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Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

2010

Open to Public
Inspection

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

A For the 2010 calendar year, or tax year beginning and ending

<input type="checkbox"/> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE PHYSICIANS FOUNDATION, INC. C/O WILLIAM MAHON		D Employer identification number 20-0914085	
	Doing Business As Number and street (or P O box if mail is not delivered to street address) 132 WESTPARK BOULEVARD		E Telephone number 617-399-0417	
	City or town, state or country, and ZIP + 4 COLUMBIA, SC 29210		G Gross receipts \$ 63,370,917.	
	F Name and address of principal officer: WILLIAM MAHON SAME AS C ABOVE		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)() (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
	J Website: ► WWW.PHYSICIANSFOUNDATIONS.ORG		H(c) Group exemption number ►	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		L Year of formation 2003 M State of legal domicile FL		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE FOUNDATION'S PURPOSE IS TO ADVANCE THE WORK OF PRACTICING PHYSICIANS AND TO IMPROVE THE QUALITY			
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3 Number of voting members of the governing body (Part VI, line 1a)	3	23	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	23	
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	0	
	6 Total number of volunteers (estimate if necessary)	6	0	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0.		
Revenue	8 Contributions and grants (Part VIII, line 1h)	94	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,896.	0..	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,001,536.	249,391.	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<1,384,065. >	3,891,742.	
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	93,295.	75,340.	
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,713,662.	4,216,473.	
	14 Benefits paid to or for members (Part IX, column (A), line 4)	445,750.	4,516,940.	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.	
	16a Professional fundraising fees (Part IX, column (A), line 11e)	86,500.	122,000.	
	b Total fundraising expenses (Part IX, column (D), line 25) ►	0.	0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	2,426,623.	3,957,367.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,958,873.	8,596,307.		
19 Revenue less expenses. Subtract line 18 from line 12	<1,245,211. >	<4,379,834. >		
Expenses	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year	
	21 Total liabilities (Part X, line 26)	105,423,776.	111,824,185.	
	22 Net assets or fund balances. Subtract line 21 from line 20	248,790.	1,590,147.	
		105,174,986.	110,234,038.	
Net Assets or Fund Balances				

Part II Signature Block

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

Sign Here	Signature of officer WILLIAM F. MAHON	Date 4/1/11
	WILLIAM MAHON, CHIEF OPERATING OFFICER	
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name DENISE P. HILL, CPA	Preparer's signature D. Hill CPA	Date 3-29-11	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ► ELLIOTT DAVIS, LLC/PLLC			Firm's EIN ►	
Firm's address ► 1901 MAIN STREET, SUITE 1650 COLUMBIA, SC 29201			Phone no (803) 256-0002		

May the IRS discuss this return with the preparer shown above? (see instructions)

 Yes No

13

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085 Page 2

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III X

1 Briefly describe the organization's mission:

TO SUPPORT, BENEFIT OR CARRY OUT THE CHARITABLE PURPOSES OF PUBLICLY SUPPORTED ORGANIZATIONS WHOSE PURPOSES INCLUDE PROMOTING HIGH QUALITY MEDICAL CARE, INCLUDING, WITHOUT LIMITATION, ASSISTING PHYSICIANS AND THE PUBLIC TO IMPROVE THE QUALITY OF CARE RECEIVED BY PATIENTS IN THE

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

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

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

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

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 7,174,285. Including grants of \$ 4,516,940.) (Revenue \$)
THE FOUNDATION WAS ESTABLISHED IN 2003 WITH PROCEEDS FROM THE SETTLEMENT OF A RICO CASE AGAINST SEVERAL INSURANCE COMPANIES. THE PURPOSE OF THE FOUNDATION IS TO AWARD GRANTS TO PHYSICIANS' FOUNDATIONS AND OTHER 501(C)(3) ORGANIZATIONS IN CONNECTION WITH ITS STATED CHARITABLE PURPOSE WHICH IS TO PROMOTE HIGH QUALITY HEALTHCARE.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

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

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

(Expenses \$ including grants of \$) (Revenue \$)4e Total program service expenses ► 7,174,285.

