

Return of Organization Exempt From Income Tax

2006

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2006 calendar year, or tax year beginning, 2006, and ending

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C VALLEY CITIES COUNSELING AND CONSUL 2704 "I" STREET N.E. AUBURN, WA 98002

D Employer Identification Number 91-6063183 E Telephone number 206-833-7444 F Accounting method: Cash, Accrual, Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations H (a) Is this a group return for affiliates? H (b) If 'Yes,' enter number of affiliates H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number M Check if the organization is not required to attach Schedule B

G Web site: N/A

J Organization type (check only one) 501(c) 3

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12. 9,831,370.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for line number, description, and amount. Includes sections for Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21).

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Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22 a			
22 b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22 b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch)	25 a 142,311.	85,386.	56,925.	0.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25 b 0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25 c 0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26 6,164,606.	4,846,557.	1,245,141.	72,908.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28 608,503.	477,802.	120,497.	10,204.
29 Payroll taxes	29 548,086.	434,685.	106,857.	6,544.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 82,502.	62,245.	15,701.	4,556.
34 Telephone	34 135,330.	116,616.	16,876.	1,838.
35 Postage and shipping	35 11,999.	9,014.	2,385.	600.
36 Occupancy	36 521,742.	487,733.	30,656.	3,353.
37 Equipment rental and maintenance	37 74,434.	61,366.	11,843.	1,225.
38 Printing and publications	38 15,501.	9,207.	2,017.	4,277.
39 Travel	39 137,419.	128,723.	7,125.	1,571.
40 Conferences, conventions, and meetings	40 46,856.	19,919.	23,109.	3,828.
41 Interest	41 163,830.	125,758.	33,962.	4,110.
42 Depreciation, depletion, etc (attach schedule)	42 208,433.	163,821.	41,165.	3,447.
43 Other expenses not covered above (itemize)				
a See Statement 1	43 a 944,632.	862,460.	70,966.	11,206.
b -----	43 b			
c -----	43 c			
d -----	43 d			
e -----	43 e			
f -----	43 f			
g -----	43 g			
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44 9,806,184.	7,891,292.	1,785,225.	129,667.

Joint Costs. Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ COUNSELING AND CONSULTATION SERVICES All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a CHILD AND ADOLESCENT SERVICES: APPROXIMATELY 2491 CLIENTS SERVED - INDIVIDUAL, FAMILY, GROUP AND CASE MANAGEMENT SERVICES. ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	2,513,049.
b OLDER ADULT SERVICES: APPROXIMATELY 953 CLIENTS SERVED - INDIVIDUAL, FAMILY, GROUP AND CASE MANAGEMENT SERVICES. ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	706,149.
c INTENSIVE SERVICES: APPROXIMATELY 251 CLIENTS SERVED - INDIVIDUAL, FAMILY, GROUP AND CASE MANAGEMENT SERVICES. ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	1,049,439.
d ADULT SERVICES - APPROXIMATELY 2617 CLIENTS SERVED - INDIVIDUAL, FAMILY, GROUP AND CASE MANAGEMENT SERVICES. ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	837,456.
e Other program services See Statement 2 (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	2,785,199.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	7,891,292.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing		45	
	46 Savings and temporary cash investments	785,679.	46	869,084.
	47a Accounts receivable	47a 584,197.		
	b Less allowance for doubtful accounts	47b 15,000.	658,436.	47c 569,197.
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges		106,798.	53 103,879.
	54a Investments — publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments — other securities (attach sch)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
55a Investments — land, buildings, & equipment basis	55a			
b Less: accumulated depreciation (attach schedule)	55b		55c	
56 Investments — other (attach schedule)			56	
57a Land, buildings, and equipment basis	57a 5,630,531.			
b Less: accumulated depreciation (attach schedule)	57b 1,472,010.	3,715,583.	57c 4,158,521.	
58 Other assets, including program-related investments (describe ▶ _____)			58	
59 Total assets (must equal line 74) Add lines 45 through 58.		5,266,496.	59 5,700,681.	
LIABILITIES	60 Accounts payable and accrued expenses	669,382.	60	677,655.
	61 Grants payable		61	
	62 Deferred revenue	51,329.	62	62,388.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	2,783,061.	64b	3,172,728.
	65 Other liabilities (describe ▶ _____)		65	
66 Total liabilities. Add lines 60 through 65		3,503,772.	66 3,912,771.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	1,461,288.	67	1,465,194.
	68 Temporarily restricted	301,436.	68	322,716.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		1,762,724.	73 1,787,910.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		5,266,496.	74 5,700,681.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	9,831,370.
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	9,831,370.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	9,831,370.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	9,806,184.
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	9,806,184.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	9,806,184.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 4		142,311.	5,150.	0.

