Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07/01 , 2011, and ending 06/30 , 20 12

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization Little Red School House Inc
Doing Business As
Number and street (or P O. box if mail is not delivered to street address) Room/suite
14 E Casino Rd Ste A
City or town, state or country, and ZIP + 4
Everett, WA 98208-2628

D Employer identification number 91-6053563
E Telephone number 425-353-5656
G Gross receipts $ 3,251,368

F Name and address of principal officer: Keith Harrell
14 E Casino Road, Everett, WA 98208

H(a) Is this a group return for affiliates? ☐ Yes ☑ No
H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status: ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.littlered.org

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ L Year of formation: 1963 M State of legal domicile. WA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: Our purpose is to partner with families to support young children's success in daily life and in the community. We prioritize services to children birth to three years old who have disabilities and delays or who are at risk of delay, and their families.

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	51
6	Total number of volunteers (estimate if necessary)	6	200
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	888

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	378,044	847,426
	9	Program service revenue (Part VIII, line 2g)	1,917,293	2,103,448
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	24,809	8,521
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,787	7,160
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,327,933	2,966,555
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	1,816,833	2,367,580
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 142,449		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	462,326	530,299
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2,279,159	2,897,879
	19	Revenue less expenses. Subtract line 18 from line 12	48,774	68,676
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	4,167,118	4,103,351
	21	Total liabilities (Part X, line 26)	921,001	839,355
	22	Net assets or fund balances. Subtract line 21 from line 20	3,246,117	3,263,996

Part II Signature Block

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

Sign Here
▶ Signature of officer K R Harrell Date 2/14/13
▶ Keith Harrell, President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☑ if self-employed	PTIN
Vicki Strong	Vicki L Strong	2-14-13		P00631428

Firm's name ▶ Vicki L Strong CPA — Firm's EIN ▶
Firm's address ▶ 1509 151 Pl SW, Lynnwood, WA 98087 — Phone no 425-745-6034

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

28

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☑

1 Briefly describe the organization's mission:

Our purpose is to partner with families to support young children's success in daily life and in the c ommunity. We prioritize services to children birth to three years old who have disabilities and delays or who are at risk of delay, and their families.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☑ Yes ☐ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 1,983,677 including grants of $) (Revenue $ 2,101,169)

The Early Intervention program addresses the needs of children under age 3 who have developmental delays and who meet the state set criteria for early intervention services. Program services include developmental assessment and evaluations, occupational, physical and speech therapy, educational services and social work services through a Parent Coaching Model, family counseling services, resource coordination and parent education and support. Early Intervention also addresses the needs of children who are at serious risk of falling behind in their development and of not being successful in school. Services are provided to families residing in homeless shelters, on the Tulalip Reservation and through drop in play groups at local libraries. Funding for this program is provided through school district contracts, Snohomish County Early Intervention Program, county Child Development Services, public and private insurance, and grants and individual donations including United Way.

4b (Code:) (Expenses $ 514,991 including grants of $) (Revenue $ 529,961)

The Nurse Family Partnership program is an evidenced based home visitation program serving first time parents 21 years and younger during their pregnancy until the child is two years old. Specially trained community health nurses visit the families in their home weekly and bi-weekly, supporting healthy parent and child outcomes and family self-sufficiency. The program provides health assessments, referral and coordination amongst health care and community providers, pregnancy, parenting and childhood developmental education, engaging parent-child activities, promotes optimal social, emotional overall development and builds on client strengths to promote their education, employment and parenting opportunities.

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)

(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ 2,498,668

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	✓	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	✓	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	✓	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	✓	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20 a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		✓
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		✓
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		✓
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		✓
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	14		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	51		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	✓	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	✓	
4a	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)?		4a		✓
b	If "Yes," enter the name of the foreign country: ▶ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*
Check if Schedule O contains a response to any question in this Part VI . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . 1a 16. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent . 1b 16			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		✓
6	Did the organization have members or stockholders?	6		✓
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		✓
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	✓	
13	Did the organization have a written whistleblower policy?	13	✓	
14	Did the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	✓	
b	Other officers or key employees of the organization. If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	✓	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ WA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Little Red School House Inc, (425)353-5656
14 E Casino Road Ste A, Everett, WA 98208

