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**Return of Private Foundation  
or Section 4947(a)(1) Trust Treated as Private Foundation****2013**Department of the Treasury  
Internal Revenue Service

- ▶ Do not enter Social Security numbers on this form as it may be made public.  
▶ Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

**For calendar year 2013, or tax year beginning , 2013, and ending**

Name of foundation <b>CHILDREN COUNT FOUNDATION</b>		<b>A</b> Employer identification number <b>91-1703057</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>1414 31ST AVE S</b>	Room/suite <b>304</b>	<b>B</b> Telephone number (see the instructions) <b>(206) 279-3160</b>
City or town, state or province, country, and ZIP or foreign postal code <b>SEATTLE WA 98144</b>		<b>C</b> If exemption application is pending, check here. <input type="checkbox"/>
<b>G</b> Check all that apply:		<b>D</b> 1 Foreign organizations, check here . . . . . <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial Return of a former public charity	2 Foreign organizations meeting the 85% test, check here and attach computation . . . . . <input type="checkbox"/>
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here . . . . . <input type="checkbox"/>
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . . . . . <input type="checkbox"/>
<b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation		
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
<b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ <b>2,926,320.</b>	<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	

<b>Part II Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>REVENUE</b>	1 Contributions, gifts, grants, etc., received (att sch) . . .				
	2 <input type="checkbox"/> If the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments . . . . .	7,305.	7,305.		
	4 Dividends and interest from securities . . . . .	69,740.	69,740.		
	5a Gross rents . . . . .				
	b Net rental income or (loss) . . . . .				
	6a Net gain/(loss) from sale of assets not on line 10	266,568.			
	b Gross sales price for all assets on line 6a . . . . .	325,000.			
	7 Capital gain net income (from Part IV, line 2) . . . . .		266,568.		
	8 Net short-term capital gain . . . . .				
	9 Income modifications . . . . .				
	10a Gross sales less returns and allowances . . . . .				
b Less: Cost of goods sold . . . . .					
c Gross profit/(loss) (att sch) . . . . .					
11 Other income (attach schedule) . . . . .					
12 <b>Total.</b> Add lines 1 through 11. . . . .	343,613.	343,613.			
<b>ADMINISTRATIVE EXPENSES</b>	13 Compensation of officers, directors, trustees, etc . . .				
	14 Other employee salaries and wages . . . . .				
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . .				
	b Accounting fees (attach sch) . . . . .	1,007.	101.		
	c Other prof fees (attach sch) . . . . .				
	17 Interest . . . . .				
	18 Taxes (attach schedule)(see instrs) <b>EXCISE TAX</b> . . . . .	4,000.			
	19 Depreciation (attach sch) and depletion . . . . .				
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .				
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) See Line 23 Stmt . . . . .	3,064.			699.
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23 . . . . .	8,071.	101.		699.
	25 Contributions, gifts, grants paid . . . . .	148,335.			148,335.
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25 . . . . .	156,406.	101.		149,034.	
27 Subtract line 26 from line 12:					
a <b>Excess of revenue over expenses and disbursements</b> . . . . .	187,207.				
b Net investment income (if negative, enter -0-) . . . . .		343,512.			
c <b>Adjusted net income</b> (if negative, enter -0-) . . . . .					

SCANNED MAY 27 2014

## Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only  
(See instructions )

