

Form **990****Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2016 calendar year, or tax year beginning **JUL 1, 2016** and ending **JUN 30, 2017**

B Check if applicable

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☒ Amended return
- ☐ Application pending

C Name of organization

SOUTHWEST INITIATIVE FOUNDATION

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

15 3RD AVE NW

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

HUTCHINSON, MN 55350F Name and address of principal officer **DIANA D. ANDERSON****SAME AS C ABOVE**

D Employer identification number

41-155592

E Telephone number

(320) 587-4848G Gross receipts \$ **170,161,197.**

H(a) Is this a group return

for subordinates? ☐ Yes ☒ NoH(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)() (insert no.) ☐ 4947(a)(1) or ☐ 527Website: **WWW.SWIFFOUNDATION.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 **A REGIONAL COMMUNITY FOUNDATION DEDICATED TO ADVANCING SOUTHWEST MINNESOTA.**2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)

3 11

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 11

5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)

5 25

6 Total number of volunteers (estimate if necessary)

6 300

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)	4,551,115.	4,584,088.
	9 Program service revenue (Part VIII, line 2g)	541,359.	500,286.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,840,672.	15,177,652.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	132,424.	62,543.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,065,570.	20,324,569.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,924,228.	1,300,891.
	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)	1,753,333.	1,779,858.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (A), line 25) ▶ 513,492.		
	17 Other expenses (Part IX, column (A), lines 11a, 11d, 11f-24e)	1,568,171.	1,770,362.
	18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	5,245,732.	4,851,111.
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	1,819,838.	15,473,458.
	20 Total assets (Part X, line 1c)	79,244,088.	85,680,210.
	21 Total liabilities (Part X, line 2b)	9,643,924.	9,496,815.
	22 Net assets or fund balances. Subtract line 21 from line 20	69,600,164.	76,183,395.

Part II Signature Block

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

Sign Here ▶ Signature of officer **DIANA D. ANDERSON, PRESIDENT/CEO** Date **12/10/18**

Type or print name and title

Paid Preparer Use Only ▶ Print/Type preparer's name **KRISTIN L. SCHMIDT** Preparer's signature **Kristin L. Schmidt** Date **12/3/18** Check if self-employed ☐ PTIN **P01487323**

Firm's name ▶ **CLIFTONLARSONALLEN LLP** Firm's EIN ▶ **41-0746749**

Firm's address ▶ **818 SECOND STREET SOUTH, SUITE 320 WAITE PARK, MN 56387** Phone no **320-203-5500**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

91,622

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☒ X

1 Briefly describe the organization's mission

SEE SCHEDULE O

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

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 1,640,533. including grants of \$ 84,000.) (Revenue \$ 415,520.)ECONOMIC DEVELOPMENT(SEE SCHEDULE O)4b (Code) (Expenses \$ 797,406. including grants of \$ 292,846.) (Revenue \$)COMMUNITY FOUNDATIONS AND DESIGNATED FUNDS (SEE SCHEDULE O)4c (Code) (Expenses \$ 912,342. including grants of \$ 924,045.) (Revenue \$ 84,766.)LEADERSHIP AND COMMUNITY DEVELOPMENT PROGRAMS (SEE SCHEDULE O)

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 3,350,281.

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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part I</i>	X	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

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Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
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	X	
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 25a	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
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		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
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		X
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		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
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		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
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	X	
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		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
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		
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		X
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		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a 50		
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		
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 25		
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	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, 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		X
b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
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		X
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		X
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		X
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. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		X
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		X
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		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

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

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year. 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.	11			
b Enter the number of voting members included in line 1a, above, who are independent		11		
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	X
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	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?			5	X
6 Did the organization have members or stockholders?			6	X
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	X
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	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			8a	X
b Each committee with authority to act on behalf of the governing body?			8b	X
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	X

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	X
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	X
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	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
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	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
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	X
b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	X
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	X
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	X

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 Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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, address, and telephone number of the person who possesses the organization's books and records **MARGIE NELSEN, CFO - (320) 587-4848**
15 3RD AVE NW, HUTCHINSON, MN 55350