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☑ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Noah Fidanque Board Member	2	✓						0	0	0
Harry Fay Board Member	2	✓						0	0	0
Jay Nelson Board Member	2	✓						0	0	0
Kristie English Board Member	2	✓						0	0	0
Tim Burns Board Member	2	✓						0	0	0
Tonia Goodwin Board Member	2	✓						0	0	0
Amy Drewel Board Member	2	✓						0	0	0
Cheryl Beighle Board Member	2	✓						0	0	0
Don Duncan Board Member	2	✓						0	0	0
Jim Croasdill Board Member	2	✓						0	0	0
Lainey Howard Board Member	2	✓						0	0	0
Debbie Whitfield Board Member	2	✓						0	0	0
Nicole Pearce Secretary	2			✓				0	0	0
Dennis Bolger Treasurer	2			✓				0	0	0

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Keith Harrell President	2			✓				0	0	0
Jim Russell Vice President	2			✓				0	0	0
Terry Clark Executive Director	40				✓			105,126	0	0
1b Sub-total ▶								105,126	0	0
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								105,126	0	0

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 1

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		✓
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		✓
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

Section	Line	Description			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a	96,749				
	b	Membership dues	1b	0				
	c	Fundraising events	1c	48,563				
	d	Related organizations	1d	0				
	e	Government grants (contributions)	1e	568,855				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	133,259				
	g	Noncash contributions included in lines 1a-1f. $		0				
	h	**Total.** Add lines 1a–1f ▶			847,426			
Program Service Revenue			Business Code					
	2a	Therapy/Education Services	624100		2,103,448	2,103,448	0	0
	b							
	c							
	d							
	e							
	f	All other program service revenue			0	0	0	0
	g	**Total.** Add lines 2a–2f ▶			2,103,448			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶			20,328	20,328	0	0
	4	Income from investment of tax-exempt bond proceeds ▶			0	0	0	0
	5	Royalties ▶			0	0	0	0
			(i) Real	(ii) Personal				
	6a	Gross rents	149,403	0				
	b	Less: rental expenses	147,126	0				
	c	Rental income or (loss)	2,277	0				
	d	Net rental income or (loss) ▶			2,277	2,277	0	0
	7a	Gross amount from sales of assets other than inventory	(i) Securities 105,900	(ii) Other 0				
	b	Less. cost or other basis and sales expenses	117,707	0				
	c	Gain or (loss)	-11,807	0				
	d	Net gain or (loss) ▶			-11,807	-11,807	0	0
	8a	Gross income from fundraising events (not including $ 48,563 of contributions reported on line 1c). See Part IV, line 18	a	23,882				
	b	Less: direct expenses	b	19,980				
	c	Net income or (loss) from fundraising events ▶			3,902		0	3,902
	9a	Gross income from gaming activities. See Part IV, line 19	a					
	b	Less: direct expenses	b					
	c	Net income or (loss) from gaming activities ▶						
	10a	Gross sales of inventory, less returns and allowances	a					
	b	Less: cost of goods sold	b					
	c	Net income or (loss) from sales of inventory ▶						
		Miscellaneous Revenue	Business Code					
	11a							
	b							
	c							
	d	All other revenue			981	981	0	0
	e	**Total.** Add lines 11a–11d ▶			981			
	12	**Total revenue.** See instructions. ▶			2,966,555	2,115,227	0	3,902

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	105,126	52,563	52,563	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	1,961,905	1,726,995	140,016	94,894
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	28,038	24,104	2,635	1,299
9 Other employee benefits	102,864	88,428	9,671	4,765
10 Payroll taxes	169,647	145,840	15,948	7,859
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	0	0	0	0
c Accounting	61,082	52,250	5,412	3,420
d Lobbying	0	0	0	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	0	0	0	0
g Other	94,586	87,397	5,687	1,502
12 Advertising and promotion	20,516	0	0	20,516
13 Office expenses	2,065	1,758	213	94
14 Information technology	29,029	24,716	2,988	1,325
15 Royalties				
16 Occupancy	95,558	82,345	9,726	3,487
17 Travel	55,683	54,875	808	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	35,072	35,072		
20 Interest	49,415	42,270	4,378	2,767
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	105,290	89,647	10,837	4,806
23 Insurance	29,631	25,228	3,050	1,353
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Supplies	74,078	69,388	3,249	1,441
b Equipment Rental & Maintenance	25,420	21,644	2,616	1,160
c Expenses allocated to unrelated rental i	-147,126	-125,852	-13,035	-8,239
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	2,897,879	2,498,668	256,762	142,449
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	123,745	1	84,483
	2	Savings and temporary cash investments	193,875	2	99,791
	3	Pledges and grants receivable, net	30,000	3	
	4	Accounts receivable, net	212,999	4	479,121
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	23,274	9	25,230
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 3,831,770			
	b	Less: accumulated depreciation — 10b: 1,251,617	2,606,014	10c	2,580,153
	11	Investments—publicly traded securities	977,211	11	834,573
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	4,167,118	16	4,103,351
Liabilities	17	Accounts payable and accrued expenses	128,087	17	191,565
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	792,914	23	647,790
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	921,001	26	839,355
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	3,125,569	27	3,131,296
	28	Temporarily restricted net assets	37,848	28	50,000
	29	Permanently restricted net assets	82,700	29	82,700
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	3,246,117	33	3,263,996
	34	Total liabilities and net assets/fund balances	4,167,118	34	4,103,351