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1	Cash — non-interest-bearing . . . . .	426,982.	73,700.	73,700.
	2	Savings and temporary cash investments . . . . .			
	3	Accounts receivable . . . . . ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable . . . . . ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable . . . . .			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .			
	7	Other notes and loans receivable (attach sch) . ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use . . . . .			
	9	Prepaid expenses and deferred charges . . . . .			
	10a	Investments — U.S. and state government obligations (attach schedule) . . . . .			
	b	Investments — corporate stock (attach schedule) . . . . .	3,330,908.	3,365,325.	2,748,055.
	c	Investments — corporate bonds (attach schedule) . . . . .		99,782.	97,687.
	11	Investments — land, buildings, and equipment basis . . . . . ▶			
	Less accumulated depreciation (attach schedule) . . . . . ▶				
12	Investments — mortgage loans . . . . .				
13	Investments — other (attach schedule) . . . . .				
14	Land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach schedule) . . . . . ▶				
15	Other assets (describe ▶ LOANED EQUIPMENT )	6,878.	6,878.	6,878.	
16	Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I). . . . .	3,764,768.	3,545,685.	2,926,320.	
LIABILITIES	17	Accounts payable and accrued expenses. . . . .			
	18	Grants payable. . . . .			
	19	Deferred revenue . . . . .			
	20	Loans from officers, directors, trustees, & other disqualified persons . . . . .			
	21	Mortgages and other notes payable (attach schedule) . . . . .			
	22	Other liabilities (describe ▶ )			
	23	Total liabilities (add lines 17 through 22) . . . . .			
FUND ASSETS AND FUND BALANCES		Foundations that follow SFAS 117, check here . . . . . and complete lines 24 through 26 and lines 30 and 31. X			
	24	Unrestricted . . . . .	3,764,768.	3,545,685.	
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
		Foundations that do not follow SFAS 117, check here . . . . . and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds . . . . .			
	28	Paid-in or capital surplus, or land, building, and equipment fund . . . . .			
	29	Retained earnings, accumulated income, endowment, or other funds . . . . .			
	30	Total net assets or fund balances (see instructions) . . . . .	3,764,768.	3,545,685.	
	31	Total liabilities and net assets/fund balances (see instructions) . . . . .	3,764,768.	3,545,685.	

**Part III Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) . . . . .	1	3,764,768.
2	Enter amount from Part I, line 27a . . . . .	2	187,207.
3	Other increases not included in line 2 (itemize) . . . . .	3	
4	Add lines 1, 2, and 3 . . . . .	4	3,951,975.
5	Decreases not included in line 2 (itemize) . . . . . <u>Book basis in excess of tax basis of shares sold</u>	5	406,290.
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30 . . . . .	6	3,545,685.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a	10000 Sh Microsoft Corporation	D	12/26/95	04/29/13
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 325,000.		58,432.	266,568.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(l) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (l) over column (j), if any	
a			266,568.
b			
c			
d			
e			

2	Capital gain net income or (net capital loss).	<div><div>If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</div></div>	2	266,568.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):			
	If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 . . . . .		3	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2012	96,218.	2,583,108.	0.037249
2011	145,519.	2,372,743.	0.061329
2010	91,682.	2,490,135.	0.036818
2009	133,357.	2,349,638.	0.056756
2008	162,348.	3,330,146.	0.048751

2 Total of line 1, column (d)	2	0.240903
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.048181
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	2,634,180.
5 Multiply line 4 by line 3	5	126,917.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,435.
7 Add lines 5 and 6	7	130,352.
8 Enter qualifying distributions from Part XII, line 4	8	149,034.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 — see instructions)**

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter. _____ (attach copy of letter if necessary — see Instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	3,435.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	3,435.
4 Subtitle A (Income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	3,435.
6 Credits/Payments:			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a	4,000.	
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	4,000.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	565.	
11 Enter the amount of line 10 to be: Credited to 2014 estimated tax	565.	Refunded	11

**Part VII Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the Instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions)		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see Instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		X

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**Part VII-A Statements Regarding Activities (continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule (see instructions) . . . . .	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions) . . . . .	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .	13		X
Website address . . . . . N/A				
14	The books are in care of ▶ <u>LYELL FRACAS</u> Telephone no. ▶ <u>(206) 279-3160</u> Located at ▶ <u>1414 31ST AVE S #304</u> <u>SEATTLE</u> <u>WA</u> ZIP + 4 ▶ <u>98144-3955</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . . <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year . . . . . ▶ <u>15</u>			
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . .	16	Yes	No
See the Instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country ▶				

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

		Yes	No
1 a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? . . . . . <input type="checkbox"/>	1 b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013? . . . . .	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20 __ , 20 __ , 20 __ , 20 __ .		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions.) . . . . .	2 b	X
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 __ , 20 __ , 20 __ , 20 __ .		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2013 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.) . . . . .	3 b	X
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .	4 a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013? . . . . .	4 b	X

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**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)****5 a** During the year did the foundation pay or incur any amount to(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

**6 a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If 'Yes' to 6b, file Form 8870.

**7 a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
DOUGLAS JACKSON 1414 31ST AVE S 304 SEATTLE WA 98144	PRESIDENT	5.00	0.	0.
LYELL FRACAS 1414 31ST AVE S 304 SETTLE WA 98144	SECRETARY	1.00	0.	0.

