



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form 990 Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047
		2010
		Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization SOUTHWEST INITIATIVE FOUNDATION	D Employer identification number 41-1555592
	Doing Business As	E Telephone number (320) 587-4848
	Number and street (or P O box if mail is not delivered to street address) 15 3RD AVE NW	
	Room/suite	
	City or town, state or country, and ZIP + 4 HUTCHINSON, MN 55350	
	F Name and address of principal officer SHERRY E RISTAU 15 3RD AVE NW HUTCHINSON, MN 55350	H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (Insert no) ☐ 4947(a)(1) or ☐ 527		
J Website: ▶ WWW.SWIFOUNDATION.ORG		
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1986
		M State of legal domicile MN

Part I	Summary
---------------	----------------

Activities & Governance	1 Briefly describe the organization's mission or most significant activities A REGIONAL COMMUNITY FOUNDATION DEDICATED TO ADVANCING SOUTHWEST MINNESOTA	
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3 Number of voting members of the governing body (Part VI, line 1a)	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	
6 Total number of volunteers (estimate if necessary)		
7a Total unrelated business revenue from Part VIII, column (C), line 12		
7b Net unrelated business taxable income from Form 990-T, line 34		
Revenue	8 Contributions and grants (Part VIII, line 1h)	
	9 Program service revenue (Part VIII, line 2g)	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	
Expenses	14 Benefits paid to or for members (Part IX, column (A), line 4)	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	
	16a Professional fundraising fees (Part IX, column (A), line 11e)	
	b Total fundraising expenses (Part IX, column (D), line 25) ▶551,600	
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	
	19 Revenue less expenses Subtract line 18 from line 12	
	Net Assets or Fund Balances	20 Total assets (Part X, line 16)
21 Total liabilities (Part X, line 26)		
22 Net assets or fund balances Subtract line 21 from line 20		
Prior Year		Current Year
4,179,235		4,773,725
432,063	520,490	
-761,544	1,244,675	
18,633	54,400	
3,868,387	6,593,290	
1,628,034	818,997	
0	0	
1,467,456	1,611,361	
13,959	0	
1,593,808	1,943,017	
4,703,257	4,373,375	
-834,870	2,219,915	
Beginning of Current Year	End of Year	
53,649,911	62,965,247	
5,916,242	7,337,619	
47,733,669	55,627,628	

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	2011-11-03 Date				
	SHERRY E RISTAU PRESIDENT/CEO Type or print name and title					
Paid Preparer Use Only	Print/Type preparer's name XIAOYAN LUO	Preparer's signature XIAOYAN LUO	Date	Check if self-employed ☐	PTIN	
	Firm's name ▶ LARSONALLEN LLP					Firm's EIN ▶
	Firm's address ▶ 220 SOUTH SIXTH STREET SUITE 300 MINNEAPOLIS, MN 55402					Phone no ▶ (612) 376-4500
May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No						

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

SWIF'S MISSION IS TO BE A CATALYST, FACILITATING OPPORTUNITIES FOR ECONOMIC AND SOCIAL GROWTH BY DEVELOPMENT AND CHALLENGING LEADERS TO BUILD ON THE REGION'S ASSETS

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 1,389,711 including grants of \$ 25,000) (Revenue \$ 411,240)
LOANS PROGRAM SWIF LOAN PROGRAMS, INCLUDING ITS BUSINESS FINANCE PROGRAM, SUPPORT ECONOMIC DEVELOPMENT AND GROWTH THROUGHOUT SOUTHWEST MINNESOTA BY PROVIDING GAP FINANCING TO START, EXPAND, AND TRANSITION BUSINESSES LOCATED IN ITS 18-COUNTY SERVICE AREA ELIGIBLE PROJECTS MUST CREATE AND RETAIN JOBS THAT PROVIDE A LIVING WAGE WITH BENEFITS, GENERATE NEW WEALTH FOR THE REGION AND DIVERSIFY THE ECONOMY OF SOUTHWEST MINNESOTA LOAN FUNDS MAY BE USED FOR MACHINERY AND EQUIPMENT, INVENTORY, WORKING CAPITAL AND REAL ESTATE THE MICROENTERPRISE LOAN PROGRAM HELPS ENTREPRENEURS DEVELOP SMALL BUSINESSES AND SELF-EMPLOYMENT OPPORTUNITIES THIS PROGRAM PROVIDES LOAN FUNDS NOT TO EXCEED \$50,000 TO BE USED FOR START-UP COSTS, EQUIPMENT, INVENTORY, FURNITURE AND FIXTURES AND WORKING CAPITAL THIS PROGRAM ALSO PROVIDES CUSTOMIZED SUPPORT FOR ENTREPRENEURS THROUGH ON-GOING TECHNICAL ASSISTANCE AND TRAINING AS NEEDED FOR THE LENGTH OF THE LOAN ELIGIBLE BUSINESSES MAY BE START-UP OR EXPANSION PROJECTS INCLUDING, BUT NOT LIMITED TO, MANUFACTURING, SERVICE, RETAIL AND CHILD CARE ADDITIONALLY, SWIF IS MAKING INVESTMENTS THAT SUPPORT THE REGION'S ECONOMIC ASSET SECTORS OF AGRICULTURE, BIOSCIENCE, MANUFACTURING AND HEALTH BY PROMOTING THESE INDUSTRIES AND THE OPPORTUNITIES THEY PRESENT, AS WELL AS FACILITATING DISCUSSIONS AND SOLUTIONS TO THE CHALLENGES THAT MAY ACCOMPANY THEM	

