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Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**Return of Organization Exempt From Income Tax**  
**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

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

OMB No 1545-0047  
**2011**  
**Open to Public Inspection**

**A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization PALO ALTO MEDICAL FOUNDATION  Doing Business As	<b>D</b> Employer identification number 94-1156581
	Number and street (or P O box if mail is not delivered to street address) Room/suite 2350 EL CAMINO REAL	<b>E</b> Telephone number (916) 286-6665
City or town, state or country, and ZIP + 4 MOUNTAIN VIEW, CA 94040		<b>G</b> Gross receipts \$ 1,443,772,539
<b>F</b> Name and address of principal officer RICHARD SLAVIN 2350 EL CAMINO REAL MOUNTAIN VIEW, CA 94040		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)  <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ WWW.SUTTERHEALTH.ORG		

**K** Form of organization  Corporation  Trust  Association  Other ▶ **L** Year of formation 1948 **M** State of legal domicile CA

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities SEE SCHEDULE O		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	33
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	16
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . .	<b>5</b>	4,811
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	115
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	788,118
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	0	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	11,754,378	12,137,091
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	1,260,777,844	1,423,263,685
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,426,391	6,353,541
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	1,898,763	1,681,752
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . .	1,281,857,376	1,443,436,069
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	1,254,228	898,873
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	344,544,043	344,293,995
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <sup>0</sup>	0	0
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	845,714,491	957,881,870
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,191,512,762	1,303,074,738
<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	90,344,614	140,361,331	
<b>Net Assets or Fund Balances</b>		<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b> Total assets (Part X, line 16) . . . . .	1,060,828,791	1,087,802,514
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	401,346,309	426,273,079
<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	659,482,482	661,529,435	

**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.

<b>Sign Here</b>	Signature of officer	2012-10-15
	ROGER LARSEN CFO Type or print name and title	Date

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	ERNST & YOUNG US LLP 178 S RIO GRANDE STREET SUITE 400 SALT LAKE CITY, UT 84101		EIN ▶ Phone no ▶ (801) 350-3300

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  Yes  No

**1** Briefly describe the organization's mission  
SEE SCHEDULE O

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O

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

**4a** (Code ) (Expenses \$ 1,106,313,824 including grants of \$ 898,873 ) (Revenue \$ 1,423,263,685 )  
SEE SCHEDULE O

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

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

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

**4e Total program service expenses** \$ 1,106,313,824

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> 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> <input checked="" type="checkbox"/>	Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b> 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>		No
<b>4</b> <b>Section 501(c)(3) organizations.</b> 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>		No
<b>5</b> 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>		No
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> <input checked="" type="checkbox"/>		No
<b>7</b> 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> <input checked="" type="checkbox"/>		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> <input checked="" type="checkbox"/>	Yes	
<b>9</b> 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> <input checked="" type="checkbox"/>		No
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>	Yes	
<b>11</b> 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		
<b>a</b> 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> <input checked="" type="checkbox"/>	Yes	
<b>b</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> <input checked="" type="checkbox"/>		No
<b>c</b> 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> <input checked="" type="checkbox"/>		No
<b>d</b> 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> <input checked="" type="checkbox"/>	Yes	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
<b>f</b> 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> <input checked="" type="checkbox"/>	Yes	
<b>12a</b> 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> <input checked="" type="checkbox"/>		No
<b>b</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> <input checked="" type="checkbox"/>	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
<b>15</b> 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, Part II and IV.</i>		No
<b>16</b> 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, Part III and IV.</i>		No
<b>17</b> 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.</i>		No
<b>18</b> 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>		No
<b>19</b> 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>		No
<b>20a</b> Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
<b>b</b> If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements.		

**Part IV Checklist of Required Schedules** *(continued)*

<b>21</b>	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> . . . . . <input checked="" type="checkbox"/>	<b>21</b>	Yes	
<b>22</b>	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> . . . . . <input checked="" type="checkbox"/>	<b>22</b>	Yes	
<b>23</b>	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> . . . . . <input checked="" type="checkbox"/>	<b>23</b>	Yes	
<b>24a</b>	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 questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . . <input checked="" type="checkbox"/>	<b>24a</b>	Yes	
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		No
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		No
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		No
<b>25a</b>	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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> . . . . . <input checked="" type="checkbox"/>	<b>25a</b>		No
<b>b</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> . . . . . <input checked="" type="checkbox"/>	<b>25b</b>		No
<b>26</b>	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> . . . . . <input checked="" type="checkbox"/>	<b>26</b>		No
<b>27</b>	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> . . . . . <input checked="" type="checkbox"/>	<b>27</b>		No
<b>28</b>	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)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . . <input checked="" type="checkbox"/>	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . . <input checked="" type="checkbox"/>	<b>28b</b>		No
<b>c</b>	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 owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . . <input checked="" type="checkbox"/>	<b>28c</b>	Yes	
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> <input checked="" type="checkbox"/>	<b>29</b>	Yes	
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . . <input checked="" type="checkbox"/>	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b>	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> . . . . .	<b>32</b>		No
<b>33</b>	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> . . . . . <input checked="" type="checkbox"/>	<b>33</b>		No
<b>34</b>	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> . . . . . <input checked="" type="checkbox"/>	<b>34</b>	Yes	
<b>35a</b>	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	<b>35a</b>	Yes	
<b>b</b>	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input checked="" type="checkbox"/>	<b>35b</b>	Yes	
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input checked="" type="checkbox"/>	<b>36</b>		No
<b>37</b>	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> <input checked="" type="checkbox"/>	<b>37</b>		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	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

Table with columns for question number, question text, and Yes/No columns. Rows include questions 1a through 14b regarding Form 1096, W-2G forms, employee reporting, foreign accounts, and tax shelter transactions.

**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
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
<b>2</b>	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
<b>3</b>	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
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		No
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		No
<b>6</b>	Did the organization have members or stockholders? . . . . .	Yes	
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	Yes	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	Yes	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following . . . . .		
<b>8a</b>	The governing body? . . . . .	Yes	
<b>8b</b>	Each committee with authority to act on behalf of the governing body? . . . . .	Yes	
<b>9</b>	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
<b>10a</b>	Did the organization have local chapters, branches, or affiliates? . . . . .		No
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	Yes	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	Yes	
<b>12b</b>	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	Yes	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	Yes	
<b>13</b>	Did the organization have a written whistleblower policy? . . . . .	Yes	
<b>14</b>	Did the organization have a written document retention and destruction policy? . . . . .	Yes	
<b>15</b>	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? . . . . .		
<b>15a</b>	The organization's CEO, Executive Director, or top management official . . . . .	Yes	
<b>15b</b>	Other officers or key employees of the organization . . . . .	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	Yes	
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	Yes	

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed  CA
- 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 made these available. Check all that apply.  
 Own website  Another's website  Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. 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   
 JOHN A HOEBEKE  
 2350 WEL CAMINO REAL  
 MOUNTAIN VIEW, CA 94040  
 (650) 934-8650

**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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
See Additional Data Table										



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

(A) Name and Title	(B) Average hours per week per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							1,343,866	11,612,774	5,947,436	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **659**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
<b>4</b> 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>	4 Yes	
<b>5</b> 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>	5	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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
PALO ALTO FOUNDATION MEDICAL GROUP 2350 W EL CAMINO REAL 3RD FLOOR MOUNTAIN VIEW, CA 94040	MEDICAL SERVICES	446,100,019
MILLS PENINSULA MEDICAL GROUP INC 577 AIRPORT BLVD STE 300 BURLINGAME, CA 94010	MEDICAL SERVICES	52,667,053
MPMG MEDICAL CLINICS INC 577 AIRPORT BLVD STE 300 BURLINGAME, CA 94010	MEDICAL SERVICES	22,467,123
SUTTER CONNECT CARE OF FINANCE DEPT PO BOX 255448 SACRAMENTO, CA 95865	BILLING SERVICES	17,998,965
SEDGWICK CLAIMS MGMT SVC INC PO BOX 102514 ATLANTA, GA 303682514	CLAIMS MGMT SERVICE	6,510,478

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **99**

**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	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b> 13,623					
	<b>b</b>	Membership dues . . . . . <b>1b</b>					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>					
	<b>d</b>	Related organizations . . . . . <b>1d</b> 1,076,876					
	<b>e</b>	Government grants (contributions) <b>1e</b> 4,459,333					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b> 6,587,259					
	<b>g</b>	Noncash contributions included in lines 1a-1f \$ 311,837					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . <b>h</b> 12,137,091					
<b>Program Service Revenue</b>	<b>2a</b>	PATIENT SERVICE REVENUE					
		Business Code 622110	1,423,263,685	1,423,263,685			
	<b>b</b>						
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue					
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . <b>g</b> 1,423,263,685						
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest and other similar amounts) . . . . . <b>3</b> 6,338,050				6,338,050	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . . <b>4</b> 0					
	<b>5</b>	Royalties . . . . . <b>5</b> 0					
	<b>6a</b>		(i) Real				
			(ii) Personal				
		<b>b</b>	Gross rents 1,220,333				
		<b>c</b>	Less rental expenses 326,699				
	<b>d</b>	Rental income or (loss) 893,634					
	<b>d</b>	<b>Net rental income or (loss)</b> . . . . . <b>d</b> 893,634				893,634	
	<b>7a</b>		(i) Securities				
			(ii) Other				
		<b>b</b>	Gross amount from sales of assets other than inventory 25,262				
		<b>c</b>	Less cost or other basis and sales expenses 9,771				
	<b>d</b>	Gain or (loss) 15,491					
	<b>d</b>	<b>Net gain or (loss)</b> . . . . . <b>d</b> 15,491				15,491	
<b>8a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . . <b>a</b>						
<b>b</b>	Less direct expenses . . . . . <b>b</b>						
<b>c</b>	<b>Net income or (loss) from fundraising events</b> . . . . . <b>c</b> 0						
<b>9a</b>	Gross income from gaming activities See Part IV, line 19 . . . . . <b>a</b>						
<b>b</b>	Less direct expenses . . . . . <b>b</b>						
<b>c</b>	<b>Net income or (loss) from gaming activities</b> . . . . . <b>c</b> 0						
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . . <b>a</b>						
<b>b</b>	Less cost of goods sold . . . . . <b>b</b>						
<b>c</b>	<b>Net income or (loss) from sales of inventory</b> . . . . . <b>c</b> 0						
	Miscellaneous Revenue	Business Code					
<b>11a</b>	UBI - CONTRACTED ANIMAL SERVICES 541900	762,895		762,895			
<b>b</b>	UBI - HEALTH MGMT RESOURCES 454110	25,223		25,223			
<b>c</b>							
<b>d</b>	All other revenue . . . . . <b>d</b>						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . <b>e</b> 788,118						
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . . <b>12</b> 1,443,436,069		1,423,263,685	788,118	7,247,175		