**2** Compensation of five highest-paid employees (other than those included on line 1 — see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

None

**Part VIII**  **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'**

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

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

1	EDUCATION	
2	SOCIAL SERVICE	0.
		0.
3	MEDICAL RESEARCH	
		0.
4	CULTURAL AND COMMUNITY	
		0.

**Part IX-B Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

1	
2	
All other program-related investments. See instructions	
3	
<b>Total.</b> Add lines 1 through 3	



**Part X** Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities . . . . .	<b>1 a</b>	2,341,192.
<b>b</b>	Average of monthly cash balances . . . . .	<b>1 b</b>	333,102.
<b>c</b>	Fair market value of all other assets (see instructions) . . . . .	<b>1 c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c) . . . . .	<b>1 d</b>	2,674,294.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . .	<b>1 e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d . . . . .	<b>3</b>	2,674,294.
<b>4</b>	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions) . . . . .	<b>4</b>	40,114.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 . . . . .	<b>5</b>	2,634,180.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	131,709.

**Part XI** Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	131,709.
<b>2 a</b>	Tax on investment income for 2013 from Part VI, line 5 . . . . .	<b>2 a</b>	3,435.
<b>b</b>	Income tax for 2013. (This does not include the tax from Part VI.) . . . . .	<b>2 b</b>	
<b>c</b>	Add lines 2a and 2b . . . . .	<b>2 c</b>	3,435.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	128,274.
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	128,274.
<b>6</b>	Deduction from distributable amount (see instructions) . . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 . . . . .	<b>7</b>	128,274.

**Part XII** Qualifying Distributions (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26 . . . . .	<b>1 a</b>	149,034.
<b>b</b>	Program-related investments — total from Part IX-B. . . . .	<b>1 b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes . . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required) . . . . .	<b>3 a</b>	
<b>b</b>	Cash distribution test (attach the required schedule) . . . . .	<b>3 b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 . . . . .	<b>4</b>	149,034.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) . . . . .	<b>5</b>	3,435.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	145,599.

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7 . . . . .				128,274.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only . . . . .				
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2013				
a From 2008 . . . . .				
b From 2009 . . . . .				
c From 2010 . . . . .				
d From 2011 . . . . .				
e From 2012 . . . . .				
f Total of lines 3a through e . . . . .				
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ \$ 149,034.				
a Applied to 2012, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required — see instructions). . . . .		2,140.		
c Treated as distributions out of corpus (Election required — see instructions). . . . .				
d Applied to 2013 distributable amount . . . . .				128,274.
e Remaining amount distributed out of corpus . . . . .	18,620.			
5 Excess distributions carryover applied to 2013 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5. . . . .	18,620.			
b Prior years' undistributed income Subtract line 4b from line 2b . . . . .		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b Taxable amount — see instructions . . . . .		0.		
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount — see instructions. . . . .			0.	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014 . . . . .				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions) . . . . .	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a . . . . .	18,620.			
10 Analysis of line 9.				
a Excess from 2009 . . . . .	0.			
b Excess from 2010 . . . . .	0.			
c Excess from 2011 . . . . .	0.			
d Excess from 2012 . . . . .	0.			
e Excess from 2013 . . . . .	18,620.			

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

N/A

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling. . . . . ▶

**b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

**2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .

Tax year	Prior 3 years			(e) Total
(a) 2013	(b) 2012	(c) 2011	(d) 2010	
<b>b</b> 85% of line 2a . . . . .				
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .				
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .				
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .				
<b>3</b> Complete 3a, b, or c for the alternative test relied upon				
<b>a</b> 'Assets' alternative test — enter				
<b>(1)</b> Value of all assets . . . . .				
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .				
<b>b</b> 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .				
<b>c</b> 'Support' alternative test — enter:				
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .				
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .				
<b>(3)</b> Largest amount of support from an exempt organization . . . . .				
<b>(4)</b> Gross investment income . . . . .				

