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

OMB No 1545-0687

## 2017

For calendar year 2017 or other tax year beginning \_\_\_\_\_, and ending 12/12

Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3)

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury  
Internal Revenue Service

A  Check box if address changed

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

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

51-0192526

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

Print or Type

WASHINGTON VOCATIONAL SERVICES

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

111 SE EVERETT MALL WAY, BUILDING C

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

EVERETT, WA 98208

E Unrelated business activity codes (See instructions)

561000

C Book value of all assets at end of year  
2,305,012.

F Group exemption number (See instructions) ▶

G Check organization type ▶  501(c) corporation  501(c) trust  401(a) trust  Other trust

H Describe the organization's primary unrelated business activity. ▶ MANAGEMENT SERVICES

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. ▶

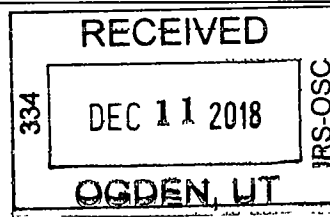
J The books are in care of ▶ SUE LESH

Telephone number ▶ 425-774-3338

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
c Balance ▶		1c		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit. Subtract line 2 from line 1c	3		
4a	Capital gain net income (attach Schedule D)	4a		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
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	23,461.	7,954.
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8	4,230.	4,230.
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	69,000.	69,000.
13	<b>Total.</b> Combine lines 3 through 12	13	96,691.	81,184.

### 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	63,950.
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	22a	22b
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) SEE STATEMENT 2	28	4,459.
29	<b>Total deductions.</b> Add lines 14 through 28	29	68,409.
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	12,775.
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	12,775.
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000.
34	<b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	11,775.



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**Part III Tax Computation**

35 Organizations Taxable as Corporations. See instructions for tax computation Controlled group members (sections 1561 and 1563) check here <input checked="" type="checkbox"/> See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ 5,337. (3) \$ 6,439. 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 SEE STATEMENT 3 <input type="checkbox"/> 35c 3,523.	
36 Trusts Taxable at Trust Rates. See instructions for tax computation Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) <input type="checkbox"/> 36	
37 Proxy tax See instructions <input type="checkbox"/> 37	
38 Alternative minimum tax <input type="checkbox"/> 38	
39 Tax on Non-Compliant Facility Income. See instructions <input type="checkbox"/> 39	
40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies <b>449</b> <input checked="" type="checkbox"/> 40 3,523.	

**Part IV Tax and Payments**

41a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116) 41a	
41b Other credits (see instructions) 41b	
41c General business credit. Attach Form 3800 41c	
41d Credit for prior year minimum tax (attach Form 8801 or 8827) 41d	
e Total credits. Add lines 41a through 41d 41e	
42 Subtract line 41e from line 40 <input checked="" type="checkbox"/> 42 3,523.	
43 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) <input checked="" type="checkbox"/> 43	
44 Total tax. Add lines 42 and 43 <b>48</b> <input checked="" type="checkbox"/> 44 3,523.	
45a Payments: A 2016 overpayment credited to 2017 <b>50a</b> 45a 6,788.	
b 2017 estimated tax payments 45b	
c Tax deposited with Form 8868 45c	
d Foreign organizations Tax paid or withheld at source (see instructions) 45d	
e Backup withholding (see instructions) 45e	
f Credit for small employer health insurance premiums (Attach Form 8941) 45f	
g Other credits and payments <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total <input checked="" type="checkbox"/> 45g	
46 Total payments. Add lines 45a through 45g <b>51</b> <input checked="" type="checkbox"/> 46 6,788.	
47 Estimated tax penalty (see instructions) Check if Form 2220 is attached <input type="checkbox"/> 47	
48 Tax due If line 46 is less than the total of lines 44 and 47, enter amount owed <input type="checkbox"/> 48	
49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid <b>54</b> <input checked="" type="checkbox"/> 49 3,265.	
50 Enter the amount of line 49 you want: Credited to 2018 estimated tax <input checked="" type="checkbox"/> 3,265. Refunded <input type="checkbox"/> 50 0.	

