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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 07-01-2011 and ending 06-30-2012		
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	C Name of organization SOUTHWEST WASHINGTON MEDICAL CTR FDN Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite PO BOX 1600 City or town, state or country, and ZIP + 4 VANCOUVER, WA 986681600	D Employer identification number 91-1231436
		E Telephone number (360) 514-3670
		G Gross receipts \$ 24,505,445
	F Name and address of principal officer JEAN RAHN PO BOX 1600 VANCOUVER, WA 986681600	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.SWMEDICALCENTER.ORG		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1983
		M State of legal domicile WA

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities SOUTHWEST WASHINGTON MEDICAL CENTER FOUNDATION AIMS TO PROVIDE ANEFFICIENT MEANS OF COLLECTING AND DISTRIBUTING SUPPORT TO PEACEHEALTHSOUTHWEST MEDICAL CENTER 		
	2 Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	26
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	26
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	50
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 1,238,373	Current Year 4,145,557
	9 Program service revenue (Part VIII, line 2g)	0	0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-334,614	602,717
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	903,759	4,748,274
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,264,347
14 Benefits paid to or for members (Part IX, column (A), line 4)		0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		91,533	0
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	0
b Total fundraising expenses (Part IX, column (D), line 25) <input type="text" value="0"/>			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		219,355	854,469
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		2,575,235	14,037,865
19 Revenue less expenses Subtract line 18 from line 12		-1,671,476	-9,289,591
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	33,317,684	22,448,167
	21 Total liabilities (Part X, line 26)	514,582	364,326
	22 Net assets or fund balances Subtract line 21 from line 20	32,803,102	22,083,841

Part II Signature Block				
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
Sign Here	***** Signature of officer			2012-04-18 Date
	JEAN RAHN EXECUTIVE DIRECTOR Type or print name and title			
Paid Preparer's Use Only	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			EIN
				Phone no
May the IRS discuss this return with the preparer shown above? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No				

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

SOUTHWEST WASHINGTON MEDICAL CENTER FOUNDATION AIMS TO PROVIDE AN EFFICIENT MEANS OF COLLECTING AND DISTRIBUTING SUPPORT TO PEACEHEALTH SOUTHWEST MEDICAL CENTER

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 \$ 13,183,396 including grants of \$ 13,183,396) (Revenue \$)

SOUTHWEST WASHINGTON MEDICAL CENTER FOUNDATION SUPPORTS SOUTHWEST WASHINGTON MEDICAL CENTER, A COMMUNITY HOSPITAL WHICH IS AN EXEMPT ORGANIZATION PURSUANT TO IRC 501(C)(3), BY SOLICITING CONTRIBUTIONS IN SUPPORT OF THE MEDICAL CENTER'S OPERATIONS

4b

(Code) (Expenses \$ 500,334 including grants of \$) (Revenue \$)

SOUTHWEST WASHINGTON MEDICAL CENTER FOUNDATION STRIVES TO ENHANCE THE WELL BEING OF THE PEOPLE IN SOUTHWEST WASHINGTON

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

\$ 13,683,730

Form 990 (2011)

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6	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? If "Yes," complete Schedule D, Part I 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a	No
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e	No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Part III and IV	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	

Part IV

Checklist of Required Schedules (continued)

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

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

Part VI

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	26		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	26
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	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?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
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?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
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?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> WA
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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. <input checked="" type="checkbox"/> ANITA WILLIAMS 1115 SE 164TH AVENUE VANCOUVER, WA 98683 (360) 729-1064

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			
(1) KAYCEE WIITA PRESIDENT	2 00	X		X				0	0	0
(2) GEORGE MIDDLETON VICE PRESIDENT	2 00	X		X				0	0	0
(3) CONNIE KEARNEY TREASURER	2 00	X		X				0	0	0
(4) DOROTHY JACKSON SECRETARY	2 00	X		X				0	0	0
(5) JAY MILLER MD IMMEDIATE PAST PRESIDENT	2 00	X		X				0	0	0
(6) JEAN C RAHN EXECUTIVE DIRECTOR	40 00	X		X				0	221,508	36,781
(7) LINDA ANGELO DIRECTOR	2 00	X						0	0	0
(8) GERALD BADER MD DIRECTOR	2 00	X						0	0	0
(9) J BRUCE BELL MD DIRECTOR	2 00	X						0	0	0
(10) JODY CAMPBELL DIRECTOR	2 00	X						0	0	0
(11) ROBERT S DJERGAIAN MD DIRECTOR	2 00	X						0	0	0
(12) REMIGIUS JOSEPH EUSSEN DDS DIRECTOR	2 00	X						0	0	0
(13) JEANNE FIRSTENBURG DIRECTOR	2 00	X						0	0	0
(14) DICK HANNAH DIRECTOR	2 00	X						0	0	0
(15) NANCY HART DIRECTOR	2 00	X						0	0	0
(16) PHILIP B JANNEY DIRECTOR	2 00	X						0	0	0
(17) RON KEIL DIRECTOR	2 00	X						0	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (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			
(18) JOYCE KILPATRICK DIRECTOR	2 00	X						0	0	0
(19) JOSEPH M KORTUM DIRECTOR	2 00	X		X				0	897,835	201,092
(20) JIM MARTIN DIRECTOR	2 00	X						0	0	0
(21) MARK MATTHIAS DIRECTOR	2 00	X						0	0	0
(22) CATHERINE KAY MCCLASKEY DIRECTOR	2 00	X						0	0	0
(23) PATRICIA NIERENBERG DIRECTOR	2 00	X						0	0	0
(24) SCOTT SWINDELL DIRECTOR	2 00	X						0	0	0
(25) RICK TERRELL DIRECTOR	2 00	X						0	0	0
(26) KEITH WALLACE DIRECTOR	2 00	X						0	0	0
(27) NICKI WANN DIRECTOR	2 00	X						0	0	0
(28) JAN WOLF DIRECTOR	2 00	X						0	0	0
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								0	1,119,343	237,873

