Add columns 4(b) and column 5(c). Enter here and on Side 2, Part I, line 6

Schedule D Unrelated Debt-Financed Income

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)
4 Amount of average acquisition indebtedness on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Debt basis percentage, column 4 ÷ column 5	7 Gross income reportable, column 2 x column 6	8 Allocable deductions, total of columns 3(a) and 3(b) x column 6	9 Net income (or loss) includible, column 7 less column 8
Total. Enter here and on Side 2, Part I, line 7.					

Schedule E Investment Income of an R&TC Section 23701g, Section 23701i, or Section 23701n Organization

1 Description	2 Amount	3 Deductions directly connected (attach schedule)	4 Net investment income, column 2 less column 3	5 Set-asides (attach schedule)	6 Balance of investment income, column 4 less column 5
Total. Enter here and on Side 2, Part I, line 8.					
Enter gross income from members (dues, fees, charges, or similar amounts)					

Schedule F Interest, Annuities, Royalties and Rents from Controlled Organizations

Exempt Controlled Organizations					
1 Name of controlled organizations	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)
1					
2					
3					
Nonexempt Controlled Organizations					
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)
1					
2					
3					
4 Add columns 5 and 10.					
5 Add columns 6 and 11.					
6 Subtract line 5 from line 4. Enter here and on Side 2, Part I, line 9.					

Schedule G Exploited Exempt Activity Income, other than Advertising Income

1 Description of exploited activity (attach schedule if more than one unrelated activity is exploiting the same exempt activity)	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income from unrelated trade or business, column 2 less column 3	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expense, column 6 less column 5 but not more than column 4	8 Net income includible, column 4 less column 7 but not less than zero
Total. Enter here and on Side 2, Part I, line 10.							

IF PAID ELECTRONICALLY: DO NOT FILE THIS FORM

WHERE TO FILE: Using black or blue ink, make check or money order payable to the 'Franchise Tax Board.' Write the corporation number or FEIN and '2016 FTB 3539' on the check or money order. Detach form below. Enclose, but **do not** staple, payment with form and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: Calendar year C corporations – File and Pay by April 18, 2017
Calendar year S corporations – File and Pay by March 15, 2017
Calendar year exempt organizations – File and Pay by May 15, 2017
Employees' trust and IRA – File and Pay by April 18, 2017
Fiscal year filers – See instructions

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

Due to the federal Emancipation Day holiday observed on April 17, 2017, tax returns filed and payments mailed or submitted on April 18, 2017, will be considered timely.

ONLINE SERVICES: Corporations can make payments online with Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov for more information.

----- DETACH HERE ----- IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM -----

CAUTION: You may be required to pay electronically, see instructions.

TAXABLE YEAR

CALIFORNIA FORM

2016

**Payment for Automatic Extension
for Corporations and Exempt Organizations**

3539 (CORP)

0392388 TWEL 95-2151829 000000000000 16 FORM 2
TYB 07-01-2016 TYE 06-30-2017
TWELFTH STEP HOUSE OF SAN DIEGO INC HEARTLAND HOUSE
ROBERT COOK-ADMINISTRATOR
5855 STREAMVIEW DRIVE
SAN DIEGO CA 92105

(619) 287-5460

AMOUNT OF PAYMENT 838.

2016

Underpayment of Estimated Tax
by Corporations

5806

For calendar year 2016 or fiscal year beginning (mm/dd/yyyy) 7/01/2016, and ending (mm/dd/yyyy) 6/30/2017

Corporation name TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSECalifornia corporation number
0392388

Part I Figure the Underpayment

1 Current year's tax. See instructions.	1	2,589.
2 Installment due dates. See instructions.	2	10/17/16 12/15/16 3/15/17 6/15/17
3 Percentage required. See instructions.	3	30% 70% less 1st 70% less prior 100% less prior
4 Amount due. See instructions.	4	(not less than min.) 777. 1,035. 777.
5 a Amount paid or credited for each installment.	5 a	890.
b Overpayment from previous installment. See instructions.	5 b	113.
6 Add line 5a and line 5b.	6	890. 113.
7 Underpayment (subtract line 6 from line 4). See instructions. Overpayment (subtract line 4 from line 6). If line 7 shows an underpayment for any installment, go to Part IV, Exceptions Worksheets.	7	777. 1,035. -890. 664.

Part II Exceptions to the Penalty. If Exception A, line 8a is met for all four installments, do not attach this form to the return. If Exception B or C is met, for any installment, attach form FTB 5806 to the back of Form 100, Form 100W, Form 100S or Form 109.