4b	(Code) (Expenses \$ 1,261,252 including grants of \$ 240,015) (Revenue \$ 15,634)
LEADERSHIP AND COMMUNITY DEVELOPMENT SWIF TAKES A LEADERSHIP ROLE IN HELPING THE SOUTHWEST MINNESOTA REGION ADVANCE ECONOMICALLY BY IDENTIFYING AND SUPPORTING KEY ASSET SECTORS AND PREPARING REGIONAL, BUSINESS AND COMMUNITY LEADERS PREPARE TO CAPITALIZE ON THEM SWIF IS WORKING TO FURTHER FACILITATE ADVANCEMENT OF THE ENERGY, BIOSCIENCE AND AGRICULTURE SECTORS AND KEEP THE RESULTING WEALTH IN THE REGION OUR WORK HAS FOCUSED RECENTLY ON PROGRAMS THAT SUPPORT BUSINESS DEVELOPMENT, BUSINESS LEADERSHIP DEVELOPMENT AND YOUTH ENERGY SUMMIT (YES!) PROGRAM YES! IS A TEAM-ORIENTED YOUTH PROGRAM THAT USES HANDS-ON, EXPERIENTIAL LEARNING AND ENERGY ACTION PROJECTS TO ADDRESS ENERGY OPPORTUNITIES AND ISSUES IN RURAL MINNESOTA COMMUNITIES THE PROGRAM EMPOWERS YOUTH AND INSPIRES WIDESPREAD ADOPTION OF CLEAN ENERGY TECHNOLOGY AND ENERGY CONSERVATION PRACTICES WHICH CONTRIBUTE TO THE ENVIRONMENTAL AND ECONOMIC HEALTH OF RURAL MINNESOTA COMMUNITIES LEADERSHIP FORUMS, SEMINARS AND OTHER CONVENINGS PROVIDE OPPORTUNITIES FOR BUSINESS LEADERS TO NETWORK AND GAIN ACCESS TO RESOURCES THAT WILL SUPPORT AND FURTHER THEIR BUSINESS AND STRENGTHEN THE REGION'S ECONOMY THE RECENTLY MERGED ENTREPRENEURSHIP INITIATIVE AND MICROENTERPRISE LOAN PROGRAM PROVIDES A NETWORK OF SUPPORT WHERE ASPIRING, EXISTING AND TRANSITIONING ENTREPRENEURS CAN FIND EDUCATIONAL AND FINANCIAL RESOURCES TO HELP THEIR BUSINESS VENTURES SUCCEED MONTHLY ENTREPRENEURSHIP EDUCATION OPPORTUNITIES ARE OFFERED IN 12 COMMUNITIES THROUGHOUT THE REGION IN ADDITION, SEMINAR SERIES AND OTHER EDUCATION AND NETWORKING SESSIONS ON A VARIETY OF TOPICS ARE HELD THROUGHOUT THE REGION AS NEEDED AND/OR REQUESTED OTHER EFFORTS AROUND ECONOMIC ADVANCEMENT INCLUDE PARTNERSHIP IN THE SOUTHERN MINNESOTA REGIONAL COMPETITIVENESS PROJECT TO IDENTIFY POTENTIAL OPPORTUNITIES FOR THE 38 COUNTIES OF SOUTHERN MINNESOTA AROUND THE INDUSTRIES OF RENEWABLE ENERGY, BIOSCIENCE, FOOD AND AGRICULTURE, MANUFACTURING, HEALTH CARE AND HIGH TECHNOLOGY THE NONPROFIT LEADER'S ACADEMY IS ASSISTING NONPROFIT AND ORGANIZATIONAL LEADERS IN SOUTHWEST MINNESOTA BUILD CAPACITY BY ENCOURAGING AND PROVIDING PERSONAL LEADERSHIP DEVELOPMENT NONPROFIT LEADERS ARE RECRUITED TO PARTICIPATE IN AN ENGAGING AND INTENSIVE DEVELOPMENT SESSION AND GIVEN TOOLS TO BETTER ACCOMPLISH THEIR WORK AND THEIR ORGANIZATIONS' MISSIONS SWIF IS ENGAGED IN THE MINNESOTA EARLY CHILDHOOD INITIATIVE, A NETWORK OF COALITIONS FOCUSED ON QUALITY CARE AND EDUCATIONAL OPPORTUNITIES FOR CHILDREN AGES BIRTH TO 5, TO HELP ENSURE THAT ALL OF SOUTHWEST MINNESOTA'S YOUNGEST CHILDREN THRIVE, AND HAVE A HEALTHY LIFE OF LEARNING, ACHIEVING, AND SUCCEEDING THE MINNESOTA THRIVE INITIATIVE IS PART OF THE MINNESOTA EARLY CHILDHOOD INITIATIVE THE OVERARCHING GOAL OF THRIVE IS TO CREATE SEAMLESS SYSTEMS OR NETWORKS OF LOCAL SERVICES THAT SUPPORT THE HEALTHY SOCIAL AND EMOTIONAL DEVELOPMENT OF MINNESOTA'S YOUNGEST CHILDREN AGES 0 TO 5, WITH AN EMPHASIS ON THE FIRST THREE YEARS OF LIFE SWIF ACCOMPLISHES THESE GOALS BY WORKING WITH 14 SELECTED COALITION COMMUNITIES LOCATED THROUGHOUT THE 18 COUNTIES OF SOUTHWEST MINNESOTA IN ADDITION, LIMITED GRANT FUNDS ARE AVAILABLE TO PURSUE PARTNERSHIPS ON EARLY CARE AND EDUCATION PROJECTS THAT HAVE A REGION-WIDE SCOPE ASSET SECTOR INITIATIVES AROUND ENERGY, BIOSCIENCE, AGRICULTURE, MANUFACTURING, YES!, MIRC (MN INTELLIGENT RURAL COMMUNITIES), ENTREPRENEURSHIP/MICROLENDING, CORE - CENTER OF RURAL ENTREPRENEURSHIP, ENCORE ENTREPRENEURSHIP, LEADING BY EXAMPLE BUSINESS LEADERSHIP DEVELOPMENT SERIES, BUSINESS FINANCE PROGRAMS, NONPROFIT LEADER'S ACADEMY, COMMUNITY FOUNDATIONS PROGRAM, DESIGNATED FUNDS PROGRAM, KEEP IT GROWING FARMLAND RETENTION PROGRAM SM, EARLY CHILDHOOD INITIATIVE, THRIVE INITIATIVE, REGIONAL IMPACT GRANTMAKING, REGIONAL IMPACT FISCAL HOSTING	