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line 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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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 THURSTON CHAIR	4.00	X		X				0.	0.	0.
(2) JANICE NELSON VICE CHAIR	4.00	X		X				0.	0.	0.
(3) ROB SAUNDERS PAST CHAIR	4.00	X		X				1,147.	0.	0.
(4) TIM CONNELL SECRETARY	4.00	X		X				2,581.	0.	0.
(5) JAN LUNDEBREK TREASURER	4.00	X		X				652.	0.	0.
(6) CHRISTIE ROCK HANTGE BOARD MEMBER	4.00	X						0.	0.	0.
(7) PATTI DOLS BOARD MEMBER	4.00	X						0.	0.	0.
(8) MARY MAERTENS BOARD MEMBER	4.00	X						0.	0.	0.
(9) GREG RAYMO BOARD MEMBER	4.00	X						1,413.	0.	0.
(10) RANDY REINKE BOARD MEMBER	4.00	X						861.	0.	0.
(11) TERESA PETERSON BOARD MEMBER	4.00	X						0.	0.	0.
(12) MARK TITUS BOARD MEMBER	4.00	X						1,100.	0.	0.
(13) DIANA D. ANDERSON PRESIDENT/CEO	50.00			X				164,467.	0.	32,905.
(14) SCOTT MARQUARDT VICE PRESIDENT	50.00			X				97,627.	0.	24,363.
(15) MARGIE NELSEN CFO	50.00			X				99,208.	0.	4,579.

14131126 131839 053-11825400 2016.06000 SOUTHWEST INITIATIVE FOUNDA 053-50A2

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d			
	e	Government grants (contributions)	1e	264,626.		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,319,462.		
	g	Noncash contributions included in lines 1a-1f		1,178,775.		
	h	Total. Add lines 1a-1f		4,584,088.		
Program Service Revenue	Business Code					
	2 a	LOAN INTEREST	522100	411,183.	411,183.	
	b	OTHER PROGRAM INCOME	900099	74,437.	74,437.	
	c	PROJECT SPECIFIC REV	900099	10,329.	10,329.	
	d	LOAN ADMIN FEES	900099	4,337.	4,337.	
	e					
	f	All other program service revenue				
g	Total. Add lines 2a-2f		-500,286.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,270,340.		1,270,340.
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6 a	(i) Real	(ii) Personal			
		Gross rents	62,543.			
		Less rental expenses	0.			
	c	Rental income or (loss)	62,543.			
	d	Net rental income or (loss)		62,543.		62,543.
	7 a	(i) Securities	(ii) Other			
		Gross amount from sales of assets other than inventory	163,743,940.			
		Less cost or other basis and sales expenses	149,836,628.			
	c	Gain or (loss)	13,907,312.			
	d	Net gain or (loss)		13,907,312.		13,907,312.
	8 a	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				
	9 a	Gross income from gaming activities See Part IV, line 19	a			
Less direct expenses		b				
Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a				
	Less cost of goods sold	b				
	Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d					
12	Total revenue. See instructions.		20,324,569.	500,286.	0.	15,240,195.