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▶0

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	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
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 ▶0		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	863,865			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,281,692			
	g	Noncash contributions included in lines 1a-1f \$ 376,341					
	h	Total. Add lines 1a-1f		4,145,557			
Program Service Revenue	2a		Business Code				
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f					
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		21,888		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties					
6a		Gross rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		580,829			580,829
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a				
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events . .					
9a		Gross income from gaming activities See Part IV, line 19	a				
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities . .					
10a		Gross sales of inventory, less returns and allowances .	a				
b		Less cost of goods sold	b				
c		Net income or (loss) from sales of inventory . .					
	Miscellaneous Revenue	Business Code					
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d						
12	Total revenue. See Instructions		4,748,274	0	0	602,717	

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	13,183,396	13,183,396		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages				
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes				
11	Fees for services (non-employees)				
a	Management	1,452		1,452	
b	Legal	57,647		57,647	
c	Accounting	37,154		37,154	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	17,400	12,180	5,220	
12	Advertising and promotion	18,434		18,434	
13	Office expenses	77,870	38,935	38,935	
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel	9,696	4,848	4,848	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	22,442	15,709	6,733	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	PURCHASED SERVICES	582,520	407,764	174,756	
b	CATERING	6,894	4,826	2,068	
c					
d					
e					
f	All other expenses	22,960	16,072	6,888	
25	Total functional expenses. Add lines 1 through 24f	14,037,865	13,683,730	354,135	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			4,043,579	2	4,557,856
	3	Pledges and grants receivable, net			19,410,640	3	8,533,800
	4	Accounts receivable, net				4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges				9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a			10c	
	b	Less: accumulated depreciation	10b				
	11	Investments—publicly traded securities			9,461,976	11	9,304,518
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets			401,489	14	51,993
	15	Other assets. See Part IV, line 11				15	
	16	Total assets. Add lines 1 through 15 (must equal line 34)			33,317,684	16	22,448,167
Liabilities	17	Accounts payable and accrued expenses			254,197	17	247,832
	18	Grants payable			260,385	18	116,494
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D				25	
	26	Total liabilities. Add lines 17 through 25			514,582	26	364,326
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			1,231,102	27	1,364,841
	28	Temporarily restricted net assets			22,241,000	28	11,605,000
	29	Permanently restricted net assets			9,331,000	29	9,114,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			32,803,102	33	22,083,841
	34	Total liabilities and net assets/fund balances			33,317,684	34	22,448,167

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,748,274
2	Total expenses (must equal Part IX, column (A), line 25)	2	14,037,865
3	Revenue less expenses Subtract line 2 from line 1	3	-9,289,591
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	32,803,102
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,429,670
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	22,083,841

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <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		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization SOUTHWEST WASHINGTON MEDICAL CTR FDN	Employer identification number 91-1231436
--	--

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 Se**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in 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
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	766,311	1,900,840	2,384,872	1,238,373	4,145,557	10,435,953
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	766,311	1,900,840	2,384,872	1,238,373	4,145,557	10,435,953
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						10,435,953

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	766,311	1,900,840	2,384,872	1,238,373	4,145,557	10,435,953
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	46,985	71,872	24,908	7,446	21,888	173,099
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						10,609,052

12 Gross receipts from related activities, etc (See instructions)

12

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	98 370 %
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15	85 300 %

16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part IIIPart III

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

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15		
16 Public support percentage from 2010 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
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).

Facts And Circumstances Test

Explanation
SCHEDULE A, PART IV, SUPPLEMENTAL INFORMATION PART II, SECTIONS A & B THE COLUMN HEADINGS FOR PART II, SECTIONS A & B CORRESPOND TO THE FOLLOWING PERIODS (A) 2007 CORRESPONDS TO THE TAX YEAR FROM 10/1/2008 THROUGH 12/31/2008 (B) 2008 CORRESPONDS TO THE TAX YEAR FROM 1/1/2009 THROUGH 12/31/2009 (C) 2009 CORRESPONDS TO THE TAX YEAR FROM 1/1/2010 THROUGH 12/31/2010 (D) 2010 CORRESPONDS TO THE TAX YEAR FROM 1/1/2011 THROUGH 6/30/2011 (E) 2011 CORRESPONDS TO THE TAX YEAR FROM 7/1/2011 THROUGH 6/30/2012

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SOUTHWEST WASHINGTON MEDICAL CTR FDN

Employer identification number
91-1231436

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	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?

☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

(i) Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

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
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

(ii) related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
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
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				0

Schedule D (Form 990) 2011

Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,748,274
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	14,037,865
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-9,289,591
4	Net unrealized gains (losses) on investments	4	-564,756
5	Donated services and use of facilities	5	-863,865
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-1,049
9	Total adjustments (net) Add lines 4 - 8	9	-1,429,670
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-10,719,261

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	3,319,653
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-564,756
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	-564,756
3	Subtract line 2e from line 1	3	3,884,409
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	863,865
c	Add lines 4a and 4b	4c	863,865
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	4,748,274

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	14,038,916
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	14,038,916
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	-1,051
c	Add lines 4a and 4b	4c	-1,051
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	14,037,865

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
PART XI, LINE 8 - OTHER ADJUSTMENTS		OTHER ADJUSTMENT -1,049
		PART XII, LINE 4B - OTHER CONTRIBUTED SERVICES 863,865
		PART XIII, LINE 4B - OTHER OTHER ADJUSTMENT -1,051

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
SOUTHWEST WASHINGTON MEDICAL CTR FDN

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

Employer identification number
91-1231436

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
(1) SOUTHWEST WASHINGTON CHILD CARE CONSORTIUM9716 NE 134TH ST VANCOUVER, WA 98662	91-6068143	EDUC DIST	59,993				SCHOLARSHIPS & DEVELOPMENT
(2) PEACEHEALTH SOUTHWEST MEDICAL CENTERPO BOX 1600 VANCOUVER, WA 986681600	91-6068143	501(C)(3)	13,118,903				HOSPITAL OPERATING ACTIVITIES

2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

2

3

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

2

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 SOUTHWEST WASHINGTON MEDICAL CENTER FOUNDATION PRE-SCREENS APPLICANTS TO DETERMINE THE NEED OF THE ORGANIZATION RECEIVING A GRANT GRANTS ARE THEN DETERMINED AND GIVEN TO THOSE ORGANIZATIONS WHOSE MISSION FALLS IN LINE WITH PROMOTING HEALTHCARE OR THE FURTHERANCE OF HEALTHCARE EDUCATION SINCE EACH GRANT IS CAREFULLY EXAMINED BEFORE IT IS GIVEN, AND THE PURPOSES OF THE GRANT ARE KNOWN BEFORE IT IS GIVEN, NO FOLLOW UP IS PERFORMED TO FIND OUT HOW THE GRANT WAS USED

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.

Name of the organization
SOUTHWEST WASHINGTON MEDICAL CTR FDN

Employer identification number
91-1231436

Part I

Questions Regarding Compensation

	Yes	No
<div>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</div> <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
<div>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</div>	1b	
<div>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?</div>	2	
<div>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</div> <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div>		
<div>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</div>		
<div>a Receive a severance payment or change-of-control payment?</div>	4a	No
<div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>	4b	No
<div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>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</div>		
<div>a The organization?</div>	5a	No
<div>b Any related organization?</div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div>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</div>		
<div>a The organization?</div>	6a	No
<div>b Any related organization?</div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div>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</div>	7	No
<div>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</div>	8	No
<div>9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div>	9	

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.

[illegible]

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
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SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
SOUTHWEST WASHINGTON MEDICAL CTR FDN

Employer identification number
91-1231436

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				
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 ► (GIFTS IN KIND)	X	1	376,341	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

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?

30a

Yes

No

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

32a

Yes

No

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
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2011

Open to Public Inspection

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.