4c	(Code) (Expenses \$ 555,495 including grants of \$ 553,982) (Revenue \$ 93,616)
COMMUNITY FOUNDATIONS AND DESIGNATED FUNDS MANY DONORS FIND COMMUNITY AND DESIGNATED FUNDS ATTRACTIVE OPTIONS THAT SUPPORTS THEIR CHARITABLE INTERESTS AND RELIEVES THEM OF THE ADMINISTRATIVE RESPONSIBILITIES THAT CAN OFTEN BECOME OVERWHELMING FOR FAMILIES AND VOLUNTEERS SWIF CURRENTLY SERVES 21 COMMUNITY FOUNDATION FUND PARTNERS AND 73 DESIGNATED FUND PARTNERS SWIF'S COMMUNITY FOUNDATION PROGRAM IS A TRUE PARTNERSHIP BETWEEN SWIF AND THE LOCAL COMMUNITY - ONE THAT HAS PROVEN TO BE MUTUALLY BENEFICIAL AND AN EFFECTIVE MEANS TO RETAIN CHARITABLE DOLLARS FOR THE BENEFIT OF SOUTHWEST MINNESOTA COMMUNITIES SWIF PROVIDES THE ADMINISTRATIVE AND 501(C)(3) INFRASTRUCTURE TO ITS COMMUNITY FOUNDATION FUNDS IT ALSO PROVIDES ONGOING TECHNICAL AND PROFESSIONAL SUPPORT IN AREAS SUCH AS STRATEGIC PLANNING, FUNDRAISING, MARKETING, PUBLIC RELATIONS AND GRANTMAKING COMMUNITY FOUNDATION FUNDS ARE ADVISED BY LOCAL COMMITTEES OF COMMUNITY LEADERS THAT ARE RESPONSIBLE FOR RAISING FUNDS, RECOMMENDING GRANTEEES AND RAISING PUBLIC AWARENESS SINCE SWIF'S GRANTMAKING IS TARGETED TO PROJECTS RELATED TO ITS CURRENT PRIORITY AREAS, COMMUNITY FOUNDATION FUNDS OFTEN FILL A VALUABLE NICHE BY FUNDING WORTHWHILE PROJECTS THAT DON'T FIT WITHIN SWIF'S CURRENT GRANT CRITERIA SWIF OFFERS A VARIETY OF DESIGNATED FUNDS DESIGNED TO HELP DONORS MEET THEIR UNIQUE PHILANTHROPIC GOALS DESIGNATED FUNDS CAN BE ENDOWED OR NON-ENDOWED (PASS-THROUGH) AND ARE CREATED WITH A SPECIFIC PURPOSE IN MIND IN MOST CASES, A DESIGNATED FUND IS ADVISED BY A LOCAL COMMITTEE OF VOLUNTEER LEADERS THE COMMITTEE RAISES MONEY FOR THE FUND, RECOMMENDS GRANT DISTRIBUTIONS, AND RAISES PUBLIC AWARENESS SWIF PROVIDES ASSISTANCE IN THE PLANNING AND DEVELOPMENT OF DESIGNATED FUNDS IT ALSO ADMINISTERS THE FUNDS AND PROVIDES ONGOING TECHNICAL AND PROFESSIONAL SUPPORT AS NEEDED, IN AREAS SUCH AS FUNDRAISING, MARKETING, PUBLIC RELATIONS AND GRANTMAKING DESIGNATED FUNDS CAN RECEIVE MANY TYPES OF GIFTS, INCLUDING CASH, APPRECIATED STOCK, REAL ESTATE AND PLANNED GIFTS, SUCH AS CHARITABLE GIFT ANNUITIES AND BEQUESTS	

4d	Other program services (Describe in Schedule O)
	(Expenses \$ including grants of \$) (Revenue \$)

4e	Total program service expenses \$ 3,206,458
----	---

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)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
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? <i>If "Yes," complete Schedule C, Part II.</i> 	4	Yes
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? <i>If "Yes," complete Schedule C, Part III.</i>	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? <i>If "Yes," complete Schedule D, Part I.</i> 	6	Yes
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
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? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
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? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	14b	No
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 U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	15	No
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 U S ? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	16	No
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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	

Part IV

Checklist of Required Schedules (continued)

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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
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? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
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? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
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? <i>If "Yes," complete Schedule L, Part II</i>	26	Yes	
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? <i>If "Yes," complete Schedule L, Part III</i>	27		No
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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
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? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
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? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
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? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
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	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V ☐			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
	1a28		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
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.		
	2a27		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
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	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			
		8	
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
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? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
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	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure For each “Yes” response to lines 2 through 7b below, and for a “No” response to lines 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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		No
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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization’s assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
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		No

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?		No
10b	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?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		No
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If “No,” go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If “Yes,” describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
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	The organization’s CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization If “Yes” to line 15a or 15b, describe the process in Schedule O (See instructions)	Yes	
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?		No
16b	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▶MN
18	Section 6104 requires an organization to make its Form 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. ☐ Own website ☒ Another's website ☒ 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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ DIANA ANDERSON VICE PRESIDENTCOO 15 3RD AVE NW HUTCHINSON,MN 55350 (320) 587-4848