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 or note to any line 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 domestic organizations and domestic governments. See Part IV, line 21	1,300,891.	1,300,891.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	414,969.	225,992.	100,001.	88,976.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,060,105.	641,506.	251,486.	167,113.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	51,971.	31,417.	12,329.	8,225.
9 Other employee benefits	156,132.	79,269.	54,827.	22,036.
10 Payroll taxes	96,681.	56,868.	23,198.	16,615.
11 Fees for services (non-employees)				
a Management				
b Legal	53,362.	28,146.	2,040.	23,176.
c Accounting	29,714.	18,100.	7,296.	4,318.
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	164,321.		164,321.	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	163,719.	127,970.	22,895.	12,854.
12 Advertising and promotion	62,093.	35,627.	17,152.	9,314.
13 Office expenses	118,915.	57,103.	28,564.	33,248.
14 Information technology	194,079.	110,074.	51,334.	32,671.
15 Royalties				
16 Occupancy	54,318.	32,120.	14,103.	8,095.
17 Travel	120,420.	89,636.	24,515.	6,269.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	249,418.	135,093.	112,410.	1,915.
20 Interest	49,463.	34,718.	9,237.	5,508.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	100,515.	56,659.	27,336.	16,520.
23 Insurance	27,826.	16,481.	7,215.	4,130.
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 PROVISION FOR LOAN LOSS	256,636.	256,636.		
b FUNDRAISING COSTS	51,811.			51,811.
c PUBLIC RELATIONS	22,350.	1,974.	20,376.	
d				
e All other expenses	51,402.	14,001.	36,703.	698.
25 Total functional expenses. Add lines 1 through 24e	4,851,111.	3,350,281.	987,338.	513,492.
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 SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	3,600.	1	3,800.
	2 Savings and temporary cash investments	1,207,488.	2	1,568,313.
	3 Pledges and grants receivable, net	545,594.	3	244,711.
	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 instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net	7,001,544.	7	6,274,558.
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	35,898.	9	50,935.
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 3,773,590.		
	b Less accumulated depreciation	10b 1,097,779.	10c	2,675,811.
	11 Investments - publicly traded securities	60,188,830.	11	66,507,265.
	12 Investments - other securities. See Part IV, line 11	7,670,318.	12	8,214,854.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	103,668.	15	139,963.
16 Total assets. Add lines 1 through 15 (must equal line 34)	79,244,088.	16	85,680,210.	
Liabilities	17 Accounts payable and accrued expenses	179,623.	17	258,606.
	18 Grants payable	384,554.	18	212,150.
	19 Deferred revenue	115,546.	19	197,996.
	20 Tax-exempt bond liabilities	1,724,547.	20	1,508,010.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	1,496,167.	21	1,581,344.
	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	1,783,856.	23	1,746,353.
	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	3,959,631.	25	3,992,356.
	26 Total liabilities. Add lines 17 through 25	9,643,924.	26	9,496,815.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	21,385,962.	27	25,538,405.
	28 Temporarily restricted net assets	14,663,065.	28	16,350,425.
	29 Permanently restricted net assets	33,551,137.	29	34,294,565.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	69,600,164.	33	76,183,395.
34 Total liabilities and net assets/fund balances	79,244,088.	34	85,680,210.	

Form 990 (2016)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	20,324,569.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,851,111.
3	Revenue less expenses Subtract line 2 from line 1	3	15,473,458.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	69,600,164.
5	Net unrealized gains (losses) on investments	5	-8,835,573.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-54,654.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	76,183,395.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

☐

- 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?
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?
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?
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?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2016)

SCHEDULE A
(Form 990 or 990-EZ)

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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public
Inspection

Name of the organization

SOUTHWEST INITIATIVE FOUNDATION

Employer identification number

41-1555592

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

The organization is not a private foundation because it is: (For lines 1 through 12, 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 (Form 990 or 990-EZ).)
- 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university _____
- 10 ☐ 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.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations:

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,135,439.	4,176,639.	2,991,161.	4,551,115.	4,584,088.	20,438,442.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	4,135,439.	4,176,639.	2,991,161.	4,551,115.	4,584,088.	20,438,442.
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)						6,585,203.
6 Public support. Subtract line 5 from line 4						13,853,239.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4	4,135,439.	4,176,639.	2,991,161.	4,551,115.	4,584,088.	20,438,442.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,099,536.	1,109,517.	951,239.	927,798.	1,332,883.	5,420,973.
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 VI.)						
11 Total support. Add lines 7 through 10						25,859,415.
12 Gross receipts from related activities, etc. (see instructions)					12	2,394,868.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))	14	53.57 %
15 Public support percentage from 2015 Schedule A, Part II, line 14	15	52.12 %
16a 33 1/3% support test - 2016. 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 ► <input checked="" type="checkbox"/>		
b 33 1/3% support test - 2015. 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 ► <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2016. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2015. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2016

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

(Complete only if you checked the box on line 10 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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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 VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2016. 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 - 2015.** 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 Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to, anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
11a		
b A family member of a person described in (a) above?		
11b		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
1		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
1		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
2		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		Yes	No
2a			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
2b			
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.			
3a			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			
3b			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI).		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions)

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in Part VI). See instructions	
7	Total annual distributions. Add lines 1 through 6	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions	
9	Distributable amount for 2016 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
3 Excess distributions carryover, if any, to 2016:			
a			
b			
c From 2013			
d From 2014			
e From 2015			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2016 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 For result greater than zero, explain in Part VI. See instructions			
6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 For result greater than zero, explain in Part VI. See instructions			
7 Excess distributions carryover to 2017. Add lines 3j and 4c			
8 Breakdown of line 7:			
a			
b Excess from 2013			
c Excess from 2014			
d Excess from 2015			
e Excess from 2016			