Form 990 (2010)

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085

Page 3

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3 X	
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4 X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6 X	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7 X	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8 X	
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9 X	
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. <ul style="list-style-type: none"> a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11a X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	11b X	
12b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	11c X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	11d X	
14a Did the organization maintain an office, employees, or agents outside of the United States?	11e X	
14b b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	11f X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	12a X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	12b X	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	13 X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	14a X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	14b X	
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H	15 X	
20b b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	16 X	
	17 X	
	18 X	
	19 X	
	20a X	
	20b	

Form 990 (2010)

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085

Page 4

Part IV Checklist of Required Schedules (continued)

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

Form 990 (2010)

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085

Page 5

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	48
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)</i>		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b If "Yes," enter the name of the foreign country: ► <i>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</i>		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
d If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9 Sponsoring organizations maintaining donor advised funds.		
a Did the organization make any taxable distributions under section 4966?		
b Did the organization make a distribution to a donor, donor advisor, or related person?		
10 Section 501(c)(7) organizations. Enter.		
a Initiation fees and capital contributions included on Part VIII, line 12	10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders	11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state?		
<i>Note. See the instructions for additional information the organization must report on Schedule O.</i>		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c Enter the amount of reserves on hand	13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Form 990 (2010)

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085

Page 6

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

Check if Schedule O contains a response to any question in this Part VI **Section A. Governing Body and Management**

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	23
b	Enter the number of voting members included in line 1a, above, who are independent	1b	23
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:	8a	X
a	The governing body?	8b	X
b	Each committee with authority to act on behalf of the governing body?	9	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		

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

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

Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed ►	NONE
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.	
	<input checked="" type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ►	
	WILLIAM F. MAHON - 803-798-6207	
	132 WESTPARK BOULEVARD, COLUMBIA, SC 29210	

Form 990 (2010)

032006
12-21-10

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085

Page 7

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
LOU GOODMAN, PHD PRESIDENT	1.00	X	X				14,000.	0.	0.
ALAN PLUMMER, MD VICE PRESIDENT	1.00	X	X				7,500.	0.	0.
WALKER RAY, MD VICE PRESIDENT	1.00	X	X				9,000.	0.	0.
LAWRENCE BRAUD, MD SECRETARY	1.00	X	X				9,000.	0.	0.
ROBERT SELIGSON TREASURER	1.00	X	X				10,500.	0.	0.
RICK ABRAMS MEMBER	1.00	X					0.	0.	0.
SANDRA JOHNSON MEMBER	1.00	X					6,000.	0.	0.
RIPLEY HOLLISTER, MD MEMBER	1.00	X					5,000.	0.	0.
DON ALEXANDER MEMBER	1.00	X					5,000.	0.	0.
MICHAEL KORNETT MEMBER	1.00	X					4,000.	0.	0.
SUBHI ALI, MD MEMBER	1.00	X					5,000.	0.	0.
KARL ALTBURGER, MD MEMBER	1.00	X					5,000.	0.	0.
JOHN ARVESON MEMBER	1.00	X					4,000.	0.	0.
TODD ATWATER MEMBER	1.00	X					4,000.	0.	0.
WILLIAM GUERTIN MEMBER	1.00	X					5,000.	0.	0.
PAUL HARRINGTON MEMBER	1.00	X					0.	0.	0.
PALMER JONES MEMBER	1.00	X					5,000.	0.	0.

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085

Page 8

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
ALEX MALTER, MD MEMBER	1.00	X					5,000.	0.	0.
GERALD MCKENNA, MD MEMBER	1.00	X					5,000.	0.	0.
GARY PRICE, MD MEMBER	1.00	X					5,000.	0.	0.
JOHN RICHARDS MEMBER	1.00	X					4,000.	0.	0.
JOSPEH VALENTI, MD MEMBER	1.00	X					5,000.	0.	0.
JAMES CROSS, MD MEMBER	1.00	X					0.	0.	0.
1b Sub-total						►	122,000.	0.	0.
c Total from continuation sheets to Part VII, Section A						►	0.	0.	0.
d Total (add lines 1b and 1c)						►	122,000.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ► 0