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

Douglas Jackson

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:**

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number or e-mail of the person to whom applications should be addressed

See attached grant making policy.

- b** The form in which applications should be submitted and information and materials they should include:

- c** Any submission deadlines:

- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

**Part XV** Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<b>a Paid during the year</b>				
KUOW/Puget Sound Public Radio		Public		
Seattle WA		Charity	Education	400.
KPLU/PLU				
Seattle WA		Public		
Book-It Repertory Theater		Charity	Education	275.
Seattle WA		Public		
African Chamber of Commerce		Charity	Cultural	500.
Seattle WA		Public		
Columbia Legal Services		Charity	Education	500.
Seattle WA		Public		
American Constitution		Charity	Legal	1,000.
Washington DC		Public		
Ashesi University		Charity	Education	1,300.
Seattle WA		Public		
Capital Hill Housing		Charity	Education	60,000.
Seattle WA		Public		
Holy Names Academy		Charity	Human Resources	5,000.
Seattle WA		Public		
See Line 3a statement		Charity	Education	150.
				79,210.
<b>Total</b> . . . . .			<b>3 a</b>	148,335.
<b>b Approved for future payment</b>				
<b>Total</b> . . . . .			<b>3 b</b>	

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
<b>1</b> Program service revenue					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> _____					
<b>g</b> Fees and contracts from government agencies . . .					
<b>2</b> Membership dues and assessments . . . . .					
<b>3</b> Interest on savings and temporary cash investments . . . .			14	7,305.	
<b>4</b> Dividends and interest from securities . . . . .			14	69,740.	
<b>5</b> Net rental income or (loss) from real estate.					
<b>a</b> Debt-financed property . . . . .					
<b>b</b> Not debt-financed property . . . . .					
<b>6</b> Net rental income or (loss) from personal property . . . . .					
<b>7</b> Other investment income . . . . .					
<b>8</b> Gain or (loss) from sales of assets other than inventory . . .					266,568.
<b>9</b> Net income or (loss) from special events . . . . .					
<b>10</b> Gross profit or (loss) from sales of inventory . . .					
<b>11</b> Other revenue					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>12</b> Subtotal. Add columns (b), (d), and (e) . . . . .				77,045.	266,568.
<b>13</b> Total. Add line 12, columns (b), (d), and (e) . . . . .				<b>13</b>	343,613.

(See worksheet in line 13 instructions to verify calculations )

## **Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes**

[illegible]



**Form 990-PF**  
**Part I, Line 6a**

**Net Gain or Loss From Sale of Assets**

**2013**

Name

Employer Identification Number

CHILDREN COUNT FOUNDATION

91-1703057

**Asset Information:**

Description of Property: . . . . . 10000 SHARES MICROSOFT STOCK

Date Acquired: . . 12/26/95 How Acquired: . . . Donated

Date Sold: . . . 04/29/13 Name of Buyer: . . .

Sales Price: . . 325,000. Cost or other basis (do not reduce by depreciation) . . . 56,600.

Sales Expense: . . 1,832. Valuation Method: . . .

Total Gain (Loss): . . 266,568. Accumulation Depreciation: . . .

Description of Property: . . . . .

Date Acquired: . . . . . How Acquired: . . . . .

Date Sold: . . . . . Name of Buyer: . . . . .

Sales Price: . . . . . Cost or other basis (do not reduce by depreciation) . . . . .

Sales Expense: . . . . . Valuation Method: . . . . .

Total Gain (Loss): . . . . . Accumulation Depreciation: . . . . .

Description of Property: . . . . .

Date Acquired: . . . . . How Acquired: . . . . .

Date Sold: . . . . . Name of Buyer: . . . . .

Sales Price: . . . . . Cost or other basis (do not reduce by depreciation) . . . . .

Sales Expense: . . . . . Valuation Method: . . . . .

Total Gain (Loss): . . . . . Accumulation Depreciation: . . . . .