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		X
82 b			N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		X
84 b			N/A
85 a	501(c)(4), (5), or (6) organizations Were substantially all dues nondeductible by members?		N/A
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
85 c	Dues, assessments, and similar amounts from members		N/A
85 d	Section 162(e) lobbying and political expenditures		N/A
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85 h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
86 a	501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12		N/A
86 b	Gross receipts, included on line 12, for public use of club facilities		N/A
87 a	501(c)(12) organizations Enter: a Gross income from members or shareholders		N/A
87 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
88 b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u> .		
89 b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.		X
89 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0</u> .		
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <u>0</u> .		
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a	List the states with which a copy of this return is filed <u>None</u>		
90 b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)		160
91 a	The books are in care of <u>SHEKH ALI, CFO</u> Telephone number <u>206-833-7444</u> Located at <u>2404 "I" STREET NE, AUBURN WA,</u> ZIP + 4 <u>98002</u>		
91 b	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)? If 'Yes,' enter the name of the foreign country <u></u>		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts			

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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

Please Sign Here

Signature of officer: *SAH* Date: 08/14/2007

Type or print name and title: SHEKH ALI, CHIEF FINANCIAL OFFICER

Paid Preparer's Use Only

Preparer's signature: *Don W. Busch* Date: 8-14-07 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: Branch, Richards & Co., P.S.
155 NE 100th St., Suite 410
Seattle, WA 98125-8010

Preparer's SSN or PTIN (See General Instruction W): 900040478

EIN: 91-0889988 Phone no: (206) 729-0114

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under
Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No 1545-0047

2006

Name of the organization VALLEY CITIES COUNSELING AND CONSUL	Employer identification number 91-6063183
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
DEBORAH M. KABISCH 2401 I ST NE AUBURN, WA 98002	ARNP 40	127,751.	3,738.	0.
MARC AVERY 2401 I ST NE AUBURN, WA 98002	CH. MED. OFF. 40	184,357.	3,738.	0.
MARY ELLEN HARGRAVE 2401 I ST NE AUBURN, WA 98002	PSYCHIATRIST 40	143,275.	4,586.	0.
SANDRA CAIN 2401 I ST NE AUBURN, WA 98002	ARNP 24	95,817.	3,200.	0.
NAGAVEDU RAGHUNATH 2401 I ST NE AUBURN, 98002 98002	PSYCHIATRIST 24	95,817.	503.	0.
Total number of other employees paid over \$50,000 ▶	10			

Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.		X
b	Did the organization make any taxable distributions under section 4966?		N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person?		N/A
d	Enter the total number of donor advised funds owned at the end of the tax year ▶		N/A
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶		N/A
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶		0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶		0.

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i).
- 6 A school Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11 b A community trust Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc. 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	367,030.	466,732.	460,925.	630,497.	1,925,184.
16 Membership fees received					0.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	9,342,443.	9,421,956.	8,583,320.	7,479,293.	34,827,012.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	16,557.	14,227.	14,972.	10,626.	56,382.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. See Stmt 6.	18,209.	37,750.	47,920.	124,550.	228,429.
23 Total of lines 15 through 22	9,744,239.	9,940,665.	9,107,137.	8,244,966.	37,037,007.
24 Line 23 minus line 17	401,796.	518,709.	523,817.	765,673.	2,209,995.
25 Enter 1% of line 23	97,442.	99,407.	91,071.	82,450.	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a 44,200.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c 2,209,995.
d Add Amounts from column (e) for lines	18 56,382.	19			26d 284,811.
	22 228,429.	26b			26e 1,925,184.
e Public support (line 26c minus line 26d total)					26e 1,925,184.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 87.11 %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year:	(2005) _____	(2004) _____	(2003) _____	(2002) _____	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:	(2005) _____	(2004) _____	(2003) _____	(2002) _____	
c Add Amounts from column (e) for lines:	15 _____	16 _____			27c _____
	17 _____	20 _____	21 _____		
d Add Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group Check **b** if you checked 'a' and 'limited control' provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term 'expenditures' means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table –		
	If the amount on line 40 is –		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is –		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000	41	
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots non-taxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities (See instructions)
 (For reporting only by organizations that did not complete Part VI-A)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

Yes	No	Amount

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (add lines c through h.)

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities

Client VALLEYCI

VALLEY CITIES COUNSELING AND CONSUL

91-6063183

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Statement 1
Form 990, Part II, Line 43
Other Expenses

	(A)	(B)	(C)	(D)
	Total	Program Services	Management & General	Fundraising
ADVERTISING	87,438.	77,416.	8,306.	1,716.
BAD DEBT	149,517.	149,517.		
DUES AND MEMBERSHIPS	37,977.	32,409.	3,688.	1,880.
INSURANCE	143,590.	114,893.	27,262.	1,435.
MISCELLANEOUS	50,233.	38,403.	9,645.	2,185.
PROFESSIONAL FEES	294,039.	269,125.	22,065.	2,849.
SPECIFIC ASSISTANCE	181,838.	180,697.		1,141.
Total	\$ 944,632.	\$ 862,460.	\$ 70,966.	\$ 11,206.

