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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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
SOUTHERN MINNESOTA INITIATIVE FOUNDATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
525 FLORENCE AVENUE

City or town, state or country, and ZIP + 4
OWATONNA, MN 55060

D Employer identification number
36-3454285

E Telephone number
(507) 455-3215

G Gross receipts $ 16,345,230

F Name and address of principal officer
BRIAN CONZEMIUS
525 FLORENCE AVENUE
OWATONNA, MN 55060

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ HTTP //WWW SMIFOUNDATION ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1986

M State of legal domicile MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDES GRANTS, LOANS AND TECHNICAL ASSISTANCE TO NON PROFITS, GOVERNMENT (CONT ON SCH O) AGENCIES AND BUSINESSES IN THE 20 COUNTY REGION TO CREATE ECONOMIC GROWTH BY LEVERAGING PARTNERSHIPS AND COLLABORATIONS

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	60
6	Total number of volunteers (estimate if necessary)	**6**	0
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

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	6,166,598	3,356,376
9	Program service revenue (Part VIII, line 2g)	243,378	246,016
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,144,546	1,707,854
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)	7,554,522	5,310,246
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,017,851	1,474,725
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)	1,682,990	1,682,555
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶151,339		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	851,829	944,452
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	3,552,670	4,101,732
19	Revenue less expenses Subtract line 18 from line 12	4,001,852	1,208,514

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	36,995,607	39,952,173
21	Total liabilities (Part X, line 26)	2,576,053	2,782,158
22	Net assets or fund balances Subtract line 21 from line 20	34,419,554	37,170,015

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

****** | 2013-12-02
Signature of officer | Date

BRIAN CONZEMIUS VICE PRESIDENT/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
DANIEL W EDWARDS				P00043974
Firm's name ▶ MCGLADREY LLP			Firm's EIN ▶ 42-0714325	
Firm's address ▶ 310 BROADWAY AVENUE S SUITE 300 ROCHESTER, MN 55904			Phone no (507) 288-6476	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

PROVIDES GRANTS, LOANS AND TECHNICAL ASSISTANCE TO NON PROFITS, GOVERNMENT AGENCIES AND BUSINESSES IN THE 20 COUNTY REGION TO CREATE ECONOMIC GROWTH BY LEVERAGING PARTNERSHIPS AND COLLABORATIONS

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 are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 1,228,844 including grants of $ 186,702) (Revenue $ 679,806)

SOUTHERN MINNESOTA INITIATIVE FOUNDATION PROVIDES GRANTS, LOANS AND TECHNICAL ASSISTANCE TO BUSINESSES, LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS THAT ACCELERATE THE CREATION OF NEW BUSINESSES AND INNOVATIVE VENTURES THAT WILL SHAPE OUR ECONOMY THROUGH PARTNERSHIPS WITHIN OUR REGION

4b (Code) (Expenses $ 1,298,949 including grants of $ 863,466) (Revenue $ 615,038)

SOUTHERN MINNESOTA INITIATIVE FOUNDATION PROVIDES GRANTS, EDUCATIONAL RESOURCES AND TECHNICAL ASSISTANCE TO LOCAL GOVERNMENTS, COMMUNITY PARTNERSHIPS AND NONPROFIT ORGANIZATIONS IN EARLY CHILDHOOD EDUCATION THE EARLY CHILDHOOD PROGRAM PROVIDES RESOURCES THAT STRENGTHEN EARLY CHILDHOOD EFFORTS SO THAT YOUNG CHILDREN WILL HAVE A HEALTHY LIFE OF LEARNING, ACHIEVING AND SUCCEEDING

4c (Code) (Expenses $ 523,437 including grants of $ 103,922) (Revenue $ 409,759)

SOUTHERN MINNESOTA INITIATIVE FOUNDATION ADMINISTERS THE AMERICORPS~SOUTHERN MINNESOTA GRANT FOCUSING ON EARLY CHILDHOOD SUPPORTED AMERICORPS MEMBERS SERVE IN NON-PROFITS THROUGHOUT THE 20 COUNTY AREA WORKING WITH PRESCHOOL CHILDREN AND PARENTS ON EARLY LITERACY AND SCHOOL READINESS SUPPORT

(Code) (Expenses $ 378,981 including grants of $ 320,635) (Revenue $ 659,125)

SOUTHERN MINNESOTA INITIATIVE FOUNDATION IS THE FICAL HOST FOR VARIOUS COMMUNITY FOUNDATIONS IN THE REGION, SO THEY MAY CONDUCT ASSET-BASED DEVELOPMENT ACTIVITIES IN THEIR LOCAL COMMUNITIES

4d Other program services (Describe in Schedule O)

(Expenses $ 378,981 including grants of $ 320,635) (Revenue $ 659,125)

4e **Total program service expenses** ▶ 3,430,211

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	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *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	Yes	
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *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 for escrow or custodial account liability, 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	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
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	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	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 and XII 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, Parts I and IV*	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 United States? *If "Yes," complete Schedule F, Parts 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 United States? *If "Yes," complete Schedule F, Parts 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 (see instructions)*	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 hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	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? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		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? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		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? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	13		
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	60		
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	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .		3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .		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		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		
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.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		14b		