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees 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	Former			
(1) WAYNE FREESE PAST CHAIR	3 00	X		X				0	0	0
(2) SANDER LUDEMAN CHAIR	3 00	X		X				640	0	0
(3) BILL MCCORMACK VICE-CHAIR	3 00	X		X				600	0	0
(4) ROB SAUNDERS TREASURER	3 00	X		X				0	0	0
(5) GARY GEIGER SECRETARY	3 00	X		X				0	0	0
(6) RICK ELLINGWORTH BOARD MEMBER	3 00	X						0	0	0
(7) H CRIS REMUCAL BOARD MEMBER	3 00	X						0	0	0
(8) CONNIE VANDERBILL MEDIN BOARD MEMBER	3 00	X						0	0	0
(9) JIM KEUL BOARD MEMBER	3 00	X						0	0	0
(10) MARCY COSTELLO BOARD MEMBER	3 00	X						0	0	0
(11) JANICE NELSON BOARD MEMBER	3 00	X						0	0	0
(12) ROBERT THURSTON BOARD MEMBER	3 00	X						0	0	0
(13) SHERRY RISTAU PRESIDENT/CEO	50 00			X				135,093	0	27,182
(14) DIANA ANDERSON VICE PRESIDENT/COO	50 00			X				93,230	0	20,078

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	Former			
1b	Sub-Total ▶									
c	Total from continuation sheets to Part VII, Section A ▶									
d	Total (add lines 1b and 1c) ▶							229,563	0	47,260

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 ▶1

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

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
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 ▶0		

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	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	319,451			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,454,274			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		4,773,725			
	Program Service Revenue			Business Code			
2a		LOAN INTEREST	522100	403,667	403,667		
b		OTHER PROGRAM INCOME	900099	94,484	94,484		
c		PROJECT SPECIFIC REV	900099	14,532	14,532		
d		LOAN ADMIN FEES	900099	7,807	7,807		
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f		520,490			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)					
				1,067,776		1,067,776	
	4	Income from investment of tax-exempt bond proceeds . . .					
	5	Royalties					
	6a	(i) Real		(ii) Personal			54,400
		54,400					
		54,400					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		54,400			
	7a	(i) Securities		(ii) Other			176,899
		32,919,131					
		32,742,232					
		176,899					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		176,899			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
		a					
b		Less direct expenses					
c	Net income or (loss) from fundraising events . . .						
9a	Gross income from gaming activities See Part IV, line 19 . . .						
	a						
	b	Less direct expenses					
c	Net income or (loss) from gaming activities . . .						
10a	Gross sales of inventory, less returns and allowances						
	a						
	b	Less cost of goods sold					
c	Net income or (loss) from sales of inventory . . .						
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d						
12	Total revenue. See Instructions		6,593,290	520,490	0	1,299,075	

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	818,997	818,997		
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	264,603	112,188	64,973	87,442
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	1,045,192	781,474	123,524	140,194
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	212,991	147,249	36,637	29,105
10	Payroll taxes	88,575	61,018	12,522	15,035
a	Fees for services (non-employees)				
	Management				
b	Legal	28,890	22,119	330	6,441
c	Accounting	27,376	17,842	5,553	3,981
d	Lobbying	2,000	2,000		
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	135,575		135,575	
g	Other	226,809	162,847	13,520	50,442
12	Advertising and promotion	17,668	5,822	10,856	990
13	Office expenses	137,183	75,985	17,949	43,249
14	Information technology	66,375	34,355	20,758	11,262
15	Royalties				
16	Occupancy	228,508	142,221	51,969	34,318
17	Travel	166,137	123,447	28,951	13,739
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	135,953	85,742	43,640	6,571
20	Interest	25,758	25,758		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	142,716	93,762	26,284	22,670
23	Insurance				
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	PROVISION FOR LOAN LOSS	277,149	277,149		
b	FUNDRAISING COSTS	78,241			78,241
c	PUBLIC RELATIONS	49,350	31,962	9,468	7,920
d	AGENCY FUNDS ADMIN COST	7,534		7,534	
e	STRATEGIC PLANNING	4,581		4,581	
f	All other expenses	185,214	184,521	693	
25	Total functional expenses. Add lines 1 through 24f	4,373,375	3,206,458	615,317	551,600
26	Joint costs. Check here ☒ 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				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			3,400	1	3,600
	2	Savings and temporary cash investments			1,343,399	2	1,329,751
	3	Pledges and grants receivable, net			695,182	3	938,704
	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			402,691	5	363,386
	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). Schedule L				6	
	7	Notes and loans receivable, net			5,311,334	7	5,573,475
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			4,299	9	8,807
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	3,435,657			
	b	Less: accumulated depreciation	10b	625,295	2,912,169	10c	2,810,362
	11	Investments—publicly traded securities			41,531,229	11	48,890,821
	12	Investments—other securities. See Part IV, line 11			1,360,500	12	2,966,235
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			85,708	15	80,106
16	Total assets. Add lines 1 through 15 (must equal line 34)			53,649,911	16	62,965,247	
Liabilities	17	Accounts payable and accrued expenses			157,099	17	211,253
	18	Grants payable			132,997	18	49,626
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			3,197,831	20	3,110,631
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			533,883	21	757,845
	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			1,844,987	23	3,168,416
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			49,445	25	39,848
	26	Total liabilities. Add lines 17 through 25			5,916,242	26	7,337,619
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			12,049,945	27	16,615,352
	28	Temporarily restricted net assets			12,080,850	28	13,772,771
	29	Permanently restricted net assets			23,602,874	29	25,239,505
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			47,733,669	33	55,627,628
34	Total liabilities and net assets/fund balances			53,649,911	34	62,965,247	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,593,290
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,373,375
3	Revenue less expenses Subtract line 2 from line 1	3	2,219,915
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	47,733,669
5	Other changes in net assets or fund balances (explain in Schedule O)	5	5,674,044
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	55,627,628

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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	Yes	
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 separated 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?	Yes	
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	

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SOUTHWEST INITIATIVE FOUNDATION

Employer identification number
41-1555592

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 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?
- h

☐

Provide the following information about the supported organization(s)

