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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning

, 2012, and ending

, 20

Name of foundation HILLSIDE FOUNDATION		A Employer identification number 47 0932189			
Number and street (or P.O. box number if mail is not delivered to street address) 300 N. W. Hillside Park Way		B Telephone number (see instructions) (503) 474-2590			
City or town, state, and ZIP code McMinnville, OR 97128		C If exemption application is pending, check here ► <input type="checkbox"/>			
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>			
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 950,007.35		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>			
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		(Part I, column (d) must be on cash basis.)			
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)		54,435.10	-	-	-
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B		-	-	-	-
3 Interest on savings and temporary cash investments		4.07	4.07	4.07	-
4 Dividends and interest from securities		22,640.78	22,640.78	22,640.78	-
5a Gross rents		-	-	-	-
b Net rental income or (loss)		-	-	-	-
6a Net gain or (loss) from sale of assets not on line 10		16,864.23	-	-	-
b Gross sales price for all assets on line 6a 104,930.00		-	-	-	-
7 Capital gain net income (from Part IV, line 2)		15,862.85	-	-	-
8 Net short-term capital gain		-	1,001.38	-	-
9 Income modifications		-	-	-	-
10a Gross sales less returns and allowances		-	-	-	-
b Less: Cost of goods sold		-	-	-	-
c Gross profit or (loss) (attach schedule)		-	-	-	-
11 Other income (attach schedule)		6,455.67	6,455.67	-	-
12 Total. Add lines 1 through 11		100,399.85	38,507.70	30,101.90	-
Revenue		-	-	-	-
13 Compensation of officers, directors, trustees, etc.		-	-	-	-
14 Other employee salaries and wages		-	-	-	-
15 Pension plans, employee benefits		-	-	-	-
16a Legal fees (attach schedule)		-	-	-	-
b Accounting fees (attach schedule)		-	-	-	-
c Other professional fees (attach schedule)		-	-	-	-
17 Interest OGDEN UT		-	-	-	-
18 Taxes (attach schedule) (see instructions) (Foreign)		289.67	289.67	289.67	289.67
19 Depreciation (attach schedule) and depletion		160.00	-	160.00	-
20 Occupancy		-	-	-	-
21 Travel, conferences, and meetings		-	-	-	-
22 Printing and publications		1,303.62	-	1,303.62	1,303.62
23 Other expenses (attach schedule)		1,652.94	-	1,652.94	1,652.94
24 Total operating and administrative expenses.		-	-	-	-
Add lines 13 through 23		3,406.23	289.67	3,406.23	3,246.23
25 Contributions, gifts, grants paid		36,856.45	-	-	36,856.45
26 Total expenses and disbursements. Add lines 24 and 25		40,262.68	289.67	3,406.23	40,102.68
27 Subtract line 26 from line 12:		-	-	-	-
a Excess of revenue over expenses and disbursements		60,137.17	-	-	-
b Net investment income (if negative, enter -0-)		-	38,213.0	-	-
c Adjusted net income (if negative, enter -0-)		-	-	26,695.67	-

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	57,039.30	39,254.97	39,254.97
	3	Accounts receivable ►			
		Less: allowance for doubtful accounts ►	-	-	-
	4	Pledges receivable ►			
		Less: allowance for doubtful accounts ►	-	-	-
	5	Grants receivable	-	-	-
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	-	-	-
	7	Other notes and loans receivable (attach schedule) ►			
		Less: allowance for doubtful accounts ►	-	-	-
	8	Inventories for sale or use	-	-	-
	9	Prepaid expenses and deferred charges	-	-	-
	10a	Investments—U.S. and state government obligations (attach schedule)	-	-	-
	b	Investments—corporate stock (attach schedule)	370,373.01	395,050.37	480,890.44
	c	Investments—corporate bonds (attach schedule)	352,103.52	405,182.20	429,861.94
Liabilities	11	Investments—land, buildings, and equipment: basis ►			
		Less: accumulated depreciation (attach schedule) ►	-	-	-
	12	Investments—mortgage loans	-	-	-
	13	Investments—other (attach schedule)	-	-	-
	14	Land, buildings, and equipment: basis ►			
		Less: accumulated depreciation (attach schedule) ►	160.00	-	-
	15	Other assets (describe ►)	-	-	-
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	779,675.83	839,487.54	950,007.35
	17	Accounts payable and accrued expenses	-	-	
	18	Grants payable	-	-	
	19	Deferred revenue	-	-	
	20	Loans from officers, directors, trustees, and other disqualified persons	-	-	
	21	Mortgages and other notes payable (attach schedule)	-	-	
	22	Other liabilities (describe ►)	-	-	
	23	Total liabilities (add lines 17 through 22)	-	-	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted	14,241.74	1,654.12	
	25	Temporarily restricted	71,200.94	88,065.17	
	26	Permanently restricted	694,233.15	749,768.25	
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see instructions)	779,675.83	839,487.54	
	31	Total liabilities and net assets/fund balances (see instructions)	779,675.83	839,487.54	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	779,675.83
2	Enter amount from Part I, line 27a	2	60,137.17
3	Other increases not included in line 2 (itemize) ►	3	839,813.00
4	Add lines 1, 2, and 3	4	-
5	Decreases not included in line 2 (itemize) ► see attached explanation	5	325.46
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	839,487.54