**Part IX Statement of Functional Expenses**

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

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

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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	811,658	811,658		
<b>2</b>	Grants and other assistance to individuals in the United States See Part IV, line 22	87,215	87,215		
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
<b>4</b>	Benefits paid to or for members	0			
<b>5</b>	Compensation of current officers, directors, trustees, and key employees	0			
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
<b>7</b>	Other salaries and wages	229,551,139	182,699,151	46,851,988	0
<b>8</b>	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	19,544,527	16,062,446	3,482,081	0
<b>9</b>	Other employee benefits	73,889,633	54,887,310	19,002,323	0
<b>10</b>	Payroll taxes	21,308,696	15,776,209	5,532,487	0
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management	5,807,939	272,056	5,535,883	0
<b>b</b>	Legal	975,351	484,040	491,311	0
<b>c</b>	Accounting	202,368	28,858	173,510	0
<b>d</b>	Lobbying	0			
<b>e</b>	Professional fundraising See Part IV, line 17	0			
<b>f</b>	Investment management fees	855,396	0	855,396	0
<b>g</b>	Other	485,511,499	485,393,733	117,766	0
<b>12</b>	Advertising and promotion	3,496,658	330,439	3,166,219	0
<b>13</b>	Office expenses	11,993,145	2,530,832	9,462,313	0
<b>14</b>	Information technology	40,214,656	40,214,656	0	0
<b>15</b>	Royalties	0			
<b>16</b>	Occupancy	31,331,898	16,917,154	14,414,744	0
<b>17</b>	Travel	745,905	366,878	379,027	0
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
<b>19</b>	Conferences, conventions, and meetings	697,796	381,457	316,339	0
<b>20</b>	Interest	9,390,830	9,390,830	0	0
<b>21</b>	Payments to affiliates	0			
<b>22</b>	Depreciation, depletion, and amortization	52,416,774	42,921,453	9,495,321	0
<b>23</b>	Insurance	11,734,959	2,073,724	9,661,235	0
<b>24</b>	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 )				
<b>a</b>	PURCHASED SERVICES	164,459,052	112,352,882	52,106,170	0
<b>b</b>	MEDICAL SUPPLIES	95,010,184	94,753,101	257,083	0
<b>c</b>	REPAIRS AND MAINTENANCE	18,341,371	7,390,070	10,951,301	0
<b>d</b>	ALL OTHER EXPENSES	24,696,089	20,187,672	4,508,417	0
<b>e</b>					
<b>f</b>	All other expenses				
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24f	1,303,074,738	1,106,313,824	196,760,914	0
<b>26</b>	<b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	0	<b>1</b>	0
	<b>2</b> Savings and temporary cash investments . . . . .	72,645,850	<b>2</b>	60,292,288
	<b>3</b> Pledges and grants receivable, net . . . . .	3,425,842	<b>3</b>	4,708,767
	<b>4</b> Accounts receivable, net . . . . .	123,493,653	<b>4</b>	100,387,275
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .	0	<b>5</b>	0
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .	0	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net . . . . .	0	<b>7</b>	0
	<b>8</b> Inventories for sale or use . . . . .	3,412,707	<b>8</b>	2,431,416
	<b>9</b> Prepaid expenses and deferred charges . . . . .	4,505,418	<b>9</b>	4,563,335
	<b>10a</b> Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D . . . . .	1,053,529,292		
	<b>b</b> Less accumulated depreciation . . . . .	342,105,704	<b>10c</b>	711,423,588
	<b>11</b> Investments—publicly traded securities . . . . .	130,376,030	<b>11</b>	117,966,535
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .	0	<b>12</b>	0
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .	2,211,004	<b>13</b>	2,211,004
	<b>14</b> Intangible assets . . . . .	2,586,390	<b>14</b>	2,586,390
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	79,531,284	<b>15</b>	81,231,916
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	1,060,828,791	<b>16</b>	1,087,802,514	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	103,829,240	<b>17</b>	127,979,453
	<b>18</b> Grants payable . . . . .	0	<b>18</b>	0
	<b>19</b> Deferred revenue . . . . .	0	<b>19</b>	0
	<b>20</b> Tax-exempt bond liabilities . . . . .	263,349,078	<b>20</b>	263,353,986
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .	0	<b>21</b>	0
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .	0	<b>22</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	1,343,597	<b>23</b>	1,397,536
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0	<b>24</b>	0
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .	32,824,394	<b>25</b>	33,542,104
<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	401,346,309	<b>26</b>	426,273,079	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	615,629,517	<b>27</b>	628,001,652
	<b>28</b> Temporarily restricted net assets . . . . .	34,401,672	<b>28</b>	23,564,954
	<b>29</b> Permanently restricted net assets . . . . .	9,451,293	<b>29</b>	9,962,829
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	659,482,482	<b>33</b>	661,529,435	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	1,060,828,791	<b>34</b>	1,087,802,514	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	1,443,436,069
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	1,303,074,738
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	140,361,331
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	659,482,482
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	-138,314,378
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	661,529,435

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
<b>b</b>	Were the organization's financial statements audited by an independent accountant?	Yes	
<b>c</b>	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	
<b>d</b>	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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b>	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>b</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)

**Public Charity Status and Public Support**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number

94-1156581

**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 **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
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(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	
<b>Total</b>									

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (See instructions)					<b>12</b>	

**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**

<b>14</b> Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	<b>14</b>	
<b>15</b> Public Support Percentage for 2010 Schedule A, Part II, line 14	<b>15</b>	
<b>16a 33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 33 1/3% support test—2010.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test—2011.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test—2010.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>18 Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in IRC 509(a)(2)**

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12.)						
<b>14 First Five Years</b> 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 <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

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

- 19a 33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

<b>Facts And Circumstances Test</b>
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<b>Explanation</b>
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**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 94-1156581  
**Name:** PALO ALTO MEDICAL FOUNDATION

**Form 990, Special Condition Description:**

**Special Condition Description**

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(A) Name and Title	(B) Average hours per week	(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			
THOMAS E BAILARD TRUSTEE	1 0	X					0	0	0	
BRUCE G BAINTON MD TRUSTEE	1 0	X					0	0	0	
AUGUST BENZ TRUSTEE	1 0	X					0	0	0	
JORDAN BLOOM TRUSTEE	1 0	X					0	0	0	
ROBERT BREMNER TRUSTEE	1 0	X					0	0	0	
C TERRIGAL BURN MD TRUSTEE	1 0	X					0	0	0	
SHEILA O'CONNOR BURNS TRUSTEE	1 0	X					0	0	0	
WARREN D CHINN TRUSTEE	1 0	X					0	0	0	
GEORGE COHEN MD TRUSTEE	1 0	X					0	0	0	
SUSAN FORD DORSEY TRUSTEE	1 0	X					0	0	0	
MEG DURBIN MD TRUSTEE	1 0	X					0	0	0	
PATRICK FRY PRESIDENT & CEO, SUTTER HEALTH	1 0	X					0	3,045,216	2,196,089	
MICHAEL R GAULKE TRUSTEE	1 0	X					0	0	0	
JEFF GERARD REGIONAL PRES PENINSULA COSTAL	1 0	X		X			0	1,098,963	576,027	
VINITA GUPTA TRUSTEE	1 0	X					0	0	0	
HARRY HANSON TRUSTEE	1 0	X					0	0	0	
PETER HARRIS TRUSTEE	1 0	X					0	0	0	
CARY HILL MD TRUSTEE	1 0	X					0	0	0	
ROBERT JAUNICH II TRUSTEE/CHAIR	1 0	X		X			0	0	0	
NOMI KHAN MD TRUSTEE	1 0	X					0	0	0	
JOSEPH LACY MD TRUSTEE	1 0	X					0	0	0	
RICHARD M LEVY PHD TRUSTEE/CHAIR, FIN & PLANNING	1 0	X		X			0	0	0	
BENJAMIN MASER MD TRUSTEE	1 0	X					0	0	0	
ANTHONY P MEIER TRUSTEE	1 0	X					0	0	0	
ROBERT MERWIN CEO, MILLS PENINSULA HLTH SVCS	1 0	X					0	847,603	507,285	

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(A) Name and Title	(B) Average hours per week	(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			
LAWRENCE G MOHR TRUSTEE	1 0	X						0	0	0
RICHARD MORGAN MD TRUSTEE	1 0	X						0	0	0
ELIZABETH NEWSON MD TRUSTEE	1 0	X						0	0	0
MARGARET I RAFFIN TRUSTEE	1 0	X						0	0	0
BRIAN C ROACH MD DIV PRESIDENT SAN MATEO, PAMF	40 0	X						0	516,826	206,955
RICHARD SLAVIN MD DIVISION PRESIDENT PAMF	40 0	X		X				0	842,265	324,909
MARGARET TAYLOR TRUSTEE	1 0	X						0	0	0
JANE VARNER MD TRUSTEE	1 0	X						0	0	0
KAREN HALL VP & REG GENERAL COUNSEL, PC	40 0			X				0	349,005	122,624
SHARON KUTIS CFO, PALO ALTO MEDICAL FOUN	40 0			X				0	562,138	189,645
LAWRENCE DEGHETALDI DIVISION PRESIDENT PAMF	40 0				X			0	669,966	318,005
JAMES HEREFORD COO, PAMF	40 0				X			0	456,800	116,281
FRANCIS MARZONI DIVISION PRESIDENT PAMF	40 0				X			0	737,719	284,666
ELIZABETH VILARDO-MORGAN MD DIV PRESIDENT CAMINO, PAMF	40 0				X			0	492,853	204,324
PAUL TANG CMO, PAMF	40 0					X		618,495	0	56,109
HAROLD LUFT DIRECTOR RESEARCH INSTITUTE	40 0					X		503,084	0	43,676
CECILIA MONTALVO VP STRATEGIC PLANNING PAMF	40 0					X		0	453,158	172,935
MICHAEL REANDEAU REG CIO, PENINSULA COASTAL	40 0					X		0	445,002	127,453
DEBBIE GOODIN VP HUMAN RESOURCES, PAMF	40 0					X		0	431,700	167,141
PAUL DECHANT MD CEO, SGMF	0 0						X	0	663,560	307,865
MARK MCLAUGHLIN DIRECTOR OF RESEARCH, FINANCE	0 0						X	222,287	0	25,447

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization PALO ALTO MEDICAL FOUNDATION

Employer identification number 94-1156581

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
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?

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, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

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?

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)?

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

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

**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
<b>1a</b> Beginning of year balance . . . . .	29,798,661	28,386,314	22,798,516	28,024,903	
<b>b</b> Contributions . . . . .	746,138	569,017	2,079,571	2,982,394	
<b>c</b> Investment earnings or losses . . . . .	-986,538	2,324,258	5,015,365	-6,174,934	
<b>d</b> Grants or scholarships . . . . .	354,273				
<b>e</b> Other expenditures for facilities and programs . . . . .	16,323,217	1,316,985	1,339,118	1,875,346	
<b>f</b> Administrative expenses . . . . .		163,943	168,020	158,500	
<b>g</b> End of year balance . . . . .	12,880,771	29,798,661	28,386,314	22,798,517	

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

- a** Board designated or quasi-endowment **▶** 0 %
- b** Permanent endowment **▶** 77.400 %
- c** Term endowment **▶** 22.600 %

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

	Yes	No
<b>(i)</b> unrelated organizations . . . . .	<b>3a(i)</b>	No
<b>(ii)</b> related organizations . . . . .	<b>3a(ii)</b>	No

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		144,933,570		144,933,570
<b>b</b> Buildings . . . . .		431,567,212	117,768,259	313,798,953
<b>c</b> Leasehold improvements . . . . .		58,273,115	17,421,228	40,851,887
<b>d</b> Equipment . . . . .		279,136,542	206,089,799	73,046,743
<b>e</b> Other . . . . .		139,618,853	826,418	138,792,435
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				711,423,588

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12 )		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 13 )		

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

(a) Description	(b) Book value
(1) INTERCOMPANY RECEIVABLES	8,343,745
(2) UNAMORTIZED FINANCING COSTS	1,263,997
(3) OTHER RECEIVABLES	21,902,062
(4) OTHER ASSETS	49,722,112
<b>Total.</b> (Column (b) should equal Form 990, Part X, col.(B) line 15.)	81,231,916

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
INSURANCE LIABILITIES	28,511,667
OTHER LIABILITIES	5,030,437
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25 )	33,542,104

