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Form 990-PF

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

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.

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning JUL 1, 2014, and ending JUN 30, 2015

Name of foundation

A Employer identification number

36-6088708

CHILDREN'S CARE FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address)

Room/suite

1005

B Telephone number

312-201-0540

307 N MICHIGAN AVE

City or town, state or province, country, and ZIP or foreign postal code

CHICAGO, IL 60601

G Check all that apply:

☐ Initial return☐ Final return☐ Address change☐ Initial return of a former public charity☐ Amended return☐ Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at end of year

(from Part II, col. (c), line 16)

J Accounting method:

☐ Cash☒ Accrual☐ Other (specify)

\$ 62,701,792. (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received	341,023.		N/A	
2 Check <input type="checkbox"/> If the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	1,022,895.	1,022,895.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	4,120,274.			
b Gross sales price for all assets on line 6a	41,354,230.			
7 Capital gain net income (from Part IV, line 2)		4,120,274.		
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 or (loss)				
11 Other income	3,675.	0.		STATEMENT 2
12 Total. Add lines 1 through 11	5,487,867.	5,143,169.		
13 Compensation of officers, directors, trustees, etc	257,485.	0.		257,485.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees STMT 3	23,250.	0.		23,250.
c Other professional fees STMT 4	145,131.	145,131.		0.
17 Interest				
18 Taxes STMT 5	69,887.	0.		18,247.
19 Depreciation and depletion	944.	0.		
20 Occupancy	16,326.	0.		16,326.
21 Travel, conferences, and meetings	3,148.	0.		3,148.
22 Printing and publications				
23 Other expenses STMT 6	23,335.	0.		23,335.
24 Total operating and administrative expenses. Add lines 13 through 23	539,506.	145,131.		341,791.
25 Contributions, gifts, grants paid	4,068,694.			2,203,694.
26 Total expenses and disbursements. Add lines 24 and 25	4,608,200.	145,131.		2,545,485.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	879,667.			
b Net investment income (if negative, enter -0-)		4,998,038.		
c Adjusted net income (if negative, enter -0-)			N/A	

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LHA For Paperwork Reduction Act Notice, see instructions.

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Form 990-PF (2014)

14570421 099375 027-04046500 2014.05091 CHILDREN'S CARE FOUNDATION 027-4YB1

Part II Balance Sheets

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

				End of year		
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		55,083.		
	2	Savings and temporary cash investments		948,365.	2,899,824.	2,899,824.
	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				
	7	Other notes and loans receivable ▶				
		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	STMT 10	19,994,809.	20,398,613.	20,398,613.
	b	Investments - corporate stock	STMT 11	25,852,395.	24,640,926.	24,640,926.
	c	Investments - corporate bonds	STMT 12	2,080,296.	2,144,168.	2,144,168.
Liabilities	11	Investments - land, buildings, and equipment basis ▶				
		Less accumulated depreciation ▶				
	12	Investments - mortgage loans				
	13	Investments - other	STMT 13	4,587,660.	12,485,887.	12,485,887.
	14	Land, buildings, and equipment basis ▶	7,331.			
		Less accumulated depreciation	STMT 14	3,492.	2,548.	2,548.
	15	Other assets (describe ▶)	STATEMENT 15	116,437.	129,826.	129,826.
	16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		53,638,537.	62,701,792.	62,701,792.
	17	Accounts payable and accrued expenses		35,287.	36,296.	
	18	Grants payable			1,865,000.	
Net Assets or Fund Balances	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)	STATEMENT 16	181,500.	1,891,949.	
	23	Total liabilities (add lines 17 through 22)		216,787.	3,793,245.	
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶	<input checked="" type="checkbox"/>			
	24	Unrestricted		46,333,401.	44,877,955.	
	25	Temporarily restricted				
	26	Permanently restricted		7,088,349.	14,030,592.	
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶	<input type="checkbox"/>			
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances		53,421,750.	58,908,547.	
	31	Total liabilities and net assets/fund balances		53,638,537.	62,701,792.	

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	53,421,750.
2	Enter amount from Part I, line 27a	2	879,667.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	7,203,390.
4	Add lines 1, 2, and 3	4	61,504,807.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 9	5	2,596,260.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	58,908,547.

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 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES	P		
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 41,354,230.		37,233,956.	4,120,274.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			4,120,274.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	4,120,274.
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). If (loss), enter -0- in Part I, line 8		3	N/A

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 (col. (b) divided by col. (c))
2013	2,408,192.	56,592,153.	.042553
2012	2,308,459.	49,822,817.	.046333
2011	2,072,942.	44,160,595.	.046941
2010	2,021,409.	43,029,096.	.046978
2009	1,822,955.	39,586,107.	.046050

2 Total of line 1, column (d)	2	.228855
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	.045771
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	54,320,378.
5 Multiply line 4 by line 3	5	2,486,298.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	49,980.
7 Add lines 5 and 6	7	2,536,278.
8 Enter qualifying distributions from Part XII, line 4	8	2,545,485.

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.

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

1a 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 instructions)			
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	49,980.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (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	49,980.
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	49,980.
6 Credits/Payments:			
a 2014 estimated tax payments and 2013 overpayment credited to 2014	6a	86,546.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	86,546.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	14.	
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	36,552.	
11 Enter the amount of line 10 to be: Credited to 2015 estimated tax	11	1,552.	