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

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year **1a** 15			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent **1b** 15			
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**	Yes	
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 this 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 ▶ MN

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☑ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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 during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ BRIAN CONZEMIUS 525 FLORENCE AVENUE OWATONNA, MN (507) 455-3215

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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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) ROBERT HOFFMAN CHAIR	2 00	X		X				0	0	0
(2) STEPHEN WALDHOFF TREASURER	2 00	X		X				0	0	0
(3) LINDA CRUZ LARES SECRETARY	2 00	X		X				0	0	0
(4) JEAN BURKHARDT VICE CHAIR	2 00	X		X				0	0	0
(5) JULIE BOYLAND BOARD MEMBER	2 00	X						0	0	0
(6) DAVE FISK BOARD MEMBER	2 00	X						0	0	0
(7) CAROL KAMPER BOARD MEMBER	2 00	X						0	0	0
(8) BUKATA HAYES BOARD MEMBER	2 00	X						0	0	0
(9) COLLEEN SKILLINGS BOARD MEMBER	2 00	X						0	0	0
(10) JOHN MONSON BOARD MEMBER	2 00	X						0	0	0
(11) DANNY HARJO BOARD MEMBER	2 00	X						0	0	0
(12) RAYMOND STAWARZ BOARD MEMBER	2 00	X						0	0	0
(13) SUE KOLLING BOARD MEMBER	2 00	X						0	0	0
(14) JUNE REINEKE BOARD MEMBER	2 00	X						0	0	0
(15) JENNIFER SAWYER BOARD MEMBER	2 00	X						0	0	0
(16) TIMOTHY PENNY PRESIDENT/CEO	40 00			X				157,647	0	14,082
(17) CAROL CERNEY VICE PRESIDENT/COO	40 00			X				91,604	0	13,419

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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) BRIAN CONZEMIUS VICE PRESIDENT/CFO	40 00			X				96,967	0	9,923
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								346,218	0	37,424

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 ▶1

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		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? *If "Yes," complete Schedule J for such individual*	**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? *If "Yes," complete Schedule J for such person*	**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

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	403,442			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,952,934			
	g	Noncash contributions included in lines 1a-1f $		590,870			
	h	**Total.** Add lines 1a-1f			3,356,376		
Program Service Revenue			Business Code				
	2a	LOAN INTEREST	900099	246,016	246,016		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			246,016		
	3	Investment income (including dividends, interest, and other similar amounts)		727,182			727,182
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	12,015,656				
	b	Less cost or other basis and sales expenses	11,034,984				
	c	Gain or (loss)	980,672				
	d	Net gain or (loss)			980,672		980,672
Other Revenue	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		5,310,246	246,016	0	1,707,854

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)

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	1,418,984	1,418,984		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	55,741	55,741		
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)	351,666	192,807	122,933	35,926
7 Other salaries and wages	1,091,703	928,298	101,432	61,973
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	21,862	16,228	962	4,672
9 Other employee benefits	122,901	105,659	9,369	7,873
10 Payroll taxes	94,423	73,787	14,299	6,337
11 Fees for services (non-employees)				
a Management				
b Legal	6,016	5,791	225	
c Accounting	33,315	1,878	31,437	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	161,039		161,039	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12 Advertising and promotion	9,172	6,111	390	2,671
13 Office expenses	129,280	103,897	12,496	12,887
14 Information technology	3,699	2,962	395	342
15 Royalties . .				
16 Occupancy				
17 Travel	72,811	57,500	8,047	7,264
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	21,103	19,120	763	1,220
20 Interest	32,810	32,197	386	227
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	26,311	19,772	4,117	2,422
23 Insurance	2,683	2,016	420	247
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a BAD DEBTS	239,174	239,174		
b OTHER EXPENSES	120,187	111,941	3,252	4,994
c CONSULTANTS	48,803	36,348	10,171	2,284
d BOARD EXPENSE	38,049		38,049	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	4,101,732	3,430,211	520,182	151,339
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		2,323,994	2	2,624,864
	3	Pledges and grants receivable, net		4,806,297	3	4,766,498
	4	Accounts receivable, net			4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		3,646,406	7	3,100,045
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		31,739	9	19,123
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,130,087			
	b	Less accumulated depreciation	10b 515,325	626,437	10c	614,762
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		25,546,944	12	28,811,314
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		13,790	15	15,567
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		36,995,607	16	39,952,173
Liabilities	17	Accounts payable and accrued expenses		107,909	17	137,372
	18	Grants payable		65,984	18	71,572
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other 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		2,119,941	23	1,802,374
	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		282,219	25	770,840
	26	**Total liabilities.** Add lines 17 through 25		2,576,053	26	2,782,158
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		2,910,674	27	2,888,450
	28	Temporarily restricted net assets		13,360,505	28	15,050,402
	29	Permanently restricted net assets		18,148,375	29	19,231,163
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		34,419,554	33	37,170,015
	34	Total liabilities and net assets/fund balances		36,995,607	34	39,952,173

