

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K



ANNUAL REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2016
or

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 33-16531-D

INTERNATIONAL AUTOMATED SYSTEMS, INC.
(Name of small business issuer in its charter)

Utah
State or other jurisdiction of incorporation or organization

7580
I.R.S. Employer Identification No.

2730 W 4000 S
Oasis, Utah 84624
(Address of principal executive offices)

Registrant's telephone number, including area code: (801) 423-8132

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class
N/A

Name of each exchange on which registered
N/A

Securities to be registered under section 12(g) of the Act: None

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report(s)), and (2) has been subject to such filing requirements for the past 90 days. Yes No



ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Officers

The executive officers and directors of the Company are as follows:

<u>Name</u>	<u>Age</u>	<u>Position with the Company</u>
Neldon Johnson	69	Chairman of the Board of Directors, President and CEO
Randale Johnson	46	Secretary, Vice President
LaGrand Johnson	49	CFO
Blain Phillips	53	Director
Curtis Snow	49	Director

All Directors hold office until a successor has been elected. All officers are appointed by the Board of Directors and serve at the discretion of the Board until a new officer is appointed.

Directors will be reimbursed by the Company for any expenses incurred in attending Directors' meetings. The Company also intends to obtain Officers and Directors liability insurance, although no assurance can be given that it will be able to do so.

Background of Executive Officers and Directors

Neldon Johnson is the founder of the Company and the primary inventor of the bladeless turbine and solar thermal energy technologies, Self-Check-Out system, AFIM and DWM. Mr. Johnson directs the Company's research and development program. Mr. Johnson studied physics and mathematics at Brigham Young University in Provo, Utah, and graduated from Utah Technical College's Electronics Technology Program in 1964. He has taken training courses and has taught courses in electronics programming, microwave and wave switch programs. From 1965 to 1968 he worked for American Telephone and Telegraph, Inc., as an engineer. From 1983 to the present, Mr. Johnson has been developing the bladeless turbine and solar thermal energy technologies, Self-Check-Out System, AFIM and DWM. Also, from 1975 to 1990 he worked at a Ream's Grocery Store and had management responsibilities for operations. Mr. Johnson has real estate holdings. Mr. Johnson is not currently an officer or director of any other public company nor has he ever been an officer or director of any other public company. We believe Mr. Johnson's long-standing service and extensive experience with the Company qualify him to serve as a director.

Randale P. Johnson is the son of Neldon Johnson. He has been an officer since June 1996. His responsibilities include marketing and administration. Mr. Johnson holds an associate degree in Computer Science and has four years of experience in the computer industry. He joined the Company in 1996. Mr. Johnson is not currently an officer or director of any other public company nor has he ever been an officer or director of any other public company.

LaGrand T. Johnson is the son of Neldon Johnson. He has worked with the Company since 1987 but he became a full time employee in 1996. He graduated with a Bachelor's Degree in chemistry in 1991. He received his Doctor of Osteopathy degree in 1995 from Western University of Health Sciences. He works as CFO and General Manager of the Company and in research and development. Mr. Johnson is not currently an officer or director of any other public company nor has he ever been an officer or director of any other public company.

Blain Phillips has been employed at Union Pacific Railroad since 1991. Mr. Phillips is not currently nor has he ever been an officer or director of any other public company.

Curtis Snow became a director in September 2010 following the passing of Mr. Barrett. Mr. Snow graduated from BYU with Bachelor of Science degree in Design Engineering Technology in 1992. He worked off and on with the Company as an employee or consultant for a period of 15 years. Mr. Snow previously served on the Company's board of directors from June 1996 to January 2006. Management believes Mr. Snow's extensive experience with the Company qualify him to serve as a director.

None of the officers or directors of the Company has during the past ten years, been involved in any events such as criminal proceedings or convicted of proceedings relating to securities violations.

Corporate Governance

Nominating Committee

We have not established a Nominating Committee because, due to our development of operations and the fact that we only have three directors and executive officers, we believe that we are able to effectively manage the issues normally considered by a Nominating Committee. Following the entry into any business or the completion of any acquisition, merger or reorganization, a further review of this issue will no doubt be necessitated and undertaken by new management.

If we do establish a Nominating Committee, we will disclose this change to our procedures in recommending nominees to our board of directors.