Part VII-A Statements Regarding Activities

	Yes	No
1a 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 instructions for the definition)? 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.		X
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. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
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
4a 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?		N/A
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, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions)		
IL		
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 2014 or the taxable year beginning in 2014 (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? Website address ► WWW.CHILDRENSCAREFOUNDATION.ORG	13	X	
14	The books are in care of ► ROXANNE WARBLE Telephone no. ► 312-201-0540 Located at ► 333 N. MICHIGAN AVE., CHICAGO, IL ZIP+4 ► 60601			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
16	At any time during calendar year 2014, 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? See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country ►	16	Yes	No X

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
1a	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)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> N/A	1b	
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 2014?	1c	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <input type="checkbox"/> N/A		
3a	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 2014 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 2014.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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 2014?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** 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 4945(d)(4)(A)? (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)? **N/A**

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? **N/A** ☐ Yes ☐ No

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

6a 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.

7a 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? **N/A**

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.

(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
SEE STATEMENT 17		247,000.	5,000.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

0

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Part VII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
CHICAGO EQUITY PARTNERS 180 N. LASALLE ST., CHICAGO, IL 60601	PROFESSIONAL FEES	131,335.

Total number of others receiving over \$50,000 for professional services

0

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.

	Expenses
1 NOT APPLICABLE	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	54,312,562.
b	Average of monthly cash balances	1b	832,945.
c	Fair market value of all other assets	1c	2,085.
d	Total (add lines 1a, b, and c)	1d	55,147,592.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	55,147,592.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	827,214.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	54,320,378.
6	Minimum investment return. Enter 5% of line 5	6	2,716,019.

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.)

1	Minimum investment return from Part X, line 6	1	2,716,019.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	49,980.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	49,980.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,666,039.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,666,039.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,666,039.

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	2,545,485.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,545,485.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	49,980.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,495,505.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				2,666,039.
2 Undistributed Income, if any, as of the end of 2014:				
a Enter amount for 2013 only			2,545,485.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				56,722.
d From 2012				312,714.
e From 2013				23,644.
f Total of lines 3a through e	393,080.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ \$				2,545,485.
a Applied to 2013, but not more than line 2a			2,545,485.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2014 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a).)	393,080.			393,080.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				2,272,959.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	180,249.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

N/A

- b**
- Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(i)(3) or ☐ 4942(j)(5)

- b 85% of line 2a**

- d** Amounts included in line 2c not used directly for active conduct of exempt activities

- e Qualifying distributions made directly for active conduct of exempt activities.**

Subtract line 2d from line 2c

- 3** Complete 3a, b, or c for the alternative test relied upon:

- a "Assets" alternative test - enter:
(1) Value of all assets

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)**

- b** "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

- c "Support" alternative test - enter:

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization**

- (4) 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).)

NONE

- 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.

NONE

- 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 address of the person to whom applications should be addressed:

ROBERT CAMPBELL. 312-201-0540

333 N. MICHIGAN AVENUE STE 2131, CHICAGO, IL 60601

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

SEE STATEMENT ATTACHED

- c Any submission deadlines:**

NOT APPLICABLE

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

CHARITABLE GRANTS ARE LIMITED FOR THE BENEFIT OF POOR AND NEEDY CHILDREN IN METROPOLITAN CHICAGO.

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

Recipient	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
Name and address (home or business)				
a Paid during the year				
CHICAGO ARCHITECTURE FOUNDATION 224 S MICHIGAN AVE CHICAGO, IL 60604	NONE	PC	GENERAL SUPPORT	25,000.
CHICAGO HOPE ACADEMY 2189 W BOWLER ST CHICAGO, IL 60612	NONE	PC	GENERAL SUPPORT	17,700.
CHICAGO YOUTH SYMPHONY ORCHESTRAS 410 S MICHIGAN AVE, STE 833 CHICAGO, IL 60605		PC	GENERAL SUPPORT	25,000.
CHILDREN'S CLINIC F/K/A OAK PARK RIVER FOREST INFANT WELFARE SOCIET 320 LAKE ST OAK PARK, IL 60302	NONE	PC	GENERAL SUPPORT	20,000.
COMMUNITY NURSE HEALTH CENTER 23 CALENDAR AVE LA GRANGE, IL 60525	NONE	PC	GENERAL SUPPORT	25,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				2,203,694.
b Approved for future payment				
SALVATION ARMY METROPOLITAN DIVISION 5040 N PULASKI RD CHICAGO, IL 60630	NONE	PC	GENERAL SUPPORT	80,000.
HAROLD COLBERT JONES MEMORIAL CENTER 220 E 15TH ST CHICAGO HEIGHTS, IL 60411	NONE	PC	GENERAL SUPPORT	25,000.
LOYOLA MOBILE PEDIATRIC CLINIC 2160 SOUTH FIRST AVENUE CHICAGO, IL 60152	NONE	PC	GENERAL SUPPORT	600,000.
Total SEE CONTINUATION SHEET(S) ▶ 3b				1,865,000.