Name of the organization
SOUTHWEST WASHINGTON MEDICAL CTR FDN

Employer identification number

91-1231436

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE ORGANIZATION'S ACCOUNTING DEPARTMENT PREPARES THE RETURN IN COLLABORATION WITH FOUNDATION MANAGEMENT THE CONTROLLER, CFO AND LEGAL DEPARTMENT REVIEW A DRAFT OF THE FORM 990 AND PROVIDE COMMENTS THE FINAL DRAFT IS FORWARDED TO THE FINANCE COMMITTEE AND TO THE ENTIRE BOARD OF DIRECTORS PRIOR TO FILING THE RETURN
	FORM 990, PART VI, SECTION B, LINE 12C	PURSUANT TO THE CONFLICTS OF INTEREST POLICY, AN ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE, AIMED AT DETERMINING ANY FAMILY AND BUSINESS RELATIONSHIPS AND TRANSACTIONS OR OTHER TRANSACTIONS THAT MAY POSE A POTENTIAL CONFLICT, IS DISTRIBUTED TO ALL BOARD MEMBERS BOARD MEMBERS ARE ALSO REQUIRED TO DISCLOSE REAL OR POTENTIAL CONFLICTS AT THE TIME WHEN SUCH CONFLICTS ARISE OFFICERS AND ANY KEY EMPLOYEES OF SOUTHWEST WASHINGTON MEDICAL CENTER FOUNDATION MUST AGREE TO THE CONFLICT OF INTEREST POLICY AT THE TIME OF THEIR HIRE THE CONFLICT OF INTEREST POLICY IS DISCUSSED WITH THE EMPLOYEE AT THEIR SEMI-ANNUAL PERFORMANCE MEETING AND THE EMPLOYEE MUST SELF-DISCLOSE ANY CONFLICTS AT THIS TIME HOWEVER, DIRECTORS, OFFICERS AND KEY EMPLOYEES ARE REQUIRED TO CONTINUALLY CONSIDER CONFLICT OF INTEREST PRECEPTS AND SELF-DISCLOSE ANY POTENTIAL CONFLICT AT THE TIME IT ARISES SHOULD A POTENTIAL CONFLICT OF INTEREST ARISE, THE BOARD MEMBER HAVING A POTENTIAL CONFLICT OF INTEREST SHALL NOT PARTICIPATE IN DISCUSSIONS, USE PERSONAL INFLUENCE OR VOTE ON THE MATTER IN QUESTION THE POLICY IS MONITORED AND DECISIONS ON CONFLICTS ARE MADE BY THE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS
	FORM 990, PART VI, SECTION B, LINE 15	ALL EXECUTIVE AND KEY EMPLOYEE COMPENSATION, INCLUDING FOUNDATION EXECUTIVE DIRECTOR JEAN RAHN, IS REVIEWED BY THE GOVERNANCE COMMITTEE OF THE PEACEHEALTH SOUTHWEST MEDICAL CENTER BOARD OF DIRECTORS DURING THIS PROCESS, THE HUMAN RESOURCES DEPARTMENT WORKS TOGETHER WITH THE BOARD OF DIRECTORS TO DETERMINE COMPARABILITY DATA ACROSS VARIOUS INDUSTRY AND PROFIT/NOT-FOR PROFIT STATUSES THE GOVERNANCE COMMITTEE CONSULTS WITH THE HR DEPARTMENT IN ADDITION TO REVIEWING MARKET DATA, EVALUATING PERFORMANCE AND REVIEWING THE COMPENSATION OF THE EXECUTIVE DIRECTOR THE REMAINING KEY EMPLOYEES' AND OFFICERS' COMPENSATION IS DETERMINED BY THE GOVERNANCE COMMITTEE OF THE PEACEHEALTH SOUTHWEST MEDICAL CENTER BOARD OF DIRECTORS THE GOVERNANCE COMMITTEE ALSO CONSULTS WITH THE HR DEPARTMENT IN ADDITION TO RELYING ON COMPARABILITY DATA AS PART OF THE COMPENSATION REVIEW PROCESS AN INDEPENDENT COMPENSATION CONSULTANT, MERCER, IS ALSO USED TO REVIEW THE COMPENSATION OF THE OFFICERS AND KEY EMPLOYEES DECISIONS ARE MADE DURING A BOARD MEETING AND ARE DOCUMENTED IN THE MINUTES TO THE MEETING THE PROCESS WAS LAST UNDERTAKEN DURING 2011
	FORM 990, PART VI, SECTION C, LINE 19	THE ARTICLES OF INCORPORATION AND EXTENSIVE FINANCIAL DATA ARE FILED WITH STATE GOVERNMENTS AND BECOME AVAILABLE TO THE PUBLIC THE AUDITED FINANCIAL STATEMENTS, BYLAWS AND CONFLICT OF INTEREST POLICY MAY BE PROVIDED UPON REQUEST (DETERMINED ON A CASE BY CASE BASIS)
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -564,756 DONATED SERVICES AND USE OF FACILITIES - 863,865 OTHER ADJUSTMENT -1,049 TOTAL TO FORM 990, PART XI, LINE 5 -1,429,670

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SOUTHWEST WASHINGTON MEDICAL CTR FDN

Employer identification number
91-1231436

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
(1) PEACEHEALTH SOUTHWEST MEDICAL CENTER PO BOX 1600 VANCOUVER, WA 98668 91-6068143	MEDICAL SVCS	WA	501(C)(3)	LINE 3	SWHS		No
(2) SOUTHWEST WASHINGTON HEALTH SYSTEM PO BOX 1600 VANCOUVER, WA 98668 91-1230425	REAL ESTATE	WA	501(C)(3)	LINE 11B, II	N/A		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ADVANCED MEDICAL IMAGING CTR 16821 SE MCGILLVRAY BLVD VANCOUVER, WA 98663	MEDICAL SERVICES	WA	N/A	RELATED				No			No	
(2) SW WA ORTHO AND NEUROSURGICAL 400 NE MOTHER JOSEPH PLACE VANCOUVER, WA 98663	MEDICAL DISCUSSIONS	WA	N/A	RELATED				No			No	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) COLUMBIA UNITED PROVIDERS 16701 SW MCGILLVRAY BLVD 200 VANCOUVER, WA 98668 91-1624736	HEALTH PLAN	WA	N/A	C			
(2) SW WA MANAGEMENT SVCS ORG 312 SE STONEMILL DRIVE VANCOUVER, WA 98684 26-0656148	MEDICAL SERVICES	WA	N/A	C			
(3) SW WA MEDICAL GROUP PS 312 SE STONEMILL DRIVE VANCOUVER, WA 98684 26-0656038	MEDICAL SERVICES	WA	N/A	C			
(4) DISCOVERY POINT MEDICAL CTR LLC PO BOX 1600 VANCOUVER, WA 98668 91-1230425	LAND HOLDING	WA	N/A	C			