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,966,555
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,897,879
3	Revenue less expenses. Subtract line 2 from line 1	3	68,676
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,246,117
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-50,797
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	3,263,996

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		✓
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	✓	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: Little Red School House Inc

Employer identification number: 91-6053563

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ____________

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓% 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).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III–Functionally integrated d ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of support
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2,191,103	2,054,819	1,992,936	2,089,964	2,754,021	11,082,843
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	2,191,103	2,054,819	1,992,936	2,089,964	2,754,021	11,082,843
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						11,082,843

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	2,191,103	2,054,819	1,992,936	2,089,964	2,754,021	11,082,843
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	125,082	22,095	19,710	23,994	20,328	211,209
9 Net income from unrelated business activities, whether or not the business is regularly carried on	0	3,379	-521	813		3,671
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0				0
11 **Total support.** Add lines 7 through 10						11,297,723

12 Gross receipts from related activities, etc. (see instructions) . . . 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . 14 98.1 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 . . . 15 97.32 %

16a **33⅓% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . ▶ ☑

b **33⅓% support test—2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . ▶ ☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ ☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **33⅓% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33⅓%, and line 17 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓%, and line 18 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization: Little Red School House Inc

Employer identification number: 91-6053563

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	82,700	82,700	82,700	82,700	
b	Contributions	0	0	0	0	
c	Net investment earnings, gains, and losses	1,997	2,026	0	0	
d	Grants or scholarships	0	0	0	0	
e	Other expenditures for facilities and programs	1,997	2,026	0	0	
f	Administrative expenses	0	0	0	0	
g	End of year balance	82,700	82,700	82,700	82,700	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ 0 %

b Permanent endowment ▶ 100 %

c Temporarily restricted endowment ▶ 0 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

			Yes	No
(i)	unrelated organizations	3a(i)		✓
(ii)	related organizations	3a(ii)		✓
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land	0	834,390		834,390
b	Buildings	0	2,673,367	1,037,798	1,635,569
c	Leasehold improvements	0	0	0	0
d	Equipment	0	324,013	213,819	110,194
e	Other	0	0	0	0
Total.	Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				2,580,153

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,966,555
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,897,879
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	68,676
4	Net unrealized gains (losses) on investments	4	-50,797
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV.)	8	0
9	Total adjustments (net). Add lines 4 through 8	9	-50,797
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	17,879

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	3,145,468
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV.)	2d	178,913		
e	Add lines **2a** through **2d**			2e	178,913
3	Subtract line **2e** from line **1**			3	2,966,555
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1 :				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total revenue. Add lines 3 and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	2,966,555

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	3,064,985
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV.)	2d	167,106		
e	Add lines **2a** through **2d**			2e	167,106
3	Subtract line **2e** from line **1**			3	2,897,879
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines 3 and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	2,897,879

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Schedule D, Part V, Line 4 - Support the work of the organization.

Schedule D, Part XII, Line 2d - Direct fundraising costs $19,880, Realized investment losses $11,807, Rental expenses reported on 990-T $147,126

Schedule D, Part XIII, Line 2d - Direct fundraising costs $19,980, Rental expenses reported on 990-T $147,126

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization: Little Red School House Inc
Employer identification number: 91-6053563

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply
- a ☐ Mail solicitations
- b ☐ Internet and email solicitations
- c ☐ Phone solicitations
- d ☐ In-person solicitations
- e ☐ Solicitation of non-government grants
- f ☐ Solicitation of government grants
- g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 May Luncheon (event type)	(b) Event #2 p A Little Red / Bowlathc (event type)	(c) Other events 0 (total number)	(d) Total events (add col (a) through col. (c))
Revenue	1 Gross receipts	53,424	19,021		72,445
	2 Less: Charitable contributions	42,627	5,936		48,563
	3 Gross income (line 1 minus line 2)	10,797	13,085		23,882
Direct Expenses	4 Cash prizes	0	0		0
	5 Noncash prizes	0	293		293
	6 Rent/facility costs	3,049	0		3,049
	7 Food and beverages	7,748	2,395		10,143
	8 Entertainment	0	0		0
	9 Other direct expenses	2,240	4,255		6,495
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(19,980)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				3,902