Part XI Reconcilliation 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	5,310,246
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,101,732
3	Revenue less expenses Subtract line 2 from line 1	3	1,208,514
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	34,419,554
5	Net unrealized gains (losses) on investments	5	1,534,529
6	Donated services and use of facilities	6	7,418
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	37,170,015

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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?	3a		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	3b		

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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

2012

Open to Public Inspection

Name of the organization
SOUTHERN MINNESOTA INITIATIVE FOUNDATION

Employer identification number
36-3454285

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? — **11g(i)**		
(ii) A family member of a person described in (i) above? — **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? — **11g(iii)**		

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	2,336,261	1,773,883	2,027,218	6,166,508	3,356,376	15,660,246
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	2,336,261	1,773,883	2,027,218	6,166,508	3,356,376	15,660,246
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)						6,399,431
6 **Public support.** Subtract line 5 from line 4						9,260,815

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	2,336,261	1,773,883	2,027,218	6,166,508	3,356,376	15,660,246
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,065,360	915,373	849,237	877,904	727,182	4,435,056
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						20,095,302

12 Gross receipts from related activities, etc (see instructions)	12	1,350,573

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 2012 (line 6, column (f) divided by line 11, column (f))	14	46 080 %
15 Public support percentage for 2011 Schedule A, Part II, line 14	15	38 220 %

16a **33 1/3% support test—2012.** 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—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** 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—2011.** 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 III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	**Employer identification number**
SOUTHERN MINNESOTA INITIATIVE FOUNDATION	36-3454285

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ **Yes** ☐ **No**

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ **Yes** ☐ **No**

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		1,050
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			1,050
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SOUTHERN MINNESOTA INITIATIVE FOUNDATION

Employer identification number
36-3454285

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	
2	Aggregate contributions to (during year)	3,850	
3	Aggregate grants from (during year)	3,500	
4	Aggregate value at end of year	84,435	

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

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

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

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

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

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 XIII and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	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 XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	24,773,912	26,222,261	21,592,132	19,669,559	25,371,668
b	Contributions	1,272,691	505,980	316,997	351,146	335,669
c	Net investment earnings, gains, and losses	3,033,613	-851,890	5,386,657	2,622,052	-4,888,793
d	Grants or scholarships	1,117,700	1,102,439	1,073,525	1,050,625	1,148,985
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	27,962,516	24,773,912	26,222,261	21,592,132	19,669,559

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 68 770 %
- c Temporarily restricted endowment ▶ 31 230 %

The percentages in lines 2a, 2b, and 2c should equal 100%

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII 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		706,349	233,534	472,815
c Leasehold improvements				
d Equipment		343,738	270,478	73,260
e Other		80,000	11,313	68,687
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				614,762

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) OTHER INVESTMENTS	28,811,314	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	28,811,314	

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
REFUNDABLE ADVANCES	58,975
LINE OF CREDIT	211,865
AGENCY PAYABLE	500,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	770,840

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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

1	Total revenue, gains, and other support per audited financial statements			1	6,691,154
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,534,529		
b	Donated services and use of facilities	2b	7,418		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-161,039		
e	Add lines **2a** through **2d**			2e	1,380,908
3	Subtract line **2e** from line **1**			3	5,310,246
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 XIII)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	5,310,246

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

1	Total expenses and losses per audited financial statements			1	3,940,693
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 XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	3,940,693
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 XIII)	4b	161,039		
c	Add lines **4a** and **4b**			4c	161,039
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	4,101,732