Schedule A (Form 990 or 990-EZ) 2016

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b, Part III, line 12, Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c, Part IV, Section B, lines 1 and 2, Part IV, Section C, line 1, Part IV, Section D, lines 2 and 3, Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1, Part V, Section B, line 1e, Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public
Inspection

Name of the organization

SOUTHWEST INITIATIVE FOUNDATION

Employer identification number

41-155592

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year	22	192
2 Aggregate value of contributions to (during year)	447,667.	2,246,958.
3 Aggregate value of grants from (during year)	29,819.	1,217,047.
4 Aggregate value at end of year	2,288,853.	73,894,544.

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" on Form 990, Part IV, line 7.

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> 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 Tax 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, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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) Revenue included on 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 Revenue included on Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2016

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" on 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

- c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☒ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

☒

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	46,493,493.	46,535,872.	45,965,928.	40,394,208.	36,815,739.
b Contributions	625,171.	1,874,516.	1,092,643.	871,173.	1,070,416.
c Net investment earnings, gains, and losses	5,770,342.	435,959.	1,274,953.	6,579,176.	4,095,036.
d Grants or scholarships					
e Other expenditures for facilities and programs	1,463,791.	2,352,854.	1,797,652.	1,878,629.	1,586,983.
f Administrative expenses					
g End of year balance	51,425,215.	46,493,493.	46,535,872.	45,965,928.	40,394,208.

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

- a Board designated or quasi-endowment ▶ 32.50 %
 b Permanent endowment ▶ 5.67 %
 c Temporarily restricted endowment ▶ 61.83 %

The percentages on 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

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

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

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. 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		1,015,000.		1,015,000.
b Buildings		1,669,402.	457,704.	1,211,698.
c Leasehold improvements		192,899.	124,147.	68,752.
d Equipment		896,289.	515,928.	380,361.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				2,675,811.

Schedule D (Form 990) 2016

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. 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) DONATED REAL ESTATE HELD		
(B) AS INVESTMENTS	1,360,500.	COST
(C) FARMLAND WITH LIFE ESTATE	6,648,585.	COST
(D) CHARITABLE REMAINDER		
(E) UNITRUST	205,769.	COST
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	8,214,854.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ANNUITY PAYABLE	12,372.
(3) CAPITAL LEASE PAYABLE	6,930.
(4) LIFE ESTATE LIABILITY	3,768,235.
(5) OBLIGATIONS OF SPLIT-INTEREST	
(6) AGREEMENTS	204,819.
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	3,992,356.

2. Liability for uncertain tax positions. 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.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a

1	Total revenue, gains, and other support per audited financial statements	1	11,200,182.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains (losses) on investments	2a	-8,835,573.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	111,270.
e	Add lines 2a through 2d	2e	-8,724,303.
3	Subtract line 2e from line 1	3	19,924,485.
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	164,321.
b	Other (Describe in Part XIII)	4b	235,763.
c	Add lines 4a and 4b	4c	400,084.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	20,324,569.

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a

1	Total expenses and losses per audited financial statements	1	4,616,951.
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	4,616,951.
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	164,321.
b	Other (Describe in Part XIII)	4b	69,839.
c	Add lines 4a and 4b	4c	234,160.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,851,111.

Part XIII Supplemental Information.

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.

PART IV, LINE 2B:

ASSETS HELD ON DONOR'S BEHALF CONSISTS OF 22 FUNDS IN WHICH THE BENEFICIARIES WERE DESIGNATED BY THE DONOR AT THE TIME THE FUNDS WERE ESTABLISHED. THEREFORE, THE FOUNDATION HAS NO CONTROL OVER THE DISTRIBUTION OF THESE FUNDS.

PART V, LINE 4:

THE SWIF GENERAL ENDOWMENT FUND IS ACCESSED THROUGH BOARD APPROVAL, GUIDED BY A SPENDING POLICY THAT ALLOWS RESOURCES TO BE USED TO SUPPLEMENT PROGRAM ACTIVITIES AND OPERATION BUDGET EXPENSES. OTHER DESIGNATED ENDOWED FUNDS ARE DIRECTED TO GRANTS AND EXPENSES RELATED TO THE DONOR'S ORIGINAL INTENT.