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

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

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	<b>3</b>	
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	
<b>5</b>	Donated services and use of facilities	<b>5</b>	
<b>6</b>	Investment expenses	<b>6</b>	
<b>7</b>	Prior period adjustments	<b>7</b>	
<b>8</b>	Other (Describe in Part XIV)	<b>8</b>	
<b>9</b>	Total adjustments (net) Add lines 4 - 8	<b>9</b>	
<b>10</b>	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	<b>10</b>	

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

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

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

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

**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
DESCRIPTION OF THE ORGANIZATION'S COLLECTIONS	PART III, QUESTION 4	ORGANIZATION HAS ARTWORK BEING DISPLAYED IN PUBLIC PLACES OF THE MEDICAL FACILITY FOR DECORATIVE PURPOSES
INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS	PART V, QUESTION 4	SHOCKLEY ENDOWMENT - UNRESTRICTED INVESTMENT INCOME (USE BY PAMF FOR GENERAL PURPOSES) IN TEMP UNTIL APPROPRIATED FOR EXPENDITURE REALIZED AND UNREALIZED GAIN/LOSS GOES BACK INTO THE ENDOWMENT CORPUS RICHARD BABBS ENDOWMENT - TO SUPPORT THE ADMINISTRATIVE TIME OF PHYSICIAN TO OVERSEE THE PAMF BREAST DIAGNOSTIC CENTER, TECHNOLOGISTS, RADIOLOGY ASSISTANTS, AND STAFF OF THE CENTER, AS WELL AS IMAGINING EQUIPMENT AND SUPPLY NEEDS OF THE CENTER ELY ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE SALARY AND BENEFITS OF THE RESEARCH INSTITUTE DIRECTOR COMMUNITY HEALTH CARE ENDOWMENT - TEMP RESTRICTED EARNINGS TO HELP MEET THE NEEDS OF THE UNDERSERVED (MENTAL AND PHYSICAL) WITHIN THE PAMF SERVICE AREA GEORGE DICK ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT STUDYING THE AGING PROCESS OF ELDERLY INDIVIDUALS DOHRMANN FAMILY ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT RESEARCH HEALTH CARE ENDOWMENT - TEMP RESTRICTED EARNINGS TO FUND HEALTH CARE PROJECTS FOR THE PALO ALTO DIVISION AND MEET THE NEEDS OF THE UNDERSERVED WITHIN THE PALO ALTO KILBANE ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT CANCER RESEARCH AND CANCER PROGRAMS IN RADIATION ONCOLOGY AND MEDICAL ONCOLOGY MILO FELLOWSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS WILL BE USED BY THE FOUNDATION TO PROVIDE GRANTS IN AID AND SUPPORT PROMISING POST DOCTORAL SCIENTISTS ENGAGED IN RESEARCH RELATING TO THE CAUSE, DIAGNOSIS, TREATMENT AND CURE OF CANCER EACH GRANT SHALL BE KNOWN AS THE EDITH J MILO MEMORIAL FELLOWSHIP IN THE RESEARCH ON CANCER THOMAS R MITCHELL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE ESTABLISHMENT AND MAINTENANCE OF THE COMPUTERIZED ONCOLOGY DATABASE ALLOWING PHYSICIANS MORE ACCESS FROM OFF- SITE LOCATIONS DOROTHY RHODES ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT CASH AWARDS AS PART OF THE BRAVO EMPLOYEE RECOGNITION PROGRAM RESEARCH INSTITUTE ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT RESEARCH PEDIATRIC ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT PEDIATRICS RUSSELL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT PROGRAMS AND SERVICES OF THE CLARK-DAVIS PEDIATRIC CENTER SAIER ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE PURCHASE OF EQUIPMENT, SUPPLIES AND OTHER EXPENSES DIRECTLY RELATED TO SUPPORT OF THE MEDICAL RESEARCH MISSION OF THE RESEARCH INSTITUTE STEVENS MEMORIAL ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT STUDYING THE AGING PROCESS OF ELDERLY INDIVIDUALS NURSING SCHOLARSHIP ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT NURSING EDUCATION SCHOLARSHIPS THE BLAIR STRATFORD NURSING ENDOWMENT WAS ESTABLISHED BY BLAIR STRATFORD IN HONOR OF DR RICHARD BABB TO FUND NURSING EDUCATION THROUGH SCHOLARSHIPS FOR QUALIFIED PAMF CANDIDATES IN THE PALO ALTO, CAMINO, SANTA CRUZ, AND PALOMARES DIVISIONS (SEE SPECIAL PURPOSE FUND PROPOSAL AND APPROVAL FORM) DUSTERBERRY ENDOWMENT - TEMP RESTRICTED EARNINGS TO BENEFIT CHILDREN IN THE GEOGRAPHIC AREA OF THE TRI-CITIES AND THE FREMONT UNIFIED SCHOOL DISTRICT AND TO FUND SCHOOL CONFERENCES, NEW PROGRAMS, STUDENT TUITION, AND SCHOLARSHIPS PHYSICIAN ENDOWMENT - TEMP RESTRICTED EARNINGS TO SUPPORT THE RECRUITMENT AND RETENTION OF PHYSICIANS
ASC 740 (FIN48) FOOTNOTE FROM AUDIT	PART X, LINE 2	THIS ORGANIZATION WAS PART OF A CONSOLIDATED FINANCIAL SYSTEM AUDIT THE ASC 740 AUDIT FOOTNOTE DISCLOSURE FOR THE SUTTER SYSTEM IS AS FOLLOWS SUTTER HEALTH AND MOST AFFILIATES HAVE BEEN DETERMINED TO BE EXEMPT ORGANIZATIONS BY THE INTERNAL REVENUE SERVICE, (PURSUANT TO INTERNAL REVENUE CODE SECTION 501(C)(3)), AND THE CALIFORNIA FRANCHISE TAX BOARD (PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE 23701(D)) AND, GENERALLY, ARE NOT SUBJECT TO TAXES ON INCOME CERTAIN ACTIVITIES OF SUTTER ARE SUBJECT TO INCOME TAXES, HOWEVER, SUCH ACTIVITIES ARE NOT SIGNIFICANT TO THE COMBINED FINANCIAL STATEMENTS WITH RESPECT TO ITS FOR-PROFIT SUBSIDIARIES AND TAXABLE ACTIVITIES, SUTTER RECORDS INCOME TAXES USING THE LIABILITY METHOD UNDER WHICH DEFERRED TAX ASSETS AND LIABILITIES ARE DETERMINED BASED ON THE DIFFERENCES BETWEEN THE FINANCIAL ACCOUNTING AND TAX BASIS OF ASSETS AND LIABILITIES DEFERRED TAX ASSETS OR LIABILITIES AT THE END OF EACH PERIOD ARE DETERMINED USING THE CURRENTLY ENACTED TAX RATE EXPECTED TO APPLY TO TAXABLE INCOME IN THE PERIODS THAT THE DEFERRED TAX ASSET OR LIABILITY IS EXPECTED TO BE REALIZED OR SETTLED SUTTER RECOGNIZES THE TAX BENEFIT FROM UNCERTAIN TAX POSITIONS ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITIONS WILL BE SUSTAINED ON EXAMINATION BY THE TAX AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION THE TAX BENEFIT IS MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50% LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT SUTTER RECOGNIZES INTEREST AND PENALTIES RELATED TO INCOME TAX MATTERS IN OPERATING EXPENSES AT DECEMBER 31, 2011 AND 2010, THERE WERE NO SUCH UNCERTAIN TAX POSITIONS

**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  
**2011**  
**Open to Public  
Inspection**

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number  
94-1156581

**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. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . .

(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 listed in the line 1 table . . . . . 35

3 Enter total number of other organizations listed in the line 1 table . . . . . 0



**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
(1) HONORARIUMS/STIPENDS-PARI	4	1,800			
(2) PATIENT ASSISTANCE-PARI	32	13,115			
(3) PRE-MED/NURSING SCHOLARSHIPS-PARI	15	72,300			

**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
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS	PART I, LINE 2	THE HEALTH CARE ENDOWMENT COMMITTEE (HCEC) (CURRENT/PAST TRUSTEES AND PHYSICIANS) APPROVE THE GRANTS THE OUTSIDE FIRM OF KRAMER, BLUM AND ASSOCIATES IS RETAINED AND IT SENDS OUT THE REQUESTS FOR PROPOSALS (RFP'S) TO THE AGENCIES THAT ARE INVITED TO APPLY THE FIRM DOES THE DUE DILIGENCE TO DETERMINE IF THE AGENCIES ARE QUALIFIED, AND WORTHY OF A HCEC GRANT THE FIRM PROVIDES THE ENDOWMENT COMMITTEE WITH A DOCKET AND ITS RECOMMENDATIONS PRIOR TO THE MEETING TO APPROVE OR NOT APPROVE THE PROPOSALS THE SUTTER HEALTH SYSTEM HAS AN OVERLAP IN LEADERSHIP WHICH MONITORS THE USE OF GRANTS BETWEEN AFFILIATES

**Software ID:**  
**Software Version:**  
**EIN:** 94-1156581  
**Name:** PALO ALTO MEDICAL FOUNDATION

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
COMMUNITY FOUNDATION 7807 SOQUEL DR APTOS, CA 95003	94-2808039	501(C)(3)	126,000				GENERAL SUPPORT
MEDSHARE INTERNATIONAL 3240 CLIFTON SPRINGS RD DECATUR, GA 30034	58-2433968	501(C)(3)	52,776				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
EL CAMINO HOSPITAL FOUNDATION 2500 GRANT RD MOUNTAIN VIEW, CA 94040	94-2823235	501(C)(3)	40,000				GENERAL SUPPORT
EL CAMINO HOSPITAL ROTACARE 2500 GRANT RD MOUNTAIN VIEW, CA 94040	94-3167314	501(C)(3)	39,107				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
AMERICAN CANCER SOCIETY 1720 SO AMPHLETT BLVD SAN MATEO, CA 94402	94-1170350	501(C)(3)	38,000				GENERAL SUPPORT
MAIN STREET MEDIA GROUP LLC PO BOX 742178 LOS ANGELES, CA 90074	20-0490677	501(C)(3)	27,776				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SANTA CRUZ WOMENS HEALTH CENTER 250 LOCUST ST SANTA CRUZ, CA 95060	23-7428303	501(C)(3)	25,000				GENERAL SUPPORT
SALUD PARA LA GENTE 195 AVIATION WY WATSONVILLE, CA 95076	94-2705747	501(C)(3)	20,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
CABRILLO COLLEGE 6500 SOQUEL APTOS, CA 95003	77-0385111	501(C)(3)	15,250				GENERAL SUPPORT
MARCH OF DIMES PO BOX 1657 WILKESBARR, PA 18703	13-1846366	501(C)(3)	15,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
PATHWAYS TO HOSPICE FOUNDATION 201 SAN ANTONIO CIR MOUNTAIN VIEW, CA 94040	77-0280660	501(C)(3)	15,000				GENERAL SUPPORT
COMMUNITY HEALTH AWARENESS COUNCIL PO BOX 335 MOUNTAIN VIEW, CA 94042	94-2223670	501(C)(3)	11,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SCHOOL OF IMAGINATION INC 7567 AMADOR VALLEY BLVD DUBLIN, CA 94568	20-8683005	501(C)(3)	10,000				GENERAL SUPPORT
SACRED HEART COMMUNITY SERVICES 13851 SOUTH 1ST ST SAN JOSE, CA 95110	23-7179787	501(C)(3)	10,000				GENERAL SUPPORT