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

(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	Yes	No	Yes	No	
Total									

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 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.")	4,263,818	3,933,135	4,675,264	4,179,235	4,773,725	21,825,177
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	4,263,818	3,933,135	4,675,264	4,179,235	4,773,725	21,825,177
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)						8,198,721
6 Public Support. Subtract line 5 from line 4						13,626,456

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	4,263,818	3,933,135	4,675,264	4,179,235	4,773,725	21,825,177
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,416,152	2,552,074	1,658,635	933,625	1,122,176	8,682,662
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)	360	360	84,748			85,468
11 Total support (Add lines 7 through 10)						30,593,307
12 Gross receipts from related activities, etc (See instructions)					12	1,900,468
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	44 540 %
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	37 650 %
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 ▶		
b 33 1/3% support test—2009. If the organization did not check the 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 ▶		
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 ▶		
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 ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part IIIPart 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 		

Part IV

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

Facts And Circumstances Test

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization SOUTHWEST INITIATIVE FOUNDATION	Employer identification number 41-1555592
---	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$ _____
3	Volunteer hours	_____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If "Yes," describe in Part IV	

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file Form 1120-POL for this year?	☐ Yes ☐ No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		2,000													
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)		2,000													
d Other exempt purpose expenditures		3,819,775													
e Total exempt purpose expenditures (add lines 1c and 1d)		3,821,775													
f Lobbying nontaxable amount Enter the amount from the following table in both columns		341,089													
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)		85,272													
h Subtract line 1g from line 1a If zero or less, enter -0-		0													
i Subtract line 1f from line 1c If zero or less, enter -0-		0													
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes ☐ No													

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount			365,040	341,089	706,129
b Lobbying ceiling amount (150% of line 2a, column(e))					1,059,194
c Total lobbying expenditures			3,000	2,000	5,000
d Grassroots non-taxable amount			91,260	85,272	176,532
e Grassroots ceiling amount (150% of line 2d, column (e))					264,798
f Grassroots lobbying expenditures			3,000	2,000	5,000

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	a Volunteers?			
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
	c Media advertisements?			
	d Mailings to members, legislators, or the public?			
	e Publications, or published or broadcast statements?			
	f Grants to other organizations for lobbying purposes?			
	g Direct contact with legislators, their staffs, government officials, or a legislative body?			
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
	i Other activities? If "Yes," describe in Part IV			
	j Total lines 1c through 1i			
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
	b If "Yes," enter the amount of any tax incurred under section 4912			
	c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
------------	------------------	-------------

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 SOUTHWEST INITIATIVE FOUNDATION	Employer identification number 41-1555592
---	--

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	12	159
2 Aggregate contributions to (during year)	36,000	4,625,856
3 Aggregate grants from (during year)	71,800	747,197
4 Aggregate value at end of year	688,290	54,939,339
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 may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	☒ Yes ☐ No	

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116, 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, 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 relating to these items

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

► \$ _____

b Assets included in Form 990, Part X

► \$ _____

Part III

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

3

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

a

☐

Public exhibition

b

☐

Scholarly research

c

☐

Preservation for future generations

d

☐

Loan or exchange programs

e

☐

Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐

Yes

☐

No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐

Yes

☒

No

b

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

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.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	30,144,384	27,283,214	31,513,900		
b Contributions	1,623,255	1,072,159	1,191,470		
c Investment earnings or losses	6,363,890	2,947,747	-3,894,669		
d Grants or scholarships			188,432		
e Other expenditures for facilities and programs	1,312,628	1,158,736	1,339,055		
f Administrative expenses					
g End of year balance	36,818,901	30,144,384	27,283,214		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 28 750 %

b

Permanent endowment ▶ 68 550 %

c

Term endowment ▶ 2 700 %

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

3a(i)

3a(ii)

b

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

3b

4

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

Part VI

Investments—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		1,015,000		1,015,000
b Buildings		1,669,402	207,294	1,462,108
c Leasehold improvements		150,325	46,614	103,711
d Equipment		600,930	371,387	229,543
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				2,810,362

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	16,593,290
2	Total expenses (Form 990, Part IX, column (A), line 25)	4,373,375
3	Excess or (deficit) for the year Subtract line 2 from line 1	2,219,915
4	Net unrealized gains (losses) on investments	5,902,352
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	-228,308
9	Total adjustments (net) Add lines 4 - 8	5,674,044
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	7,893,959

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	112,124,225
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a5,902,352	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d	2e5,902,352
3	Subtract line 2e from line 1	36,221,873
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 7b4a135,575	
b	Other (Describe in Part XIV)4b235,842	
c	Add lines 4a and 4b	4c371,417
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	56,593,290

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	14,230,266
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d	2e0
3	Subtract line 2e from line 1	34,230,266
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 7b4a135,575	
b	Other (Describe in Part XIV)4b7,534	
c	Add lines 4a and 4b	4c143,109
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	54,373,375

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, 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.