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

51 At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts If YES, enter the name of the foreign country here <input type="checkbox"/>	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. <input type="checkbox"/>		X
53 Enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> \$		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

**Sign Here** Signature of officer: Karen L. Dunn Date: 11/13/18 Title: EXECUTIVE DIRECTOR

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

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	KAREN L. DUNN	KAREN L. DUNN	11/12/18		P00192887
	Firm's name <input type="checkbox"/> CLARK NUBER, PS	Firm's EIN <input type="checkbox"/> 91-1194016			
	Firm's address <input type="checkbox"/> 10900 NE 4TH STREET, SUITE 1400			Phone no. 425-454-4919	
	Firm's address <input type="checkbox"/> BELLEVUE, WA 98004				

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

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	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes No
b Other costs (attach schedule)	4b			
5 Total. Add lines 1 through 4b	5			

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**  
(see instructions)

1. Description of property

(1) \_\_\_\_\_

(2) \_\_\_\_\_

(3) \_\_\_\_\_

(4) \_\_\_\_\_

2 Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule) SEE STATEMENT 4	(b) Other deductions (attach schedule) SEE STATEMENT 5	
(1) 111 SE EVERETT MALL WAY, SUITE 200, EVERETT, WA	29,304.	6,912.	12,457.	
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule) SEE STATEMENT 6	5. Average adjusted basis of or allocable to debt-financed property (attach schedule) SEE STATEMENT 7	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) 432,170.	539,813.	80.06%	23,461.	15,507.
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b>			23,461.	15,507.
<b>Total dividends-received deductions included in column 8</b>				0.

Enter here and on page 1, Part I, line 7, column (A) **23,461.**

Enter here and on page 1, Part I, line 7, column (B) **15,507.**

**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) WVS, LLC	37-1592435				
(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) 69,663.	53,571.	5,500.	4,230.	
(2)				
(3)				
(4)				

<b>Totals</b>			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)
			4,230.	0.

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

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)
		0.		0.

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

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26
		0.	0.			0.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>		0.	0.			0.

**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis )

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.

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FORM 990-T	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
MANAGEMENT FEE	69,000.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	69,000.

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FORM 990-T	OTHER DEDUCTIONS	STATEMENT	2
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DESCRIPTION	AMOUNT
STAFF/CLIENT EXPENSE	392.
INSURANCE	710.
LEGAL & PROFESSIONAL	2,583.
UTILITIES	636.
MARKETING	138.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	4,459.

FORM 990-T

TAX COMPUTATION

STATEMENT 3

1.	TAXABLE INCOME . . . . .	11,775	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT .	0	
3.	LINE 1 LESS LINE 2 . . . . .	11,775	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT .	5,337	
5.	LINE 3 LESS LINE 4 . . . . .	6,438	
6.	INCOME SUBJECT TO 34% TAX RATE . . . . .	6,438	
7.	INCOME SUBJECT TO 35% TAX RATE . . . . .	0	
8.	15 PERCENT OF LINE 2 . . . . .	0	
9.	25 PERCENT OF LINE 4 . . . . .	1,334	
10.	34 PERCENT OF LINE 6 . . . . .	2,189	
11.	35 PERCENT OF LINE 7 . . . . .	0	
12.	ADDITIONAL 5% SURTAX. . . . .	0	
13.	ADDITIONAL 3% SURTAX . . . . .	0	
14.	TOTAL OF LINES 8 THROUGH 13 TO FORM 990-T, PAGE 2, LINE 35C		<u>3,523</u>

FORM 990-T                      SCHEDULE E - DEPRECIATION DEDUCTION                      STATEMENT      4

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		6,912.	
- SUBTOTAL -	1		6,912.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)			6,912.

FORM 990-T                      SCHEDULE E - OTHER DEDUCTIONS                      STATEMENT      5

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
COMMON AREA MAINTENANCE		2,805.	
INTEREST EXPENSE		6,614.	
REPAIRS & MAINTENANCE		1,491.	
INSURANCE		1,547.	
- SUBTOTAL -	1		12,457.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			12,457.

FORM 990-T                      AVERAGE ACQUISITION DEBT ON OR  
ALLOCABLE TO DEBT-FINANCED PROPERTY                      STATEMENT      6

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE ACQUISITION DEBT		432,170.	
- SUBTOTAL -	1		432,170.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 4			432,170.



FORM 990-T

AVERAGE ADJUSTED BASIS OF OR  
ALLOCABLE TO DEBT-FINANCED PROPERTY

STATEMENT 7

<u>DESCRIPTION</u>	<u>ACTIVITY NUMBER</u>	<u>AMOUNT</u>	<u>TOTAL</u>
AVERAGE ADJUSTED BASIS		539,813.	
- SUBTOTAL -	1		539,813.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 5			539,813.