Part XIII Supplemental Information (continued)**PART X, LINE 2:**

THE FOUNDATION IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND SIMILAR STATE INCOME TAX LAWS. THE FOUNDATION IS A NON-PRIVATE FOUNDATION AND CONTRIBUTIONS TO THE ORGANIZATION QUALIFY AS A CHARITABLE TAX DEDUCTION BY THE CONTRIBUTOR. AWSM LLC. AND SWIF REAL ESTATE HOLDINGS, LLC ARE 100% OWNED LLC'S AND AS SUCH ARE CONSIDERED DISREGARDED ENTITIES FOR TAX PURPOSES. IT IS THE POLICY OF THE FOUNDATION, IN ACCORDANCE WITH GAAP, TO ASSESS ANY UNCERTAIN TAX PROVISIONS AND, IF NECESSARY, RECORD A TAX ASSET OR LIABILITY, AND THE RELATED INCOME TAX EXPENSE, FOR ANY UNCERTAIN TAX PROVISIONS. THE FOUNDATION DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS OR UNRELATED BUSINESS INCOME.

THE FOUNDATION FOLLOWS THE ACCOUNTING STANDARDS FOR CONTINGENCIES IN EVALUATING UNCERTAIN TAX POSITIONS. THIS GUIDANCE PRESCRIBES RECOGNITION THRESHOLD PRINCIPLES FOR THE FINANCIAL STATEMENT RECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN THAT ARE NOT CERTAIN TO BE REALIZED. THE FOUNDATION'S TAX RETURNS ARE SUBJECT TO REVIEW AND EXAMINATION BY FEDERAL AND STATE AUTHORITIES.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN SPLIT INTEREST AGREEMENT 111,270.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

AGENCY FUND REVENUES 235,763.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

Part XIII Supplemental Information (continued)

AGENCY FUND EXPENSES

69,839.

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" on Form 990, Part IV, line 21 or 22.

► Attach to Form 990.

► Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization

SOUTHWEST INITIATIVE FOUNDATION

Employer identification number
41-1555592

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

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

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on 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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC 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
BIRD ISLAND CULTURAL CENTRE PO BOX 434 BIRD ISLAND, MN 55310	81-4413103	501C3	5,550.	0.			BOLD ECI VISION TO ACTION
BROOKSIDE SENIOR LIVING 804 BENSON RD MONTEVIDEO, MN 56265	41-0871848	501C3	5,000.	0.			BROOKSIDE MANOR
CHILD CARE & NUTRITION INC PO BOX 138 IVANHOE, MN 56142	41-1496910	501C3	5,000.	0.			SOUTHWEST STRONG: FAMILY CONNECTIONS
CHURCH OF ST. ANTHONY 170 MEEKER AVE. S. WATKINS, MN 55389	41-0765340	RELIGIOUS	16,835.	0.			MEEKER COUNTY TORNADO RECOVERY
CITY OF APPLETON 323 W SCHLIEMAN AVENUE APPLETON, MN 56208	41-6004938	GOVERNMENT	16,005.	0.			NEW RESTROOM BUILDING AT RIVERVIEW PARK
CITY OF LISMORE PO BOX 188 LISMORE, MN 56155	41-6005319	GOVERNMENT	5,555.	0.			LISMORE FIRE DEPARTMENT

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

41.
20.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2016)