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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
CARDIAC THERAPY FDN OF THE MIDPENINSULA 4000 MIDDLEFIELD RD PALO ALTO, CA 94303	77-0336212	501(C)(3)	10,000				GENERAL SUPPORT
FRIENDS OF CHILDREN WITH SPECIAL NEEDS 2300 PERALTA BLVD FREMONT, CA 94536	77-0446853	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SANTA CLARA FAMILY HEALTH FOUNDATION INC 210 EAST HACIENDA AVE CAMPBELL, CA 95008	77-0545774	501(C)(3)	10,000				GENERAL SUPPORT
AMERICAN RED CROSS SILICON VALLEY CHAPTER 2731 NORTH FIRST ST SAN JOSE, CA 95134	94-1156472	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
NORTRE DAME DE NAMUR UNIVERSITY 1500 RALSTON AVE BELMONT, CA 94002	94-1156646	501(C)(3)	10,000				GENERAL SUPPORT
FAMILY SERVICE AGENCY OF SAN MATEO 24 SECOND AVE SAN MATEO, CA 94401	94-1186169	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
PENINSULA VOLUNTEERS INC 800 MIDDLE AVE MENLO PARK, CA 94025	94- 1294939	501(C)(3)	10,000				GENERAL SUPPORT
LEGAL AID SOCIETY OF SAN MATEO COUNTY 521 E 5TH AVE SAN MATEO, CA 94402	94- 1451894	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
AVENIDAS450 BRYANT ST PALO ALTO, CA 94301	94- 1480548	501(C)(3)	10,000				GENERAL SUPPORT
MAYVIEW COMMUNITY HEALTH CTR270 GRAND AVE PALO ALTO, CA 94306	94- 2239648	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SENIOR NETWORK SERVICES OF SANTA CRUZ 1777-A CAPITOLA RD SANTA CRUZ, CA 95062	94-2259716	501(C)(3)	10,000				GENERAL SUPPORT
NEXT DOOR SOLUTIONS TO DOMESTIC VIOLENCE 234 E GISH RD SAN JOSE, CA 95112	94-2420708	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
DOMINICAN HOSPITAL FOUNDATION 1555 SOQUEL DR SANTA CRUZ, CA 95065	94-2450442	501(C)(3)	10,000				GENERAL SUPPORT
ECUMENICAL HUNGER PROGRAM 2411 PULGAS AVE EAST PALO ALTO, CA 94303	94-2476942	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
HOSPICE OF SANTA CRUZ COUNTY 940 DISC DR SCOTTS VALLEY, CA 95066	94-2497618	501(C)(3)	10,000				GENERAL SUPPORT
MAITRI 1234 E GISH RD SAN JOSE, CA 95112	94-3132087	501(C)(3)	10,000				GENERAL SUPPORT



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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
TEEN PREGNANCY COALITION SAN MATEO COUNTY 120 JAMES AVE REDWOOD CITY, CA 94062	94- 3227947	501(C)(3)	10,000				GENERAL SUPPORT
OMBUDSMAN SERVICES OF SAN MATEO COUNTY INC 711 NEVADA ST REDWOOD CITY, CA 94061	94- 3397402	501(C)(3)	10,000				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
YMCA OF SILICON VALLEY 3412 ROSS RD PALO ALTO, CA 94303	94-1156318	501(C)(3)	9,000				GENERAL SUPPORT
WOMEN CARE 2901 PARK STE A1 SOQUEL, CA 95073	77-0410099	501(C)(3)	8,250				GENERAL SUPPORT

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
COMMUNITY SERVICES AGENCY 204 STIERLIN RD MOUNTAIN VIEW, CA 94043	94- 1422465	501(C)(3)	6,000				GENERAL SUPPORT

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2011**

**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.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number

94-1156581

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b>		
<b>1b</b>	Yes	
<b>2</b>	Yes	
<b>3</b>		
<b>4a</b>		No
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>	Yes	
<b>8</b>		No
<b>9</b>		

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- |   |  |
|---|--|
| <input checked="" type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                                | <input type="checkbox"/> Payments for business use of personal residence |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account                       | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes 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

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

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

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

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

**a** Receive a severance payment or change-of-control payment?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

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

**Only 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?

**b** Any related organization?

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

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

**a** The organization?

**b** Any related organization?

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

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

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

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

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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				
See Additional Data Table							

**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
RELEVANT INFORMATION REGARDING COMPENSATION ITEMS	PART I, QUESTION 1A	FIRST-CLASS TRAVEL CERTAIN OFFICERS AND KEY EMPLOYEES OF SUTTER HEALTH MAY UPGRADE TO FIRST-CLASS TRAVEL FOR FLIGHTS GREATER THAN FOUR HOURS IN DURATION TAX INDEMNIFICATION STANDARD POLICY FOR ALL SUTTER HEALTH EMPLOYEES IS THAT NON-CASH GIFTS AND AWARDS ARE GROSSED-UP FOR TAX PURPOSES THE AMOUNT OF THE GROSS-UP IS ADDED TO THE EMPLOYEE'S WAGES AND TAXED ACCORDINGLY
SUPPLEMENTAL COMPENSATION INFORMATION	PART I, QUESTION 3	THE CEO OF THE ORGANIZATION IS AN EMPLOYEE OF SUTTER HEALTH THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ENSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND MAINTAINS AN OBJECTIVE "ARMS LENGTH" DECISION-MAKING PROCESS, ENSURING THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION
NONQUALIFIED RETIREMENT PLAN	PART I, QUESTION 4B	THE PURPOSE OF THE NONQUALIFIED RETIREMENT PLAN IS TO PROVIDE SUTTER HEALTH EXECUTIVES WITH A COMPETITIVE RETIREMENT BENEFIT CONSISTENT WITH SUTTER HEALTH'S OVERALL COMPENSATION PHILOSOPHY FOR ALL EMPLOYEES CONTRIBUTIONS ARE DESIGNED TAKING INTO CONSIDERATION LOST RETIREMENT BENEFITS THAT WOULD OTHERWISE BE OBTAINED THROUGH THE QUALIFIED PENSION PLAN SUTTER'S PLANS ARE DESIGNED CONSISTENT WITH COMPETITIVE INDUSTRY PRACTICES THE RETIREMENT PLAN FOR SUTTER HEALTH EMPLOYEES IS A COMBINATION OF SOCIAL SECURITY, 403B EMPLOYER MATCH CONTRIBUTIONS AND QUALIFIED PLAN BENEFITS SUTTER HEALTH EXECUTIVES ARE GENERALLY INELIGIBLE FOR EMPLOYER MATCH CONTRIBUTIONS ADDITIONALLY, QUALIFIED PLAN BENEFITS CAPS HAVE THE EFFECT OF SUBSTANTIALLY REDUCING RETIREMENT BENEFITS THAT ARE OTHERWISE PROVIDED TO ALL EMPLOYEES THE EFFECT IS THAT EXECUTIVES OFTEN DO NOT RECEIVE THE SAME LEVEL OF RETIREMENT BENEFIT ON AN INCOME REPLACEMENT BASIS AS OTHER EMPLOYEES TO ENSURE A COMPETITIVE RETIREMENT BENEFIT AND TO ADDRESS THE SHORTFALLS DESCRIBED ABOVE, SUTTER HEALTH MAKES AN ANNUAL CONTRIBUTION TO A NON-QUALIFIED 457(F) PLAN FOR ITS EXECUTIVES THE FORMULA HAS TWO PARTS (1) 4% TO 7% OF BASE SALARY (COMMENSURATE WITH MANAGEMENT LEVEL), PLUS (2) A CONTRIBUTION STARTING AT 5% (BASED UPON TENURE) FOR EARNINGS BEYOND THE PENSION PAY CAP THE LATTER OF WHICH IS DESIGNED TO HELP RESTORE LOST PENSION BENEFITS FORFEITED UNDER THE QUALIFIED PLAN FOR EARNINGS OVER THE PENSION PAY CAP LIMIT CONTRIBUTIONS ARE ALSO MADE FOR A SMALL GROUP OF SENIOR LEVEL EXECUTIVES WHOSE ESTIMATED RETIREMENT BENEFIT (SOCIAL SECURITY PLUS QUALIFIED PLAN BENEFITS PLUS 457F) FALLS BELOW 50% - 65% OF FINAL 4-YEAR AVERAGE BASE SALARY WHEN RETIRING AT AGE 65 TARGET BENEFIT LEVELS VARY BY YEARS OF SERVICE UNLIKE SUTTER HEALTH'S QUALIFIED PLAN WHERE EMPLOYEE BENEFITS ARE GUARANTEED (I.E., A DEFINED BENEFIT), SUTTER'S NON-QUALIFIED PLAN BENEFITS ARE NOT GUARANTEED BY SUTTER HEALTH INVESTMENT RISK IS BORNE BY PARTICIPANTS AND BENEFITS ARE NOT PROTECTED SHOULD SUTTER HEALTH BECOME INSOLVENT
NON-FIXED PAYMENTS	PART I, QUESTION 7	SPOT AWARDS ARE INFREQUENTLY USED TO REWARD EMPLOYEES THERE ARE NO SPECIFIC GUIDELINES FOR THE AMOUNT OF THE SPOT AWARD BUT THE AMOUNT TENDS TO NOT EXCEED 5% OF GROSS PAY ANNUAL INCENTIVE PLAN (AIP) THE PURPOSE OF THE PLAN IS TO FOCUS EXECUTIVES ON SPECIFIC, SHORTER-TERM GOALS THAT ARE CRITICAL TO THE ACHIEVEMENT OF AFFILIATE, REGION, AND SYSTEM-WIDE OBJECTIVES THAT DRIVE OVERALL ORGANIZATION PERFORMANCE A PORTION OF THE PLAN AWARD IS DISCRETIONARY IN THAT THE SUPERVISOR MAY ADD +/- 5% TO THE AWARD PROVIDED THE TOTAL AWARD (FORMULA PORTION PLUS DISCRETIONARY) DOES NOT EXCEED THE MAXIMUM ESTABLISHED FOR ANY GIVEN EXECUTIVE LONG TERM PERFORMANCE PLANS SUTTER HEALTH ALSO EMPLOYS LONG TERM PERFORMANCE PLANS WHICH ARE DESIGNED TO FOCUS ON LONGER TERM STRATEGIC OBJECTIVES OF THE ORGANIZATION SUTTER'S LONG TERM PERFORMANCE PLAN APPROACH IS A COMBINATION OF BOTH LONGER TERM MEASURES OF ORGANIZATION SUCCESS AND KEY ORGANIZATION STRATEGIES WHICH REQUIRE THE COMBINED EFFORT OF ALL LEADERSHIP TO ACHIEVE SUCCESS SUTTER USES A COMMON FATE APPROACH IN THAT ALL PLAN PARTICIPANTS ARE MEASURED AGAINST THE SAME, ORGANIZATION-WIDE CRITERIA VS INDIVIDUAL EFFORTS THIS FOSTERS A COMMON PURPOSE ACROSS LEADERSHIP AND A SHARED SENSE OF ACCOUNTABILITY FOR THE OVERALL SUCCESS OF SUTTER HEALTH TO ENSURE THAT EXTRAORDINARY EFFORTS BY INDIVIDUALS CAN BE RECOGNIZED AND THAT ACTIONS OF LEADERSHIP ARE CONSISTENT WITH SUPPORTING SUTTER HEALTH'S OVERALL MISSION, VISION, AND VALUES, SUTTER'S LONG TERM INCENTIVE PLAN APPROACH ALSO INCORPORATES A COMBINATION OF CEO AND SUTTER HEALTH COMPENSATION COMMITTEE DISCRETION IN SOME CASES, THE SUTTER HEALTH COMPENSATION COMMITTEE HAS DELEGATED AUTHORITY TO THE PRESIDENT & CEO TO MODIFY INDIVIDUAL AWARDS WITHIN LIMITS THAT HAVE BEEN PRE-APPROVED BY THE SUTTER HEALTH COMPENSATION COMMITTEE THIS INCLUDES BOTH THE REDUCTION AND INCREASE OF AWARD AMOUNTS SUCH MODIFICATIONS GENERALLY DO NOT EXCEED +/- 20% AND ARE EMPLOYED JUDICIOUSLY IN ALL CASES, THE COMPENSATION COMMITTEE OF THE BOARD DETERMINES ACHIEVEMENT OF ORGANIZATION GOALS AND MAKES FINAL AWARD DETERMINATION WHICH MAY RESULT IN A REDUCTION OF AWARD IF APPROPRIATE ALL SENIOR EXECUTIVE AWARDS ARE REVIEWED FOR COMPENSATION REASONABLENESS AND APPROVED PRIOR TO PAYMENT BY THE COMPENSATION COMMITTEE