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: ____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: ____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: ____

11 Does the organization operate gaming activities with nonmembers? . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility . . . . 13a %

b An outside facility . . . . 13b %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ and the amount of gaming revenue retained by the third party ▶ $.

c If "Yes," enter name and address of the third party:

Name ▶

Address ▶

16 Gaming manager information:

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization	Employer identification number
Little Red School House Inc	91-6053563

Form 990, Part III, Line 2 - Little Red School House added a Nurse Family Partnership program to assist young parents through pregnancy and until the child's second birthday in order to prevent negative outcomes for these high risk teen parents and their children.

Form 990, Part VI, Section B, Line 11b - The finance committee reviews and presents the form 990 to the board for their approval.

Form 990, Part VI, Section B, Line 12c - The board of directors and executive officer are required to fill out a conflict of interest questionnaire annually The forms are compiled and reviewed by the staff accountant.

Form 990, Part VI, Section B, Line 15 - On an annual basis the board of directors, guided by the executive committee, determine the compensation of the executive director based on a review of comparative salaries of other similar non-profits as well as Little Red School House's historical practices.

Form 990, Part VI, Section C, Line 19 - The organization makes its governing documents, conflict of interest policy and financial statements available to the public upon request.

Form 990, Part XI, Line 5 - Unrealized loss on investments

ARTICLES OF INCORPORATION
OF
LITTLE RED SCHOOL HOUSE

The undersigned, desiring to form a charitable Corporation under the Washington Nonprofit Corporation Act (RCW 24.03), adopt the following Articles of Incorporation:

ARTICLE I
NAME

The name of the Corporation shall be LITTLE RED SCHOOL HOUSE (hereinafter the "Corporation").

ARTICLE II
DURATION

The period of duration of the Corporation shall be perpetual.

ARTICLE III
PLACE OF BUSINESS

The chief place of business of such Corporation shall be Everett, Snohomish County, Washington.

ARTICLE IV
PURPOSE

The purpose for which the Corporation is organized is to receive, administer and distribute funds to engage in promoting all aspects of child health including other assets exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code") or the corresponding provision of any future United States Internal Revenue Law.

Also in addition it is proposed:

(a) To provide necessary supports to children age birth to three with or at risk of developmental delay or disability and their families so that they obtain optimal development in the Snohomish County and North King County area.

To do any and all other lawful things deemed desirable for the advancement of the above purposes.

Solely for the above purposes, the Corporation is empowered to exercise all rights and powers conferred by the laws of the State of Washington upon nonprofit Corporation, including, but not without limitation thereon, to receive gifts, devises, bequests and contributions in any form, and to use, apply, invest and reinvest the principal and/or income therefrom or distribute the same for the above purposes; except to the extent such rights and powers are expressly denied or limited in these Articles.

ARTICLE V
LIMITATIONS

At all times the following shall operate as conditions restricting the operations and activities of the

Corporation :

(a) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's members, directors, officers or other private individuals, but the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, to reimburse for reasonable expenses incurred, and to make payments and distributions in furtherance of the purposes set forth in Article IV hereof.

(b) Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended.

(c) The Corporation shall not lend any of its assets to any officer of director of this Corporation , or guarantee to any person the payment of a loan by an officer or director of this Corporation .

(d) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code, or corresponding provisions of any subsequent federal tax laws.

(e) The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code, or corresponding provisions of any subsequent federal tax laws.

(f) The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code, or corresponding provisions of any subsequent federal tax laws.

(g) The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code, or corresponding provisions of any subsequent federal tax laws.

(h) The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code, or corresponding provisions of any subsequent federal tax laws.

ARTICLE VI
TAX STATUS

It is intended that this Corporation shall have the status of a corporation which is exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code. These Articles shall be construed accordingly, and all powers and activities of the Corporation shall be limited accordingly. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and in the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Code (or the corresponding provision of any future United States Internal Revenue law), or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code (or the corresponding provisions of any future United States Internal Revenue law).

ARTICLE VII
DIRECTORS/MEMBERS

The Corporation shall have no voting members. The management and affairs of the Corporation shall be at all times under the direction of a Board of Directors, whose operations in governing the Corporation shall be defined by statute and by the Corporation's by-laws. No Director shall have any right, title, or interest in or to any property of the Corporation.