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
GMA FOUNDATIONS, INC., 77 SUMMER STREET, 8TH FLOOR, BOSTON, MA 02110	CONSULTING	377,819.
MERRITT, HAWKINS & ASSOCIATES PO BOX 281943, ATLANTA, GA 30384	CONSULTING	351,350.
KELLOGG SCHOOL OF MANAGEMENT 2169 NORTH CAMPUS DRIVE, EVANSTON, IL 60208	TRAINING	262,500.
NORBECK ASSOCIATES, LLC, 22451 GLENVIEW LANE, BONITA SPRINGS, FL 34135	EXECUTIVE LEVEL MANAGEMENT SVCS.	243,930.
TYPOMD.COM, LLC, 1359 COUNTRY SQUIRE DRIVE, COLUMBIA, SC 29212	EXECUTIVE LEVEL MANAGEMENT SVCS.	178,804.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 6

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085 Page 9

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns b Membership dues c Fundraising events d Related organizations e Government grants (contributions) f All other contributions, gifts, grants, and similar amounts not included above g Noncash contributions included in lines 1a-1f \$ h Total. Add lines 1a-1f ►				
Program Service Revenue	2 a PROCEEDS FROM HEALTHCA b c d e f All other program service revenue g Total. Add lines 2a-2f ►	Business Code 900099	249,391.	249,391.	
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) 4 Income from investment of tax-exempt bond proceeds 5 Royalties 6 a Gross Rents b Less: rental expenses c Rental income or (loss) d Net rental income or (loss) 7 a Gross amount from sales of assets other than inventory b Less. cost or other basis and sales expenses c Gain or (loss) d Net gain or (loss) 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 b Less: direct expenses c Net income or (loss) from fundraising events ► 9 a Gross income from gaming activities. See Part IV, line 19 b Less: direct expenses c Net income or (loss) from gaming activities ► 10 a Gross sales of inventory, less returns and allowances b Less cost of goods sold c Net income or (loss) from sales of inventory ► Miscellaneous Revenue 11 a MISCELLANEOUS INCOME b c d All other revenue e Total. Add lines 11a-11d ► 12 Total revenue. See instructions ►	(i) Real 59912709 59154444 758,265.	3,133,477. 758,265.		3133477. 758,265.

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085 Page 10

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	4,516,940.	4,516,940.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	122,000.		122,000.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management	392,633.		392,633.	
b Legal	50,000.		50,000.	
c Accounting	78,000.		78,000.	
d Lobbying				
e Professional fundraising services See Part IV, line 17	310,564.		310,564.	
f Investment management fees				
g Other	—	—	—	—
12 Advertising and promotion				
13 Office expenses	17,690.		17,690.	
14 Information technology	48,707.		48,707.	
15 Royalties				
16 Occupancy				
17 Travel	228,220.		228,220.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	112,914.		112,914.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	807.		807.	
23 Insurance	12,175.		12,175.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a PROFESSIONAL CONSULTING	1,300,267.	1,287,830.	12,437.	
b DOC SITE LICENSES	1,091,137.	1,091,137.		
c LEADERSHIP DEVELOPMENT	278,378.	278,378.	0.	
d MEALS AND ENTERTAINMENT	20,429.		20,429.	
e FOREIGN TAX WITHHELD	15,446.		15,446.	
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	8,596,307.	7,174,285.	1,422,022.	0.
26 Joint costs. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085 Page 11

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash - non-interest-bearing	7,953,298.	1 3,604,155.
	2 Savings and temporary cash investments		2
	3 Pledges and grants receivable, net		3
	4 Accounts receivable, net		4
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6
	7 Notes and loans receivable, net	5,000.	7
	8 Inventories for sale or use		8
	9 Prepaid expenses and deferred charges	1,120,289.	9 43,052.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	14,953.	
	b Less: accumulated depreciation	14,428.	1,333. 10c 525.
	11 Investments - publicly traded securities		11
	12 Investments - other securities. See Part IV, line 11	96,343,856.	12 108,176,453.
	13 Investments - program-related. See Part IV, line 11		13
	14 Intangible assets		14
	15 Other assets. See Part IV, line 11		15
	16 Total assets. Add lines 1 through 15 (must equal line 34)	105,423,776.	16 111,824,185.
Liabilities	17 Accounts payable and accrued expenses	57,037.	17 91,835.
	18 Grants payable	191,753.	18 1,498,312.
	19 Deferred revenue		19
	20 Tax-exempt bond liabilities		20
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22
	23 Secured mortgages and notes payable to unrelated third parties		23
	24 Unsecured notes and loans payable to unrelated third parties		24
	25 Other liabilities. Complete Part X of Schedule D		25
	26 Total liabilities. Add lines 17 through 25	248,790.	26 1,590,147.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	105,174,986.	27 110,234,038.
	28 Temporarily restricted net assets		28
	29 Permanently restricted net assets		29
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds		30
	31 Paid-in or capital surplus, or land, building, or equipment fund		31
	32 Retained earnings, endowment, accumulated income, or other funds		32
	33 Total net assets or fund balances	105,174,986.	33 110,234,038.
	34 Total liabilities and net assets/fund balances	105,423,776.	34 111,824,185.