Description of Property: . . . . .

Date Acquired: . . . . . How Acquired: . . . . .

Date Sold: . . . . . Name of Buyer: . . . . .

Sales Price: . . . . . Cost or other basis (do not reduce by depreciation) . . . . .

Sales Expense: . . . . . Valuation Method: . . . . .

Total Gain (Loss): . . . . . Accumulation Depreciation: . . . . .

Description of Property: . . . . .

Date Acquired: . . . . . How Acquired: . . . . .

Date Sold: . . . . . Name of Buyer: . . . . .

Sales Price: . . . . . Cost or other basis (do not reduce by depreciation) . . . . .

Sales Expense: . . . . . Valuation Method: . . . . .

Total Gain (Loss): . . . . . Accumulation Depreciation: . . . . .

Description of Property: . . . . .

Date Acquired: . . . . . How Acquired: . . . . .

Date Sold: . . . . . Name of Buyer: . . . . .

Sales Price: . . . . . Cost or other basis (do not reduce by depreciation) . . . . .

Sales Expense: . . . . . Valuation Method: . . . . .

Total Gain (Loss): . . . . . Accumulation Depreciation: . . . . .

Description of Property: . . . . .

Date Acquired: . . . . . How Acquired: . . . . .

Date Sold: . . . . . Name of Buyer: . . . . .

Sales Price: . . . . . Cost or other basis (do not reduce by depreciation) . . . . .

Sales Expense: . . . . . Valuation Method: . . . . .

Total Gain (Loss): . . . . . Accumulation Depreciation: . . . . .

Description of Property: . . . . .

Date Acquired: . . . . . How Acquired: . . . . .

Date Sold: . . . . . Name of Buyer: . . . . .

Sales Price: . . . . . Cost or other basis (do not reduce by depreciation) . . . . .

Sales Expense: . . . . . Valuation Method: . . . . .

Total Gain (Loss): . . . . . Accumulation Depreciation: . . . . .

Form 990-PF, Page 1, Part I, Line 23

**Line 23 Stmt**

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
SPAM FILTERING	699.			699.
TRAVEL & MEETINGS	1,823.			
PARKING	248.			
MISCELLANEOUS	193.			
TELEPHONE	101.			
<b>Total</b>	<b>3,064.</b>			<b>699.</b>

Form 990-PF, Page 11, Part XV, line 3a

**Line 3a statement**

Recipient  Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox  Amount
<b>a Paid during the year</b>				
Everett Community College		Public		Person or <input type="checkbox"/>
Everett WA		Charity	Education	Business <input checked="" type="checkbox"/> 6,000.
Microsoft Alumni Foundation		Public		Person or <input type="checkbox"/>
Redmond WA		Charity	Social Services	Business <input checked="" type="checkbox"/> 100.
Wikimedia Foundation		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Education	Business <input checked="" type="checkbox"/> 100.
Jewish Family Services		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Social Services	Business <input checked="" type="checkbox"/> 400.
Legal Aid for Washington		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Legal	Business <input checked="" type="checkbox"/> 150.
Youthcare		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Human Resources	Business <input type="checkbox"/> 250.
Mount Baker Community Club		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Education	Business <input type="checkbox"/> 6,500.
Seattle Symphony		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Cultural	Business <input checked="" type="checkbox"/> 31,710.
Technology Access		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Education	Business <input type="checkbox"/> 32,000.
Treehouse Fund, Inc		Public		Person or <input type="checkbox"/>
Seattle WA		Charity	Social Services	Business <input type="checkbox"/> 2,000.



Form 990-PF, Page 11, Part XV, line 3a  
Line 3a statement

Continued

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox  Amount
<b>a</b> Paid during the year				

Total

79,210.

