

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

OMB No. 1545-0087

2014

For calendar year 2014 or other tax year beginning APR 1, 2014, and ending MAR 31, 2015

Information about Form 990-T and its instructions is available at www.irs.gov/form990t.

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

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

Department of the Treasury Internal Revenue Service

Form header section including: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets at end of year; D Employer identification number; E Unrelated business activity codes; F Group exemption number; G Check organization type.

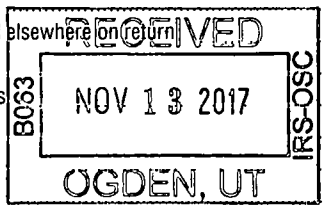
H Describe the organization's primary unrelated business activity. I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?

J The books are in care of Telephone number

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

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

Table with 4 columns: Line number, Description, Amount, Total. Rows include Compensation of officers, directors, and trustees; Salaries and wages; Repairs and maintenance; Bad debts; Interest; Taxes and licenses; Charitable contributions; Depreciation; Less depreciation claimed on Schedule A and elsewhere on return; Depletion; Contributions to deferred compensation plans; Employee benefit programs; Excess exempt expenses; Excess readership costs; Other deductions; Total deductions; Unrelated business taxable income before net operating loss deduction; Net operating loss deduction; Unrelated business taxable income before specific deduction; Specific deduction; Unrelated business taxable income.



SEE STATEMENT 1
SEE STATEMENT 2

SCANNED DEC 01 2012

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AS Form 990-T (2014)

Part III Tax Computation

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

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40b Other credits (see instructions) 40c General business credit. Attach Form 3800 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40e Total credits Add lines 40a through 40d 41 Subtract line 40e from line 39 42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule) 43 Total tax. Add lines 41 and 42 44a Payments: A 2013 overpayment credited to 2014 44b 2014 estimated tax payments 44c Tax deposited with Form 8868 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44e Backup withholding (see instructions) 44f Credit for small employer health insurance premiums (Attach Form 8941) 44g Other credits and payments: Form 2439 Other Form 4136 Total 45 Total payments. Add lines 44a through 44g 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 49 Enter the amount of line 48 you want: Credited to 2015 estimated tax Refunded

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

1 At any time during the 2014 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 Form FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file 3 Enter the amount of tax-exempt interest received or accrued during the tax year

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

Table with 8 columns: Line number, Description, Amount, and Yes/No columns. Line 1: Inventory at beginning of year 0. Line 2: Purchases 281,878. Line 3: Cost of labor 233,925. Line 4a: Additional section 263A costs (att schedule) Line 4b: Other costs (attach schedule) 132,398. Line 5: Total. Add lines 1 through 4b 648,201. Line 6: Inventory at end of year 0. Line 7: Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 648,201. Line 8: Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No X

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: Daniel Mortensen, Board President Date: 10/30/17 Title: Board President

Paid Preparer Use Only Print/Type preparer's name DANIEL MORTENSEN, CPA Preparer's signature Daniel Mortensen Date 10/30/17 Check self-employed if PTIN P01631156 Firm's name NR SMITH AND ASSOCIATES, PS Firm's EIN 91-0959909 Firm's address 2120 CATON WAY SW OLYMPIA, WA 98502-1106 Phone no. (360) 754-9475

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	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 8, column (B) **0.**

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

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
		STATEMENT 4	STATEMENT 5	
(1) RENTAL INCOME	159,180.	33,406.	135,267.	
(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 8)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1) 628,056.	1,011,850.	62.07%	98,803.	104,695.
(2)		%		
(3)		%		
(4)		%		
		Enter here and on page 1, Part I, line 7, column (A)		Enter here and on page 1, Part I, line 7, column (B)
Totals		98,803.		104,695.
Total dividends-received deductions included in column 8				0.

Total dividends-received deductions included in column 8 **0.**

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

1 Name of controlled organization	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			0.	0.

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

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
Totals	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)						
Totals	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)						
Totals (carry to Part II, line (5))	0.	0.				0.

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

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

Total Enter here and on page 1, Part II, line 14 0.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	1
DESCRIPTION		AMOUNT	
GROSS TO GROSS ALLOCATION OF GENERAL EXPENSES		46,524.	
TOTAL TO FORM 990-T, PAGE 1, LINE 28		46,524.	

FORM 990-T	NET OPERATING LOSS DEDUCTION			STATEMENT	2
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR	
03/31/11	28,103.	12,895.	15,208.	15,208.	
03/31/12	23,903.	0.	23,903.	23,903.	
NOL CARRYOVER AVAILABLE THIS YEAR			39,111.	39,111.	

FORM 990-T	COST OF GOODS SOLD - OTHER COSTS	STATEMENT	3
DESCRIPTION		AMOUNT	
ADVERTISING		696.	
UTILITIES		6,042.	
INSURANCE		3,696.	
RENT		50,059.	
GAS & OIL		29,100.	
MILEAGE		6,058.	
PROFESSIONAL SERVICES		5,613.	
SUPPLIES		5,284.	
REPAIRS		4,302.	
TRAVEL		210.	
SUBSCRIPTIONS		576.	
MISCELLANEOUS		2,275.	
DEPRECIATION		18,487.	
TOTAL TO FORM 990-T, SCHEDULE A, LINE 4B		132,398.	

FORM 990-T **SCHEDULE E - DEPRECIATION DEDUCTION** **STATEMENT 4**

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		33,406.	
- SUBTOTAL -	1		33,406.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)			33,406.

FORM 990-T **SCHEDULE E - OTHER DEDUCTIONS** **STATEMENT 5**

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
MANAGEMENT FEES		14,441.	
INTEREST		40,211.	
INSURANCE		6,138.	
CLEANING & MAINTENANCE		35,636.	
TAXES		20,311.	
UTILITIES		18,530.	
- SUBTOTAL -	1		135,267.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			135,267.

The Arc of Washington State 91-0747027
Amended Return Summary for 2014 F990-T

	As originally filed	Amended	Variance
<u>Part 1: Unrelated Trade or Business Income</u>			
Gross receipts or sales	-	651,535	651,535
Cost of goods sold	-	648,201	648,201
Gross profit	-	3,334	3,334
Unrelated debt-financed income	98,803	98,803	-
Unrelated debt-financed expense	104,695	104,695	-
Total	(5,892)	(2,558)	3,334
<u>Part 2: Deductions Not Taken Elsewhere</u>			
Depreciation	33,406	51,893	18,487
Less depreciation claimed on Schedule A and elsewhere on return	(33,406)	(51,893)	(18,487)
Other deductions	-	46,524	46,524
Unrelated business taxable income before NOL deduction	(5,892)	(49,082)	(43,190)
Net operating loss deduction	-	-	-
Unrelated business taxable income before specific deduction	(5,892)	(49,082)	43,190
Specific deduction	1,000	1,000	-
Unrelated business taxable income	(5,892)	(49,082)	(43,190)

After further evaluation of the partnering program, it was concluded that there was a regular profit motive carried on that was not related to the regular exempt purpose of the organization. In addition an adjustment was made to the carryback after prior depreciation was recalculated since the amount was determined to be less than previously recorded. Form 990 was not amended since there was no change to net assets.