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE FOUNDATION HAS DEVELOPED A SPENDING POLICY WHICH USES UP TO 5% OF ITS ENDOWMENT BALANCE ANNUALLY TO SUPPORT ITS PROGRAMS AND ACTIVITIES
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	THE FOUNDATION IS EXEMPT FROM FEDERAL INCOME TAXES AS A TAX-EXEMPT ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, EXCEPT FOR INCOME ON CERTAIN UNRELATED BUSINESS INCOME AT JUNE 30, 2013, THERE IS NO MATERIAL AMOUNT OF UNRELATED BUSINESS INCOME THE FOUNDATION IS ALSO EXEMPT FROM STATE INCOME TAXES UNDER APPLICABLE MINNESOTA STATUTES EFFECTIVE JULY 1, 2009, THE FOUNDATION ADOPTED THE PROVISIONS OF ASC 740, INCOME TAXES, RELATED TO ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES (PREVIOUSLY FIN 48) THESE PROVISIONS CLARIFY THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ENTERPRISE'S FINANCIAL STATEMENTS IN ACCORDANCE WITH ASC 740 THE STANDARD PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN THE STANDARD ALSO PROVIDES GUIDANCE ON DERECOGNITION OF TAX BENEFITS, CLASSIFICATION ON THE BALANCE SHEET, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE AND TRANSITION THE INTERPRETATION REQUIRES THAT THE ENTITY RECOGNIZE IN THE FINANCIAL STATEMENTS THE IMPACT OF A TAX POSITION IF THAT POSITION WILL MORE LIKELY THAN NOT BE SUSTAINED ON AUDIT, BASED ON THE TECHNICAL MERITS OF THE POSITION IN EVALUATING WHETHER A TAX POSITION HAS MET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD, THE ENTITY SHOULD PRESUME THAT THE POSITION WILL BE EXAMINED BY THE APPROPRIATE TAXING AUTHORITY THAT HAS FULL KNOWLEDGE OF ALL RELEVANT INFORMATION A TAX POSITION THAT MEETS THE MORE-LIKELY-THAN-NOT THRESHOLD IS MEASURED TO DETERMINE THE AMOUNT OF BENEFIT TO RECOGNIZE IN THE FINANCIAL STATEMENTS THE TAX POSITION IS MEASURED AT THE LARGEST AMOUNT OF BENEFIT THAT IS GREATER THAN 50 PERCENT LIKELY OF BEING REALIZED UPON SETTLEMENT INCOME TAX POSITIONS MUST MEET A MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD AT THE EFFECTIVE DATE TO BE RECOGNIZED UPON THE ADOPTION OF THESE PROVISIONS AND IN SUBSEQUENT PERIODS THE ADOPTION OF THE ASC 740 PROVISIONS HAD NO IMPACT ON THE FINANCIAL STATEMENTS AT JUNE 30, 2013 THE FEDERAL AND MINNESOTA TAX RETURNS FOR THE FOUNDATION ARE OPEN FOR EXAMINATION BY TAXING AUTHORITIES FOR THE YEARS 2010 TO 2012 AT JUNE 30, 2013, THE FOUNDATION DID NOT RECORD LIABILITIES FOR UNCERTAIN TAX POSITIONS
PART XI, LINE 2D - OTHER ADJUSTMENTS		INVESTMENT FEES NETTED WITH REVENUE -161,039
PART XII, LINE 4B - OTHER ADJUSTMENTS		INVESTMENT FEES NETTED WITH REVENUE 161,039

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SOUTHERN MINNESOTA INITIATIVE FOUNDATION

Employer identification number
36-3454285

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. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

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

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

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. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS	17	9,500			
(2) HARDSHIP ASSISTANCE	36	46,241			

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE FOUNDATION PROVIDES GRANTS ON AN OPEN APPLICATION BASIS IT LISTS ITS REQUIREMENTS APPLYING FOR GRANTS ON ITS WEBSITE AND ON THE RFP IT SENDS OUT THE FOUNDATION ALSO PROVIDES ASSISTANCE TO GRANT APPLICANTS AS NEEDED THE FOUNDATION APPROVES THESE GRANTS BASED ON THE REQUIREMENTS LISTED FOR THE APPLICATION AND AGAINST ORGANIZATIONAL GUIDELINES AND BUDGET CONSTRAINTS THE FOUNDATION REQUIRES THE APPLICANT FILL OUT AN APPLICATION AND UPON APPROVAL THE FOUNDATION WILL NOTIFY THE APPLICANT, HAVE THEM SIGN A CONTRACT AND THE FOUNDATION WILL REQUIRE ON-GOING CORRESPONDANCES, SITE VISITS, INTERIM AND FINAL REPORTS DEMONSTRATING DOLLARS WERE SPENT ACCORDING TO THE GUIDELINES THE FOUNDATION SET FORTH

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 36-3454285
Name: SOUTHERN MINNESOTA INITIATIVE FOUNDATION

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
RURAL AMERICA ARTS PARTNERSHIP410 4TH ST SW PLAINVIEW,MN 55964	41-1918904	501C3	25,000				ZUMBRO VALLEY COMMUNITY GROWTH INITIATIVE
KASSON MANTORVILLE SCHOOLSCOMMUNITY EDUCATION KASSON,MN 55944	41-6008530	SCHOOL/EDUCATION	21,500				EARLY CHILDHOOD INITIATIVE

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
PROJECT FINE202 THIRD ST W WINONA,MN 55987	41-1883675	501C3	20,000				CONNECTING PARENTS, CHILDREN AND EARLY CHILDHOOD
GREATER MANKATO AREA UNITED WAY101 2ND ST N STE 100 MANKATO,MN 56001	41-6008819	501C3	10,000				FIRST STEPS TRAINING

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
FIRST CHILDREN'S FINANCE212 3RD AVE N STE 212 MINNEAPOLIS,MN 55401	41-1694837	501C3	50,000				ONE BIG THING BUSINESS DEVELOPMENT AND MENTORING FOR QUALITY FAMILY CHILD CARE
MN LICENSED FAMILY CHILD CARE ASSOCIATION1821 UNIVERSITY AVE W STE 324 S SAINT PAUL,MN 55104	41-6152641	501C3	50,000				ONE BIG THING BUSINESS DEVELOPMENT AND MENTORING FOR QUALITY FAMILY CHILD CARE

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

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AUSTIN PUBLIC SCHOOLS COMMUNITY LEARNING CENTER AUSTIN,MN 55912	41-6002526	SCHOOL/EDUCATION	11,218				SCHOOL READINESS TRAINING
UNITED FOR KIDS - FARIBAULT EARLY CHILDHOOD COALITION 948 CARLTON AVE FARIBAULT,MN 55021	41-6017744	SCHOOL/EDUCATION	9,558				SOCIAL/EMOTIONAL SKILLSTREAMING