**Children Count Foundation****#91-1703057****Investments****Cost and Fair Market Value at 12/31/13**

<b>Stock</b>	<b># Shares</b>			<b>Book Value</b>
Microsoft Corp	61971	37.41	2,318,335	2,868,018
Argo Group Inc.	2000	20.21	40,420	49,130
First Rep Bank	2000	19.3	38,600	45,774
Glimcher Realty	2000	23.09	46,180	50,991
Hanover Ins Group	2000	20.86	41,720	49,149
Hatteras	2000	20.66	41,320	48,481
Maiden Holdings	2000	22.88	45,760	53,408
Qwest	2000	21.94	43,880	50,917
Selective Ins	2000	19.77	39,540	46,477
Solar Capital	2000	20.15	40,300	49,693
Taylor Capital	2000	26	52,000	53,287
			<u>2,748,055</u>	<u>3,365,325</u>
Corp Bonds				
SLM Corp	500	103.82	51,890	53,126
American Axle	450	102.72	45,797	46,656
			<u>97,687</u>	<u>99,782</u>

## THE CHILDREN COUNT FOUNDATION'S

### GRANT MAKING POLICY

The following policy shall apply for purposes of the CHILDREN COUNT FOUNDATION (the "Corporation") making grants to entities:

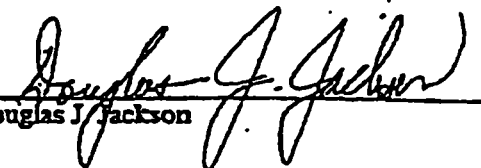
1. Subject to the provisions set forth in this grant making policy, the Corporation's Board of Directors (the "Board") shall make all decisions as to grants to be made to any entity, including the number of such grants, the amount of each such grant, the manner of selection of recipients, the actual selection of recipients, and the terms and conditions of any such grant.
2. Corporation resources shall be used or applied only in furtherance of the Corporation's purposes set forth in Paragraph 3.1 of Article III of the Corporation's Articles of Incorporation, including but not limited to making grants to entities who conduct programs which primarily benefit children who are "at risk." Although the definition of at risk children is broad, with respect to the Corporation it is defined to include those children who are from financially disadvantaged backgrounds.
3. The Corporation shall make grants to a domestic entity only after verifying that the entity is either: (i) an organization which is exempt from federal income tax under Internal Revenue Code § 501(c)(3) and which is not a private foundation as defined in Internal Revenue Code § 509(a); or (ii) a governmental entity, in which case the grant must comply with Paragraph 2 of this Policy and also be made exclusively for public purposes.
4. The Corporation shall make grants to a foreign entity only after verifying that the entity either: (i) has a ruling of determination letter from the Internal Revenue Service that the organization is described in Section 501(c)(3) of the Code and that it is classified as a public charity within the meaning of Section 509(a)(1), (2) or (3) of the Code or as a private operating Corporation under Section 4942(j)(3) of the Code; or (ii) if the foreign organization does not have such a ruling or determination letter from the Internal Revenue Service, the Board shall make a reasonable judgment and the Corporation shall make a good faith determination that the foreign organization is an organization described in Section 501(c)(3) and Section 509(a)(1), (2) or (3) or Section 4942(j)(3) of the Code. The Board shall have exercised reasonable judgment that the foreign organization is described in Section 501(c)(3) (other than Section 509(a)(4)) and the Corporation shall have made a good faith determination if (a) a grant is not a transfer of assets pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization or reorganization described in Section 507(b)(2) of the Code and (b) the Corporation bases its reasonable judgment and good faith determination on a currently qualified affidavit that is prepared by the foreign organization for the Corporation and attested to by a principal officer of the foreign organization. The affidavit and supporting documents must be in English and comply with the provisions of Revenue Procedure 92-94, 1992-2 C.B. 507.

The Corporation may make grants to individuals, provided such grants are made pursuant to a written, objective grant-making program which has received an advance favorable ruling from the Internal Revenue Service.

6. The officers of the Corporation shall assist the Board as needed or requested by the Board with respect to grants to entities.

7. By action of the Board, the Board may modify or repeal this grant making policy at any time.

The foregoing Policy was adopted by the Board of Trustees by consent in lieu of a meeting on August 17, 1999, to be effective September 1, 1999.