Form 990 (2010)

THE PHYSICIANS FOUNDATION, INC.

Form 990 (2010)

C/O WILLIAM MAHON

20-0914085 Page 12

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	4,216,473.
2 Total expenses (must equal Part IX, column (A), line 25)	2	8,596,307.
3 Revenue less expenses. Subtract line 2 from line 1	3	<4,379,834.>
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	105,174,986.
5 Other changes in net assets or fund balances (explain in Schedule O)	5	9,438,886.
6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	110,234,038.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?
 b Were the organization's financial statements audited by an independent accountant?
 c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
 b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2010)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

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

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

Name of the organization **THE PHYSICIANS FOUNDATION, INC.** C/O WILLIAM MAHON Employer identification number **20-0914085**

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a Type I

b Type II

c Type III - Functionally integrated

d Type III - Other

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

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

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

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)	X	
11g(ii)	X	
11g(iii)	X	

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see Instructions))	(iv) Is the organization in col (i) listed in your governing document?	(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?	(vii) Amount of support
				Yes	No		
SEE ATTACHED SCHEDULE I		VARIOUS		X	X	X	4,516,940.
Total							4,516,940.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33 1/3% support test - 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Part III: Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33 1/3% support tests - 2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,

Part IV, line 6, 7, 8, 9, 10, 11, or 12.

► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization **THE PHYSICIANS FOUNDATION, INC.**
C/O WILLIAM MAHON

Employer identification number
20-0914085

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	
a Total number of conservation easements	Held at the End of the Tax Year
b Total acreage restricted by conservation easements	2a
c Number of conservation easements on a certified historic structure included in (a)	2b
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2c
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►	2d
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ►	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ►	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

THE PHYSICIANS FOUNDATION, INC.

Schedule D (Form 990) 2010

C/O WILLIAM MAHON

20-0914085 Page 2

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

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

(check all that apply):

a Public exhibition
 b Scholarly research
 c Preservation for future generations

d Loan or exchange programse Other _____

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

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

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

1a Beginning of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
b					
c					
d					
e					
f					
g					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► _____ %
 b Permanent endowment ► _____ %
 c Term endowment ► _____ %

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

by:

(i) unrelated organizations
 (ii) related organizations

Yes	No
3a(i)	
3a(ii)	
3b	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

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

Description of Investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other	14,953.		14,428.	525.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ► 525.

Schedule D (Form 990) 2010

THE PHYSICIANS FOUNDATION, INC.

Schedule D (Form 990) 2010

C/O WILLIAM MAHON

20-0914085 Page 3

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) EQUITY SECURITIES	77,224,743.	END-OF-YEAR MARKET VALUE
(B) TREASURY BILLS, REIT		
(C) STOCK, TREASURY AND		
(D) CORPORATE BONDS	30,951,710.	END-OF-YEAR MARKET VALUE
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ►	108,176,453.	

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

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

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

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

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

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

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

032053
12-20-10

Schedule D (Form 990) 2010

THE PHYSICIANS FOUNDATION, INC.

Schedule D (Form 990) 2010

C/O WILLIAM MAHON

20-0914085 Page 4

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

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,216,473.
2 Total expenses (Form 990, Part IX, column (A), line 25)	2	8,596,307.
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3	<4,379,834. >
4 Net unrealized gains (losses) on investments	4	
5 Donated services and use of facilities	5	
6 Investment expenses	6	
7 Prior period adjustments	7	
8 Other (Describe in Part XIV.)	8	9,438,886.
9 Total adjustments (net). Add lines 4 through 8	9	9,438,886.
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	5,059,052.

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

1 Total revenue, gains, and other support per audited financial statements	1	13,655,359.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains on investments	2a	9,438,886.
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIV.)	2d	
e Add lines 2a through 2d	2e	9,438,886.
3 Subtract line 2e from line 1	3	4,216,473.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	4,216,473.