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Edward X Clinton

May 3, 1945

PRESIDENT

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ YES ☐ NO

Signature of officer or trustee

Date _____

Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ self-employed

PTIN

GREGORY S. ADAMS

Firm's name ▶ CLIFTON LARSON ALLEN LLP

Firm's address ► 1301 W. 22ND ST, STE 1100
OAK BROOK, IL 60523

P00095597

Firm's EIN ► 41-0746749

Phone no. (630) 573-8600

Part XV Supplementary Information**3. Grants and Contributions Paid During the Year (Continuation)**

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
CORAZON A CORAZON 8235 SOUTH SHORE DR, 2ND FL CHICAGO, IL 60617	NONE	PC	GENERAL SUPPORT	15,000.
EAST VILLAGE YOUTH PROGRAM 3643 W BELMONT AVE CHICAGO, IL 60618	NONE	PC	GENERAL SUPPORT	10,000.
ERICKSON INSTITUTE 451 N LASALLE ST CHICAGO, IL 60654-4510	NONE	PC	GENERAL SUPPORT	75,000.
FREE SPIRIT MEDIA 1327 W WASHINGTON BLVD CHICAGO, IL 60607	NONE	PC	GENERAL SUPPORT	25,000.
GOOD NEWS PARTNERS 1600 W JONQUIL TER CHICAGO, IL 60626	NONE	PC	GENERAL SUPPORT	10,000.
HIGHTSIGHT 315 W WALTON ST CHICAGO, IL 60610	NONE	PC	GENERAL SUPPORT	36,000.
HUBBARD STREET DANCE 1147 W JACKSON BLVD CHICAGO, IL 60607-2905	NONE	PC	GENERAL SUPPORT	10,000.
THE LEADERSHIP 4903 S GILBERT AVE LA GRANGE, IL 60525	NONE	PC	GENERAL SUPPORT	5,000.
PEACE CORNER PO BOX 440113 CHICAGO, IL 60644	NONE	PC	PUBLIC SUPPORT	20,000.
ST MARY OF THE LAKE 1026 W BUENA AVE CHICAGO, IL 60613	NONE	PC	GENERAL SUPPORT	30,000.
Total from continuation sheets				2,090,994.

CHILDREN'S CARE FOUNDATION

36-6088708

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
SALVATION ARMY METROPOLITAN DIVISION 5040 N PULASKI RD CHICAGO, IL 60630	NONE	PC	GENERAL SUPPORT	80,000.
SOUTH SHORE DRILL TEAM & PERFORMING ARTS ENSEMBLE 7218 S SOUTH CHICAGO AVE CHICAGO, IL 60619	NONE	PC	GENERAL SUPPORT	26,000.
ASPIRE OF ILLINOIS 9901 DERBY LANE WESTCHESTER, IL 60154	NONE	PC	GENERAL SUPPORT	49,957.
BLUE SKY BAKERY & CAFE 3720 N LINCOLN AVE CHICAGO, IL 60613	NONE	PC	GENERAL SUPPORT	25,000.
CAMP OF DREAMS 1235A NORTH CLYBOURN, STE 362 CHICAGO, IL 60610	NONE	PC	GENERAL SUPPORT	10,000.
CATHOLIC CHARITIES OF CHICAGO 721 N LASALLE ST CHICAGO, IL 60654	NONE	PC	GENERAL SUPPORT	25,000.
CHICAGO CHILDREN'S CHOIR 78 E WASHINGTON, 5TH FL CHICAGO, IL 60602	NONE	PC	GENERAL SUPPORT	20,000.
ERIE FAMILY HEALTH CENTER 1701 W SUPERIOR ST CHICAGO, IL 60622	NONE	PC	GENERAL SUPPORT	75,000.
ESPERANZA HEALTH CENTERS 2001 SOUTH CALIFORNIA AVENUE, NO 100 CHICAGO, IL 60608	NONE	PC	GENERAL SUPPORT	64,480.
EXPERIMENTAL STATION 6100 S BLACKSTONE AVENUE CHICAGO, IL 60637	NONE	PC	GENERAL SUPPORT	20,000.
Total from continuation sheets				

Part XV Supplementary Information**3. Grants and Contributions Paid During the Year (Continuation)**

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
FAMILY CHRISTIAN HEALTH CENTER 31 W 155TH ST HARVEY, IL 60426	NONE	PC	GENERAL SUPPORT	30,000.
HOLY FAMILY MINISTRIES 3415 W ARTHINGTON CHICAGO, IL 60624	NONE	PC	GENERAL SUPPORT	25,000.
HOWARD AREA COMMUNITY CENTER 7648 N PAULINA CHICAGO, IL 60626	NONE	PC	GENERAL SUPPORT	20,000.
LOYOLA MOBILE PEDIATRIC CLINIC 2160 SOUTH FIRST AVENUE MAYWOOD, IL 60152	NONE	PC	GENERAL SUPPORT	300,000.
MONTESSORI SCHOOL OF ENGLEWOOD 6550 S SEELY ANNEX BUILDING CHICAGO, IL 60636	NONE	PC	GENERAL SUPPORT	25,000.
NORWEGIAN AMERICAN MOBILE PEDIATRIC 1044 NORTH FRANCISCO AVENUE CHICAGO, IL 60622	NONE	PC	GENERAL SUPPORT	300,000.
SAINT BERNARD HOSPITAL AND HEALTH CARE CENTER 326 W 64TH ST CHICAGO, IL 60621	NONE	PC	GENERAL SUPPORT	649,557.
SAINT JOSEPH SERVICES 1501 N OAKLEY BLVD CHICAGO, IL 60622	NONE	PC	GENERAL SUPPORT	20,000.
STREET LEVEL MEDIA 1637 N ASHLAND AVE CHICAGO, IL 60622	NONE	PC	GENERAL SUPPORT	15,000.
STORYCATCHERS THEATRE 544 W OAK ST, STE 1005 CHICAGO, IL 60610-3176	NONE	PC	GENERAL SUPPORT	25,000.
Total from continuation sheets				

3 Grants and Contributions Paid During the Year (Continuation)**Total from continuation sheets**

Part XV Supplementary Information**3. Grants and Contributions Approved for Future Payment (Continuation)**

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
NORWEGIAN AMERICAN MOBILE PEDIATRIC 1044 NORTH FRANCISCO AVENUE CHICAGO, IL 60622	NONE	PC	GENERAL SUPPORT	600,000.
SAINT BERNARD HOSPITAL AND HEALTH CARE CENTER 326 W 64TH ST CHICAGO, IL 60621	NONE	PC	GENERAL SUPPORT	560,000.
Total from continuation sheets				1,160,000.