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a Vanguard Inflation Protected Sec. - 1,532.176 shares	P	various	9-26-12	
b Vanguard Total Bond Market Index Sig. 5,352.364 "	P	3/11/05	9-26-12	
c Long-term capital gain distributions	P	various		-
d Short-term capital gain distributions	P	"		-
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 44,965.00		37,432.29	7,532.71	
b 59,965.00		54,486.21	5,478.79	
c 2,851.35			2,851.35	
d 1,001.38			1,001.38	
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(f) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	15,862.85
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8			3	1,001.38

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part. Yes No

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011			
2010			
2009		.	
2008			
2007			
2 Total of line 1, column (d)			2
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4
5 Multiply line 4 by line 3			5
6 Enter 1% of net investment income (1% of Part I, line 27b)			6
7 Add lines 5 and 6			7
8 Enter qualifying distributions from Part XII, line 4			8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)	1		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b			
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ►	9		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►	10		
11	Enter the amount of line 10 to be: Credited to 2013 estimated tax ►	Refunded	11	

Part VII-A Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	Yes	No
1a		x	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	Yes	No
1b		x	
1c	<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>	Yes	No
1c		x	
c	Did the foundation file Form 1120-POL for this year?	Yes	No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ (2) On foundation managers. ► \$ _____	Yes	No
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____	Yes	No
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	Yes	No
2		x	
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>	Yes	No
3		x	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes	No
4a		x	
4b	If "Yes," has it filed a tax return on Form 990-T for this year?	Yes	No
4b		x	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	Yes	No
5		x	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	Yes	No
6		x	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	Yes	No
7		x	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► Oregon	Yes	No
8a		x	
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	Yes	No
b		x	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	Yes	No
9		x	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	Yes	No
10		x	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	<input checked="" type="checkbox"/>
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	<input checked="" type="checkbox"/>
14	The books are in care of ► J. I. Hunderup Telephone no. ► (503) 474-2590 Located at ► 300 N. W. Hillside Park Way, McMinnville, OR ZIP+4 ► 97128-9567		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. and enter the amount of tax-exempt interest received or accrued during the year ► 15		<input type="checkbox"/>
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?. See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a	During the year did the foundation (either directly or indirectly):		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c	<input checked="" type="checkbox"/>
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?		<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes," list the years ► 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?		<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	<input checked="" type="checkbox"/>
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	<input type="checkbox"/>

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	<i>If "Yes" to 6b, file Form 8870.</i>			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See attached listing				

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000 None	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances

Total number of other employees paid over \$50,000				

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Total number of others receiving over \$50,000 for professional services		►

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
1	Scholarship grants to Chemeketa Community College, George Fox University, and Linfield College for students in training as nurses	
		30,000.00
2	Grants to Yamhill Community Action Partnership	
		12,000.00
3	Grant to Linfield College for a portion of the cost of a new manikin for the School of Nursing	
		8,195.00
4	Grant to Willamette Valley Cancer Center	
		1,500.00

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.		Amount
1		
		—
2		
		—
All other program-related investments. See instructions.		
3		
		—
Total. Add lines 1 through 3		►

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	860,863.43
b	Average of monthly cash balances	1b	43,471.60
c	Fair market value of all other assets (see instructions)	1c	-
d	Total (add lines 1a, b, and c)	1d	904,335.03
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	-
3	Subtract line 2 from line 1d	3	904,335.03
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	
6	Minimum investment return. Enter 5% of line 5	6	

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	
2a	Tax on investment income for 2012 from Part VI, line 5	2a	
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	40,102.68
b	Program-related investments—total from Part IX-B	1b	-
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	-
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	-
b	Cash distribution test (attach the required schedule)	3b	-
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	40,102.68
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	-
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	40,102.68