**Software ID:**  
**Software Version:**  
**EIN:** 94-1156581  
**Name:** PALO ALTO MEDICAL FOUNDATION

**Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
LAWRENCE DEGHETALDI	(i) (ii)	0 457,451	0 210,947	0 1,568	0 297,338	0 20,667	0 987,971	0 250,405
PATRICK FRY	(i) (ii)	0 1,556,049	0 1,472,283	0 16,884	0 2,163,921	0 32,168	0 5,241,305	0 1,637,694
JEFF GERARD	(i) (ii)	0 658,710	0 434,975	0 5,278	0 556,451	0 19,576	0 1,674,990	0 456,135
KAREN HALL	(i) (ii)	0 268,050	0 80,684	0 271	0 104,481	0 18,143	0 471,629	0 80,684
JAMES HEREFORD	(i) (ii)	0 263,112	0 100,000	0 93,688	0 110,017	0 6,264	0 573,081	0 0
SHARON KUTIS	(i) (ii)	0 426,799	0 134,483	0 856	0 176,262	0 13,383	0 751,783	0 191,882
FRANCIS MARZONI	(i) (ii)	0 698,064	0 30,000	0 9,655	0 270,943	0 13,723	0 1,022,385	0 30,000
ROBERT MERWIN	(i) (ii)	0 570,826	0 271,164	0 5,613	0 486,829	0 20,456	0 1,354,888	0 338,126
BRIAN C ROACH MD	(i) (ii)	0 371,616	0 143,829	0 1,381	0 191,135	0 15,820	0 723,781	0 143,829
RICHARD SLAVIN MD	(i) (ii)	0 786,819	0 50,000	0 5,446	0 306,745	0 18,164	0 1,167,174	0 50,000
ELIZABETH VILARDO-MORGAN MD	(i) (ii)	0 464,187	0 0	0 28,666	0 185,003	0 19,321	0 697,177	0 0
PAUL TANG	(i) (ii)	540,843 0	25,500 0	52,152 0	31,225 0	24,884 0	674,604 0	0 0
HAROLD LUFT	(i) (ii)	427,584 0	75,500 0	0 0	21,880 0	21,796 0	546,760 0	0 0
CECILIA MONTALVO	(i) (ii)	0 331,748	0 117,756	0 3,654	0 154,768	0 18,167	0 626,093	0 135,539
MICHAEL REANDEAU	(i) (ii)	0 321,245	0 114,779	0 8,978	0 120,257	0 7,196	0 572,455	0 125,757
DEBBIE GOODIN	(i) (ii)	0 314,727	0 115,951	0 1,022	0 148,970	0 18,171	0 598,841	0 137,426
PAUL DECHANT MD	(i) (ii)	0 465,490	0 185,838	0 12,232	0 286,517	0 21,348	0 971,425	0 210,227
MARK MCLAUGHLIN	(i) (ii)	167,628 0	15,500 0	39,159 0	15,632 0	9,815 0	247,734 0	0 0

**Schedule K  
(Form 990)**

OMB No 1545-0047

**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.

**2011**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number  
94-1156581

**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
<b>A</b>	CSCDA 2005A	68-0164610	130911U24	10-19-2005	276,217,522	CONSTRUCT & EQUIP FACILITY		X		X		X
<b>B</b>	CSCDA 2005BC	68-0164610	130795EG8	05-01-2007	49,994,066	REFUNDING - 10/19/2005		X		X		X
<b>C</b>	CSCDA 2008BC	68-0164610	130795TD9	05-14-2008	291,999,417	CONSTRUCT & EQUIP FACILITY		X		X		X

**Part II Proceeds**

		A	B	C	D				
<b>1</b>	Amount of bonds retired	0	0	0					
<b>2</b>	Amount of bonds defeased	0	0	0					
<b>3</b>	Total proceeds of issue	284,787,106	52,179,709	306,625,587					
<b>4</b>	Gross proceeds in reserve funds	21,070,840	3,461,872	0					
<b>5</b>	Capitalized interest from proceeds	0	0	31,655,776					
<b>6</b>	Proceeds in refunding escrow	0	0	0					
<b>7</b>	Issuance costs from proceeds	0	0	0					
<b>8</b>	Credit enhancement from proceeds	0	0	0					
<b>9</b>	Working capital expenditures from proceeds	0	0	0					
<b>10</b>	Capital expenditures from proceeds	189,282,478	0	262,221,018					
<b>11</b>	Other spent proceeds	74,433,788	48,717,837	11,427,232					
<b>12</b>	Other unspent proceeds	0	0	1,321,561					
<b>13</b>	Year of substantial completion								
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>14</b>	Were the bonds issued as part of a current refunding issue?		X	X			X		
<b>15</b>	Were the bonds issued as part of an advance refunding issue?		X		X		X		
<b>16</b>	Has the final allocation of proceeds been made?	X		X		X			
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

**Part III Private Business Use**

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



**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use?	X		X		X			
<b>b</b> If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X			
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?	X		X		X			
<b>d</b> If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X			
<b>4</b> 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	0 250 %		0 320 %		0 570 %			
<b>5</b> 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	0 %		0 %		0 030 %			
<b>6</b> Total of lines 4 and 5	0 250 %		0 320 %		0 600 %			
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> 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		X		X		
<b>2</b> Is the bond issue a variable rate issue?		X		X		X		
<b>3a</b> Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		
<b>b</b> Name of provider	0		0		0			
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintegrated?								
<b>e</b> Was a hedge terminated?								
<b>4a</b> Were gross proceeds invested in a GIC?		X		X		X		
<b>b</b> Name of provider	0		0		0			
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X		X		X		
<b>6</b> Did the bond issue qualify for an exception to rebate?		X		X		X		

**Part V Procedures To Undertake Corrective Action**

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . .  Yes  No

**Part VI Supplemental Information**

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

Identifier	Return Reference	Explanation
SEE SCHEDULE O	0	

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization PALO ALTO MEDICAL FOUNDATION

Employer identification number 94-1156581

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

Table with 3 main columns: (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

Table with 7 main columns: (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?

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 3 main columns: (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
(1) PALO ALTO FOUNDATION MEDICAL GROUP	SEE PART V	446,100,019	SEE PART V		No
(2) VARIAN MEDICAL SYSTEMS	SEE PART V	321,840	SEE PART V		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
DESCRIPTIONS OF BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCHEDULE L, PART IV	<p>GEORGE COHEN MD, MEG DURBIN MD, NOMI KHAN MD, RICHARD MORGAN MD, C TERRIGAL BURN MD, ELIZABETH NEWSOM MD, JOSEPH LACY MD, JANE VARNER MD, PETER HARRIS MD, CARY HILL MD, THE PALO ALTO MEDICAL FOUNDATION (PAMF) TRUSTEES, WERE ALSO SHAREHOLDERS &amp; ON THE BOARD OF DIRECTORS OF PALO ALTO FOUNDATION MEDICAL GROUP(PAFMG) CONTRACTED SERVICES WERE PROVIDED BY PAFMG THROUGH THE PROFESSIONAL SERVICES AGREEMENT WHEREIN PAFMG PROVIDED THE PROFESSIONAL SERVICES RENDERED TO PAMF PATIENTS BENJAMIN MASER MD, TRUSTEE OF PALO ALTO MEDICAL FOUNDATION (PAMF), ALSO IS A SHAREHOLDER &amp; TREASURER OF PALO ALTO FOUNDATION MEDICAL GROUP(PAFMG) CONTRACTED SERVICES WERE PROVIDED BY PAFMG THROUGH THE PROFESSIONAL SERVICES AGREEMENT WHEREIN PAFMG PROVIDED THE PROFESSIONAL SERVICES RENDERED TO PAMF PATIENTS RICHARD LEVY IS A TRUSTEE OF PALO ALTO MEDICAL FOUNDATION (PAMF) AND PART OWNER AND DIRECTOR OF VARIAN MEDICAL SYSTEMS DURING THE YEAR PAMF PAID VARIAN FOR MEDICAL EQUIPMENT VIA AN ARMS-LENGTH AGREEMENT</p>

**SCHEDULE M  
(Form 990)**

**NonCash Contributions**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.**  
▶ **Attach to Form 990.**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

Employer identification number  
94-1156581

**Part I Types of Property**

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	X	9	274,654	FMV OF STOCK
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ ( <u>COMPUTER EQUIPMENT</u> ) . . . . .	X	1	37,183	FMV
26 Other ▶ ( _____ ) . . . . .				
27 Other ▶ ( _____ ) . . . . .				
28 Other ▶ ( _____ ) . . . . .				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . . **29** 0

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .		No
b If "Yes," describe the arrangement in Part II		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions? . . . . .		No
b If "Yes," describe in Part II		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

**Part II**

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
PART I, COLUMN (B)		COLUMN (B) REPRESENTS THE NUMBER OF CONTRIBUTIONS RECEIVED

Schedule M (Form 990) 2011

**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

**2011**

**Open to Public  
Inspection**

Name of the organization  
PALO ALTO MEDICAL FOUNDATION

**Employer identification number**

94-1156581

Identifier	Return Reference	Explanation
MISSION STATEMENT	FORM 990, PART I, LINE 1 AND PART III, LINE 1	WE ENHANCE THE WELL-BEING OF THE PEOPLE IN OUR COMMUNITIES THROUGH COMPASSION, EXCELLENCE AND INNOVATION IN HEALTH CARE SERVICE, RESEARCH AND EDUCATION