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

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

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No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

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

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Financial Statements

June 30, 2012 and 2011

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

The Board of Directors of
PeaceHealth Southwest Medical Center Foundation

We have audited the accompanying balance sheets of PeaceHealth Southwest Medical Center Foundation (the Foundation), a Washington not-for-profit corporation, as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the year ended June 30, 2012 and six months ended June 30, 2011. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PeaceHealth Southwest Medical Center Foundation as of June 30, 2012 and 2011 and the changes in its net assets and its cash flows for the year ended June 30, 2012 and six months ended June 30, 2011 in conformity with U.S. generally accepted accounting principles.

KPMG LLP

December 7, 2012

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Balance Sheets

June 30, 2012 and 2011

(in thousands)

Assets	2012	2011
Cash and cash equivalents	\$ 2,758	2,244
Short-term investments	1,800	1,800
Interest receivable	18	2
Current portion of contributions receivable	193	764
Total current assets	<u>4,769</u>	<u>4,810</u>
Assets limited as to use		
Investments		
Board-designated investments	1,060	—
Donor restricted investments	7,895	—
Interest in investment pool		
Board-designated investments	—	1,062
Donor-designated investments	—	8,400
Gift annuities	349	367
Restricted contributions receivable, net of current portion	8,341	18,647
Total noncurrent assets	<u>17,645</u>	<u>28,476</u>
Other assets		
Life insurance – cash surrender value	34	33
Total assets	<u>\$ 22,448</u>	<u>33,319</u>
Liabilities and Net Assets		
Liabilities		
Gift annuities payable	\$ 248	254
Due to affiliate	116	261
Total liabilities	<u>364</u>	<u>515</u>
Net assets		
Unrestricted	1,365	1,232
Temporarily restricted	11,605	22,241
Permanently restricted	9,114	9,331
Total net assets	<u>22,084</u>	<u>32,804</u>
Total liabilities and net assets	<u>\$ 22,448</u>	<u>33,319</u>

See accompanying notes to financial statements

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Statement of Activities

Year ended June 30, 2012

(in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Contributions and investment income (loss)				
Contributions	\$ 1,646	1,626	8	3,280
Investment loss	(51)	(21)	—	(72)
Change in the value of split-interest agreements	(21)	—	—	(21)
Total contributions and investment income (loss)	<u>1,574</u>	<u>1,605</u>	<u>8</u>	<u>3,187</u>
Program expenditures				
Distributions to PeaceHealth Southwest Medical Center for operating activities	1,413	—	—	1,413
Distributions to PeaceHealth Southwest Medical Center for property and equipment acquisition	11,697	—	—	11,697
Distributions to others	64	—	—	64
Operating expenditures	<u>864</u>	<u>—</u>	<u>—</u>	<u>864</u>
Total program expenditures	<u>14,038</u>	<u>—</u>	<u>—</u>	<u>14,038</u>
(Deficit) excess of revenues over expenditures	<u>(12,464)</u>	<u>1,605</u>	<u>8</u>	<u>(10,851)</u>
Net assets released from restrictions				
Satisfaction of activity restrictions and other	1,332	(1,107)	(225)	—
Satisfaction of building and equipment acquisition restrictions	<u>11,172</u>	<u>(11,172)</u>	<u>—</u>	<u>—</u>
Total net assets released from restrictions	12,504	(12,279)	(225)	—
Change in net unrealized gains on investments	<u>93</u>	<u>38</u>	<u>—</u>	<u>131</u>
Change in net assets	133	(10,636)	(217)	(10,720)
Net assets, beginning of year	<u>1,232</u>	<u>22,241</u>	<u>9,331</u>	<u>32,804</u>
Net assets, end of year	<u>\$ 1,365</u>	<u>11,605</u>	<u>9,114</u>	<u>22,084</u>