  
Douglas J. Jackson

CHILDREN COUNT FOUNDATION

EIN: 91-1703057

FORM 990 PF

GRANT MAKING POLICY

STATEMENT B

**Children Count Foundation  
Proposed Individual Grant Program Policy**

Grants to individuals will be awarded on an objective and nondiscriminatory basis. No individual grants will be used for political, legislative, or other noncharitable activities. The grant award will be a "grant" within the meaning of IRC § 4945(d)(3) and will satisfy the requirements of IRC § 4945(g) in all respects. The grant constitutes a scholarship or fellowship grant which is excluded from gross income under IRC § 117(a), to the extent that it is used for tuition, books, and equipment required for educational courses. As provided by IRS Publication 578, Chapter VI, and relevant IRS regulations, the grant-making procedures will be as follows:

**Grantee Class:** Any individual who conducts programs which primarily benefit children who are "at risk." Specifically, the organization will make grants to individuals who further the education, cultural development, socialization and health of "needy children," defined as those children whose family incomes fall near or below the poverty line which the U.S. Department of Health and Human Services establishes. Relatives of members of the selection committee will not be eligible for such grants.

**Selection Criteria:** The selection criteria for the grant assistance will include, but not be limited to, submission of information demonstrating the efforts of the applicant or nominee to benefit at risk children by furthering the education, cultural development, socialization and health of such children. A recipient cannot be related to a member of the committee or to any "disqualified persons" in relationship to the Foundation.

**Selection Committee:** The selection committee is composed of the Foundation's Board of Directors. The Board makes all decisions as to grants to be made to any entity or individual, including the number of such grants, the amount of such grant, the manner of selection of recipients, and the terms and conditions of any such grant. Members of the selection committee will not be in a position to receive private benefit, directly or indirectly, if certain potential grantees are selected over others.

**Progress Reports:** Depending upon the scope of the grant assistance, the Foundation will collect progress reports and a final report from the grantee upon his or her completion of the grant project. If the grant assistance is used for study purposes, the Foundation will request academic information indicating that the student is making satisfactory progress in the study program (e.g., maintaining a particular grade-point average) and that the student is not on academic or disciplinary probation. Progress reports will be obtained and verified with the educational institution each semester. If the grant is used for travel purposes not overseen by an educational institution, the Foundation will require a report of activities and how the activities promote the purposes of the grant.

**Report Follow-Up:** If no report is filed by the grantee, or if the report indicates that the funds were not used in furtherance of the grant purpose, a member of the board of directors will investigate the grant. The Foundation will withhold further payments from the grantee and will

CHILDREN COUNT FOUNDATION

EIN: 91-1703057

FORM 990 PF

GRANT MAKING POLICY

STATEMENT B

take reasonable steps to recover grant funds until it has determined that the funds are being used or have been used for their exempt purpose.

**Record Keeping:** The Foundation will retain all records submitted by the grantees and their educational institutions. The Foundation will obtain and maintain in its file evidence that no recipient is related to the Foundation or to any members of the selection committee.

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CHILDREN COUNT FOUNDATION

IN: 91-1703057

FORM 990 PF

GRANT MAKING POLICY  
STATEMENT B

RESPONSES TO SCHOLARSHIP OR GRANTS QUESTIONNAIRE

1. Describe the class of eligible or potential recipients of your organization's grants (or scholarship). Describe any restrictions or limitations on who may apply or whom your organization will consider as possible grantees.

The Children Count Foundation (the "Foundation") considers grants to any entity who conducts programs which primarily benefit children who are "at risk." Although the definition of at risk children is broad, with respect to the Foundation it is defined to include those children who are from financially disadvantaged backgrounds. Specifically, the organization will consider grants to entities that further the education, cultural development, socialization and health of "needy children," defined as those children whose family incomes fall near or below the poverty line which the U.S. Department of Health and Human Services establishes. Relatives of members of the selection committee will not be eligible for such grants. All grants are awarded on an objective and nondiscriminatory basis.

Pursuant to its Grant Making Policy, a copy of which is attached, the Foundation may make grants to domestic entities only after verifying that the entity is either: (i) an organization which is exempt from federal income tax under Internal Revenue Code § 501(c)(3) and which is not a private foundation as defined in Internal Revenue Code § 509(a); or (ii) a governmental entity, in which case the grant must comply with Paragraph 2 of this Policy and also be made exclusively for public purposes.