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	ASSETS HELD ON DONOR'S BEHALF CONSISTS OF SIXTEEN FUNDS IN WHICH THE BENEFICIARIES WERE DESIGNATED BY THE DONOR AT THE TIME THE FUNDS WERE ESTABLISHED. THEREFORE, THE FOUNDATION HAS NO CONTROL OVER THE DISTRIBUTION OF THESE FUNDS.
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE SWIF GENERAL ENDOWMENT FUND IS ACCESSED THROUGH BOARD APPROVAL, GUIDED BY A SPENDING POLICY THAT ALLOWS RESOURCES TO BE USED TO SUPPLEMENT PROGRAM ACTIVITIES AND OPERATION BUDGET EXPENSES. OTHER DESIGNATED ENDOWED FUNDS ARE DIRECTED TO GRANTS AND EXPENSES RELATED TO THE DONOR'S ORIGINAL INTENT.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE FOUNDATION IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND SIMILAR STATE INCOME TAX LAWS. THE FOUNDATION IS A NON-PRIVATE FOUNDATION AND CONTRIBUTIONS TO THE ORGANIZATION QUALIFY AS A CHARITABLE TAX DEDUCTION BY THE CONTRIBUTOR. AWSM LLC IS A 100% OWNED LLC AND AS SUCH IS CONSIDERED A DISREGARDED ENTITY FOR TAX PURPOSES. IT IS THE POLICY OF THE FOUNDATION, IN ACCORDANCE WITH GAAP, TO ASSESS ANY UNCERTAIN TAX PROVISIONS AND, IF NECESSARY, RECORD A TAX ASSET OR LIABILITY, AND THE RELATED INCOME TAX EXPENSE, FOR ANY UNCERTAIN TAX PROVISIONS. THE FOUNDATION DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS OR UNRELATED BUSINESS INCOME. THE FOUNDATION FOLLOWS THE ACCOUNTING STANDARDS FOR CONTINGENCIES IN EVALUATING UNCERTAIN TAX POSITIONS. THIS GUIDANCE PRESCRIBES RECOGNITION THRESHOLD PRINCIPLES FOR THE FINANCIAL STATEMENT RECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN THAT ARE NOT CERTAIN TO BE REALIZED. THE FOUNDATION'S TAX RETURNS ARE SUBJECT TO REVIEW AND EXAMINATION BY FEDERAL AND STATE AUTHORITIES. THE TAX RETURNS FOR THE YEARS 2008 THROUGH 2010 ARE OPEN TO EXAMINATION BY FEDERAL AND STATE AUTHORITIES.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN AGENCY FUNDS -228,308
PART XII, LINE 4B - OTHER ADJUSTMENTS		AGENCY FUND REVENUES 235,842
PART XIII, LINE 4B - OTHER ADJUSTMENTS		AGENCY FUND EXPENSES 7,534

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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
SOUTHWEST INITIATIVE FOUNDATION

Employer identification number
41-1555592

Part I General Information on Grants and Assistance

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?

☒ Yes ☐ No

2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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. ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
See Additional Data Table							

2

Enter total number of section 501(c)(3) and government organizations

21

3

Enter total number of other organizations

3

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE GRANTS MANAGEMENT FUNCTION OF THE DATABASE IS THE REPOSITORY FOR ALL RECORDS RELATED TO GRANTS MADE AND/OR ASSISTANCE PROVIDED SWIF CONDUCTS RESEARCH TO VERIFY THE ELIGIBILITY OF ALL GRANTEEES, USING RESOURCES SUCH AS GUIDESTAR AND THE IRS PUBLICATION 78 EACH ADVISED FUND COMMITTEE MUST SUBMIT A ROSTER OF THEIR ADVISORS FOR BOARD REVIEW AND APPROVAL ANNUALLY, AND CRITERIA FOR THEIR GRANT IS REVIEWED TO ENSURE COMPLIANCE WITH ALL STATE AND FEDERAL REGULATIONS AND MEETS THE REQUIRED CHARITABLE PURPOSE OF THE FUND AGREEMENTS IN PLACE

Software ID:
Software Version:
EIN: 41-1555592
Name: SOUTHWEST INITIATIVE FOUNDATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
AMERICAN LEGION POST 636PO BOX 12 LISMORE,MN 56155	41-6036977	501(C)(19)	15,500				LEGION BUILDING IMPROVEMENTS
ARTHUR MOELLER POST 478 - AMERICAN LEGION 102 W MAIN ST HARDWICK,MN 56134	41-0909369	501(C)(19)	25,000				HONOR FLIGHT SOUTHWEST MINNESOTA
BLACK HILLS PLAYHOUSE INCPO BOX 2513 RAPID CITY,SD 57709	46-0215866	501(C)(3)	50,000				PLAYHOUSE THEATRE RENOVATION
BLUE AND GOLD EDUCATIONAL FOUNDATION OF DISTRICT 8307 1ST ST W CANBY,MN 56220	41-1522315	501(C)(3)	15,843				CANBY HIGH SCHOOL SCHOLARSHIP AWARDS
CHURCH OF ST MARY713 12TH ST SW WILLMAR,MN 56201	41-0711999	501(C)(3)	15,000				PARISH NURSE - YEAR 2
CITY OF PIPESTONE119 2ND AVE SW STE 9 PIPESTONE,MN 56164	41-6005460	GOVERNMENT	45,000				HARMON PARK RESTORATION PROJECT
COUNCIL ON FOUNDATIONS2121 CRYSTAL DR STE 700 ARLINGTON,MN 22202	13-6068327	501(C)(3)	5,666				2011 ANNUAL MEMBERSHIP
FIRST PRESBYTERIAN CHURCH312 SW 6TH ST WILLMAR,MN 56201	41-0711510	501(C)(3)	8,000				GENERAL AND BUILDING FUND
ISD #177 - WINDOM1400 17TH ST WINDOM,MN 56101	41-6000680	501(C)(3)	15,000				WINDOM ECI VISION TO ACTION - YEAR 3
ISD #2159 - BUFFALO LAKEHECTORSTEWART220 3RD ST W HECTOR,MN 55342	41-1751593	501(C)(3)	15,000				SMARTBOARDS
ISD #2903 ORTONVILLE PUBLIC SCHOOL200 TROJAN DR ORTONVILLE,MN 56278	41-6000273	501(C)(3)	10,000				PLAYGROUND ENHANCEMENT
ISD #347 - WILLMAR611 5TH ST SW WILLMAR,MN 56201	41-6001746	501(C)(3)	28,500				ELEMENTARY ORCHESTRA POSITION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
ISD #775 - KERKHOVENMURDOCKSUNBURG 302 15TH ST N KERKHOVEN,MN 56252	41-1329385	501(C)(3)	15,000				KMS EARLY CHILDHOOD INITIATIVE VISION TO ACTION YEAR 2
JACKSON COMMUNITY FOUNDATIONPO BOX 114 JACKSON,MN 56143	41-1555592	501(C)(3)	15,000				KRISTI ELAINE TEIGEN MEMORIAL SCHOLARSHIPS
LYON-LINCOLN ELECTRIC TRUSTHWY 14 TYLER,MN 56178	41-1930173	501(C)(3)	101,600				TYLER GOLF CLUBHOUSE REMODEL
MARSHALL-LYON COUNTY LIBRARY301 W LYON ST MARSHALL,MN 56258	41-6005352	GOVERNMENT	20,000				LIBRARY ARCHITECTURAL FEES
MEEKER COUNTY ECONOMIC DEVELOPMENT CORPORATION325 N SIBLEY AVE LITCHFIELD,MN 55355	41-1777694	501(C)(3)	15,000				LITCHFIELD EARLY CHILDHOOD INITIATIVE VISION TO ACTION YEAR 3
ROCK COUNTY FAMILY SERVICE AGENCY2 ROUNDWIND RD LIVERNE,MN 56156	41-6005885	GOVERNMENT	15,000				ROCK COUNTY ECI VISION TO ACTION YEAR 2
SOUTHERN MINNESOTA INITIATIVE FOUNDATION 525 FLORENCE AVE OWATONNA,MN 55060	36-3454285	501(C)(3)	16,500				YOUTH ENERGY SUMMIT (YES!)
SOUTHWEST INITIATIVE FOUNDATION15 3RD AVE NW HUTCHINSON,MN 55350	41-1555592	501(C)(3)	50,000				ROCK COUNTY ECI COORDINATOR - YEAR 2, CARE RELIEF FUNDS, KMS EARLY CHILDHOOD INITIATIVE LOCAL COORDINATOR - YR 2
SOUTHWEST WEST CENTRAL SERVICE COOPERATIVE 1420 E COLLEGE DR MARSHALL,MN 56258	41-6058410	501(C)(3)	5,785				KNOWLEDGE BOWL
THE BIOBUSINESS ALLIANCE OF MINNESOTA 1550 UTICA AVE S STE 740 ST LOUIS PARK,MN 55416	20-2474734	501(C)(3)	25,000				ANGEL INVESTMENT NETWORK
WEST CENTRAL INITIATIVE 1000 WESTERN AVE FERGUS FALLS,MN 56537	36-3453471	501(C)(3)	50,000				REDI LOAN CAPITAL
WORTHINGTON REG ECON DEV CORP1121 3RD AVE WORTHINGTON,MN 56187	36-3339749	501(C)(6)	10,000				2011 REGIONAL BIOSCIENCE CONFERENCE