Audit Committee

We have not established an Audit Committee because, due to our development of operations and the fact that we only have three directors and one other executive officer, we believe that we are able to effectively manage the issues normally considered by an audit committee. Following the entry into any business or the completion of any acquisition, merger or reorganization, a further review of this issue will no doubt be necessitated and undertaken by new management.

Board Leadership Structure and Role in Risk Oversight

The Company's Chief Executive Officer and President currently serve as Chairman of the Board of Directors. The Board believes that combining the role of Chairman and position of CEO is appropriate and has positive results, and fostering accountability and single, clear focus for management to execute the Company's strategy and business plans. The Company does not have a Lead Independent Director.

The Chairman of the Board of Directors oversees management of the Company's risks. The Chairman of the Board of Directors reviews reports and other information regarding the Company's liquidity, operations and compliance with corporate policies, legal and regulatory requirements, as well as the risks associated with each such matter and oversees management of financial risks and any potential conflicts of interest arising from related party transactions.

ITEM 11. EXECUTIVE COMPENSATION

5/16/2017

The primary objective of the Company's compensation policy is to maintain compensation reasonably low while the Company is in the development stage and has limited financial resources. The compensation of the officers is based on the scope of their responsibilities. During the periods ending June 30, 2016 and 2015, the Company did not pay nor accrue any compensation to its officers.

Name and Principal Position	Fiscal Year	Salary \$	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Neldon Johnson President, CEO and Director	2016	None	-	-	-	-	-	-	-
	2015	None	-	-	-	-	-	-	-
Randale Johnson	2016	None	-	-	-	-	-	-	-
	2015	None	-	-	-	-	-	-	-
LaGrand Johnson CFO	2016	None	-	-	-	-	-	-	-
	2015	None	-	-	-	-	-	-	-

Employment Agreements

The Company entered into an agreement with Neldon Johnson to act as President and CEO of the Company for a period of ten years starting in July 2000. Per the agreement, Neldon is to be paid \$100,000 per annum, increasing each calendar year by the percentage increase in the Consumer Price Index. No new employment agreement has yet been entered into between the Company and its president. Mr. Johnson has agreed to forego compensation until the Company becomes profitable. Any compensation which might have accrued under any of the previous contracts has been forgiven by Mr. Johnson and the attached financial statements do not include any accrued obligations for compensation.

Outstanding Equity Awards at Fiscal Year-End

(a) Name	Option Awards					Stock Awards			
	(b) Number of Securities Underlying Unexercised Options (#) Exercisable	(c) Number of Securities Underlying Unexercised Options (#) Unexercisable	(d) Equity Incentive Plan Awards: Number of Securities Underlying	(e) Option Exercise Price (\$)	(f) Option Expiration Date	(g) Number of Shares or Units of Stock That	(h) Market Value of Shares or Units of	(i) Equity Incentive Plan Awards: Number of Unearned	(j) Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units

			Unexercised Unearned Options (#)			Have Not Vested	Stock That Have Not Vested	Shares, Units or Other Rights That Have Not Vested	or Other Rights That Have Not Vested
Neldon Johnson	92,300,000	—	—	\$0.40	12/31/2034	—	—	—	92,300,000
Randale Johnson		—	—			—	—	—	—
LaGrand Johnson		—	—			—	—	—	—

Compensation of Directors

The Company's Directors currently are not compensated for their time and there are no obligations or payment arrangements. The Company anticipates that it will need to compensate Directors at some point in the future.

ITEM. 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to the Company regarding beneficial ownership of the Company's Common Stock as of June 30, 2016, by (i) each person known by the Company to own, directly or beneficially, more than 5% of the Company's Common Stock, (ii) each of the Company's directors, and (iii) all officers and directors of the Company as a group. Except as otherwise indicated, the Company believes that the beneficial owners of the Common Stock listed below, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws, where applicable.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person or a group and the percentage ownership of that person or group, shares of our common stock issuable currently or within 60 days of June 30, 2016, upon exercise of options or warrants held by that person or group is deemed outstanding. These shares, however, are not deemed outstanding for computing the percentage ownership of any other person. Except as indicated by footnote, and subject to community property laws where applicable, the stockholders named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. Percentage ownership is based on 64,894,305 shares of common stock outstanding as of June 30, 2016, together with applicable options and warrants for each stockholder. Unless otherwise indicated, the address of each person listed below is in the care of International Automated Systems, Inc., 55 N Merchant St 608 American Fork, Utah 84003.