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Name of the organization

Employer identification number

CHILDREN'S CARE FOUNDATION

36-6088708

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization	Employer identification number
CHILDREN'S CARE FOUNDATION	36-6088708

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	AVA W FARWELL TRUST 231 S. LASALLE ST. CHICAGO, IL 60697	\$ 56,781.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	LYDIA FREDERICK TRUST 50 S. LASALLE ST. CHICAGO, IL 60675	\$ 13,756.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	MARY MEDLOCK TRUST ONE FIRST NATIONAL PLAZA CHICAGO, IL 60670	\$ 82,648.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	WILLIAM WATSON TRUST ONE FIRST NATIONAL PLAZA CHICAGO, IL 60670	\$ 41,964.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	LOUISE MAY WHITEHOUSE TRUST 50 S. LASALLE ST. CHICAGO, IL 60675	\$ 8,062.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	CAROLINE WILLIAMS CHARITABLE TRUST 231 S. LASALLE ST. CHICAGO, IL 60697	\$ 5,950.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
CHILDREN'S CARE FOUNDATION	36-6088708

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	GEORGE WILLIAMS CHARITABLE TRUST 231 S. LASALLE ST. CHICAGO, IL 60697	\$ 7,362.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	HOBART W. WILLIAMS CHARITABLE TRUST 231 S. LASALLE ST. CHICAGO, IL 60697	\$ 110,156.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	THE CHICAGO COMMUNITY TRUST 111 EAST WACKER DR. #1400 CHICAGO, IL 60601	\$ 12,439.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

CHILDREN'S CARE FOUNDATION**36-6088708****Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

CHILDREN'S CARE FOUNDATION**36-6088708****Part III**

Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BANK OF AMERICA	1,022,895.	0.	1,022,895.	1,022,895.	
TO PART I, LINE 4	1,022,895.	0.	1,022,895.	1,022,895.	

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
COMMISSION RECAPTURE	3,675.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	3,675.	0.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	23,250.	0.		23,250.
TO FORM 990-PF, PG 1, LN 16B	23,250.	0.		23,250.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	131,335.	131,335.		0.
INVESTMENT CUSTODIAL FEES	13,796.	13,796.		0.
TO FORM 990-PF, PG 1, LN 16C	145,131.	145,131.		0.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PAYROLL TAX	18,247.	0.		18,247.	
FEDERAL EXCISE TAX	51,640.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	69,887.	0.		18,247.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ASSOCIATION MEMBERSHIP	750.	0.		750.	
COMPUTER EXPENSE	715.	0.		715.	
INSURANCE	15,458.	0.		15,458.	
OFFICE EXPENSE	6,377.	0.		6,377.	
BANK FEES	35.	0.		35.	
TO FORM 990-PF, PG 1, LN 23	23,335.	0.		23,335.	

FOOTNOTES				STATEMENT	7
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THE FOUNDATION HAD EXCESS DISTRIBUTIONS THAT WERE ORIGINALLY TREATED AS DISTRIBUTIONS OUT OF CORPUS. THIS RETURN RE-INSTATES THOSE EXCESS DISTRIBUTIONS AS EXCESS DISTRIBUTION CARRYOVERS FROM THE FOLLOWING YEARS:

2013	23,644.
2012	312,714.
2011	226,875.
SUB-TOTAL	563,233.
2011 AMOUNT APPLIED TO 2013 REQUIRED DISTRIBUTION	-170,153.
TOTAL CARRYOVER	393,080.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	8
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DESCRIPTION	AMOUNT
PRIOR PERIOD ADJUSTMENT TO RECORDED BENEFICIAL INTEREST IN PERPETUAL TRUSTS	7,203,390.
TOTAL TO FORM 990-PF, PART III, LINE 3	7,203,390.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	9
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DESCRIPTION	AMOUNT
UNREALIZED LOSS ON INVESTMENTS	2,335,113.
CHANGE IN VALUE OF BENEFICIAL INTEREST IN TRUSTS	261,147.
TOTAL TO FORM 990-PF, PART III, LINE 5	2,596,260.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	10
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
BANK OF AMERICA	X		20,398,613.	20,398,613.
TOTAL U.S. GOVERNMENT OBLIGATIONS			20,398,613.	20,398,613.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			20,398,613.	20,398,613.

FORM 990-PF	CORPORATE STOCK	STATEMENT	11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BANK OF AMERICA	24,640,926.	24,640,926.
TOTAL TO FORM 990-PF, PART II, LINE 10B	24,640,926.	24,640,926.