See accompanying notes to financial statements

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Statement of Activities

Six months ended June 30, 2011

(in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Contributions and investment income (loss)				
Contributions	\$ 331	927	—	1,258
Investment loss	(213)	(125)	—	(338)
Change in the value of split-interest agreements	(10)	—	—	(10)
Total contributions and investment income (loss)	<u>108</u>	<u>802</u>	<u>—</u>	<u>910</u>
Program expenditures				
Distributions to PeaceHealth Southwest Medical Center for operating activities	325	—	—	325
Distributions to PeaceHealth Southwest Medical Center for property and equipment acquisition	1,775	—	—	1,775
Distributions to others	164	—	—	164
Operating expenditures	<u>307</u>	<u>—</u>	<u>—</u>	<u>307</u>
Total program expenditures	<u>2,571</u>	<u>—</u>	<u>—</u>	<u>2,571</u>
(Deficit) excess of revenues over expenditures	<u>(2,463)</u>	<u>802</u>	<u>—</u>	<u>(1,661)</u>
Net assets released from restrictions				
Satisfaction of activity restrictions and other	679	(679)	—	—
Satisfaction of building and equipment acquisition restrictions	<u>1,764</u>	<u>(1,764)</u>	<u>—</u>	<u>—</u>
Total net assets released from restrictions	2,443	(2,443)	—	—
Change in net unrealized gains on investments	<u>445</u>	<u>262</u>	<u>—</u>	<u>707</u>
Change in net assets	425	(1,379)	—	(954)
Net assets, beginning of year	<u>807</u>	<u>23,620</u>	<u>9,331</u>	<u>33,758</u>
Net assets, end of year	<u>\$ 1,232</u>	<u>22,241</u>	<u>9,331</u>	<u>32,804</u>

See accompanying notes to financial statements

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Statements of Cash Flows

Year ended June 30, 2012 and six months ended June 30, 2011

(in thousands)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ (10,720)	(954)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Net realized and unrealized gain on investments	(28)	(355)
Changes in assets and liabilities		
Interest receivable	(16)	2
Contributions receivable	10,877	2,093
Life insurance - cash surrender value	(1)	—
Due to/from affiliate	(145)	(10)
Gift annuities	18	34
Gift annuities payable	(6)	(24)
Net cash (used in) provided by operating activities	<u>(21)</u>	<u>786</u>
Cash flows from investing activities		
Proceeds from sales of investments	20,338	699
Purchases of investments	<u>(19,803)</u>	<u>(1,495)</u>
Net cash provided by (used in) investing activities	<u>535</u>	<u>(796)</u>
Increase (decrease) in cash and cash equivalents	514	(10)
Cash and cash equivalents, beginning of year	<u>2,244</u>	<u>2,254</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,758</u></u>	<u><u>2,244</u></u>
Supplemental cash flow disclosure		
Contributions and distributions of in-kind gifts	\$ 376	22

See accompanying notes to financial statements

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

(1) Organization

PeaceHealth Southwest Medical Center Foundation (the Foundation) is a Washington not-for-profit corporation, which receives and administers funds for charitable, scientific, and educational purposes primarily for the benefit of PeaceHealth Southwest Medical Center (PHSW) Southwest Washington Health System (the Health System), a Washington not-for-profit corporation, is the parent and sole member of the Foundation

On January 1, 2011, the Health System signed an affiliation agreement with PeaceHealth. PeaceHealth is a Vancouver, Washington based not-for-profit healthcare system with medical centers, critical access hospitals, medical group clinics, and laboratories located in Alaska, Washington, and Oregon

(2) Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less. Cash equivalents totaled \$202 and \$1,999 at June 30, 2012 and 2011, respectively.

(b) Short-Term Investments

Short-term investments consist of certificates of deposit with maturities of one year or less and totaled \$1,800 at June 30, 2012 and 2011.

(c) Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The definitions used to clarify and report net assets are as follows:

- *Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation or the passage of time
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be permanently maintained by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

(d) Charitable Gift Annuities

The Foundation is the beneficiary of 15 charitable gift annuities as of June 30, 2012 and 2011. A charitable gift annuity is an arrangement between a donor and a not-for-profit organization in which the donor contributes assets to the organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The Foundation accounted for the charitable gift annuities by recognizing the assets at fair value when received and an annuity payment liability at the present value of the

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

estimated future cash flows expected to be paid out. Contribution revenue was recognized as the difference between these two amounts. The Foundation will reduce the liability upon annuity payments and adjustments will be made to reflect amortization of the discount and changes in the life expectancy of the beneficiaries in the statements of activities as a change in the value of charitable gift annuities. The discount rates, as of the actual annuity date, used by the Foundation in calculating the present value of all charitable gift annuity agreements ranged from 4.75% to 6.75% at both June 30, 2012 and 2011.

Charitable gift annuity funds consist of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Assets		
Cash and money market funds	\$ 12	4
Mutual funds		
Fixed income	223	229
Large cap	33	46
International	9	18
Real estate	16	15
Commodity	20	9
Fixed income- non-taxable	36	33
Other	—	13
Total assets	<u>\$ 349</u>	<u>367</u>
Liabilities and net assets		
Gift annuities payable	\$ 248	254
Net assets	<u>101</u>	<u>113</u>
Total liabilities and net assets	<u>\$ 349</u>	<u>367</u>

(e) Accounting for Contributions

Contributions are recognized as revenue upon receipt of cash or the donor's pledge to contribute. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts pledged that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Unconditional promises to give that are silent as to the due date are presumed to be time restricted by the donor until received and are reported as temporarily restricted net assets.