(check the applicable boxes)	Yes	No	Yes	No	Yes	No	Yes	No
8 a Exception A — Regular Corporations, line 26 . . .	8 a	X		X	X		X	
b Exception A — Large Corporations, ln 30. See inst.	8 b							
9 Exception B (line 42) met?	9							
10 Exception C (line 64) met?	10							

Part III Figure the Penalty. If line 7 shows an underpayment for any installment and one of the three exceptions was not met, figure the penalty for that installment by completing line 11 through line 22.

11 Enter the earlier of the payment date, or the 15th day of the 3rd month after the close of the taxable year. Form 109 filers, see instructions	11	1/25/17	11/15/17		
12 Number of days from date shown on line 2 to date shown on line 11	12	100	335		
13 Number of days on line 12 before 7/01/16, or the payment date, whichever is earlier.	13				
14 Number of days on line 12 after 6/30/16 and before 1/01/17, or the payment date, whichever is earlier.	14	75	16		
15 Number of days on line 12 after 12/31/16 and before 7/01/17, or the payment date, whichever is earlier. Calendar year corporations, see instructions	15	25	181		
16 For fiscal year corporations only. Number of days on line 12 after 6/30/17 and before 1/01/18. See instrs.	16		138		
17 For fiscal year corporations only. Number of days on line 12 after 12/31/17 and before 2/15/18.	17				
18 No. of days on line 13	18				
No. of days in taxable year x 3% x line 7.	18				
19 No. of days on line 14	19	4.78	1.36		
No. of days in taxable year x 3% x line 7.	19				
20 No. of days on line 15	20	2.13	20.53		
No. of days in taxable year x 4% x line 7.	20				
21 No. of days on line 16	21				
No. of days in taxable year x % x (see instrs) x ln 7.	21				
22 No. of days on line 17	22				
No. of days in taxable year x % x (see instrs) x ln 7.	22				
22 a Add amounts for each column from line 18 through line 22	22 a	6.91	21.89		
22 b Total estimated penalty due. Add line 22a, column (a) through column (d). Enter here and on Form 100, line 43a; Form 100W, line 40a; Form 100S, line 42a; or Form 109, line 27.	22 b				29.

Part IV Exceptions Worksheets. Even if line 7 shows an underpayment for any installment, the Franchise Tax Board will not assess a penalty if timely payments were made and they equal or exceed the amount determined under any of the three exceptions for the same installment period.

Exception A – Prior Year's Tax – Regular Corporations

23 Prior year's tax (the return must have been for a full 12 months).....										23	881.							
										(a)	(b)	(c)	(d)					
										30%	70%	70%	100%					
										(not less than min.)								
24 Enter line 23 x the percentage shown...										24	264.		617.	617.	881.			
25 Amount paid by the installment due date (cumulative).....										25			890.	890.				
26 If line 25 is greater than line 24, the exception was met. Check 'Yes' here and check the applicable 'Yes' box in Part II, line 8a. If line 24 is greater than line 25, the exception was not met. Check 'No' here and check the applicable 'No' box in Part II, line 8a.										26	Yes	X No	Yes	X No	X Yes	No	X Yes	No

Exception A – Prior Year's Tax – Large Corporations

Use this exception only if prior year tax is less than current year tax.

27 Current year's tax.....										27				
										1st Installment		2nd Installment		
28 a Installment due. Enter line 23 x 30%.....										28a				
b Installment due. Enter line 27 x 70%.....										28b				
29 Amount paid by the installment due date (cumulative).....										29				
30 If line 29 is greater than line 28 for both installments, the exception is met. Check 'Yes' here for each installment and check the applicable 'Yes' box in Part II, line 8b. The exception to the penalty applies only if line 29 is greater than line 28 for both installments. If line 28 is greater than line 29 for either installment, the exception is not met. Check 'No' here and check the applicable 'No' box in Part II, line 8b.										30	Yes	No	Yes	No

See instructions regarding amounts to use for installment 3 and installment 4.