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only				
b Total for prior years: 20 ____,20 ____,20 ____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ _____				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ►				
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b	26,695.67	23,368.27	33,424.10	25,215.79	108,703.83
c	22,691.3	19,863.03	28,410.49	21,433.42	92,398.2
d	40,102.68	36,093.06	34,644.22	27,181.39	138,021.35
e	-	-	-	-	-
	40,102.68	36,093.06	34,644.22	27,181.39	138,021.35
3	Complete 3a, b, or c for the alternative test relied upon:				
a	"Assets" alternative test—enter:				
	(1) Value of all assets	950,007.35	837,527.85	832,163.75	747,151.72
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)	950,007.35	837,527.85	832,163.75	747,151.72
b	"Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed				
c	"Support" alternative test—enter:				
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)	-	-	-	-
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)	-	-	-	-
	(3) Largest amount of support from an exempt organization	-	-	-	-
	(4) Gross investment income	-	-	-	-

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
Chemeketa Community College c/o Chemeketa Community College Foundation P. O. Box 14007 Salem, OR 97309 - 7070		501(c)(3)	Nursing Scholarships	\$10,000.00
George Fox University 414 N. Meridian St. Newberg, OR 97132		501(c)(3)	Nursing Scholarships	10,000.00
Linfield College 900 S. E. Baker St. McMinnville, OR 97128		501(c)(3)	Nursing Scholarships Partial cost of new manikin for School of Nursing	10,000.00 8,195.00
Willamette Valley Cancer Center Foundation 2700 Stratus Ave. - Suite A McMinnville, OR 97128		501(c)(3)	Financial assistance for cancer patients and families	1,500.00
Yamhill County Action Partnership P. O. Box 621 McMinnville, OR 97128		501(c)(3)	Capital improvements and food and financial assistance to elderly residents in Yamhill County; staff training	12,000.00
Refunds of a portion of financial assistance provided in December 2011 to two residents of a Continuing Care Retirement Community who died in 2012				(14,838.55)
Total				► 3a 36,856.45
<i>b Approved for future payment</i>				
None				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:						
a Adventures in Learning registrations						2,795.00
b						
c						
d						
e						
f						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments						4.07
4 Dividends and interest from securities						22,640.78
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory						16,864.23
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue: a Net income from Furniture Exchange						3,660.67
b						
c						
d						
e						
12 Subtotal. Add columns (b), (d), and (e)						
13 Total. Add line 12, columns (b), (d), and (e)						45,964.75

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
1a	The registration fee income, which came from 559 registrants in the classes which
	Adventures in Learning sponsored for senior adults in the community during the
	Spring and Fall sessions in 2012, made it possible to fulfill the educational
	purposes identified in Hillside Foundation's articles of incorporation.
3 & 4	The interest and dividend income derived from checking accounts and the investment
	portfolio made it possible to fulfill the charitable purposes identified in the
	Foundation's articles of incorporation, including scholarship grants to institutions
	for students in training as nurses, assistance to cancer patients and their families
	(through the Willamette Valley Cancer Center Foundation), capital improvements for
	Yamhill County Action Partnership (YCAP) enabling it to serve the community with
	its Food Bank and other services to elderly persons who needed financial assistance.
11	The net income from the Foundation's Furniture Exchange program helped to make it
	possible for the Foundation to fulfill the charitable purposes identified in its
	articles of incorporation. All proceeds came from the sale of donated items.

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

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

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date Status if **PTIN**

40113

Dat

Director (Treasurer
Title during 2012)

Tit

Check self-on

FIRM'S EIN

Form 990-PF (2012)



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

OMB No 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

2012**Name of the organization**

HILLSIDE FOUNDATION

Employer identification number

47 0932189

Organization type (check one):**Filers of:****Section:**

Form 990 or 990-EZ

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

Form 990-PF

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

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ► \$

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

Name of organization

HILLSIDE FOUNDATION

Employer identification number

47 0932189

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Estate of Louise Keizur c/o Hillside Retirement Community 300 N. W. Hillside Park Way McMinnville, OR 97128	\$ 34,880.00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Estate of Bonnie Meyer c/o Hillside Retirement Community 300 N. W. Hillside Park Way McMinnville, OR 97128	\$ 6,909.97	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

HILLSIDE FOUNDATION

47 0932189

SCHEDULES ATTACHED TO FORM 990-PF FOR 2012

Part I

Other Income: Line 11

Registration fees - classes for seniors -	
sponsored by Adventures in Learning	\$ 2,795.00
Net income from Furniture Exchange	<u>3,660.67</u>
Total Other Income	\$6,455.67

Line 18 - Foreign taxes on dividends:

DFA Emerging Markets Portfolio	\$ 59.02
Vanguard Total Intl. Stock Index	<u>230.65</u>
Total taxes	289.67

Line 19 - Depreciation - 20% of initial value of power point projector acquired in 2007

160.00

Line 23 - Other Expenses:

Expenses relating to classes sponsored by Adventures in Learning:	
Honoraria & travel expnses for speakers	\$ 565.00
Postage; projector supplies	14.99
Filing fees - Oregon Department of Justice and Corporation Division	172.95
D & O insurance premium	<u>900.00</u>
Total other expenses	1,652.94

Part II - Line 10b Investments - corporate stocks:

	December 31, 2012	
	Book Value	Market Value
IShares TR S&P 500 Index Fund	\$208,441.01	\$252,642.10
DFA Emerging Markets Portfolio	38,000.00	41,688.01
Vanguard Total Intl. Stock Index Fund	118,000.00	139,963.48
Vanguard Small Cap. Index Trust	30,609.36	46,596.85
Totals	\$395,050.37	\$480,890.44

Part II - Line 10c Investments - corporate bonds:

	December 31, 2012	
	Book Value	Market Value
Vanguard Total Bond Market Admiral	\$222,513.79	\$242,408.30
Vanguard Inflation Protected Secur.	37,668.41	44,004.14
Vanguard Intermed TRM Invest GR		
Admiral	100,000.00	98,627.03
*PIMCO All Asset Inst. Class	45,000.00	44,822.47
Totals	\$405,182.20	\$429,861.94

* Blend of stocks and bonds

HILLSIDE FOUNDATION

47 0932189

SCHEDULES ATTACHED TO FORM 990-PF FOR 2012

Part III - Analysis of Changes in Net Assets or Fund Balances

Line 5 - Decreases:

Adjustments in book values of securities to correspond with current "cost basis" reported by broker (Fidelity Investments):

	<u>From</u>	<u>To</u>	<u>Difference</u>
Vanguard Small Cap. Stock Index Tr.	\$30,932.00	\$30,612.36	\$ 319.64
Vanguard Sm all Cap. Stock Index Tr	30,612.36	30,609.36	3.00
Vanguard Inflation Protected Sec.	75,103.52 *	75,000.70*	2.82
Total reduction			
* Prior to partial sale			\$ 325.46

Part VII A - Statements Regarding Activities

Line 3 - Amendment to By-Laws on October 15, 2012 (as revised):

Article I - Board of Directors

A. The number of directors of the Corporation shall be eleven. Of this number, seven shall be residents of Hillside Retirement Community, including the president of the Residents Association of Hillside Retirement Community, and four shall be persons who are not residents of Hillside Retirement Community. Except for the president of the Residents Association of Hillside Retirement Community, the Board of Directors shall be divided into three groups, each consisting of approximately one-third of the remaining directors, elected for staggered three-year terms.

HILLSIDE FOUNDATION

57 0932189

Schedule Attached to Form 990-PF For 2012

Part VIII, Item 1, Information about Officers and Directors

(a)	(b)	(c)	(d)	(e)
A. Dale Tomlinson 819 N. W. Meadowood Cr McMinnville, OR 97128	President (1/01-10/15) Secretary (10/16 - 12/31)	5 0	0	0
Gary Rueter P. O. Box 480 McMinnville, OR 97128	Vice President	2 0	0	0
Mary C. Bublitz 829 N. W. Meadowood Cir. McMinnville, OR 97128	Secretary (1/01-10/15)	2 0	0	0
John I. Hunderup 835 N. W. Meadowood Cir. McMinnville, OR 97128	Treasurer	15 0	0	0
Gary Buckley 976 N. W. Cascade Way McMinnville, OR 97128	Director (10/16 - 12/31)	1 0	0	0
Rose mari Davis 2323 N.W. Nut Tree Lane McMinnville, OR 97128	Director	1 0	0	0
Denise Forberg 435 N.W. Hillside Park Way McMinnville, OR 97128	Director (Pres. 10/16-12/31)	2 0	0	0
Donald Gilbert 1029 N. W. Cascade Way McMinnville, OR 97128	Director	1 0	0	0
Patricia Jacobsen 729 N. W. Meadowood Cir. McMinnville, OR 97128	Director (1/1 - 10/15)	1 0	0	0
Rick John P. O. Box 847 McMinnville, OR 97128	Director	1 0	0	0
Bruce Stewart 1065 N. W. Cascade Way McMinnville, OR 97128	Director	1 0	0	0
Marshall Wade P. O. Box 239 McMinnville, OR 97128	Director	1 0	0	0