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

1 Total expenses and losses per audited financial statements	1	8,596,307.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIV.)	2d	
e Add lines 2a through 2d	2e	0.
3 Subtract line 2e from line 1	3	8,596,307.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	8,596,307.

Part XIV Supplemental Information

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

PART XI: LINE 8 – UNREALIZED GAIN ON INVESTMENTS TOTLED \$9,438,886 DURING 2010.

PART X: LINE 2 – FIN 48 DISCLOSURE: MANAGEMENT IS NOT AWARE OF ANY MATERIAL UNCERTAIN TAX POSITIONS AT DECEMBER 31, 2010.

SCHEDULE I
(Form 990)

Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

► Attach to Form 990.

OMB No 1545-0047
2010
Open to Public
Inspection

Name of the organization	THE PHYSICIANS FOUNDATION, INC. C/O WILLIAM MAHON					Employer identification number 20-0914085		
Part I General Information on Grants and Assistance								
<p>1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?</p> <p>2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States</p>						<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<p>Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed</p>						►		
(a) Name and address of organization or government		(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FOUNDATION OF THE AAMSE 555 E WELLS ST, SUITE 100 MILWAUKEE, WI 53202		36-3790660	501(c)(3)	20,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
NY CHAPTER OF AMERICAN COLLEGE OF PHYSICIANS - 100 STATE ST, SUITE 700 - ALBANY, NY 12207		52-1288396	501(c)(3)	19,625.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
ALABAMA PRIMARY HEALTH CARE ASSOCIATION - 1345 CARMICHAEL WAY - MONTGOMERY, AL 36106		63-0900204	501(c)(3)	74,847.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
AMERICAN COLLEGE OF CARDIOLOGY FOUNDATION - 2400 N STREET NW - WASHINGTON, DC 20034		13-5641985	501(c)(3)	40,500.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
BETH ISRAEL DEACONESS MEDICAL CENTER - 330 BROOKLINE AVE BR 263 - BOSTON, MA 02215		04-2103881	501(c)(3)	70,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
CALIFORNIA ACADEMY OF FAMILY PHYSICIANS FOUNDATION - 1520 PACIFIC AVENUE - SAN FRANCISCO, CA 94109		94-2933597	501(c)(3)	145,237.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
<p>2 Enter total number of section 501(c)(3) and government organizations</p> <p>3 Enter total number of other organizations</p>						►	►	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2010)

THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

Schedule I (Form 990)

20-0914085 Page 1

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CALIFORNIA ACADEMY OF FAMILY PHYSICIANS FOUNDATION - 1521 PACIFIC AVENUE - SAN FRANCISCO, CA 94110	94-2938597	501(c)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
CALIFORNIA MEDICAL ASSOCIATION FOUNDATION - 3835 NORTH FREEWAY BLVD - SACRAMENTO, CA 95834	94-6062822	501(c)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
CASE WESTERN RESERVE UNIVERSITY FOUNDATION - 10524 EUCLID AVE 12-129 CLEVELAND, OH 44106	34-1018992	501(c)(3)	74,806.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
COLORADO MEDICAL SOCIETY FOUNDATION - 7351 LOWRY BLVD - DENVER, CO 80230	84-1390157	501(c)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
CRITICAL ACCESS HOSPITAL NETWORK (CAHN) - 714 WEST PINE ST - NEWPORT, WA 99156	91-0541383	501(c)(3)	76,308.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
CSMS PHYSICIANS' HEALTH AND EDUCATION FUND - 160 SAINT ROMAN ST - NEW HAVEN, CT 06511	06-1425205	501(c)(3)	100,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
DANIEL HANLEY CENTER FOR HEALTH LEADERSHIP - PO BOX 15275 - PORTLAND, ME 04112	20-4271482	501(c)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
FLETCHER ALLEN HEALTH CARE 1 SOUTH PROSPECT ST, 421 AR4 BURLINGTON, VT 05401	03-0219309	501(c)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
FLORIDA MEDICAL FOUNDATION 123 SOUTH ADAMS ST TALLAHASSEE, FL 32301	59-1276743	501(c)(3)	72,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.