A donor restriction expires when an unconditional promise with an implied time restriction is collected or when the purpose for the restriction is accomplished. Upon expiration, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in restricted support at the time of receipt and as net assets released from restrictions at the time restrictions are met.

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

Permanently restricted net assets include the principal amount of contributions with the stipulation from the donor that the principal be maintained in perpetuity and (unless specified by the donor) only the income from investments thereof be expended for purposes specified by the donor, if any

(f) *Contributed Merchandise and Other in-Kind Contributions*

Contributed merchandise and other in-kind contributions, including equipment, are reflected as contributions at their estimated fair market value when received or when an unconditional pledge to contribute has been made. During the year ended June 30, 2012 and six months ended June 30, 2011, the Foundation received and recorded approximately \$376 and \$22, respectively, related to in-kind contributions

(g) *Assets Limited as to Use*

All of the Foundation's funds are combined for investment and financial reporting purposes. Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. The fair value of all debt and equity securities with a readily determinable fair value are based on quotations obtained from national security exchanges. Alternative investments, which include investments in international/frontier market, low volatility hedge and long/short growth funds are valued at the fund's net asset value (NAV) of underlying investments, which are not readily marketable. Financial Accounting Standards Board Accounting Standards Codification Topic 820 *Fair Value Measurements* allows for the use of NAV as a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The estimated fair value of the fund may differ from the value that would have been used had a readily available market existed for the fund.

Investments are held and managed by the Foundation as of June 30, 2012

As of June 30, 2011, investments were held and managed by PHSW. Investment amounts as of June 30, 2011 represented the Foundation's share of the carrying value of the PHSW investment pool. Investment income and losses from the pool were allocated between PHSW and members of the pool, including the Foundation, based upon investment balances. The Foundation recognized changes in its interest in PHSW investment pool using a method that is similar to the equity method.

The composition of investments whose use is limited at June 30, 2012 and 2011 is set forth in the following table:

	<u>2012</u>	<u>2011</u>
Total Investments	\$ 8,955	9,462

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

Foundation investments were invested as follows at June 30 (in percentages)

	<u>2012</u>	<u>2011</u>
Investments		
Money markets	7%	6%
Mutual funds		
Treasury Inflation-Protected Securities (TIPs)	2	4
Fixed income	21	30
Large cap	16	14
Small-mid cap blend	2	3
International	14	24
Real estate	5	3
Commodities	4	3
Low volatility	5	—
Long/short growth	6	—
Limited partnerships		
International/ frontier markets	3	—
Low volatility hedge	7	—
Long/short growth	8	—
Private equity	—	5
Distressed debt	—	7
Real estate trusts	—	1
	<u>100%</u>	<u>100%</u>

The investment income (loss) (including realized gains and losses, interest, and dividends) is included in the (deficit) excess of revenues over expenditures unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses. The investment return information comprises the following for the year ended June 30, 2012 and six months ended June 30, 2011:

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 31	14
Net realized loss on sales of securities	(103)	(352)
	<u>\$ (72)</u>	<u>(338)</u>
Change in net unrealized gain on investments	\$ 131	707

(h) Interest Income

Interest earned on restricted investments is considered unrestricted unless otherwise designated by the donor.

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

(i) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates in the Foundation's financial statements include contribution receivables and annuities payable.

(3) Income Tax Status

The Foundation is a not-for-profit organization and has been recognized as exempt from federal income tax, except on unrelated business income, under Section 501(c)(3) of the Internal Revenue Code. Management believes that the Foundation is being operated in accordance with its tax-exempt status.

(4) Contributions Receivable

At June 30, 2012 and 2011, the Foundation had received unconditional promises to give of approximately \$8,534 and \$19,411, respectively. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Pledges of financial support are recorded as assets of the Foundation at the time unconditional pledges are made.

Pledges that are silent as to the date upon which the Foundation is to receive the funds have been included in amounts due in less than one year or unspecified and are not discounted. Contributions receivable at June 30, 2012 and 2011 consist of the following:

	<u>2012</u>	<u>2011</u>
Amounts due in		
Less than one year	\$ 193	764
One to five years	140	1,388
Unspecified	8,201	17,259
	<u>\$ 8,534</u>	<u>19,411</u>

(5) Fair Value of Financial Instruments

The Foundation has estimated fair values of financial instruments using available market information and available valuation methodologies. At June 30, 2012 and 2011, the carrying values of cash and cash equivalents, investments, gift annuities, and accounts payable approximate fair value.