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

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MINNESOTA CHILDREN'S MUSEUM OF ROCHESTER 1643 1/2 BROADWAY ST N ROCHESTER,MN 55906	41-1354181	501C3	10,000				SPARKING LEARNING THROUGH LITERACY PLAY
NORTHFIELD PUBLIC SCHOOLSCOMMUNITY SERVICES NORTHFIELD,MN 55057	41-6008327	SCHOOL/EDUCATION	19,018				ECFE ON THE GO

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CHILDREN'S MUSEUM OF SOUTHERN MN19 REGENCY CT MANKATO,MN 56002	20-4351801	501C3	10,000				UNLEASH THE POWER OF SUPER PLAY
ROCHESTER AREA CHAMBER OF COMMERCE FOUNDATION220 BROADWAY S ROCHESTER,MN 55904	41-1675433	501C3	19,800				SUPPLIER DIVERSITY INITIATIVE

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CITY OF ST JAMESPO BOX 70 SAINT JAMES,MN 56081	41-1849588	GOVERNMENT	19,459				ST JAMES ECONOMIC DEVELOPMENT AUTHORITY COMMERICAL KITCHEN INCUBATOR
CITY OF SPRING GROVE 155 MAIN ST W SPRING GROVE,MN 55974	41-6005553	GOVERNMENT	25,000				GREATER SPRING GROVE COMMUNITY GROWTH INITIATIVE

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

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FREEBORN COUNTY PUBLIC HEALTH411 BROADWAY S ALBERT LEA,MN 56007	41-6005795	GOVERNMENT	10,000				HOME VISITING PROGRAM
RICE COUNTY PUBLIC HEALTH320 3RD ST NW STE 1 FARIBAULT,MN 55021	41-6005882	GOVERNMENT	10,000				HOME VISITING PROGRAM

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
WATERVILLE ELYSIAN MORRISTOWN SCHOOL DISTRICT500 PAQUIN ST E WATERVILLE,MN 560961596	41-1743364	SCHOOL/EDUCATION	10,000				HOME VISITING PROGRAM
WATONWAN COUNTY HUMAN SERVICES715 2ND AVE S SAINT JAMES,MN 56081	41-6005922	GOVERNMENT	4,000				HOME VISITING PROGRAM

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
YOUTH FIRSTPO BOX 826 FAIRMONT,MN 56031	20-0671259	501C3	20,000				HOME VISITING PROGRAM
KASSON MANTORVILLE SCHOOLSCOMMUNITY EDUCATION KASSON,MN 55944	41-6008530	SCHOOL/EDUCATION	6,000				HOME VISITING PROGRAM

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BEST OF WASECA COUNTY 300 STATE ST N WASECA, MN 56093	43-2019578	501C3	20,000				EXPANDING ECONOMIC DEVELOPMENT EFFORTS IN WASECA
WABASHA KELLOGG PUBLIC SCHOOL2113 HIAWATHA DR E WABASHA, MN 559811783	41-6004412	SCHOOL/EDUCATION	20,000				SUCCESS THROUGH EARLY LEARNING

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

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YOUTH FIRSTPO BOX 826 FAIRMONT,MN 56031	20-0671259	501C3	8,000				KINDER PREP PROGRAM
WINONA AREA PUBLIC SCHOOLSCOMMUNITY EDUCATION WINONA,MN 55987	41-6004759	SCHOOL/EDUCATION	14,482				PARTNERS IN EDUCATION/EARLY CHILDHOOD

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

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WASECA PUBLIC SCHOOLSWASECA PUBLIC SCHOOLS COMMUNITY EDUCATION WASECA,MN 560933360	41-6008759	SCHOOL/EDUCATION	12,800				WASECA COUNTY EARLY CHILDHOOD INITIATIVE/INCREDIBLE YEARS PROGRAM
AUSTIN COMMUNITY CHARITABLE FUND329 MAIN ST N STE 106L AUSTIN,MN 559123478	36-3487772	501C3	5,000				ENTREPRENEUR EXCHANGE

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
A CHANCE TO GROW1800 SECOND AVE NE MINNEAPOLIS,MN 55418	41-1444113	501C3	20,000				SMART PRE-K ALLIANCE
RED WING IGNITE315 W 4TH ST RED WING,MN 55066	46-1469707	501C3	20,000				RED WING IGNITE BUSINESS INCUBATOR

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ROCHESTER AREA FOUNDATION200 1ST ST SW ROCHESTER,MN 55905	41-6017740	501C3	10,000				MAYO CLINIC VENTURES MBA INTERNSHIP
SOUTHWEST INITIATIVE FOUNDATION15 3RD AVE NW HUTCHINSON,MN 55350	41-1555592	501C3	30,000				YOUTH ENERGY SUMMIT