FORM 990-PF	CORPORATE BONDS	STATEMENT 12
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BANK OF AMERICA	2,144,168.	2,144,168.
TOTAL TO FORM 990-PF, PART II, LINE 10C	2,144,168.	2,144,168.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 13
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
EQUITY MUTUAL FUNDS	FMV	2,329,740.	2,329,740.
REITS	FMV	207,360.	207,360.
EXCHANGE-TRADED FUNDS	FMV	3,006,544.	3,006,544.
BENEFICIAL INTEREST IN TRUSTS	FMV	6,942,243.	6,942,243.
TOTAL TO FORM 990-PF, PART II, LINE 13		12,485,887.	12,485,887.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 14
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER	7,331.	4,783.	2,548.
TOTAL TO FM 990-PF, PART II, LN 14	7,331.	4,783.	2,548.

FORM 990-PF	OTHER ASSETS	STATEMENT 15
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED INVESTMENT INCOME	113,852.	127,741.	127,741.
SECURITY DEPOSIT	2,085.	2,085.	2,085.
PREPAID EXCISE TAX	500.	0.	0.
TO FORM 990-PF, PART II, LINE 15	116,437.	129,826.	129,826.

FORM 990-PF	OTHER LIABILITIES	STATEMENT 16
DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DEFERRED COMPENSATION PAYABLE	50,000.	55,000.
DEFERRED EXCISE TAX	131,500.	85,792.
EXCISE TAX PAYABLE	0.	12,848.
CREDIT BALANCE IN CASH	0.	1,738,309.
TOTAL TO FORM 990-PF, PART II, LINE 22	181,500.	1,891,949.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 17
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
EDWARD X. CLINTON 333 N. MICHIGAN AVENUE, SUITE 2131 CHICAGO, IL 60601	PRESIDENT 1.00	0.	0.	0.
BRUCE E. HUEY 333 N. MICHIGAN AVENUE, SUITE 2131 CHICAGO, IL 60601	VICE PRESIDENT 1.00	0.	0.	0.
GEORGE S. TREES, JR. 333 N. MICHIGAN AVENUE, SUITE 2131 CHICAGO, IL 60601	VICE PRESIDENT 1.00	0.	0.	0.
MICHAEL REED 333 N. MICHIGAN AVENUE, SUITE 2131 CHICAGO, IL 60601	SECRETARY/TREASURER 1.00	0.	0.	0.
ANTHONY PERTILE 333 N. MICHIGAN AVENUE, SUITE 2131 CHICAGO, IL 60601	VICE PRESIDENT 1.00	0.	0.	0.
MR. ROBERT L. CAMPBELL 333 N. MICHIGAN AVENUE, SUITE 2131 CHICAGO, IL 60601	EXEC. DIRECTOR 40.00	134,000.	5,000.	0.
MS. ROXANNE M. WARBLE 333 N. MICHIGAN AVENUE, SUITE 2131 CHICAGO, IL 60601	VICE PRES./ASSIST. EXEC. DIRECTOR 40.00	113,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		247,000.	5,000.	0.

Impactful interactions for success

CHILDREN'S CARE FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Wealth Advisory

Outsourcing

Audit, Tax, and Consulting



CliftonLarsonAllen

**CHILDREN'S CARE FOUNDATION
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YEAR ENDED JUNE 30, 2015**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Children's Care Foundation
Chicago, Illinois

We have audited the accompanying financial statements of Children's Care Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Children's Care Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2015 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Correction of an Error

As described in Note 11 to the financial statements, certain errors pertaining to the previous fiscal year were discovered during audit procedures for the year ended June 30, 2015. Balances have been adjusted, resulting in the restatement of beginning of year net asset balances. Our opinion is not modified with respect to that matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Chicago, Illinois
November 30, 2015

**CHILDREN'S CARE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015**

ASSETS

ASSETS

Cash	\$ 1,161,515
Investments:	
Short-Term:	
Cost	12,131,645
Adjustment to Fair Value	13,803
Fair Value of Short-Term Investments	<u>12,145,448</u>
Long-Term:	
Cost	36,318,386
Adjustment to Fair Value	4,263,517
Fair Value of Long-Term Investments	<u>40,581,903</u>
Total Investments	52,727,351
OTHER ASSETS	
Accrued Investment Income	127,741
Beneficial Interest in perpetual trusts	6,942,243
Security Deposit	2,085
Total Other Assets	<u>7,072,069</u>
EQUIPMENT, NET OF ACCUMULATED DEPRECIATION OF \$4,783	<u>2,548</u>
Total Assets	<u><u>\$ 60,963,483</u></u>

See accompanying Notes to Financial Statements.

LIABILITIES AND NET ASSETS

LIABILITIES

Accrued Expenses	\$ 36,296
Deferred Compensation	55,000
Deferred Excise Tax	85,792
Excise Tax Payable	12,848
Grants Payable	<u>1,865,000</u>
Total Liabilities	<u>2,054,936</u>

COMMITMENTS

NET ASSETS

Unrestricted	44,882,994
Permanently Restricted	<u>14,025,553</u>
Total Net Assets	<u>58,908,547</u>

Total Liabilities and Net Assets

\$ 60,963,483

**CHILDREN'S CARE FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Investment Income, Net of Investment Management				
Fees of \$131,335 and Custodial Fees of \$13,796	\$ 759,851	\$ 117,913	\$ -	\$ 877,764
Distributions from Trusts	339,123	-	-	339,123
Contributions, Other	1,900	-	-	1,900
Change in Value of Beneficial Interest in Trusts	-	-	(261,147)	(261,147)
Commission Recapture	-	3,675	-	3,675
Net Assets Released from Restrictions	121,588	(121,588)	-	-
Total Revenue	1,222,462	-	(261,147)	961,315
EXPENSES				
Compensation and Payroll Taxes	275,732	-	-	275,732
Accounting and Tax Preparation Fees	23,250	-	-	23,250
Association Membership	750	-	-	750
Computer	715	-	-	715
Depreciation	944	-	-	944
Insurance	15,458	-	-	15,458
Office	6,377	-	-	6,377
Rent and Utilities	16,326	-	-	16,326
Travel and Meetings	3,148	-	-	3,148
Miscellaneous	35	-	-	35
Total Expenses	342,735	-	-	342,735