Name and Title	Shares Beneficially Owned	
	Number (4)	Percent
Neldon Johnson, President, CEO and Director	94,305,020 (1)	71.9%
Randale Johnson, Secretary and Vice President	450,085 (2)	0.6%
LaGrand Johnson, CFO	200,000 (3)	0.6%
Curtis Snow	380,000	0.6%
Blain Phillips, Director	-0-	0.0%
All officers and directors as a group (5 persons)	96,025,105	73.2%

(1) Includes warrants to purchase 93,300,000 shares of common stock exercisable as of June 30, 2016.

- (2) Includes options to purchase 500,000 shares of common stock exercisable as of June 30, 2016.
- (3) Includes options to purchase 500,000 shares of common stock exercisable as of June 30, 2016.
- (4) Does not include 2,000,000 shares of Series 1 Class A Preferred Stock held by Neldon Johnson, 1,150,000 shares of Series 1 Class A Preferred Stock held by LaGrand Johnson, or 1,150,000 shares of Series 1 Class A Preferred Stock held by Randale Johnson. Each share of the Series 1 Class A Preferred Stock has ten votes per share and votes with the shares of common stock on all matters with the exception of 1,000,000 of the Series 1 Class A Preferred Stock held by Neldon Johnson which has 100 votes per share and votes with the shares of common stock on all matters. Mr. Neldon Johnson has approximately 76%, LaGrand Johnson 5%, and Randale Johnson 5% of the voting control of the Company when the voting power of the shares of preferred stock, common stock and vested options are considered together.

Changes in Control

There are no additional present arrangements or pledges of the Company's securities which may result in a change in control of the Company. However, there are no provisions in our Articles of Incorporation or Bylaws that would delay, defer or prevent a change in control.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

On May 14, 2004, the Company entered into an agreement with Neldon Johnson, the Company's president, in which the Company acquired from Mr. Johnson patents, patents pending, designs and contracts related to the bladeless turbine, solar and chemical thermal technologies, and electronic shelf tag technology developed by Mr. Johnson. As consideration for these patents, patents pending, designs and contracts, the Company issued warrants to purchase 100,000,000 shares of common stock and 10% of total gross sales in royalties of the Company.

The Company's president made advances to the Company which are included as "Related Party Payables". For the periods ended June 30, 2016 and June 30, 2015, these payables were \$163,668 and 147,196 respectively. The advances are non-interest bearing.

Resolving Conflicts of Interest

The Company's directors must disclose all conflicts of interest and all corporate opportunities to the entire board of directors. Any transaction involving a conflict of interest will be conducted on terms not less favorable than that which could be obtained from an unrelated third party.

Director Independence

The Company has two independent directors serving on its board of directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our financial statements for the years ended June 30, 2016 and 2015 have been audited by the public accounting firm, Pinaki & Associates LLC.

The Chief Executive Officer pre-approves all audit and tax related services prior to the performance of services by the outside auditor. The percentage of hours expended on the audit by persons other than full time, permanent employees of Pinaki & Associates LLC was zero.

Audit Fees

Aggregate fees for the year ended June 30, 2016 for professional services by Pinaki & Associates LLC, our principal accountant, for the audit of our annual financial statements and review of our interim financial statements were approximately \$5,000.

Audit-Related Fees

Audit-related fees, not included in the previous paragraphs, for the years ended June 30, 2016 and 2015 for assurance and related services by Pinaki & Associates LLC were \$0 and \$0, respectively.

Tax Fees

There were no fees for professional services by Pinaki & Associates LLC for tax compliance, tax advice, and tax planning. A firm, other than our principal accountant, prepares all income tax returns.

ITEM 15. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

31.1

Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2

Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1

Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2

Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNATIONAL AUTOMATED SYSTEMS, INC.

/s/ Neldon Johnson
NELDON JOHNSON
Title: President,
Chief Executive Officer

Date: May 12, 2017

/s/ Lagrand Johnson
LAGRAND JOHNSON
Title: Chief Financial Officer,

Date: May 12, 2017

DIRECTORS

/s/ Neldon Johnson
NELDON JOHNSON
Title: Director

Date: May 12, 2017

/s/ Blain Phillips
BLAIN PHILLIPS
Title: Director

Date: May 12, 2017

/s/ Curtis Snow
CURTIS SNOW
Title: Director

Date: May 12, 2017