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4A	<p>THE PALO ALTO MEDICAL FOUNDATION FOR HEALTH CARE, RESEARCH AND EDUCATION (PAMF) IS A NOT-FOR-PROFIT HEALTH CARE ORGANIZATION THAT IS A PIONEER IN BOTH MULTISPECIALTY GROUP PRACTICE OF MEDICINE AND OUTPATIENT MEDICINE. IN 1993, PAMF AFFILIATED WITH SUTTER HEALTH, A FAMILY OF NOT-FOR-PROFIT HOSPITALS AND PHYSICIAN ORGANIZATIONS THAT SHARE RESOURCES AND EXPERTISE TO ADVANCE HEALTH CARE QUALITY. IN 2009, PAMF, MILLS-PENINSULA HEALTH SERVICES (MPHS), SUTTER MATERNITY AND SURGERY CENTER AND MENLO PARK SURGICAL HOSPITAL CAME TOGETHER TO FORM SUTTER HEALTH'S PENINSULA COASTAL REGION, SERVING MORE THAN 100 COMMUNITIES IN NORTHERN CALIFORNIA. SUTTER HEALTH IS A REGIONAL LEADER IN CARDIAC CARE AS WELL AS CARE OF WOMEN AND CHILDREN, AND IS A PIONEER IN ADVANCED PATIENT SAFETY TECHNOLOGY. IN 2008, THE PHYSICIANS OF THE FORMER CAMINO MEDICAL GROUP, PALO ALTO MEDICAL CLINIC AND SANTA CRUZ MEDICAL CLINIC MERGED INTO A SINGLE PHYSICIAN GROUP CALLED THE PALO ALTO FOUNDATION MEDICAL GROUP (PAFMG) TO CONTRACT WITH PAMF TO PROVIDE PHYSICIAN SERVICES. AND IN 2010, A NEW MULTISPECIALTY PHYSICIAN GROUP, PENINSULA MEDICAL CLINIC (PMC), WAS FORMED. NOW, PAMF'S 1,096 AFFILIATED PHYSICIANS AND 4,310 EMPLOYEES SERVE MORE THAN 730,000 PATIENTS AT 40 SITES THROUGHOUT THE BAY AREA. PAMF'S MISSION IS TO ENHANCE THE WELL-BEING OF THE PEOPLE IN OUR COMMUNITIES THROUGH COMPASSION, EXCELLENCE AND INNOVATION IN HEALTH CARE SERVICES, RESEARCH AND EDUCATION. PAMF HAS THREE DIVISIONS: 1. HEALTH CARE, 2. EDUCATION, 3. RESEARCH. HEALTH CARE DIVISION PAMF'S HEALTH CARE DIVISION CONSISTS OF FOUR DIVISIONS: 1. PALO ALTO, SERVING ALAMEDA, SAN MATEO AND SANTA CLARA COUNTIES; 2. CAMINO, SERVING SANTA CLARA COUNTY; 3. SANTA CRUZ, SERVING SANTA CRUZ COUNTY; 4. MILLS-PENINSULA, SERVING SAN MATEO COUNTY. THESE DIVISIONS OFFER MORE THAN 45 MEDICAL SPECIALTIES, A FULL RANGE OF MEDICAL SERVICES, AND STATE-OF-THE-ART TECHNOLOGY. THIS TECHNOLOGY INCLUDES THE MOST ADVANCED DIAGNOSTIC IMAGING AND TREATMENT DEVICES, AN ELECTRONIC HEALTH RECORD SYSTEM, THREE LICENSED ACUTE-CARE FACILITIES, AND ONE ACCREDITED HOME HEALTH AGENCY. PAMF'S ADVANCED CAPABILITIES AND EMPHASIS ON OUTPATIENT CARE ALLOW PHYSICIANS AND STAFF TO MINIMIZE HOSPITALIZATION OF PATIENTS, REDUCING THE OVERALL COST OF MEDICAL CARE SIGNIFICANTLY WHILE MAINTAINING THE HIGHEST QUALITY OF CARE FOR PATIENTS. AS PART OF ITS COMMITMENT TO SERVING ITS COMMUNITY, PAMF PROVIDES CARE TO MEDICALLY INDIGENT PATIENTS AND THOSE ENROLLED IN MEDICARE, MEDICAL, AND OTHER GOVERNMENT PROGRAMS WHOSE REIMBURSEMENTS FALL SHORT OF COVERING THE COST OF PROVIDING CARE. ACHIEVEMENTS - PAMF RECEIVED A THREE-YEAR ACCREDITATION FROM THE INSTITUTE OF MEDICAL QUALITY (IMQ) IN 2010. RECOGNIZED BY THE MEDICAL BOARD OF CALIFORNIA, MANY LIABILITY CARRIERS, WORKERS' COMPENSATION AND INSURERS, IMQ'S AMBULATORY PROGRAM WAS DESIGNED TO PROMOTE QUALITY CARE AND ASSURE COMPLIANCE WITH GOVERNMENT REGULATIONS. - FOR THE EIGHTH CONSECUTIVE YEAR, THE INTEGRATED HEALTHCARE ASSOCIATION (IHA) HAS NAMED THE PALO ALTO MEDICAL FOUNDATION (PAMF) AS ONE OF THE MOST OUTSTANDING PHYSICIAN GROUPS IN CALIFORNIA BASED ON ITS PAY-FOR-PERFORMANCE (P4P) PROGRAM MEASURE FOR SIX CONSECUTIVE YEARS. IN OVERALL PERFORMANCE, PAMF RANKED AS A "TOP PERFORMER" IN PATIENT EXPERIENCE, INFORMATION TECHNOLOGY AND CLINICAL QUALITY, SUCH AS CANCER SCREENINGS, IMMUNIZATIONS AND DIABETES CARE. - PAMF IS RATED FOUR OUT OF FOUR STARS BY THE CALIFORNIA OFFICE OF THE PATIENT ADVOCATE (OPA) IN A STATEWIDE ASSESSMENT OF ALL MEDICAL GROUPS. MEDICAL GROUPS ARE RANKED IN TWO CATEGORIES: MEETING NATIONAL STANDARDS OF CARE, AND PATIENT RATINGS. THE OPA, AN INDEPENDENT STATE OFFICE IN CONJUNCTION WITH THE DEPARTMENT OF MANAGED HEALTH CARE, WAS CREATED TO REPRESENT THE INTERESTS OF HEALTH PLAN MEMBERS TO GET THE CARE THEY DESERVE AND TO PROMOTE TRANSPARENCY AND QUALITY HEALTH CARE BY PUBLISHING AN ANNUAL QUALITY OF CARE REPORT CARD (2012). - MORE THAN 70 PERCENT OF PAMF'S PATIENTS ARE USING MY HEALTH ONLINE (FORMERLY KNOWN AS PAMFONLINE). ACCESS WAS ENHANCED WITH THE CREATION AND IMPLEMENTATION OF THE MY HEALTH ONLINE MOBILE FORMATS VIA THE MYCHART APP ON BOTH ANDROID AND APPLE DEVICES (2012). - PAMF BECAME ONE OF THE FIRST ONCOLOGY PRACTICES IN THE U.S. RECOGNIZED BY QUALITY ONCOLOGY PRACTICE INITIATIVE (QOPI) CERTIFICATION PROGRAM, AN AFFILIATE OF THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY (ASCO) - THE WORLD'S LEADING PROFESSIONAL ORGANIZATION REPRESENTING PHYSICIANS WHO CARE FOR PEOPLE WITH CANCER (2011). - PAMF'S VASCULAR CENTER AT THE MOUNTAIN VIEW CENTER WAS RECOGNIZED FOR ITS COMMITMENT TO PROVIDING A HIGH LEVEL OF PATIENT CARE AND QUALITY TESTING FOR THE DIAGNOSIS OF VASCULAR DISEASE BY THE INTERSOCIETAL COMMISSION FOR THE ACCREDITATION OF VASCULAR LABORATORIES (2011). - SUTTER HEALTH PRESIDENT'S AWARD - THIS AWARD RECOGNIZES OUTSTANDING PERFORMANCE IN THE AREAS OF CLINICAL QUALITY, SERVICE EXCELLENCE, COMMUNITY BENEFIT AND CHARITY CARE, EMPLOYEE AND PHYSICIAN SATISFACTION, TARGETED GROWTH AND FINANCE.</p>

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4A	<p>IAL HEALTH (2011) - THE SOCIETY FOR ADOLESCENT HEALTH AND MEDICINE AWARDED THE 2011 HILARY E.C. MILLAR AWARD FOR INNOVATIVE APPROACHES TO ADOLESCENT HEALTH CARE TO THE PALO ALTO MEDICAL FOUNDATION'S (PAMF) WELLNESS ASSESSMENT FOR YOUTH TO GET ORGANIZED PROGRAM - KNOWN AS WAY2GO! - THE CALIFORNIA ASSOCIATION OF PHYSICIAN GROUPS RATED PAMF AS "ELITE" IN ITS ANNUAL STANDARDS OF EXCELLENCE SURVEY CAPG'S STANDARDS OF EXCELLENCE SURVEY EVALUATES THE FEATURES AND CAPABILITIES OF MEDICAL GROUPS ACROSS CALIFORNIA IN FOUR KEY AREAS TO RATE " THE INFRASTRUCTURE OF A HEALTH CARE ORGANIZATION THE TOOLS, PEOPLE, AND PROCESSES" NEEDED TO DELIVER HIGH-QUALITY, AFFORDABLE CARE AND A POSITIVE PATIENT EXPERIENCE THESE FOUR AREAS ARE CARE MANAGEMENT, HEALTH INFORMATION TECHNOLOGY, ACCOUNTABILITY AND TRANSPARENCY, AND PATIENT-CENTERED CARE (2011)</p>



Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS (CONTINUED)	FORM 990, PART III, LINE 4A	<p>RESEARCH DIVISION THE MISSION OF THE PAMF RESEARCH INSTITUTE IS TO BE A WORLD LEADER IN THE AREAS OF BIOMEDICAL, CLINICAL, HEALTH POLICY, PUBLIC HEALTH RESEARCH AND RESEARCH TRAINING THE RESEARCH INSTITUTE ALSO OVERSEES CLINICAL TRIALS CONDUCTED BY PAMF PHYSICIANS THE RESEARCH INSTITUTE RECEIVES FUNDING FROM THE NATIONAL INSTITUTES OF HEALTH, OTHER GOVERNMENT GRANTS, AND FROM INDIVIDUAL GIFTS FROM DONORS IN 2011, PAMF'S RESEARCH INSTITUTE RECEIVED MORE THAN 20 GRANTS FOR A TOTAL OF MORE THAN \$10 MILLION FROM THE GOVERNMENT, NON-GOVERNMENT AND NON-INDUSTRY BASED PROGRAMS PAMF'S RESEARCH PROGRAMS ARE NATIONALLY KNOWN AND HAVE MADE NUMEROUS DISCOVERIES LEADING TO IMPROVEMENT OF CARE FOR THE ENTIRE COMMUNITY FOR EXAMPLE - THE ARCHIVES OF INTERNAL MEDICINE PUBLISHED THREE RANDOMIZED CONTROLLED TRIALS WHICH EXAMINED THE EFFECTIVENESS OF BEHAVIORAL AND EDUCATIONAL INTERVENTIONS FOR PATIENTS WITH POORLY CONTROLLED DIABETES - PAMFRI PILOTTED AN INNOVATIVE PROGRAM USING SHARED MEDICAL APPOINTMENTS TO PROMOTE WEIGHT LOSS LATHA PALANIAPPAN, M D, M S, AN ASSOCIATE INVESTIGATOR AT THE PAMF RESEARCH INSTITUTE AND HER RESEARCH TEAM, CAREFULLY STUDIED THE SPECIALIZED SMAS FOR MORE THAN TWO YEARS THE FINDINGS FROM THIS STUDY WERE PUBLISHED IN THE JOURNAL OF THE AMERICAN BOARD OF FAMILY MEDICINE EDUCATION DIVISION PAMF'S EDUCATION DIVISION PROVIDES HEALTH EDUCATION THROUGH HEALTH PROMOTION CLASSES, SUPPORT GROUPS AND COMMUNITY OUTREACH IT PROVIDES FINANCIAL SUPPORT TO COMMUNITY ORGANIZATIONS, PROJECTS RELATED TO HEALTH CARE, IN-KIND ASSISTANCE THROUGH DONATIONS OF MEDICAL EQUIPMENT, AND HEALTH FAIRS AND PROGRAMS PAMF'S HEALTH EDUCATION PROGRAMS FOCUS ON WELLNESS, PRENATAL/POSTPARTUM CARE AND DISEASE MANAGEMENT PAMF ALSO OFFERS NEED-BASED SCHOLARSHIPS FOR EDUCATION CLASSES IN ADDITION, THE EDUCATION DIVISION OFFERS FREE COMMUNITY LECTURES, HEALTH RESOURCE CENTERS, SUPPORT GROUPS, AND PROVIDES RELIABLE HEALTH INFORMATION TO THE PUBLIC THROUGH PAMF'S WEBSITE, PAMF.ORG SEPARATE WEB SITES FOR PRETEENS, TEENS AND PARENTS OFFER MEDICALLY ACCURATE AND AGE-APPROPRIATE INFORMATION FOR THOSE IN THE COMMUNITY AND AROUND THE WORLD THE TEEN SITE HAS RECEIVED MORE THAN 13 MILLION VISITS FROM AROUND THE WORLD SINCE IT LAUNCHED IN 2001, AND THE PRETEEN SITE HAS RECEIVED MORE THAN 1.7 MILLION VISITS SINCE IT WAS LAUNCHED IN 2004 PAMF IS COMMITTED TO BEING AN ACTIVE MEMBER OF THE COMMUNITIES IT SERVES, AND SUPPORTS VARIOUS COMMUNITY PROGRAMS AND SERVICES SUCH AS PROJECTS AND EDUCATIONAL ACTIVITIES WITH LOCAL SCHOOL DISTRICTS, AND PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS, INCLUDING CLOSE PARTNERSHIPS WITH COMMUNITY CLINICS IN UNDERSERVED AREAS PAMF'S PHYSICIANS AND STAFF MEMBERS ALSO DONATE HUNDREDS OF HOURS TO COMMUNITY SERVICE COMMUNITY BENEFIT IN 2011, THE TOTAL AMOUNT OF COMMUNITY BENEFIT PROVIDED TO THE COMMUNITIES PAMF SERVES WAS \$15,782,712, AND THE TOTAL AMOUNT OF CHARITY CARE IN 2011 WAS \$3,006,971 (COMBINED TOTAL COMMUNITY BENEFIT \$18,789,683) PAMF'S COMMUNITY BENEFIT EFFORTS INCLUDE MYRIAD PROGRAMS AND BENEFITS FOR THE BROADER COMMUNITY, INCLUDING BUT NOT LIMITED TO - MONETARY DONATIONS AND IN-KIND SUPPORT TO LOCAL COMMUNITY GROUPS AND ORGANIZATIONS - HEALTH EDUCATION CLASSES, LECTURES AND PRESENTATION TO THE COMMUNITY - ON-SITE CLINICAL EDUCATION PROGRAMS AND PRECEPTORSHIPS FOR MEDICAL STUDENTS, MEDICAL RESIDENTS, MEDICAL FELLOWS, NURSING STUDENTS, LABORATORY TECHNOLOGISTS, RADIOLOGY TECHNOLOGISTS, PHARMACY STUDENTS - COMMUNITY ORGANIZATION BOARD MEMBERSHIPS - SCHOOL-BASED HEALTH AND WELLNESS PROGRAMS - CHILDHOOD OBESITY PROGRAMS - HEALTH EDUCATION PRESENTATIONS IN LOCAL ORGANIZATIONS WITH AT-RISK POPULATIONS, ETHNICALLY DIVERSE POPULATIONS, AGE-FOCUSED HEALTH AND WELLNESS - DISEASE SPECIFIC PROGRAMS FOR REQUESTING COMMUNITY ORGANIZATIONS AND ON-SITE PROGRAMS WHICH ARE FREE AND OPEN TO ALL COMMUNITY MEMBERS - SENIOR FAIRS - TEEN MENTAL HEALTH OUTREACH AND COLLABORATIONS - FREE MAMMOGRAPHY PROJECT WITH RAVENSWOOD FAMILY HEALTH CENTER (PROVIDING HUNDREDS OF FREE MAMMOGRAMS AND BREAST HEALTH COUNSELING TO LOW INCOME WOMEN) - FREE HIGH SCHOOL SPORTS PHYSICALS - PHYSICIANS STAFFING MOUNTAIN VIEW ROTACARE FREE CLINIC AND PROVIDING SPECIALTY CARE AT PAMF'S MOUNTAIN VIEW CENTER - FUNDING OF TWO CLINICAL STAFF POSITIONS AT ROTACARE - SUPPORT OF THE HEALTHY KIDS PROGRAMS IN SANTA CRUZ AND SANTA CLARA COUNTIES</p>

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS	FORM 990, PART VI, QUESTIONS 6 & 7A	THIS CORPORATION IS AN AFFILIATE OF SUTTER HEALTH, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION. SUTTER HEALTH IS THE SOLE MEMBER WITH THE RIGHT TO ELECT AT LEAST A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS.

Identifier	Return Reference	Explanation
DESCR CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS	FORM 990, PART VI, QUESTION 7B	SUTTER HEALTH AS THE SOLE MEMBER OF THE ORGANIZATION IS ENTITLED TO EXERCISE FULLY ALL RIGHTS AND PRIVILEGES OF MEMBERS OF NONPROFIT CORPORATIONS UNDER THE CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION LAW, AND ALL OTHER APPLICABLE LAWS THE MEMBER HAS THE RIGHTS AND POWERS TO APPOINT (AND REMOVE) MEMBERS OF THE CORPORATION'S BOARD OF DIRECTORS, SUBJECT TO THE PROVISIONS OF THE BYLAWS IN ADDITION, THE MEMBER HAS THE RIGHT TO APPROVE THE FOLLOWING ACTIONS OF THE CORPORATION'S BOARD OF DIRECTORS (A) MERGER, CONSOLIDATION, REORGANIZATION OR DISSOLUTION OF THE CORPORATION (B) AMENDMENT OR RESTATEMENT OF THE ARTICLES OF INCORPORATION OR THE BYLAWS OF THE CORPORATION (C) ADOPTION OF OPERATING BUDGETS AND CAPITAL BUDGETS (ALTHOUGH THE BOARD IS EMPOWERED TO DEVELOP ITS OWN BUDGETS WITHIN THE GUIDELINES AND OBJECTIVES SET BY THE GENERAL MEMBER) (D) EXPENDITURES BEYOND APPROVED BUDGETS AND IN EXCESS OF A DOLLAR AMOUNT, NOT LESS THAN \$200,000, TO BE SET BY THE GENERAL MEMBER (E) BORROWING IN EXCESS OF A DOLLAR AMOUNT, NOT LESS THAN \$200,000, TO BE SET BY THE GENERAL MEMBER (FOR THE PURPOSE OF THIS SECTION 14 1, "BORROWING" INCLUDES, BUT IS NOT LIMITED TO, LEASE AGREEMENTS AND INSTALLMENT CONTRACTS) (F) PURCHASE, SALE, LEASE, DISPOSITION, HYPOTHECATION, EXCHANGE, GIFT, PLEDGE OR ENCUMBRANCE OF ANY ASSET, REAL OR PERSONAL, WITH A VALUE IN EXCESS OF A DOLLAR AMOUNT, NOT LESS THAN \$200,000, TO BE SET BY THE GENERAL MEMBER AND NOT PREVIOUSLY INCLUDED IN THE CAPITAL BUDGET (G) APPOINTMENT OF AN INDEPENDENT AUDITOR AND CORPORATE COUNSEL (H) APPROVAL OF TRANSACTIONS OF THIS CORPORATION IN WHICH A TRUSTEE OR OFFICER OF THIS CORPORATION HAS A MATERIAL FINANCIAL INTEREST (I) APPROVAL OF SELECTION OF THE CHIEF EXECUTIVE OFFICER (J) ADOPTION OF QUALITY IMPROVEMENT PROCEDURES OR STANDARDS THAT DO NOT MEET OR EXCEED GUIDELINES OR PROCEDURES ESTABLISHED BY THE GENERAL MEMBER (NOTWITHSTANDING THE FOREGOING, IT IS UNDERSTOOD AND AGREED THAT THE GENERAL MEMBER WILL NOT IMPOSE GUIDELINES OR PROCEDURES THAT MAY HAVE A MATERIAL ADVERSE EFFECT ON THE CORPORATION, WITHOUT THE PRIOR APPROVAL OF THIS CORPORATION ) (K) THE CREATION OF ANY SUBSIDIARY ORGANIZATION

Identifier	Return Reference	Explanation
DESCRIBE THE PROCESS USED BY MGMT &/OR GOVERNING BODY TO REVIEW FORM 990	FORM 990, PART VI, QUESTION 11B	SUTTER HEALTH HAS A CENTRALIZED TAX DEPARTMENT RESPONSIBLE FOR THE PREPARATION OF THE FORM 990 ANNUALLY THE TAX DEPARTMENT PROVIDES TRAINING AND EDUCATION TO AFFILIATE PERSONNEL WHO ASSIST THE TAX DEPARTMENT IN COLLECTING AND REVIEWING DATA TO BE REPORTED ON THE FORM 990 THE PREPARATION MATERIAL IS REVIEWED BY VARIOUS DEPARTMENTS INCLUDING TAX, FINANCE, LEGAL, AND HUMAN RESOURCES A NATIONAL ACCOUNTING FIRM PREPARES AND/OR REVIEWS THE RETURN A COMPLETED RETURN IS THEN REVIEWED BY THE TAX DEPARTMENT, THE AFFILIATE, AND THE CFO BEFORE THE RETURN IS FILED A COPY OF THE FORM 990 HAS BEEN PROVIDED TO ALL MEMBERS OF THE GOVERNING BODY BEFORE FILING THE FORM

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART VI, QUESTION 12	EMPLOYEES ARE EDUCATED ON THE CONFLICT OF INTEREST POLICY AND THE NEED TO MAKE DISCLOSURE AS PART OF ANNUAL COMPLIANCE EDUCATION. IN ADDITION, ANNUALLY A DISCLOSURE STATEMENT IS COMPLETED BY ALL DIRECTORS AND OFFICERS THAT INCLUDES AN ACKNOWLEDGEMENT THAT THEY HAVE READ THE CONFLICT OF INTEREST POLICY. ON THIS STATEMENT THE INDIVIDUAL WILL LIST A WIDE RANGE OF INFORMATION WHICH INCLUDES BUSINESS RELATIONSHIPS, EMPLOYMENT RELATIONSHIPS, PROPERTY INTERESTS, AND THOSE OF RELATED PARTIES. THE CEO AND BOARD CHAIR WILL REVIEW THE STATEMENTS AND MONITOR SITUATIONS THAT MAY POSE A POTENTIAL CONFLICT OF INTEREST. THE CEO AND BOARD CHAIR MAY CONSULT WITH THE OFFICE OF THE GENERAL COUNSEL AS NECESSARY. IF THERE IS A POTENTIAL CONFLICT OF INTEREST RELATED TO A PARTICULAR TRANSACTION, THE INTERESTED INDIVIDUAL MUST DISCLOSE THE EXISTENCE AND NATURE OF THE RELATIONSHIP. THE BOARD CHAIR MAY APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE THE CONFLICT. UNTIL THE POTENTIAL CONFLICT IS RESOLVED, THE BOARD CHAIR MAY REQUEST THE INDIVIDUAL TO NOT PARTICIPATE DURING RELATED PRESENTATIONS AND DISCUSSIONS. IN ALL CIRCUMSTANCES INVOLVING AN ACTUAL CONFLICT, THE INTERESTED INDIVIDUAL SHALL REFRAIN FROM VOTING ON ANY MATTER RELATED TO THE TRANSACTION.