See accompanying Notes to Financial Statements.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Excess of Revenue Over Expenses, Before Grants Expense, Gain (Loss) on Investments and Excise Tax Expense	\$ 879,727	\$ -	\$ (261,147)	\$ 618,580
Grant Expense	(4,068,694)	-	-	(4,068,694)
Excess of Revenue Over Expenses (Expenses Over Revenue), Before Gain (Loss) on Investment and Excise Tax Expense	(3,188,967)	-	(261,147)	(3,450,114)
Gain (Loss) on Investments:				
Unrealized	(2,400,848)	-	65,735	(2,335,113)
Realized	4,191,048	-	(70,774)	4,120,274
Net Gain (Loss) on Investment	1,790,200	-	(5,039)	1,785,161
Excess of Revenue Over Expenses (Expenses Over Revenue), Before Excise Tax Expense	(1,398,767)	-	(266,186)	(1,664,953)
Excise Tax Expense:				
Current	97,348	-	-	97,348
Deferred	(45,708)	-	-	(45,708)
Total Excise Tax Expense	51,640	-	-	51,640
CHANGES IN NET ASSETS	(1,450,407)	-	(266,186)	(1,716,593)
Net Assets - Beginning of Year, as Previously Reported	46,333,401	-	7,088,349	53,421,750
PRIOR PERIOD ADJUSTMENT	-	-	7,203,390	7,203,390
Net Assets - Beginning of Year, as Restated	46,333,401	-	14,291,739	60,625,140
CHANGES IN NET ASSETS (DEFICIT)	(1,450,407)	-	(266,186)	(1,716,593)
NET ASSETS - END OF YEAR	\$ 44,882,994	\$ -	\$ 14,025,553	\$ 58,908,547

**CHILDREN'S CARE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (1,716,593)
Adjustments to Reconcile Change in Net Assets to Net	
Assets Used by Operating Activities:	
Reinvested Interest and Dividends	(1,022,896)
Realized Gain on Investments	(4,120,274)
Unrealized Loss on investments	2,335,113
Depreciation	944
(Increase) Decrease in Operating Assets:	
Accrued Investment Income	(13,889)
Change in Interest in Beneficial Trust	261,147
(Decrease) Increase in Operating Liabilities:	
Accrued Expenses	(26,351)
Grants Payable	1,865,000
Cash Used by Operating Activities	<u>(2,437,799)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Investments	41,354,230
Purchases of Investments	<u>(38,758,365)</u>
Net Cash Provided by Investing Activities	<u>2,595,865</u>

NET INCREASE IN CASH

158,066

Cash and Cash Equivalents - Beginning of Year

1,003,449

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,161,515

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW
INFORMATION:**

Cash Paid During the Year for Excise Tax

\$ 84,000

See accompanying Notes to Financial Statements.

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Children's Care Foundation (the Foundation), is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation provides funding for specific nonprofit organizations and charitable programs which address the needs of poor, sick, medically underserved, and deprived children, primarily in the Chicago metropolitan area. Resources for the Foundation's activities are provided primarily by investment income.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Financial Statements

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) for *Financial Statements of Not-for-Profit Organizations*. Under the ASC, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. There were no temporarily restricted net assets at June 30, 2015.

Unrestricted net assets include amounts that are currently available for use in the Foundation's operations.

Permanently restricted net assets include funds for which the donor has restricted the principal to be invested in perpetuity and the interest and dividends to be utilized for funding needs of medically underserved children.

Investments

Investments with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. The Foundation specifically allocates interest, dividends, gains, and losses on investment sales, unrealized gains and losses, and investment management and custody fees among the funds based on the specific fund.

Investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interests in Trusts

The Foundation has been designated as the beneficiary of perpetual irrevocable trusts which are administered by other trustees. Under the terms of these trusts, the Foundation has the irrevocable right to receive all or a portion of the income earned on the trust assets in perpetuity. The Foundation does not control the assets held by the outside trusts. The fair value of the beneficial interest in the trusts is recognized as an asset and as a permanently restricted contribution at the date the trust is established. Adjustments to the beneficial interest to reflect changes in the fair value are reflected in the statement of activities as "Change in value of interest in beneficial trusts". Annual distributions from the trust are reported as investment returns in the statement of activities.

Equipment and Related Depreciation

Equipment is stated at cost, if purchased or at fair value at the date of the gift, if donated, less accumulated depreciation. Additions with a cost or fair value of less than \$500 are expensed. Depreciation is provided over the estimated useful lives of depreciable assets using the straight-line method.

Grants Payable

The Foundation records a liability and expense for grants which are payable in future years in the year in which they are awarded.

Contributions and Contributed Services

The Foundation follows the recommendations of the ASC for *Accounting for Contributions Received and Contributions Made*, which requires contributions received to be recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires, that is, when a time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net assets released from restrictions". There were no temporarily restricted contributions in 2015.