Pursuant to its Grant Making Policy, the Foundation may make grants to a foreign entity only after verifying that the entity either: (i) has a ruling of determination letter from the Internal Revenue Service that the organization is described in Section 501(c)(3) of the Code and that it is classified as a public charity within the meaning of Section 509(a)(1), (2) or (3) of the Code or as a private operating corporation under Section 4942(j)(3) of the Code; or (ii) if the foreign organization does not have such a ruling or determination letter from the Internal Revenue Service, the Foundation's Board of Directors is required to make a reasonable judgment and the Foundation is required to make a good faith determination that the foreign organization is an organization described in Section 501(c)(3) and Section 509(a)(1), (2) or (3) or Section 4942(j)(3) of the Code. The Foundation's Board of Directors is required to exercise reasonable judgment that the foreign organization is described in Section 501(c)(3) (other than Section 509(a)(4)) and the Foundation is required to make a good faith determination if (a) a grant is not a transfer of assets pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization or reorganization described in Section 507(b)(2) of the Code and (b) the Foundation bases its reasonable judgment and good faith determination on a currently qualified affidavit that is prepared by the foreign organization for the Foundation and attested to by a principal officer of the foreign organization. The affidavit and supporting documents must be in English and comply with the provisions of Revenue Procedure 92-94, 1992-2 C.B. 507.

Pursuant to its Grant Making Policy, the Foundation may make grants to individuals, provided such grants are made pursuant to a written, objective grant-making program, which has received an advance favorable ruling from the Internal Revenue Service. Attached is a copy of

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the Foundation's proposed Individual Grant Making Policy for consideration and approval by the Internal Revenue Service. Under this policy, the Foundation would make grants, including grants for travel, study, or other similar purposes, to an individual who meets the selection criteria and whose proposal is consistent with the Foundation's goals of benefiting at risk children. An individual grantee who would use the grant for travel, study or other similar purposes would be required to submit reports including progress made, grades earned, etc., and would be subject to withholding of funds and investigation of use of funds in the event the Foundation suspected a grant was being misused.

2. State who selects the recipients from the class of eligible. Be specific. If these people are related in any way to your organization, give complete details.

The selection committee is composed of the Foundation's Board of Directors. The Board makes all decisions as to grants to be made to any entity or individual, including the number of such grants, the amount of such grant, the manner of selection of recipients, and the terms and conditions of any such grant. Members of the selection committee will not be in a position to receive private benefit, directly or indirectly, if certain potential grantees are selected over others.

3. State whether any relatives of members of the selection committee are eligible for grants assistance.

No.

4. List and describe in detail all criteria used by your selection committee in selecting recipients from the class of eligible.

The selection criteria for the grant assistance will include, but not be limited to, submission of information demonstrating the efforts of the applicant or nominee to benefit at risk children by furthering the education, cultural development, socialization and health of such children. A recipient cannot be related to a member of the committee or to any "disqualified persons" in relationship to the Foundation.

5. Explain if any grants will be made to spouses, children, descendants, spouses of descendants, or other persons related to any officers or directors of your organization.

No.

6. Describe how the grants program is publicized to ensure that all eligible individuals are likely to be informed that grants are available.

The availability of the grant program will be shared through contacts with like-minded organizations that work with disadvantaged children, such as The Seattle Foundation, Atlantic Street Center, CAYA (Central Area Youth Association), Odessa Brown Children's Clinic, Technology Access Foundation, and Zion Preparatory Academy.



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7. Explain in details your follow-up procedures to ensure that all grants will be used for the stated purposes.

Depending upon the scope of the grant assistance, the Foundation will collect progress reports and a final report from the grantee. If no report is filed by the grantee, or if the report indicates that the funds were not used in furtherance of the grant purpose, a member of the board of directors will investigate the grant. The Foundation will withhold further payments from the grantee and will take reasonable steps to recover grant funds until it has determined that the funds are being used or have been used for their exempt purpose.

8. Give the procedures you will follow if you discover a misuse of those funds.

If the Foundation determines that the funds have been misused, further funds will be withheld and the Foundation will take reasonable steps to recover grant funds.

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