ARTICLE VIII
DEBT OBLIGATIONS AND PERSONAL LIABILITY

No officer or Director of this Corporation shall be personally liable for the debts or obligations of this Corporation of any nature whatsoever, nor shall any of the property of the officers or Directors be subject to the payment of the debts or obligations of this Corporation

ARTICLE IX
DISSOLUTION

Upon the time of dissolution of the Corporation , assets shall be distributed by the Board of Directors, after paying or making provisions for the payment of all debts, obligations, liabilities, costs and expenses of the Corporation , for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code(or the corresponding provision in any future United States Internal Revenue law), or shall be distributed to the federal government, or to a state or local government, for a public purpose, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of Snohomish County exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE X
THE CODE

All references in these Articles to Sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any similar law subsequently enacted.

ARTICLE XI
INCORPORATOR

The name and address of the incorporator of the Corporation is Keith Harrell, Board President, 14 E Casino Rd., Everett, WA 98208. The undersigned incorporator certify that these Articles for the purposes herein stated, and that by such execution, they affirm the understanding that should any of the information in these Articles be intentionally or knowingly misstated, they are subject to the criminal penalties for perjury set forth in Washington State statute as if this document had been executed under oath.

Executed at _________, Washington, this _____ day of May, 2012.

____

_______________, Incorporator

REGISTERED AGENT CONSENT:

The undersigned consents to appointment as registered agent of the corporation named above.

DATED this ____ day of May, 2012.

By______________________________
Terry Clark, Executive Director
Little Red School House
14 E. Casino Rd.
Everett, WA 98208

BYLAWS

OF

LITTLE RED SCHOOL HOUSE.
ORIGINALLY ADOPTED ON: JUNE 1963

REVISED BYLAWS ADOPTED ON: APRIL 10, 1991

REVISED BYLAWS ADOPTED ON: OCTOBER 26, 2011

AMENDMENTS ARE LISTED ON PAGE i

BYLAWS
OF
LITTLE RED SCHOOL HOUSE

ARTICLE 1. OFFICE LOCATIONS

The principal office of Little Red School House, (the "Organization") shall be located at its principal place of business or such other place as the Board of Directors ("Board") may designate. The Organization may have such other offices within the State of Washington as the Board may designate or as the business of the Organization may require from time to time.

ARTICLE 2. MEMBERSHIP

2.1 No Members. The Organization shall have no members.
2.2 Membership. Membership classes, the manner of election or appointment of members, the qualifications and rights of each class of members, and dues for members may be established by amendment to these Bylaws.

ARTICLE 3. BOARD OF DIRECTORS

3.1 General Powers. The affairs of the Organization shall be managed by a Board of Directors.

3.2 Number. The Board shall consist of not less than seven (7) nor more than twenty-five (25) Directors, the specific number to be set by resolution of the Board. The number of Directors may be changed from time to time by amendment to these Bylaws.

3.3 Qualifications. Directors shall have such qualifications as the Board may prescribe by amendment to these Bylaws.

3.4 Election of Directors. Directors shall be elected at any time during the year by the affirmative vote of at least seventy-five percent (75%) of the Directors present.

3.5 Terms of Office-Directors. There shall be no specific terms for Directors. Directors will formally recommit to Board membership every two years within the month of their original membership.

3.6 Annual Meeting. The annual meeting of the Board shall be held in June in each year for the purposes of installing (effective July 1) officers and transacting such business as may properly come before the meeting.

3.7 Regular Meetings. Regular meetings of the Board shall be scheduled for the fourth Wednesday of each month. The failure of a Director, without excuse from the Board, to attend three (3) successive regular meetings of the Board, shall constitute cause for removal from office under Section 3/18 herein.

3.8 Special Meetings. Special meetings of the Board or any committees designated and appointed by the Board may be called by or at the written request of the President or any three Directors, or, in the case of a committee meeting, by the chairperson of the committee. The person or persons authorized to call special meetings may fix any place either within or without the State of Washington as the place for holding any special Board meeting or committee meeting.

3.9 Meetings by Telephone and electronically. Members of the Board or any committee designated by the Board may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment including electronically by means of which all persons participating in the meeting may communicate with each other at the same time. Participation by such means shall constitute presence in person at a meeting. Quorum requirements and rules of procedure shall apply to meetings by telephone or electronically.

3.10 Place of Meetings. All meetings shall be held at the principal office of the Organization or at such other place within or without the State of Washington designated by the Board, by any persons entitled to call a meeting or by a waiver of notice signed by all Directors.