The Foundation follows the recommendations of the ASC for *Accounting for Contributions Received and Contributions Made*, which requires recognizing as revenue the fair value of contributed (donated) goods or services. There were no donated services for the year ended June 30, 2015.

Excise Tax

The Internal Revenue Service (IRS) has determined that the Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The IRS imposed an excise tax of 2% on net investment income of the Foundation as of June 30, 2015. Federal excise tax expense for the year ended June 30, 2015 was \$97,848. The Foundation is also liable for taxes on any unrelated business net income. No liability or expense for unrelated business income tax has been recognized as of June 30, 2015.

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Excise Tax (continued)

The Foundation follows the requirements for accounting for uncertain tax positions. The Foundation has determined that it is not required to record a liability related to uncertain tax positions as of June 30, 2015.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts reported in the prior year have been reclassified in order to conform to the current year's presentation.

NOTE 2 INVESTMENTS

The Foundation has adopted the ASC for *Certain Investments held by Not-for-Profit Organizations*, which requires the Foundation to report investments in the statement of financial position at their fair value, with all realized and unrealized gains and losses reported in the statement of activities. The statement of financial position shows a reconciliation of investments between their cost and fair value.

At June 30, 2015, the Foundation's investments were as follows:

<u>June 30, 2015</u>	<u>General Fund</u>		<u>Endowment Fund</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Short-Term Investments:				
Bonds and Notes	\$ 12,131,645	\$ 12,145,448	\$ -	\$ -
Long-Term Investments:				
Equity Investments	25,949,934	30,184,894	-	-
Bonds and Notes	3,438,365	3,449,811	6,930,087	6,947,198
Total Long-Term Investments	29,388,299	33,634,705	6,930,087	6,947,198
Total Investments	<u>\$ 41,519,944</u>	<u>\$ 45,780,153</u>	<u>\$ 6,930,087</u>	<u>\$ 6,947,198</u>

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification 820 (FASB ASC 820), *Fair Value Measurements and Disclosures* establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015.

- *Agency mortgage-backed securities and certificates* - Valued using quoted market prices and recent market transactions for similar instruments at the closing price reported on the active market on which the individual securities are traded when available, otherwise priced to the closest like security.
- *Non-agency mortgage-backed securities and certificates* - Valued using market observable data including recent external market transactions for similar instruments at the closing price reported on the active market on which the individual securities are traded, supported by TRACE Reporting.

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

- *U.S. Treasury notes* - U.S. Government Treasury Securities issued with a term of one year or less, discounted to the face value per the interest rate.
- Bonds - Valued at amortized cost, which approximates fair value.
- Corporate stocks and index funds - Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes that the Foundation's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2015.

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

<u>June 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common and Preferred Stocks:				
Domestic:				
Consumer Goods	\$ 3,135,658	\$ -	\$ -	\$ 3,135,658
Energy/Utilities	3,272,788	-	-	3,272,788
Financial	3,743,404	-	-	3,743,404
Health Care/Pharmaceutical	3,589,056	-	-	3,589,056
Industrial Goods	2,685,323	-	-	2,685,323
Materials	678,847	-	-	678,847
Other	1,970,576	-	-	1,970,576
Technology/Telecommunications	5,565,274	-	-	5,565,274
Total Common and Preferred Stocks	24,640,926	-	-	24,640,926
Corporate, Municipal Bonds, and Notes:				
Corporate Bonds		2,144,168	-	2,144,168
U.S. Treasury Notes and Bonds		18,747,646	-	18,747,646
Fannie Mae Mortgage Bonds	-	189,607	-	189,607
Collateralized Mortgage Obligations	-	1,461,360	-	1,461,360
Total Corporate, Municipal Bonds, and Notes	-	22,542,781	-	22,542,781
Mutual Funds:				
Large Cap	-	-	-	-
Mid Cap	967,246	-	-	967,246
Small Cap	1,362,494	-	-	1,362,494
Exchange-Traded Funds	3,006,544	-	-	3,006,544
Real Estate Investment Trusts	207,360	-	-	207,360
Total Mutual Funds	5,543,644	-	-	5,543,644
Total Investments at Fair Value	30,184,570	22,542,781	-	52,727,351
Beneficial Interest in Trusts	6,505,452	-	436,791	6,942,243
Total Assets at Fair Value	\$ 36,690,022	\$ 22,542,781	\$ 436,791	\$ 59,669,594

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The change in Level 3 assets measured at fair value on a recurring basis is summarized as follows:

	Beneficial Interest in Trusts
Balance - Beginning of Year	\$ 7,203,390
Change in Value of Trusts	(261,147)
Balance - End of Year	<u>\$ 6,942,243</u>

NOTE 4 PERMANENTLY RESTRICTED FUNDS

Permanently restricted net assets at June 30, 2015 are restricted to:

Foundation Endowment Fund	\$ 7,083,310
Beneficial Interest in Perpetual Trusts	<u>6,942,243</u>
Total	<u>\$ 14,025,553</u>

NOTE 5 ENDOWMENT FUNDS

The Foundation's endowment consists of donor-restricted funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of directors (board) to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

On June 30, 2009, the state of Illinois enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing on or established after that date. UPMIFA differs from laws previously in place in a few key areas. It eliminates the historical dollar value rule with respect to endowment funds spending, it updates the prudence standard for the management and investment of charitable funds, and it amends the provisions governing the release and modification on charitable funds.