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

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FIRST CHILDREN'S FINANCE212 3RD AVE N STE 212 MINNEAPOLIS, MN 55401	41-1694837	501C3	10,000				CHILD CARE CENTER BUSINESS IMPROVEMENT PROGRAM
CITY OF JANESVILLE101 N MOTT ST PO BOX O JANESVILLE, MN 56048	41-6005263	GOVERNMENT		5,200	FMV	COMPUTER	YOUNG EXPLORER COMPUTERS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FOLLOW ME PRESCHOOL 200 FRONT ST E PO BOX 16 SAINT CLAIR,MN 56080	41-2005389	501C3		5,200	FMV	COMPUTER	YOUNG EXPLORER COMPUTERS
CLEVELAND PUBLIC SCHOOL400 6TH ST PO BOX 310 CLEVELAND,MN 56017	41-6001905	SCHOOL/EDUCATION		5,200	FMV	COMPUTER	YOUNG EXPLORER COMPUTERS

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

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SEMCAC INCORPORATED 204 S ELM ST RUSHFORD,MN 55971	41-0907135	501C3		5,200	FMV	COMPUTER	YOUNG EXPLORER COMPUTERS
FOLLOW ME PRESCHOOL 200 FRONT ST E SAINT CLAIR,MN 56080	41-2005389	501C3		5,035	FMV	BOOKS	BOOKSTART BOOKS

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

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TRI-VALLEY OPPORTUNITY COUNCIL INCORPORATED ROCHESTER MIGRANT HEAD START ROCHESTER,MN 55901	41-0888488	501C3		5,485	FMV	BOOKS	BOOKSTART BOOKS
FREEBORN COUNTY PUBLIC HEALTH411 BROADWAY S ALBERT LEA,MN 56007	41-6005795	GOVERNMENT		9,433	FMV	BOOKS	BOOKSTART BOOKS

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

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NEW ULM PUBLIC SCHOOL CREATIVE KIDS PRESCHOOL NEW ULM,MN 56073	41-6000373	SCHOOL/EDUCATION		8,071	FMV	BOOKS	BOOKSTART BOOKS
BUTTERFIELD ODIN PUBLIC SCHOOL440 HUBBARD AVE BUTTERFIELD,MN 561200189	41-6004644	SCHOOL/EDUCATION		5,372	FMV	BOOKS	BOOKSTART BOOKS

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

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PARENTING RESOURCE CENTER INCORPORATED 105 1ST ST SE STE A AUSTIN,MN 55912	41-1307920	501C3		5,372	FMV	BOOKS	BOOKSTART BOOKS
KASSON MANTORVILLE SCHOOLSCOMMUNITY EDUCATION KASSON,MN 55944	41-6008530	SCHOOL/EDUCATION		11,531	FMV	BOOKS	BOOKSTART BOOKS

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

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WABASHA KELLOGG PUBLIC SCHOOL2113 HIAWATHA DR E WABASHA,MN 559811783	41-6004412	SCHOOL/EDUCATION		9,245	FMV	BOOKS	BOOKSTART BOOKS
THREE RIVERS COMMUNITY ACTION INCORPORATED1414 NORTH STAR DR ZUMBROTA,MN 55992	41-0906178	501C3		5,110	FMV	BOOKS	BOOKSTART BOOKS

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

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NEW RICHLAND HARTLAND ELLENDALE GENEVA PUBLIC SCHOOLS COMMUNITY EDUCATION NEW RICHLAND, MN 56072	41-1769172	SCHOOL/EDUCATION		8,321	FMV	BOOKS	BOOKSTART BOOKS
MINNESOTA CHILDREN'S MUSEUM OF ROCHESTER 1643 1/2 BROADWAY ST N ROCHESTER, MN 55906	41-1354181	501C3		14,530	FMV	BOOKS	BOOKSTART BOOKS

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

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SEMCAC INCORPORATED 204 ELM ST S RUSHFORD,MN 55971	41-0907135	501C3		6,597	FMV	BOOKS	BOOKSTART BOOKS
SOUTHLAND SCHOOL DISTRICTSOUTHLAND EARLY CHILDHOOD CENTER ADAMS,MN 55909	41-0972446	SCHOOL/EDUCATION		5,860	FMV	BOOKS	BOOKSTART BOOKS

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

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RICE COUNTY PUBLIC HEALTH320 3RD ST NW STE 1 FARIBAULT,MN 55021	41-6005882	GOVERNMENT		8,995	FMV	BOOKS	BOOKSTART BOOKS
ALBERT LEA AREA SCHOOLS211 RICHWAY DR W ALBERT LEA,MN 56007	41-6001171	SCHOOL/EDUCATION		5,297	FMV	BOOKS	BOOKSTART BOOKS

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TRINITY LUTHERAN CHURCH & SCHOOL TRINITY LUTHERAN PRESCHOOL JANESVILLE,MN 56048	41-0705855	501C3		8,633	FMV	BOOKS	BOOKSTART BOOKS
MANKATO AREA PUBLIC SCHOOLSCOMMUNITY EDUCATION RECREATION MANKATO,MN 56001	41-6000310	SCHOOL/EDUCATION		5,357	FMV	BOOKS	PEARSON BOOKS