3.11 Notice of Meetings. Notice of annual and special Board meetings shall be given to a Director in writing or by personal communication with the Director not less than five days before the meeting. Notices in writing may be delivered or mailed to the Director at his or her address shown on the records of the Organization or may be delivered electronically. Neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice of such meeting, If notice is delivered by mail, the notice shall be deemed effective when deposited in the of United States mail properly addressed with postage thereon prepaid.

3.12 Waiver of Notice

3.12.1 In Writing. Whenever any notice is required to be given to any Director under the provisions of these Bylaws, the Articles of Incorporation or applicable Washington law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

3.12.2 By Attendance. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.13 Quorum. One-half of the number of Directors fixed by or in the manner provided by these Bylaws shall constitute a quorum for the transaction of business at any Board Meeting. If a quorum is not present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

3.14 Manner of Acting. The act of the majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board, unless the vote of a greater number is required by these Bylaws, the Articles of Incorporation or applicable Washington law.

3.15 Presumption of Assent. A Director of the Organization present at a Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent or abstention is entered in the minutes of the meeting, or unless such Director files a written dissent or abstention to such action with the person acting as secretary of the meeting before the adjournment thereof, or forwards such dissent or abstention by registered mail to the Secretary of the Organization immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of such action.

3.16 Action by Board Without a Meeting. Any action which could be taken at a meeting of the Board may be taken without a meeting if a written consent setting forth the action so taken is signed by each of the Directors. Such written consents may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document. Any such written consent shall be inserted in the minute book as if it were the minutes of a Board meeting. Electronic written consent will be treated the same as written consent.

3.17 Resignation. Any Director may resign at any time by delivering written notice to the President or the Secretary at the registered office of the Organization, or by giving oral or written notice at any meeting of the Directors. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

3.18 Removal. One or more Directors (including the entire Board) may be removed from office, with or without cause, by the affirmative vote of at least seventy-five percent (75%) of the number of Directors fixed by or in the manner provided by these Bylaws, at a meeting called for that purpose,

3.19 Vacancies. A vacancy in the position of a Director may be filled by the affirmative vote of at least seventy five percent (75%) of the Directors present at a Board meeting.

3.20 Board Committees

3.20.1 Standing or Temporary Committees. The Board, by resolution adopted by a majority of the Directors, may designate and appoint one or more standing or temporary committees each of which shall consist of two or more Directors and invest such committees with such powers as it may see fit, subject to such conditions as may be prescribed by the Board and by applicable Washington law.

3.20.2 Executive Committee. The Executive Committee shall be composed of the officers of the Organization and the immediate Past President. The Executive Director shall be a non-voting member of the Committee. The Executive Committee shall have and exercise the authority of the Directors, in the management of the Organization, subject to such limitations as may be prescribed by the Board and by applicable Washington law, except that the Executive Committee shall have no authority to: (a) amend, alter, or repeal these Bylaws; (b) elect, appoint, or remove any member of any other committee or any Director or officer of the Organization; (c) amend the Articles of Incorporation; (d) adopt a plan of merger or consolidation with another corporation; (e) authorize the sale, lease, or exchange of all or substantially all of the property and assets of the Organization not in the ordinary course of business; (f) authorize the voluntary dissolution of the Organization or revoke proceedings therefore; (g) adopt a plan for the distribution of the assets of the Organization; or (h) amend, alter or repeal any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by a committee. The designation and appointment of an Executive Committee and the delegation thereto of authority shall not operate to relieve the Board or any individual Director of any responsibility imposed upon it, him or her by law.

3.20.3 Nominating Committee. The Nominating Committee shall be appointed by the Executive Committee and shall consist of not less than three (3) directors. Members of the Executive Committee may serve on the Nominating Committee. The Nominating Committee shall have the responsibility to submit to the Board at the regular meeting in April of each year a slate of nominees for the positions of President, Vice President, Secretary and Treasurer. In performing its functions, the Nominating Committee shall consider whether the overall composition of the Board will most effectively guide and represent the Organization.

3.20.4 Other. Committees (Reserved)

3.20.5 Quorum: Manner of Acting. A majority of the number of Directors composing any committee shall constitute a quorum, and the act of a majority of the members of a committee present at the-meeting at which a quorum is present shall be the act of the committee.

3.20.6 Resignation. Any member of any committee may resign at any time by delivering written notice thereof to the President, the Secretary, or the chairperson of such committee, or by giving oral or 'written notice at any meeting of such committee. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance' of such resignation shall not be necessary to make it effective.