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 ENDOWMENT FUNDS (CONTINUED)

The board of the Foundation has interpreted the Illinois UPMIFA as requiring the preservation of the fair value as of the fiscal year end of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, (d) realized gains and losses, and (e) unrealized gains and losses. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

From time to time, the fair value of net assets associated with endowment funds may fall below the level that the Foundation is required to retain as a fund of perpetual duration. The deficiency of this nature that was reported in unrestricted net assets was \$28,549 as of June 30, 2015. This deficiency resulted from the board's appropriation of funds for the Foundation's activities greater than the income generated from investments for the year.

Endowment Investment and Spending Policies

The Foundation manages its endowment assets to provide a stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The investment goal is to establish an achievable return objective through diversification of asset classes. To satisfy its long-term rate of return objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on fixed income investments and equity-based investments to achieve its long-term objective within prudent risk parameters.

The Foundation follows the spending policies as indicated by the donor of the endowment. Interest and dividends from the endowment is to be utilized for funding needs of medically underserved children.

CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets -				
Beginning of Year	\$ -	\$ -	\$ 7,088,349	\$ 7,088,349
Investment Income	-	121,588	-	121,588
Unrealized Gain	-	-	65,735	65,735
Realized Loss	-	-	(70,774)	(70,774)
Amounts Appropriated for				
Expenditures	(28,549)	(121,588)	-	(150,137)
Endowment Net Assets - End				
of Year	<u>\$ (28,549)</u>	<u>\$ -</u>	<u>\$ 7,083,310</u>	<u>\$ 7,054,761</u>

NOTE 6 BENEFICIAL INTERESTS IN TRUSTS

The Foundation has been designated as the beneficiary of perpetual irrevocable trusts which are administered by other trustees. The Foundation determines its interest in the fair value of trust assets from statements provided. For one other trust the fair value in its interest is determined by calculating the present value of the estimated future perpetual income stream. The beneficial interest in all perpetual trusts is recorded as beneficial interests in perpetual trusts in the statement of financial position and as permanently restricted net assets.

The Foundation's beneficial interest in perpetual trusts is summarized below:

	Fair Value of Trust Assets	Distributable Percentage	Foundation's Interest
Trust #1	\$ 22,626,813	10%	\$ 2,262,680
Trust #2	443,375	50%	221,688
Trust #3	361,670	50%	180,835
Trust #4	966,128	100%	966,128
Trust #5	9,956,146	15%	1,493,422
Trust #6	839,599	20%	167,920
Trust #7	9,126,048	10%	912,605
Trust #8	3,001,739	10%	300,174
Trust #9	N/A	N/A	436,791
			<u>\$ 6,942,243</u>

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 COMMITMENTS

The Foundation leases office space under an operating lease agreement, effective January 2011. The lease term is five years, expiring on December 31, 2015. The Foundation will be responsible for its minimum lease payment as well as its share of operating expenses. Under the terms of the lease agreement, the Foundation received the first three months of the term rent free.

Future minimum rent payments are as follows:

2016	\$ 8,040
Total Minimum Payments Required	<u>\$ 8,040</u>

Rent expense under the terms of this lease was \$16,326 for the year ended June 30, 2015.

NOTE 8 GRANTS PAYABLE

The Foundation has adopted the ASC for *Accounting for Contributions Received and Contributions Made*, which requires that grants to be paid over more than one year be expensed in the year in which the board authorizes the grant. As of June 30, 2015, the amount that was expensed for grants to be paid in future periods was \$1,865,000. These amounts are reported as "Grants payable" on the statement of financial position.

Grants payable at June 30, 2015 are payable in the following periods:

<u>Years Ending June 30,</u>	<u>Amount</u>
2016	\$ 985,000
2017	880,000
Total Minimum Payments Required	<u>\$ 1,865,000</u>

Management has determined that any discount applied to these liabilities would be immaterial to the Foundation's financial statements.

NOTE 9 DEFERRED EXCISE TAX

The deferred excise tax resulted from temporary differences in reporting income and expenses for financial statement purposes compared to the method of reporting for excise tax purposes relating to unrealized gains (losses) of (\$2,431,117) on investments in the general fund and \$65,735 on investments in the endowment fund for 2015, which have been recorded as income for financial statement purposes, but are not recognized for tax purposes until the investments are sold, as well as investment management fees of approximately \$99,723 at June 30, 2015 which have been recorded as expenses for financial statement purposes, but are not recognized for tax purposes until paid. The deferred excise tax liability is \$85,792 at June 30, 2015.

**CHILDREN'S CARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The limit was \$250,000 as of June 30, 2015. At June 30, 2015, the uninsured cash balance totaled \$2,548,305. Of these amounts, none were in the operating account at June 30, 2015 and \$2,899,823 was in the short-term investment accounts at June 30, 2015. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

NOTE 11 PRIOR PERIOD ADJUSTMENT

The accompanying financial statements reflect a restatement of beginning of year net assets to record the beneficial interest in remainder trust in the prior year, as of June 30, 2014. The total effect of the prior period adjustment was to increase the beneficial interest in remainder trust by \$6,942,243 and to increase permanently restricted net assets by \$7,203,390 as of July 1, 2014.

NOTE 12 SUBSEQUENT EVENTS

Management evaluated subsequent events through November 30, 2015, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2015, but prior to November 30, 2015 that provided additional evidence about conditions that existed at June 30, 2015, have been recognized in the financial statements for the year ended June 30, 2015. Events or transactions that provided evidence about conditions that did not exist at June 30, 2015, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2015.