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SOUTHEASTERN LIBRARIES COOPERATING (SELCO)107 FRONTAGE ROAD W ROCHESTER,MN 55902	41-0986063	501C3		26,697	FMV	BOOKS	PEARSON BOOKS
MANKATO DOWNTOWN KIWANIS FOUNDATIONPO BOX 733 MANKATO,MN 56002	41-1908825	501C3		33,950	FMV	BOOKS	PEARSON BOOKS

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CHILD CARE RESOURCE & REFERRAL INC126 WOODLAKE DR SE ROCHESTER,MN 55904	41-0987753	501C3		33,200	FMV	BOOKS	PEARSON BOOKS
MN VALLEY ACTION COUNCI INCSOUTH CENTRAL WORKFORCE COUNCIL MFIP INNOVATIONS TEEN PARENT PROJEC MANKATO,MN 56001	41-6050353	501C3		45,150	FMV	BOOKS	PEARSON BOOKS

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

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SEMCAC HEAD START204 S ELM ST RUSHFORD,MN 55971	41-0907135	501C3		17,283	FMV	BOOKS	ABDO BOOKS
NORTHFIELD PUBLIC SCHOOLS1651 JEFFERSON PKWY NORTHFIELD,MN 55057	41-6008327	SCHOOL/EDUCATION		6,367	FMV	BOOKS	ABDO BOOKS

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

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FILLMORE CENTRAL SCHOOL DISTRICT702 CHATFIELD ST PRESTON,MN 55965	41-1809022	SCHOOL/EDUCATION		7,049	FMV	BOOKS	ABDO BOOKS
MN VALLEY ACTION COUNCIL INC464 RAINTREE RD MANKATO,MN 56001	41-6050353	501C3		7,732	FMV	BOOKS	ABDO BOOKS

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CHILD CARE RESOURCE & REFERRAL126 WOODLAKE DRIVE SE ROCHESTER,MN 55904	41-0987753	501C3		12,734	FMV	BOOKS	ABDO BOOKS
CITY OF WANAMINGO401 MAIN ST WANAMINGO,MN 55946	41-6005614	GOVERNMENT	37,892				VETERANS MEMORIAL & COMMUNITY SWIMMING POOL

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

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KENYON-WANAMINGO PUBLIC SCHOOLS400 6TH ST WANAMINGO,MN 55946	41-1780357	SCHOOL/EDUCATION	5,001				COMMUITH BALLFIELD
CITY OF EASTONPO BOX 136 EASTON,MN 56025	41-6005113	GOVERNMENT	6,850				COMMUNITY PLAYGROUND

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

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RUSHFORD PETERSON SCHOOLS102 MILL ST N RUSHFORD,MN 55971	41-1655958	SCHOOL/EDUCATION	11,852				EDUCATION GRANTS
CITY OF RUSHFORD101 MILL ST N RUSHFORD,MN 55971	41-6005505	GOVERNMENT	23,453				BROOKLYN PARK REBUILD PROJECT & SAFE ROUTES TO SCHOOL STUDY

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

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MAPLE RIVER SCHOOLSPO BOX 515 MAPLETON,MN 56065	41-1734559	SCHOOL/EDUCATION	34,240				EDUCATION GRANTS
PLAINVIEW ELGIN MILLVILLE COMMUNITY SCHOOL DISTRICT500 BROADWAY W PLAINVIEW,MN 55964	33-1134777	SCHOOL/EDUCATION	4,743				EDUCATION GRANTS

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

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CITY OF SAINT JAMESPO BOX 70 SAINT JAMES,MN 56081	41-1849588	GOVERNMENT	75,799				PRINCESS THEATER
CITY OF SAINT JAMESPO BOX 70 SAINT JAMES,MN 56082	41-1849588	GOVERNMENT	10,000				ST JAMES ECONOMIC DEVELOPMENT AUTHORITY INTERNSHIP PROGRAM

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
WATERVILLE ELYSIAN MORRISTOWN SCHOOL DISTRICT500 PAQUIN ST E WATERVILLE,MN 56096	41-1743364	SCHOOL/EDUCATION	5,500				RESOURCES WITH EXTRA ATTENTION TO CHILDREN IN THEIR HOME (REACH)
NEW PRAGUE AREA SCHOOLS410 CENTRAL AVE N NEW PRAGUE,MN 56071	41-6003815	SCHOOL/EDUCATION	8,150				SEEDS TRAINING INITIATIVE GRANT

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

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CITY OF HARMONYPO BOX 488 HARMONY,MN 55939	41-1526181	GOVERNMENT	16,097				SELVIG PARK EQUIPMENT GRANT
FILLMORE CENTRAL SCHOOL DISTRICT702 CHATFIELD ST PRESTON,MN 55965	41-1809022	SCHOOL/EDUCATION	5,500				SCHOLARSHIPS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SOUTHERN MINNESOTA INITIATIVE FOUNDATION

Employer identification number
36-3454285

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☑ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)TIMOTHY PENNY PRESIDENT/CEO	(i) (ii)	157,647 0	0 0	0 0	4,159 0	9,923 0	171,729 0	0 0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493346009103