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
SOUTHWEST INITIATIVE FOUNDATION

Employer identification number

41-1555592

Part I

Questions Regarding Compensation

		Yes	No
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		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
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?	2	
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		
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ 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?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only 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?	5a	No
b	Any related organization?	5b	No
	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?	6a	No
b	Any related organization?	6b	No
	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	7	No
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 Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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) SHERRY RISTAU	(i)	130,367	0	4,726	15,657	11,525	162,275	0
	(ii)	0	0	0	0	0	0	0
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

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.

Identifier	Return Reference	Explanation
------------	------------------	-------------

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SOUTHWEST INITIATIVE FOUNDATION

Employer identification number
41-1555592

Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A MCLEOD COUNTY	41-6005841	582258AG4	12-29-2005	3,500,000	LAND, BUILDING AND EQUIPMENT FOR OFFICE SPACE		X		X		X

Part II Proceeds									
		A		B		C		D	
1	Amount of bonds retired	335,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	3,500,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds	55,108							
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	70,000							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	3,500,000							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2006							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use											
				A		B		C		D	
				Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?				X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X						

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SOUTHWEST INITIATIVE FOUNDATION

Employer identification number
41-1555592

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) TIM ULRICH BUSINESS LOAN		X	460,000	363,386		No	Yes		Yes	
Total ▶ \$					363,386					

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization SOUTHWEST INITIATIVE FOUNDATION	Employer identification number 41-1555592
--	---

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1		THE EXECUTIVE COMMITTEE IS COMPRISED OF THE OFFICERS OF THE CORPORATION, CHAIRPERSON, VICE-CHAIRPERSON, SECRETARY AND TREASURER AS WELL AS THE IMMEDIATE PAST CHAIRPERSON. THE EXECUTIVE COMMITTEE MAY ACT ON BEHALF OF THE BOARD TO REVIEW AND ACT UPON GRANTS AND LOANS, REVIEW AND ACT UPON POLICIES, REVIEW AND ACT UPON BUDGETARY VARIANCES, AND CONDUCT OTHER BUSINESS OF THE CORPORATION BETWEEN REGULARLY SCHEDULED BOARD MEETINGS. ALL ACTIONS OF THE EXECUTIVE COMMITTEE ARE REVIEWED BY THE FULL BOARD THROUGH THE APPROVAL OF EXECUTIVE COMMITTEE MEETING MINUTES AT THE NEXT SCHEDULED FULL BOARD MEETING.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE IRS FORM 990 IS REVIEWED BY APPROPRIATE STAFF IN THE ORGANIZATION AND THEN PRESENTED TO THE AUDIT/FINANCE COMMITTEE FOR REVIEW AND RECOMMENDATION TO THE BOARD THE FULL BOARD OF DIRECTORS ALSO RECEIVES A COPY THROUGH THE SECURE BOARD PORTAL OF THE WEBSITE ONE WEEK PRIOR TO FILING THE AUDIT/FINANCE COMMITTEE AND THE BOARD ARE GIVEN COPIES OF THE 990 THAT DO NOT INCLUDE THE CONFIDENTIAL LIST OF DONORS OTHER THAN THIS LIST, THE FORM IS GIVEN IN ITS ENTIRETY TO THE COMMITTEE AND BOARD FOR REVIEW