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

Fair Value Hierarchy

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. Level 1 includes the Foundation's money market funds and equity securities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 includes the Foundation's gift annuities and the cash surrender value of life insurance policies.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2012:

Fair value measurements at reporting date using				
	June 30, 2012	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Money market funds	\$ 611	611	—	—
Mutual funds	7,109	7,109	—	—
Equities	78	78	—	—
Limited partnerships	1,506	—	—	1,506
Life insurance - cash surrender value	34	—	34	—
Total	\$ 9,338	7,798	34	1,506

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2011

Fair value measurements at reporting date using				
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	June 30, 2011			
Assets				
Money market funds	\$ 4	4	—	—
Mutual funds	308	308		
Equities	55	55	—	—
Life insurance – cash surrender value	33	—	33	—
Total	\$ 400	367	33	—

The table above excludes investments totaling \$9,462 that were included in the PHSW investment pool and valued using a method similar to the equity method, as further explained in note 2(g)

The following table presents the Foundation's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in Topic 820 for the years ended June 30, 2012 and 2011

	Investments in limited partnerships
Balance at June 30, 2011	\$ -
Total purchases	1,478
Total realized and unrealized gains (losses), net	28
Balance at June 30, 2012	\$ 1,506

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

(6) Life Insurance Policies

The Foundation is the beneficiary of certain life insurance policies with a total face value of approximately \$100. Premiums for these policies are paid by the insured. The Foundation has recorded an asset in the amount of the cash surrender value of the policies. The Foundation will receive the cash surrender value if the policies are terminated or, upon the death of the insured, will receive all benefits payable.

(7) Restricted Net Assets

Temporarily restricted net assets at June 30, 2012 and 2011 are restricted for the following purposes:

	<u>2012</u>	<u>2011</u>
Charity care programs	\$ 2,335	1,993
Program support	4,625	4,336
Capital assets	4,187	14,363
Other	458	1,549
	<u>\$ 11,605</u>	<u>22,241</u>

Permanently restricted net assets at June 30, 2012 and 2011 are restricted for the following purposes:

	<u>2012</u>	<u>2011</u>
Charity care programs	\$ 7,539	7,652
Program support	1,345	1,506
Other	230	173
	<u>\$ 9,114</u>	<u>9,331</u>

The Foundation accounts for restricted funds consistent with the provisions of ASC Section 950-205-45. The ASC provides guidance on classifying net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA). The ASC requires that unexpended earnings on endowment funds are classified as temporarily restricted net assets until appropriated for expenditure. The Foundation's endowment consists of eleven individual funds established for a variety of purposes. Its endowment consists of donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation's management has interpreted UPMIFA enacted in the State of Washington as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Changes in endowment net assets for the year ended June 30, 2012 and six months ended June 30, 2011 is as follows

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>
Balance as of December 31, 2010	\$ (344)	157	9,331
Investment returns	196	68	—
Appropriated for expenditure	<u>(75)</u>	<u>(123)</u>	<u>—</u>
Balance as of June 30, 2011	(223)	102	9,331
Contributions	—	—	8
Investment returns	12	13	—
Appropriated for expenditure	<u>(33)</u>	<u>(43)</u>	<u>(225)</u>
Balance as of June 30, 2012	<u>\$ (244)</u>	<u>72</u>	<u>9,114</u>

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets, and subsequent gains that restore the fair value of the assets of the endowment funds to the required level are recorded as an increase in unrestricted net assets. At June 30, 2012 and 2011, endowment fund deficiencies were \$244 and \$223, respectively.

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

Return Objectives and Risk Parameters – The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed the risk-free rate of return, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on fixed-income investments with a portion also designated for equity-based investments.

Spending Policy and How the Investment Objectives Relate to Spending Policy – In accordance with UPMIFA and board policy, assets classified as permanent endowments in accordance with donor intention are only utilized for current period expenditures to the extent that earnings on the endowment exceed the original fair value of the donation.

Substantially all investments of the Foundation held for endowment are pooled for investment purposes. Income earned on endowment fund investments is allocated on the basis of each fund's proportionate interest in the pooled investment portfolio.

(8) Related-Party Transactions

The Health System provides certain services to the Foundation at no charge. The Health System also paid certain operating expenses of the Foundation, which are recorded as contributions. Such contributions totaled \$854 and \$307 and are included in both contributions and operating expenditures in the statements of activities for the year ended June 30, 2012 and six months ended June 30, 2011, respectively.

The Foundation's board of directors consists of members of the local medical and business community. The Foundation receives some of its contributions through contributions from these individuals or their related organizations.

During fiscal year 1992, the Medical Center donated \$3,000 to the Foundation to establish an endowment fund. Based on additional direction from the Medical Center, \$150 or 5% of the balance (whichever is greater) shall be used annually to fund primary care programs for Clark County, Washington residents who live at or below 200% of the federal poverty level. During the year ended June 30, 2012, as earnings on this endowment have not been sufficient to maintain this level of funding, the Medical Center agreed to release \$225 of the corpus for this purpose. As of June 30, 2012 and 2011, corpus had been reduced to \$2,235 and \$2,460, respectively. The fair value of this endowment was \$2,242 and \$2,380 at June 30, 2012 and 2011, respectively.

**PEACEHEALTH SOUTHWEST
MEDICAL CENTER FOUNDATION**

Notes to Financial Statements

June 30, 2012 and 2011

(In thousands of dollars)

(9) Subsequent Events

In connection with the preparation of the financial statements and in accordance with ASC 855, *Subsequent Events*, the Foundation has evaluated subsequent events after the balance sheet date of June 30, 2012 through December 7, 2012, which was the date the financial statements were available to be issued