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

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SOUTHERN MINNESOTA INITIATIVE FOUNDATION

Employer identification number
36-3454285

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications	X		506,430	FMV
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 ▶ (COMPUTERS)	X	24	62,400	FMV
26	Other ▶ (PAINT)	X	736	19,136	FMV
27	Other ▶ (MISC SUPPLIES)	X	1	2,904	FMV
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 |

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493346009103

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 4	BY-LAW AMENDMENT ARTICLE III SECTION 3 03 NUMBER, QUALIFICATION AND TERM OF OFFICE CURRENT LANGUAGE THE NUMBER OF TRUSTEES SHALL BE NOT LESS THAN THREE (3), AND MAY BE COMPRISED OF UP TO SEVENTEEN (17) PERSONS, BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE REMAINING TRUSTEES EACH TRUSTEE SHALL BE A RESIDENT OF THE 20 COUNTY SOUTHERN MINNESOTA AREA EACH TRUSTEE SHALL HOLD OFFICE FOR THE LENGTH OF TIME PRESCRIBED WITHIN THE RESOLUTION OF APPOINTMENT OR UNTIL HIS OR HER DEATH, RESIGNATION, OR REMOVAL AS HEREINAFTER PROVIDED TERMS MAY OR MAY NOT BE CONTIGUOUS TO THE CORPORATIONS FISCAL YEAR PROPOSED CHANGE THE NUMBER OF TRUSTEES SHALL BE NOT LESS THAN THREE (3), AND MAY BE COMPRISED OF UP TO SEVENTEEN (17) PERSONS, BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE REMAINING TRUSTEES EACH TRUSTEE SHALL BE A RESIDENT OF THE 20 COUNTIES OR CITIES WITHIN THE SOUTHERN MINNESOTA AREA, OR AS DETERMINED BY THE BOARD OF TRUSTEES EACH TRUSTEE SHALL HOLD OFFICE FOR THE LENGTH OF TIME PRESCRIBED WITHIN THE RESOLUTION OF APPOINTMENT OR UNTIL HIS OR HER DEATH, RESIGNATION, OR REMOVAL AS HEREINAFTER PROVIDED TERMS MAY OR MAY NOT BE CONTIGUOUS TO THE CORPORATIONS FISCAL YEAR ADOPTED BY SMIF BOARD OF TRUSTEES 7/19/2012

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FINANCE COMMITTEE WILL REVIEW THE 990 PRIOR TO FILING AND PRESENT TO THE BOARD FOR FULL APPROVAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EACH BOARD MEMBER IS REQUIRED TO SIGN A CONFLICT OF INTEREST FORM YEARLY ALL BOARD AND COMMITTEE MEETINGS BEGIN WITH THE CONFLICT OF INTEREST STATEMENT "ASKING THE BOARD AS A WHOLE IF THERE ARE ANY CONFLICTS OF INTERESTS " THE EXECUTIVE COMMITTEE MONITORS ANY CONFLICTS ON AN ON-GOING BASIS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE FOUNDATION USES BENCHMARK INFORMATION TO DETERMINE COMPENSATION OF EMPLOYEES THE BENCHMARK INFORMATION IS PULLED FROM SIMILAR NON-PROFITS, NATIONAL FOUNDATION SURVEYS, AND BUSINESS SALARY REPORTS THE BOARD SETS THE COMPENSATION OF THE PRESIDENT WITH REVIEW AND APPROVAL BY THE EXECUTIVE COMMITTEE THE REMAINING STAFF SALARIES ARE APPROVED BY LEADERSHIP TEAM WITH AT LEAST TWO OTHER MEMBERS SIGNING OFF ON ALL APPROVALS THE FINANCE COMMITTEE AND BOARD APPROVES THE OVERALL ALLOCATION FOR SALARIES AND MONITORS THIS THROUGHOUT THE YEAR ALL INCREASES ARE DONE ANNUALLY FOR ALL EMPLOYEES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	INFORMATION IS GIVEN ON OUR WEBSITE FOR REQUESTS AND THE CFO WILL MAKE ANY DOCUMENTS AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PAGE 12, PART XII LINE 2C	THE FINANCE COMMITTEE APPROVES AND MANAGES THE AUDITOR SELECTION AND PROCESS YEARLY THE FOUNDATION COMMITTEE MEETS WITH THE AUDITOR PRIOR TO ENGAGEMENT TO ANSWER ANY QUESTIONS OR CONCERNS RELATED TO THE UPCOMING AUDIT, AT THAT POINT THE FINANCE COMMITTEE APPROVES THE AUDITOR SELECTION FOR THE YEAR THE COMMITTEE WILL THEN HAVE ON-GOING COMMUNICATION WITH THE AUDIT TEAM AS NECESSARY AND WILL MEET WITH THE AUDITOR UPON COMPLETION OF THE AUDIT FOR REVIEW AND FINAL APPROVAL OF THE AUDIT REPORT THE BOARD WILL ALSO, REVIEW AND MEET WITH THE AUDITOR AFTER THE AUDIT IS COMPLETED