

EVERETT SCHOOL EMPLOYEE BENEFIT TRUST
3715 Oakes Avenue Everett, WA 98201
PO Box 2098 Everett, Washington 98213

TRUSTEES

John W. Morrill
Sue McCann
Kay Nickel
Molly Ringo
Elizabeth Selders
Mike Gunn

ADMINISTRATIVE MANAGER

Darla Van Duren
3715 Oakes Avenue
PO Box 2098
Everett, WA 98213
(425) 385-4176
d_vanduren@everett.wednet.edu

CONSULTANT

Thomas C. Pursley
William M. Mercer Inc.
One Union Square
600 University Street, Suite 3200
Seattle, WA 98101-3137
(206) 461-2300

November 23, 2004

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0023

Re: Everett School Employee Benefit Trust
EIN 91-1297853
Form 990 Tax Period: June 30, 2003
Date of Notice: November 8, 2004, Notice Number CP414

Dear Sir or Madam:

This letter is written to you in response to the notice (copy enclosed) regarding an overdue tax return for the Form 990, Return of Organization Exempt from Income Tax, for the fiscal year ended June 30, 2003 for our Section 501(a) (9) VEBA trust created for the benefit of the qualified employees of the Everett School District of the State of Washington.

Because the school district's health and welfare plan is deemed a governmental plan, it is not subject to the reporting and disclosure requirements of ERISA, however, at the discretion of the Board, we have had the Plan audited annually by independent qualified plan auditors to provide additional assurance to the State Auditor who performs an annual audit of the school district's operations. At the direction of the prior auditors, however, we were filing the Form 990 annually for the underlying VEBA trust. We hired a new CPA firm for the Plan year ended June 30, 2003, and they informed us that we are not required to file a Form 990, as our organization qualifies as "an affiliate of a governmental unit" under Sections 4.02(b) and 4.03 of Rev. Proc. 95-48, 1995-2 C.B. 418. Our accountant's also indicated to us that if we had received the IRS packet for the Form 990 return, we should file the return by the due date with zero's and indicate we are no longer required to file as described in the instructions to the Form 990. We did not however, as we did not receive any pre-printed form from the IRS for the fiscal year ended June 30, 2003.

We respectfully request that you correct your records to indicate we are not subject to filing the return due for the June 30, 2003 period or any future year. Thank you for your timely consideration and resolution of this matter.

Sincerely,

John W. Morrill

OGDEN UT 84201-0023

** IF YOU HAVE ANY QUESTIONS, **
** REFER TO THIS INFORMATION: **
NUMBER OF THIS NOTICE: CP-414
DATE OF THIS NOTICE: 11-08-2004
TAXPAYER IDENT. NUM: 91-1297853
TAX FORM: 990 200502
TAX PERIOD: 06-30-2003



EVERETT SCHOOL EMPLOYEE BENEFIT
TRUST
PO BOX 2098
EVERETT WA 98203-0098984

001366

RECEIVED
04 NOV 10 PM 4:36
EVERETT SCHOOL DISTRICT

YOUR TAX RETURN IS OVERDUE - LET US HEAR FROM YOU NOW

We have not received your answer or the information we requested about: RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX Form 990, for the tax period indicated above. If you do not contact us immediately, we must conclude that you do not intend to file your return or to give us reason for not filing it. We may therefore, take the following actions:

1. Summon you to come in with your books and records (as provided by Sections 7602 and 7603 of the Internal Revenue Code);
2. Consider criminal prosecution that includes a fine, imprisonment, or both for persons who willfully fail to file a tax return or provide tax information (Code Section 7203);
3. Initiate termination of exempt status because your organization has not established that it is observing the conditions required for continuation of its exempt status under code section 501(A).

We do not want to take these actions, so we urge you to contact us immediately and file the return or explain why you are not required to file it, or furnish proof that it has been filed. Be sure to refer to this notice. If you go to your local IRS office, take this notice and any other information needed, and if you filed the return, take your copy of it.

If you need assistance, call 1-877-829-5500

NUMBER OF THIS NOTICE: CP-414
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 TAX FORM: 990 200502
 TAX PERIOD: 06-30-2003

EVERETT SCHOOL EMPLOYEE BENEFIT
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 PO BOX 2098
 EVERETT WA 98203-0098984

COMPLETE AND RETURN THIS ENTIRE PAGE WITH YOUR REPLY

Section I

Enter the information exactly as shown on the tax return you filed.

NO return was filed

Name and address on tax return Employer Identification Number

6/30/03

Tax year or period on return

Date return was filed

Form number

Section II

Please check the boxes that apply to you:

☒ Not required to file as the annual gross receipts of the organization were normally \$25,000 or less (Form 990 filers only)

☐ Not required to file as the organization had a business income of less than \$1,000 (Form 990-T filers only.)

☐ Organization ceased business (terminated, etc.)

☐ Filed group return with parent organization. Parents name, employer identification number (EIN) and group exemption number (Form 990 filers only)

☐ Organization inactive ☐ Other: Explain under Remarks

Remarks

Darla Van Duren Administrative Manager 11/23/04 425-385-4176
 Signature of officer Title Date Telephone

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left message 11/18
w/Catherine
Hallgrimson
303-3181

Betsy 303-3011 11/18

TELEFAX

PAGE 1 OF 5 (INCLUDING THIS PAGE)

DATE: November 18, 2004

TO: Catherine Hallgrimson – Moss Adams

FAX NO. 425-259-2844

PHONE NO. 425-259-7227

FROM: Darla Van Duren, ESEBT Administrative Manager

FAX NO. (425) 385-4172

PHONE NO. (425) 385-4176

RE: IRS letter

MESSAGE:

Catherine, here is the letter from the IRS "Your tax return is overdue – let us hear from you now". I have also included the two page letter from the IRS that the Trust received back in May 1988 regarding the exemption from federal income tax with the Trust.

I will be seeing John Morrill at the next Trust meeting on November 29th for a signature. I can arrange to see him sooner if need be. I am not sure how quickly you can provide the letter and how quickly the IRS needs the response, especially with no date only a "contact us immediately" type of wordage.


Thank you and let me know if there is anything else that I can provide.

OGDEN UT 84201-0023


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04 NOV 10 PM 4:36

EVERETT SCHOOL DISTRICT

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 Be sure the IRS address appears in your envelope window.

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Notice Number: CP414
Notice Date : 2004-11-08
Tax Period : 200306

INTERNAL REVENUE SERVICE
OGDEN UT 84201-0023




911297853

EVERETT SCHOOL EMPLOYEE BENEFIT
TRUST
PO BOX 2098
EVERETT WA 98203-0098984

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