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	AT THE START OF EACH YEAR, THE CONFLICT OF INTEREST POLICY , ACCOMPANYING QUESTIONNAIRE, AND THE CODE OF ETHICS AND CONDUCT ARE DISTRIBUTED TO ALL BOARD MEMBERS TO COMPLETE DISCLOSURE OF CONFLICTS IS THE STANDING FIRST ITEM ON EVERY BOARD AGENDA THE BOARD OF DIRECTORS ARE INSTRUCTED AT EACH MEETING TO DISCLOSE IF THEY FEEL THERE IS A CONFLICT OF INTEREST ON ANY AGENDA ITEM BEFORE IT IS BROUGHT TO DISCUSSION THE CONFLICT IS NOTED IN THE MINUTES THE EMPLOYEE CONFLICT OF INTEREST POLICY IS DISTRIBUTED, REVIEWED, AND SIGNED ANNUALLY WITH UPDATES TO ANY POTENTIAL CONFLICTS OF INTERESTED NOTED POTENTIAL CONFLICTS OF INTEREST FOR STAFF MUST BE REPORTED TO THE PRESIDENT/CEO OR THE CHIEF OPERATING OFFICER/COO AND ARE HANDLED ACCORDING TO THE BOARD APPROVED POLICY REQUIREMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	SOUTHWEST INITIATIVE FOUNDATION'S EXECUTIVE COMPENSATION PROGRAM IS ADMINISTERED BY THE EXECUTIVE COMMITTEE OF THE BOARD. THE EXECUTIVE COMMITTEE IS RESPONSIBLE FOR ESTABLISHING AND MAINTAINING A COMPETITIVE COMPENSATION PROGRAM FOR THE KEY EXECUTIVES OF THE ORGANIZATION. THE EXECUTIVE COMMITTEE UNDERTAKES AN ANNUAL REVIEW TO EVALUATE THE ORGANIZATION'S EXECUTIVE COMPENSATION PROGRAM AGAINST THE COMPETITIVE MARKET USING INFORMATION GATHERED ON COMPARABLE POSITIONS WITHIN THE SPECIFIC INDUSTRY SECTOR AND FROM INDEPENDENTLY PUBLISHED SURVEYS. THE EXECUTIVE COMMITTEE MEETS INDEPENDENT OF THE PRESIDENT/CEO TO DISCUSS PERFORMANCE RELATIVE TO THE POSITION DESCRIPTION. DURING THESE DELIBERATIONS, THE COMMITTEE ALSO CONSIDERS INPUT OBTAINED FROM OTHER BOARD MEMBERS, STAFF, PROFESSIONAL ADVISORS, GRANT RECIPIENTS, AND OTHER INFORMED COMMUNITY LEADERS. THE DATE OF DELIBERATIONS AND SUBSEQUENT MEETING WITH PRESIDENT/CEO ARE DOCUMENTED IN THE MINUTES OF THE BOARD MEETING AND THE OUTCOME MAINTAINED IN THE CONFIDENTIAL PERSONNEL FILES OF THE ORGANIZATION. THE EXECUTIVE COMMITTEE IS RESPONSIBLE FOR ESTABLISHING AND MAINTAINING A COMPETITIVE COMPENSATION PROGRAM FOR THE KEY EXECUTIVES OF THE ORGANIZATION. THE EXECUTIVE COMMITTEE UNDERTAKES AN ANNUAL REVIEW TO EVALUATE THE ORGANIZATION'S EXECUTIVE COMPENSATION PROGRAM AGAINST THE COMPETITIVE MARKET USING INFORMATION GATHERED ON COMPARABLE POSITIONS WITHIN THE SPECIFIC INDUSTRY SECTOR AND FROM INDEPENDENTLY PUBLISHED SURVEYS. THE FULL BOARD REVIEWS THE WAGE AND SALARY PROGRAM ANNUALLY AND SETS A GUIDE TO BE USED FOR INCREASES BASED ON EACH INDIVIDUAL'S OVERALL PERFORMANCE AND PLACEMENT ON THE WAGE/SALARY RANGE FOR THEIR SPECIFIC POSITION. THE PRESIDENT/CEO REVIEWS ALL SALARY ADJUSTMENTS FOR KEY EMPLOYEES. THE LAST REVIEW WAS COMPLETED IN 2011.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	CONDENSED FINANCIAL STATEMENTS ARE AVAILABLE ON THE ORGANIZATION'S WEBSITE AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST THE ORGANIZATION'S CONFLICT OF INTEREST POLICY IS NOT OPEN TO PUBLIC INSPECTION GOVERNING DOCUMENTS SUCH AS BY LAWS, ARTICLES OF INCORPORATION, AND BOARD POLICIES ARE NOT AVAILABLE TO THE GENERAL PUBLIC UNLESS REQUESTED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF ACTIVITIES ARE MAILED TO ALL CONSTITUENTS WITHIN THE ANNUAL REPORT AND IS AVAILABLE ON THE ORGANIZATION'S WEBSITE THE IRS FORM 990 IS AVAILABLE THROUGH GUIDESTAR AND THE MINNESOTA ATTORNEY GENERAL'S OFFICE LINKS ON THE ORGANIZATION'S WEBSITE DIRECT VISITORS TO GUIDESTAR AND ALSO INSTRUCT THEM TO CONTACT SWIF FOR A COMPLETE COPY OF THE AUDITED FINANCIAL STATEMENTS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 5,902,352 CHANGE IN AGENCY FUNDS - 228,308 TOTAL TO FORM 990, PART XI, LINE 5 5,674,044

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SOUTHWEST INITIATIVE FOUNDATION

Employer identification number
41-1555592

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) AWSM LLC 413 1ST ST JACKSON, MN 56159 41-1555592	APARTMENT BLDG	MN	0	1,625,213	N/A

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I	THE SOUTHWEST INITIATIVE FOUNDATION IS THE SOLE OWNER OF AWSM, LLC THIS CORPORATION WAS FORMED TO COVER OWNERSHIP OF AN APARTMENT BUILDING THAT IS HELD AS AN ASSET FOR SALE