3.20.7 Removal of Committee Member. The Board may, by resolution adopted by a majority of the Director in office, remove from office any member of any committee elected or appointed by it.

3.21 Honorary Directors. The Board shall have the power to appoint Honorary Director. To be eligible for the position of Honorary Director, any person appointed shall have made, in the judgment of the Board, an outstanding contribution to the Organization. Honorary Directors shall be invited to attend meetings of the Board and to participate on committees of the Board, but shall not be entitled to vote or to exercise other powers of a Director of the Organization.

3.22 Advisory Board. The Board of Directors may appoint members of an Advisory Board to render advice and assistance to the Board. The number and qualifications of the members of the Advisory Board shall be as determined by the Board. The term of office of an Advisory Board member shall be one year. Any Advisory Board member may serve an unlimited number of one year terms. Advisory Board members may be invited to attend' meetings of the Board and to participate on committees of the Board, but shall not be entitled to vote or to exercise other powers of a Director of the Organization.

3.23 Compensation. The Directors shall receive no compensation for their service as Directors but may receive reimbursement for approved expenditures incurred on behalf of the Organization with proper documentation.

ARTICLE 4. OFFICERS

4.1 Number and Qualifications. The officers of the Organization shall be a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be elected by the Board. All officers must be Directors of the Organization.

4.2 Election and Term of Office. The officers of the Organization shall be elected every two years by the Board at the regular meeting of the Board in the month of May, by the affirmative vote of at least seventy-five percent (75%) of the Directors present. The Term of office for each officer shall commence July 1 and end June 30 two years later. Unless an officer dies, resigns, or is removed from office, he or she shall hold office until the expiration date of his or her term or until the officer's successor is elected, which ever last occurs.

4.3 Resignation. Any officer may resign at any time by delivering written notice to the President, the Vice President, the Secretary or the Board, or by giving oral or written notice at any meeting of the Board. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.4 Removal. Any officer elected or appointed by the Board may be removed by the affirmative vote of at least seventy-five percent (75%) of the number of Directors fixed by or in the manner provided by these Bylaws, at a meeting called for that purpose whenever in its judgment the best interests of the Organization would be served thereby.

4.5 Vacancies. A vacancy in any office created by the death, resignation, removal, disqualification, creation of a new office or any other cause may be filled by the Board for the unexpired portion of the term or for a new term established by the Board.

4.6 President. The President, shall be the executive head of the Organization and shall exercise the usual executive powers pertaining to the office of President. The President shall preside at all meetings of the Board and be ex-officio member of the various Board committees. The President shall also be Chairperson of the Executive Committee. The President shall sign deeds, mortgages, bonds, contracts, or other instruments, except when the signing and execution thereof have been expressly delegated by the Board or by these Bylaws to some other officer or agent of the Organization or are required by law to be otherwise signed or executed by some other officer or in some other manner. In general, the President shall perform all duties incident to the office of President and such other duties as from time to time may be assigned to him or her by the Board.

4.7 Vice President. In the event of the death of the President or his or her absence or inability to act, the Vice President shall perform the duties of the President, except as may be limited by resolution of the Board, with all the powers of and subject to all the restrictions upon the President. The Vice President shall have, to the extent authorized by the President or the Board, the same powers as the President to sign deeds, mortgages, bonds, contracts or other instruments. The Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board.

4.8 Secretary. The Secretary shall: (a) keep or cause to be kept the minutes of meetings of the Board and any minutes which may be maintained by committees of the Board; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of the Organization; (d) keep or cause to be kept records of the post office address of each Director and officer; (e) sign with the President, or other officer authorized by the President or the Board, deeds, mortgages, bonds, contracts, or other legal instruments; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or the Board.

4.9 Treasurer. The Treasurer shall have charge and custody of and be responsible for all monies, funds and securities of the Organization and shall cause to be kept regular books of account. The Treasurer shall cause to be deposited all such monies, funds and securities in the name of and to the credit of the Organization in banks, trust companies or other depositories selected in accordance with the provisions of these Bylaws. The Treasurer at each annual meeting of the Board shall submit a report showing the condition of the Organization finances and all monies, funds, and securities on hand and received and disbursed since the Treasurers last report, and shall make and submit reports and statements at such other times as may be required by the Board; and in general perform or cause to be performed all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board.

4.10 Executive Director. The Executive Director shall, subject to the supervision of the Board, execute the policies and mission of the Organization and have direct charge of all of its activities, including the authority to employ and terminate employees. The Executive Director may be an advisory member of committees of the Board and shall be invited to attend meetings of the Board, but shall not be entitled to vote or to exercise other powers of a Director of the Organization.