Schedule I (Form 990)

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THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

Schedule I (Form 990)

20-0914085

Page 1

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
GEORGE WASHINGTON UNIVERSITY 2150 PENNSYLVANIA AVE NW WASHINGTON, DC 20037	53-0196584	501(c)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
HEALTHLINE, INC. 714 S ROGERS ST BLOOMINGTON, IN 47402	26-3571507	501(c)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
IDEAL MEDICAL PRACTICES 7010 32ND AVENUE NE SEATTLE, WA 98115	26-4197210	501(c)(3)	45,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
INSTITUTE FOR MEDICAL QUALITY 221 MAIN ST SAN FRANCISCO, CA 94105	94-3240330	501(c)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
JEFFERSON PHYSICIANS' FOUNDATION 4937 HEARST ST., SUITE 2B METAIRIE, LA 70001	47-0954038	501(c)(3)	61,900.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
KANSAS MEDICAL FOUNDATION 623 SW 10TH AVENUE TOPEKA, KS 66612	48-1194663	501(c)(3)	52,095.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
KENTUCKY FOUNDATION FOR MEDICAL CARE, INC. - 4965 US HIGHWAY 42, SUITE 2000 - LOUISVILLE, KY 40222	23-7181728	501(c)(3)	143,492.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
LOUISIANA ACADEMY FAMILY PHYSICIANS FOUNDATION - 919 TARA BLVD - BATON ROUGE, LA 70806	58-1757802	501(c)(3)	141,500.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
MAINE PRIMARY CARE ASSOCIATION 73 WINTHROP ST AUGUSTA, ME 04330	22-2630127	501(c)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.

Schedule I (Form 990)

THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

Schedule I (Form 990)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

20-0914085

Page 1

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEDICAL EDUCATIONAL AND SCIENTIFIC FOUNDATION OF NEW YORK - 1 COMMERCE PLAZA, SUITE 408 - ALBANY, NY 12210	11-2780360	501(C)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
MEDICAL SOCIETY OF VIRGINIA FOUNDATION - 2924 EMERYWOOD PARKWAY, SUITE 300 - RICHMOND, VA 23294	54-0739279	501(C)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
MEDICAL SOCIETY OF VIRGINIA FOUNDATION - 2924 EMERYWOOD PARKWAY, SUITE 300 - RICHMOND, VA 23294	54-0739279	501(C)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
MINNESOTA MEDICAL ASSOCIATION FOUNDATION - 1300 GODWARD ST NE, SUITE 2500 - MINNEAPOLIS, MN 55413	41-6031551	501(C)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
NORTH CAROLINA MEDICAL SOCIETY FOUNDATION - 222 N PEARSON ST - RALEIGH, NC 27601	56-6088142	501(C)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
PARTNERS HEALTHCARE 75 FRANCIS ST BOSTON, MA 02115	04-3230035	501(C)(3)	67,630.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
PATIENT CARE FOUNDATION OF LOS ANGELES - 707 WILSHIRE BLVD, SUITE 3800 - LOS ANGELES, CA 90017	26-2974477	501(C)(3)	100,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
PHYSICIANS' INSTITUTE FOR EXCELLENCE IN MEDICINE - 1849 THE EXCHANGE - ATLANTA, GA 30339	30-0211350	501(C)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
HEALTH LEADS (FORMERLY PROJECT HEALTH, INC.) - 88 NEWTON ST, RM 521 - BOSTON, MA 02118	45-0484533	501(C)(3)	1,000,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.

Schedule I (Form 990)

THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

C/O WILLIAM MAHON

Page .
20-0914085

Schedule I (Form 990)

Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule) (Form 990). Part II

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(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
TENNESSEE MEDICAL EDUCATION FUND, INC. - 2301 21ST AVE SOUTH - NASHVILLE, TN 37212	62-6049920	501(C)(3)	37,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
TEXAS MEDICAL ASSOCIATION SPECIAL FUNDS FOUNDATION - 401 W. 15TH STREET - AUSTIN, TX 78701	74-2749879	501(C)(3)	150,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
TEXAS MEDICAL ASSOCIATION SPECIAL FUNDS FOUNDATION - 401 W. 15TH STREET - AUSTIN, TX 78701	74-2749879	501(C)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
UNIVERSITY OF CINCINNATI FOUNDATION - 51 GOODMAN AVE, SUITE 500 - CINCINNATI, OH 45219	31-0896555	501(C)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
WASHINGTON STATE EDUCATION AND RESEARCH FOUNDATION - 2033 SIXTH AVE, # 1100 - SEATTLE, WA 98121	91-6074463	501(C)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.
WASHINGTON STATE EDUCATION AND RESEARCH FOUNDATION - 2033 SIXTH AVE, # 1100 - SEATTLE, WA 98121	91-6074463	501(C)(3)	75,000.	0.			TO ASSIST THE EXEMPT ORGANIZATION IN PROVIDING AND PROMOTING HIGH QUALITY MEDICAL CARE.