Identifier	Return Reference	Explanation
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI, QUESTION 15	<p>THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ENSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED. THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND MAINTAINS AN OBJECTIVE "ARMS LENGTH" DECISION-MAKING PROCESS, ENSURING THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION. IN ORDER TO ENSURE EXTERNAL COMPETITIVENESS, NATIONAL, CALIFORNIA AND LOCAL MARKET AREA COMPENSATION DATA COMPARISONS ARE REVIEWED. COMPETITIVE ANALYSIS INCLUDES (A) BASE SALARY, (B) TOTAL CASH (BASE SALARY + ANNUAL INCENTIVE) AND (C) TOTAL REMUNERATION (BASE SALARY + ANNUAL INCENTIVE + BENEFITS AND LONG TERM INCENTIVE). THIS ANALYSIS INCLUDES COMPARABLE ORGANIZATIONS AND GEOGRAPHIC CONSIDERATIONS. FOR THE MOST SENIOR EXECUTIVE POSITIONS, NATIONAL COMPARISONS FOR ORGANIZATIONS SIMILAR IN SIZE, SCOPE AND COMPLEXITY AS SUTTER HEALTH ARE MOST APPROPRIATE SINCE IT IS A NATIONAL MARKETPLACE IN WHICH SUTTER COMPETES FOR EXECUTIVE TALENT. ON THE OTHER HAND, BECAUSE CALIFORNIA'S UNDERLYING COMPENSATION STRUCTURE IS HIGHER THAN NATIONAL DATA (ESPECIALLY IN THE BAY AREA), REGIONAL PAY COMPARISONS AND ADJUSTMENTS ARE MADE. OFFICERS AND KEY EMPLOYEES OF THIS ORGANIZATION WHO ARE SUTTER HEALTH EMPLOYEES UNDERGO A REVIEW AND COMPENSATION COMMITTEE APPROVAL, AND SUCH APPROVAL IS RECORDED IN THE MINUTES.</p>

Identifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC	FORM 990, PART VI, QUESTION 19	THE SUTTER HEALTH SYSTEM POSTS ITS CURRENT AND PAST AUDITED FINANCIAL STATEMENTS AT SUTTERHEALTH.ORG OTHER DOCUMENTS ARE ALSO LOCATED AT THIS WEBSITE INCLUDING THE ANNUAL REPORT, MISSION STATEMENT, HISTORY, AND LINKS TO AFFILIATE WEBSITES. THE GOVERNING DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC AT THIS TIME.

Identifier	Return Reference	Explanation
HOURS PER WEEK DEVOTED TO RELATED ORGANIZATION	FORM 990, PART VII	THE FOLLOWING BOARD MEMBERS OF THE ORGANIZATION ARE FULL-TIME EMPLOYEES (40 HOURS PER WEEK) OF SUTTER HEALTH AND THEIR SUTTER HEALTH SALARIES ARE REPORTED HEREIN THESE INDIVIDUALS RECEIVE NO COMPENSATION FOR THEIR SERVICE AS BOARD MEMBERS OF THIS ORGANIZATION JEFF GERARD PATRICK FRY ROBERT MERWIN



Identifier	Return Reference	Explanation
OTHER CHANGES IN FUND BALANCE	FORM 990, PART XI, LINE 5	EQUITY TRANSFERS (NET) \$(135,319,586) CHANGE IN UNREALIZED GAIN/(LOSS) ON INVESTMENTS (5,503,736) INTEREST INCOME FROM K-1 (158) RENTAL INCOME FROM K-1 (49,307) PARTNERSHIP INCOME ON BOOKS 65,257 ADJUSTMENTS TO BEGINNING BALANCE 2,792,036 ANNUITY TRUE-UP (297,949) CHANGE IN SPLIT INTEREST (935) ----- \$(138,314,378) =====

Identifier	Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	SCHEDULE K, PART VI	GLOBAL DISCLOSURE PART I, COLUMN (E) THE ORGANIZATION'S SOLE CORPORATE MEMBER IS A CONDUIT BORROWER OF TAX-EXEMPT BOND ISSUES THAT ALLOCATES PORTIONS OF EACH ISSUE TO CERTAIN SUBSIDIARY ORGANIZATIONS THE OUTSTANDING BOND LIABILITY ALLOCATED TO THIS ORGANIZATION IS REPORTED ON FORM 990, PART X, BALANCE SHEET WITH THE EXCEPTION OF PART I (F), THE SCHEDULE K FOR THIS ORGANIZATION IS REPORTING INFORMATION FOR THE ENTIRE BOND ISSUE PART II, LINE 7 ISSUANCE COSTS WERE FUNDED THROUGH EQUITY CONTRIBUTIONS PAMF SPECIFIC PART I, COLUMN (E) THE FILING ORGANIZATION RECEIVED BOND PROCEEDS IN THE AMOUNTS OF \$148,293,125 FROM THE 2005A ISSUE, \$31,866,092 FROM THE 2005BC ISSUE AND \$94,769,437 FROM THE 2008BC ISSUE PART I, LINE B, COLUMN (F) THE INITIAL BONDS ISSUED IN 2005 WERE "NEW MONEY" BONDS THAT WERE RETIRED AND REISSUED ON MAY 1, 2007 ACCORDINGLY, WHERE APPROPRIATE, SCHEDULE K REFLECTS THE CURRENT REFUNDING BONDS THAT WERE TREATED AS REISSUED RATHER THAN REFLECTING THE ORIGINAL "NEW MONEY" BONDS

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

▶ **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.**

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
PALO ALTO MEDICAL FOUNDATION

**Employer identification number**

94-1156581

**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

**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
See Additional Data Table							

**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	
See Additional Data Table												

**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
(1) HEALTH VENTURES INC 350 HAWTHORNE ST OAKLAND, CA 94609 94-2918780	HEALTH SERVICE	CA	NA	C CORP			

**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 related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)

- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses

- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
<b>1a</b>		No
<b>1b</b>		No
<b>1c</b>	Yes	
<b>1d</b>		No
<b>1e</b>		No
<b>1f</b>		No
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>		No
<b>1k</b>		No
<b>1l</b>		No
<b>1m</b>		No
<b>1n</b>		No
<b>1o</b>	Yes	
<b>1p</b>	Yes	
<b>1q</b>	Yes	
<b>1r</b>	Yes	

**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
<b>(1)</b> MILLS PENINSULA HEALTH SERVICES	O	37,443,953	FMV
<b>(2)</b> MILLS PENINSULA HEALTH SERVICES	P	19,560,353	FMV
<b>(3)</b> SUTTER WEST BAY HOSPITALS	P	1,627,241	FMV
<b>(4)</b>			
<b>(5)</b>			
<b>(6)</b>			

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(e) Are all partners section 501(c)(3) organizations?		(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		Yes	No	

**Part VII Supplemental Information**

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

**Identifier****Return Reference****Explanation****Schedule R (Form 990) 2011**

**Software ID:**  
**Software Version:**  
**EIN:** 94-1156581  
**Name:** PALO ALTO MEDICAL FOUNDATION

## Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
ADOLESCENT TREATMENT CENTERS INC 390 40TH STREET OAKLAND, CA 94609 68-0088443	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	Yes	
ALTA BATES SUMMIT FOUNDATION 3012 SUMMIT STREET 3RD FLOOR OAKLAND, CA 94609 51-0160184	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER EBH	Yes	
CALIFORNIA PACIFIC MEDICAL CTR FOUND 2015 STEINER STREET 2ND FLOOR SAN FRANCISCO, CA 94115 94-2728423	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER WBH	Yes	
DELTA MEMORIAL HOSPITAL FOUNDATION 3901 LONE TREE WAY ANTIOCH, CA 94509 94-2417022	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER EBH	Yes	
EAST BAY PERINATAL CENTER 350 HAWTHORNE AVE OAKLAND, CA 94609 51-0172285	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	Yes	
EDEN MEDICAL CENTER 20103 LAKE CHABOT ROAD CASTRO VALLEY, CA 94546 94-2948100	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
MARIN COMMUNITY HEALTH 250 BON AIRE ROAD GREENBRAE, CA 94904 94-2994751	SUPPORTING OR	CA	501(C)(3)	11b - II	SUTTER HLTH	Yes	
MILLS-PENINSULA HEALTH SERVICES 1501 TROUSDALE DRIVE BURLINGAME, CA 94010 94-1156265	HOSPITAL	CA	501(C)(3)	3	PAMF	Yes	
MILLS-PENINSULA HOSPITAL FOUNDATION 1501 TROUSDALE DRIVE BURLINGAME, CA 94010 23-7288765	FUNDRAISING	CA	501(C)(3)	11a - I	MPHS	Yes	
SAMUEL MERRITT UNIVERSITY 450 30TH STREET 2840 OAKLAND, CA 94609 94-2992642	UNIVERSITY	CA	501(C)(3)	2	SUTTER EBH	Yes	
SUTTER AUBURN FAITH HOSPITAL FOUNDATION 11815 EDUCATION ST AUBURN, CA 95602 94-2594966	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER CENTRAL VALLEY HOSPITALS 1800 COFFEE ROAD SUITE 76 MODESTO, CA 95355 94-1080917	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER COAST HOSPITAL 800 E WASHINGTON BLVD CRESCENT CITY, CA 95531 94-2988520	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER DAVIS HOSPITAL FOUNDATION PO BOX 1617 DAVIS, CA 95617 68-0217870	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER SSR	Yes	
SUTTER EAST BAY HOSPITALS 3012 SUMMIT STREET 3RD FLOOR OAKLAND, CA 94609 94-1196176	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER EAST BAY MEDICAL FOUNDATION 3687 MT DIABLO BLVD 200 LAFAYETTE, CA 94549 94-2690415	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER GOULD MEDICAL FOUNDATION 600 COFFEE ROAD MODESTO, CA 95355 94-1682256	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER HEALTH 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833 94-2788907	SUPPORTING OR	CA	501(C)(3)	11c III-FI	NA		No
SUTTER HEALTH PACIFIC 91-2301 FT WEAVER RD EWA BEACH, HI 96706 99-0298651	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER HEALTH SACRAMENTO SIERRA REGION PO BOX 160727 SACRAMENTO, CA 95816 94-1156621	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	



**Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations**

(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 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
SUTTER INSURANCE SERVICES CORPORATION  745 FORT STREET SUITE 800 HONOLULU, HI 96813 99-0289310	INSURANCE SER	HI	501(C)(3)	11b - II	SUTTER HLTH	Yes	
SUTTER MEDICAL CENTER FOUNDATION  PO BOX 160727 SACRAMENTO, CA 95816 94-2788906	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER MEDICAL CENTER CASTRO VALLEY  20130 LAKE CHABOT RD 103 CASTRO VALLEY, CA 94546 77-0146047	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER MEDICAL FOUNDATION  2800 L STREET 7TH FLOOR SACRAMENTO, CA 95816 68-0273974	HEALTH CARE	CA	501(C)(3)	11b - II	SUTTER HLTH	Yes	
SUTTER ROSEVILLE MEDICAL CTR FOUNDATION  ONE MEDICAL PLAZA ROSEVILLE, CA 95661 68-0040113	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER SOLANO CHARITABLE FOUNDATION  300 HOSPITAL DRIVE VALLEJO, CA 94589 94-2668262	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER VISITING NURSE ASSOC AND HOSPICE  1900 POWELL ST 300 EMERYVILLE, CA 94608 94-6068843	HEALTH CARE	CA	501(C)(3)	9	SUTTER HLTH	Yes	
SUTTER WEST BAY HOSPITALS  2333 BUCHANAN STREET SAN FRANCISCO, CA 94115 94-0562680	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER WEST BAY MEDICAL FOUNDATION  2015 STEINER STREET 1ST FLOOR SAN FRANCISCO, CA 94115 94-2948131	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
TRACY HOSPITAL FOUNDATION  1420 N TRACY BLVD TRACY, CA 95376 68-0318845	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER CVH	Yes	