4.11 Compensation. The salary of the Executive Director shall be fixed from time to time by the Board. The officers shall receive no compensation for their services as officers but may receive reimbursement for approved expenditures incurred on behalf of the Organization with proper documentation.

ARTICLE 5. ADMINISTRATIVE AND FINANCIAL PROVISIONS

5.1 Contracts. The Board may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Organization. Such authority may be general or confined to specific instances.

5.2 Loans. No loans shall be contracted on behalf of the Organization and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

5.3 Loans or Extensions of Credit to Officers and Directors. No loans shall be made and no credit shall be extended by the Organization to its officers or Directors.

5.4 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Organization shall be signed by such officer or officers, or agent or agents, of the Organization and in such manner as is from time to time determined by resolution of the Board.

5.5 Deposits. All funds of the Organization not otherwise employed shall be deposited from time to time to the credit of the Organization in such banks, trust companies or other depositories as the Board may select or as directed by the Treasurer.

5.6 Books and Records. The Organization shall keep at its principal or registered office copies of its current Articles of Incorporation and Bylaws; correct and adequate records of accounts and finances, minutes of the proceedings of its Boards and any minutes which may be maintained by committees of the Board; records of the names and post office addresses of its officers and Directors, and such other records as may be necessary or advisable.

5.7 Indemnification and Insurance. No director or officer shall be personally liable to the Organization for monetary damages for conduct as a director or officer, except for conduct found to be intentional misconduct, a knowing violation of law, or for any transaction from which the director or officer will personally receive a benefit in money, property, or services to which he/she is not legally entitled.

The Organization shall indemnify and advance costs to past and present directors and officers of the organization and may indemnify and advance costs to any other person, who is made a party to a proceeding by reason of his, her, or its association with the Organization, all to the fullest extent permitted by, and upon compliance with Title 24 of the Revised Code of Washington (the Washington Nonprofit Corporation Act), provided that no such indemnity shall indemnify any director or officer from or on account of acts or omissions of such director or officer finally adjudged to be intentional misconduct or a knowing violation of law or from or on account of any transaction with respect to which it was finally adjudged that such director or officer personally received a benefit in money, property or services to which the director or officer was not legally entitled. Any such indemnity shall continue as to a person who has ceased to be a director, officer, or agent of the Organization and shall inure to the benefit of the heirs, executors, and administrators of such a person.

The Organization shall have through the Board, the power to and may in the future in its discretion purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Organization, who is or was serving at the request of the Organization as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against and incurred by that person in any such capacity or arising out of his or her status as such, whether or not the Organization would have the power to indemnify under the provisions of RCW 24.03.043, 23A.08.025, and 23A.08.026.

5.8 Accounting Year. The accounting year of the Organization shall be the twelve months ending June, 30.

5.9 Rules of Procedure. The rules of procedure at meetings of the Board and committees of the Board shall be the rules contained in Roberts' Rules of Order on Parliamentary Procedure, newly revised, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation or any resolution of the Board.

ARTICLE 6. AMENDMENTS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the affirmative vote of at least seventy-five percent (75%) of the Directors present at any meeting of the Board, or by the written consent of each of the Directors.

The foregoing Bylaws were adopted by the Board of Directors on April 10, 1991.

Tom Councell, Secretary

AMENDMENT TO THE BYLAWS
OF
LITTLE RED SCHOOL HOUSE, INC.

WHEREAS, the Board of Directors of Little Red School House, Inc., has seen the attendance and service of some Board members be compromised by circumstances beyond their control, and;

WHEREAS, the Board of Directors wishes to retain the services of individuals who encounter these circumstances, while maintaining the viability of the Board, and;

WHEREAS, the Board of Directors wishes to establish a policy to allow for temporary relief from duty for these individuals;

NOW, THEREFORE, be it resolved;

The Bylaws of Little Red School House, Inc., shall be amended as follows:

A new sub-section shall be added to the Bylaws under Section 3.5 <u>Terms of Office-Directors</u> to read as follows:

3.5.a At any time during the term of office of a Director, the Board, by a majority vote, may authorize a leave of absence for the Director for an initial period of six (6) months, which time period may be extended for one additional six month period by majority vote of the Board. During the leave of absence, the Director's position shall not be considered when calculating quorum requirements. At any time during the leave of absence, the Director may request reinstatement to the Board.

Amgendment approved by 75% vote of the Board of Directors this 1999.

Steve L. Cobb President of the Board

Pam Shoberg
Secretary of the Board