Exception B – Tax on Annualized Current Year Income

Enter number of months for each period. See instructions ▶

										(a)	(b)	(c)	(d)					
31 Enter taxable income for each annualization period.....										31								
32 Annualization amounts. See instructions.....										32								
33 a Annualized taxable income. Multiply line 31 by line 32.....										33a								
b R&TC Section 23802(e) deduction (S corps only).....										33b								
c Net income. Subtract line 33b from line 33a.....										33c								
34 Tax. Multiply line 33c by the current tax rate.....										34								
35 Tax credits for each payment period.....										35								
36 Subtract line 35 from line 34.....										36								
37 Other taxes*.....										37								
38 Total tax. Add line 36 and line 37.....										38								
39 Applicable percentage. For short period returns (taxable year of less than 12 months), see the instructions for Part I, line 3.....										39	30%	70%	70%	100%				
										(not less than min.)								
40 Installment due. Multiply line 38 by line 39.....										40								
41 Amount paid by the installment due date (cumulative).....										41								
42 If line 41 is greater than line 40, the exception was met. Check 'Yes' here and check the applicable 'Yes' box in Part II, line 9. If line 40 is greater than line 41, the exception was not met. Check 'No' here and check the applicable 'No' box in Part II, line 9.										42	Yes	No	Yes	No	Yes	No	Yes	No

*Include alternative minimum tax, S corporation taxes from Schedule D (100S) and from the excess net passive income, the QSub annual tax, installment amount credit recapture, and the minimum franchise tax.

Part IV Exceptions Worksheets (Continued)

Exception C – Tax on Annualized Seasonal Income		(a) 1st 3 months	(b) 1st 5 months	(c) 1st 8 months	(d) 1st 11 months				
43 Enter taxable income for the following periods:									
a Taxable year beginning in 2013.....	43 a								
b Taxable year beginning in 2014.....	43 b								
c Taxable year beginning in 2015.....	43 c								
44 Enter taxable income for each period for the taxable year beginning in 2016.....	44								
		1st 4 months	1st 6 months	1st 9 months	Entire year				
45 Enter taxable income for the following periods:									
a Taxable year beginning in 2013.....	45 a								
b Taxable year beginning in 2014.....	45 b								
c Taxable year beginning in 2015.....	45 c								
46 Divide the amount in each column on line 43a by the amount in column (d) on line 45a.....	46								
47 Divide the amount in each column on line 43b by the amount in column (d) on line 45b.....	47								
48 Divide the amount in each column on line 43c by the amount in column (d) on line 45c.....	48								
49 Add line 46 through line 48.....	49								
50 Divide line 49 by 3.....	50								
		1st 4 months	1st 6 months	1st 9 months	Entire year				
51 a Divide line 44 by line 50.....	51 a								
b R&TC Section 23802(e) deduction. (S corp only).....	51 b								
c Net income. Subtract line 51b from line 51a.....	51 c								
52 Tax. Multiply line 51c by the current tax rate.....	52								
53 Divide the amounts in column (a) through column (c) on line 45a by the amount in column (d) on line 45a.....	53								
54 Divide the amounts in column (a) through column (c) on line 45b by the amount in column (d) on line 45b.....	54								
55 Divide the amounts in column (a) through column (c) on line 45c by the amount in column (d) on line 45c.....	55								
56 Add line 53 through line 55.....	56								
57 Divide line 56 by 3.....	57								
58 Multiply the amounts in column (a) through column (c) of line 52 by the amounts in the corresponding column of line 57. In column (d), enter the amount from line 52, column (d).....	58								
59 Tax credits for each payment period.....	59								
60 Subtract line 59 from line 58.....	60								
61 Other taxes*.....	61								
		(not less than min.)							
62 Total tax. Add line 60 and line 61.....	62								
63 Amount paid by the installment due date (cumulative).....	63								
64 If line 63 is greater than line 62, the exception was met. Check 'Yes' here and check the applicable 'Yes' box in Part II, line 10. If line 62 is greater than line 63, the exception was not met. Check 'No' here and check the applicable 'No' box in Part II, line 10.....	64	Yes	No	Yes	No	Yes	No	Yes	No

*Include alternative minimum tax, S corporation taxes from Schedule D (100S) and from the excess net passive income, QSub annual tax, installment amount credit recapture, and the minimum franchise tax.

2016

CALIFORNIA STATEMENTS
TWELFTH STEP HOUSE OF SAN DIEGO, INC.
HEARTLAND HOUSE

PAGE 1

95-2151829

STATEMENT 1
FORM 109, PART I, LINE 12
OTHER INCOME

DIVIDENDS AND INTEREST FROM SECURITIES.....	\$	13,324.
INTEREST ON SAVINGS AND CASH INVESTMENTS.....		6,122.
OTHER INVESTMENT INCOME.....		10,842.
TOTAL	\$	<u>30,288.</u>