Statement 2
Form 990, Part III, Line e
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
CLINICAL SUPPORT SERVICES: INCLUDES INFORMATION SYSTEMS, ACCESS TO CARE, AFTER HOURS CRISIS TEAM, FRONT DESK SUPPORT, MEDICAL RECORDS, AND QUALITY MANAGEMENT SERVICES.		1,753,419.
Includes Foreign Grants: No		
MEDICAL SERVICES: COMPRISED OF ALL STAFF PSYCHIATRISTS AND NURSE PRACTITIONERS. SERVES PURPOSE OF ISOLATING THE MEDICAL EXPENSES FROM THE PROGRAMS THEY SERVE.		1,031,780.
Includes Foreign Grants: No		
Total	\$ 0.	\$ 2,785,199.

Statement 3
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Automobiles / Transportation Equipment	\$ 16,983.	\$ 16,983.	\$ 0.
Machinery and Equipment	1,427,381.	966,136.	461,245.
Improvements	3,543,339.	488,891.	3,054,448.
Land	642,828.		642,828.
Total	\$ 5,630,531.	\$ 1,472,010.	\$ 4,158,521.

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Statement 4
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
PAM ROACH 2704 "I" ST NE AUBURN, WA 98002	Director 2	\$ 0.	\$ 0.	\$ 0.
JEAN ASPLUND 2704 "I" ST NE AUBURN, WA 98002	Director 3	0.	0.	0.
WALTER BISHOP 2704 "I" ST NE AUBURN, WA 98002	Vice Chair 4	0.	0.	0.
SHARON LAVIGNE 2704 "I" ST NE AUBURN, WA 98002	Director 3	0.	0.	0.
BARBARA MUCZYNSKI 2704 "I" ST NE AUBURN, WA 98002	Director 3	0.	0.	0.
KENNETH SENG 2704 "I" ST NE AUBURN, WA 98002	Director 2	0.	0.	0.
CHARLES WOODE 2704 "I" ST NE AUBURN, WA 98002	Director 2	0.	0.	0.
MARILYN LA CELLE 2704 "I" ST NE AUBURN, WA 98002	CEO 40	121,107.	3,954.	0.
SAUCE SHIMOJIMA 2704 "I" ST NE AUBURN, WA 98002	Director 0	0.	0.	0.
BARBARA BELL 2704 "I" ST NE AUBURN, WA 98002	Director 3	0.	0.	0.
FAITH RICHIE 2704 I ST NE AUBURN, WA 98002	CEO 40	21,204.	1,196.	0.
IWEN WANG 2704 I ST NE AUBURN, WA 98002	Director 4	0.	0.	0.

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Statement 4 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
CHUCK BOOTH 2704 I ST NE AUBURN, WA 98002	Secretary 4	\$ 0.	\$ 0.	\$ 0.
BRIAN WILSON 2704 I ST NE AUBURN, WA 98002	Chairman 5	0.	0.	0.
SUSAN STREIFEL 2704 "I" ST NE AUBURN, WA 98002	Treasurer 4	0.	0.	0.
Total		\$ 142,311.	\$ 5,150.	\$ 0.

Statement 5
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

Line #	Explanation of Activities
93a	FEES CHARGED TO PRIVATE PAYERS AND THEIR INSURANCE COMPANIES ARE BASED ON A SLIDING SCALE BASED ON GROSS INCOME AND THE NUMBER OF DEPENDENTS SUPPORTED IN ORDER TO INCREASE ACCESS TO MENTAL HEALTH SERVICES.
93g	FEES CHARGED TO GOVERNMENTAL AGENCIES TO PROVIDE FOR VARIOUS TREATMENT MODALITIES FOR LOW-INCOME OR MEDICARE ELIGIBLE ADULTS AND CHILDREN.
103b	ALL INCOME RECEIVED IS USED TO PROVIDE PREVENTIVE, RESTORATIVE, AND EDUCATIONAL MENTAL HEALTH SERVICES TO INDIVIDUALS AND FAMILIES IN KING COUNTY.

Statement 6
Schedule A, Part IV-A, Line 22
Other Income

Description	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
Other	\$ 18,209.	\$ 37,750.	\$ 47,920.	\$ 124,550.	\$ 228,429.
Total	\$ 18,209.	\$ 37,750.	\$ 47,920.	\$ 124,550.	\$ 228,429.