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

► Complete if the organization answered "Yes" to Form 990,

Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization

THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

Employer identification number
20-0914085

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment from the organization or a related organization?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2010

032111
12-21-10

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	(i)						
2	(i)						
3	(i)						
4	(i)						
5	(i)						
6	(i)						
7	(i)						
8	(i)						
9	(i)						
10	(i)						
11	(i)						
12	(i)						
13	(i)						
14	(i)						
15	(i)						
16	(i)						

THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

20-0914085

Page 3

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

FORM 990, PAGE 8, PART VII, LINE 5: TODD ATWATER, BOARD MEMBER, IS THE CEO FOR THE SOUTH CAROLINA MEDICAL ASSOCIATION. THE SOUTH CAROLINA MEDICAL ASSOCIATION PROVIDES ACCOUNTING SERVICES TO THE FOUNDATION. FEES PAID TO SCMA DURING 2010 FOR THESE SERVICES TOTALLED \$78,000.

THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

20-0914085

Schedule L (Form 990 or 990-EZ) 2010

Page 2

Part IV | Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: TODD ATWATER, BOARD MEMBER

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

TODD ATWATER IS THE CEO OF THE SOUTH CAROLINA MEDICAL ASSOCIATION.

(C) AMOUNT OF TRANSACTION \$ 78,000.

(D) DESCRIPTION OF TRANSACTION: THE SOUTH CAROLINA MEDICAL ASSOCIATION

PROVIDES ACCOUNTING SERVICES TO THE ORGANIZATION. FEES PAID TO SCMA FOR

THESE SERVICES DURING 2010 TOTALED \$78,000.

(E) SHARING OF ORGANIZATION REVENUES? = NO

Name of the organization	THE PHYSICIANS FOUNDATION, INC. C/O WILLIAM MAHON	Employer identification number 20-0914085
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FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

OF HEALTH CARE FOR ALL AMERICANS.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

EVOLVING HEALTHCARE ENVIRONMENT, IN A MANNER THAT CONSTITUTES

CHARITABLE, SCIENTIFIC, OR EDUCATIONAL PURPOSES WITHIN THE MEANING OF

SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

FORM 990, PART VI, SECTION A, LINE 3: THE FOUNDATION HAS CONTRACTS WITH

INDEPENDENT CONTRACTORS WHO PROVIDE SERVICES AS EXECUTIVE DIRECTOR AND

CHIEF OPERATING OFFICER. THE COMPENSATION PAID TO THESE INDIVIDUALS HAS

BEEN DISCLOSED ON PAGE 8, PART VII, SECTION B.

FORM 990, PART VI, SECTION B, LINE 11: A DRAFT COPY OF FORM 990 IS

REVIEWED BY THE CFO WHO DISTRIBUTES A DRAFT COPY OF THE FORM TO EACH BOARD

MEMBER FOR COMMENTS PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C: THE BOARD REVIEWS THE ANNUAL

DISCLOSURES SUBMITTED BY EACH MEMBER.

FORM 990, PART VI, SECTION C, LINE 19: THE FOUNDATION'S ANNUAL REPORT IS

AVAILABLE IN "PDF" FORMAT VIA THEIR WEBSITE AT

WWW.PHYSICIANSFOUNDATIONS.ORG, INCLUDING MAILING INSTRUCTIONS FOR OBTAINING

A COPY OF FORM 990 UPON WRITTEN REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
032211
01-24-11

Schedule O (Form 990 or 990-EZ) (2010)

Name of the organization THE PHYSICIANS FOUNDATION, INC.
C/O WILLIAM MAHON

Employer identification number
20-0914085

UNREALIZED GAIN ON INVESTMENTS

9,438,886.