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

(a) Name and address of organization or government	(b) EIN	(c) IRC 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 LITCHFIELD 126 N MARSHALL AVENUE LITCHFIELD, MN 55355	41-6005320	GOVERNMENT	5,000.	0.			LITCHFIELD RECREATIONAL FACILITY
CITY OF MADISON 404 6TH AVENUE N MADISON, MN 56256	41-6005335	GOVERNMENT	5,868.	0.			MEMORIAL BALL PARK
CITY OF MADISON 404 6TH AVENUE N MADISON, MN 56256	41-6005335	GOVERNMENT	36,438.	0.			KIWANIS PLAYGROUND
CITY OF TYLER 230 N TYLER ST TYLER, MN 56178	41-6005587	GOVERNMENT	26,000.	0.			TYLER GOLF COURSE
CITY OF WALNUT GROVE 311 6TH STREET WALNUT GROVE, MN 56180	41-6005611	GOVERNMENT	6,000.	0.			EMERGENCY CALL SYSTEM AT COUNTRY VIEW SENIOR LIVING COMMUNITY
COUNCIL ON FOUNDATIONS 2121 CRYSTAL DR STE 700 ARLINGTON, VA 22202	13-6068327	501C3	14,350.	0.			2017 MEMBERSHIP
CROSSROADS KIDS 4 CHRIST LEARNING CENTER - 2948 180TH STREET - DAWSON, MN 56232	41-4651698	RELIGIOUS	5,000.	0.			EXPANDING TO A YEAR-RD 5 DAY/WEEK LEARNING CENTER
FRIENDS OF THE ORCHESTRA LTD. 803 CHERYL AVENUE MARSHALL, MN 56258	41-1799541	501C3	5,426.	0.			FISCAL YEAR 2017 DISBURSEMENT
FULTON CHRISTIAN FELLOWSHIP 118 EAST 4TH AVENUE, PO BOX 106 FULTON, SD 57340	01-0710215	RELIGIOUS	10,000.	0.			BENIN AFRICA MISSION TRIP

Schedule I (Form 990)

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

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
GIRL SCOUTS OF MINNESOTA & WISCONSIN RIVER VALLEYS - 400 ROBERT ST S - SAINT PAUL, MN 55107	41-0693910	501C3	5,000.	0.			GIRL SCOUTS CONNECTZ: WORTHINGTON, NOBLES COUNTY
HUTCHINSON CENTER FOR THE ARTS PO BOX 667 HUTCHINSON, MN 55350	26-2263988	501C3	5,520.	0.			WHEEL & COG MUSEUM OF HUTCHINSON
HUTCHINSON HEALTH FOUNDATION 1095 HIGHWAY 15 SOUTH HUTCHINSON, MN 55350	36-3317820	501C3	5,000.	0.			HUTCHINSON ELKS INCLUSIVE PARK
ISD #2169 - MURRAY COUNTY CENTRAL 2420 28TH STREET SLAYTON, MN 56172	41-1778191	EDUCATION	5,000.	0.			MURRAY COUNTY EARLY CHILDHOOD FUND
ISD #2180 - M.A.C.C.R.A.Y. PO BOX 690 CLARA CITY, MN 56222	41-1783004	EDUCATION	8,936.	0.			SCHOOL GRANT REQUESTS
ISD #2888 - CLINTON GRACEVILLE BEARDSLEY - PO BOX 361 - CLINTON, MN 55021	41-1912963	EDUCATION	7,242.	0.			2017 MINI-GRANTS
ISD #2895 - JACKSON COUNTY CENTRAL-DISTRICT OFFICE - 1128 NORTH HIGHWAY - JACKSON, MN 56143	41-1872029	EDUCATION	8,000.	0.			2017 TEACHER GRANTS
ISD #2895- JACKSON COUNTY CENTRAL-HIGH SCHOOL - PO BOX 119 - JACKSON, MN 56143	41-1872029	EDUCATION	5,000.	0.			PREK-3 ALIGNMENT
ISD #2897 - REDWOOD AREA SCHOOLS 100 GEORGE RAMSETH DR REDWOOD FALLS, MN 56283	41-8013222	EDUCATION	5,000.	0.			MDE PREK-3 ALIGNMENT / KINDERGARTEN READINESS

Schedule I (Form 990)

SOUTHWEST INITIATIVE FOUNDATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ISD #330 - HERON LAKE/OKABENA PO BOX 97 OKABENA, MN 56161	41-1330168	EDUCATION	6,575.	0.			IA SHOP EQUIPMENT AND CHOIR ROBES
ISD #347 - WILLMAR 1234 KANDIYOHI AVENUE SW WILLMAR, MN 56201	41-6001746	EDUCATION	5,000.	0.			PRE-K TO GRADE 3 PARENT EDUCATION
ISD #347 - WILLMAR 611 5TH ST SW WILLMAR, MN 56201	41-6001746	EDUCATION	5,000.	0.			WILLMAR AREA LEARNING CENTER - PROMISE FELLOW
ISD #403 - IVANHOE PUBLIC SCHOOL PO BOX 9 IVANHOE, MN 56142	41-6001990	EDUCATION	5,549.	0.			STUDENT COMPUTERS AND IXL RENEWAL
ISD #423 - HUTCHINSON WEST ELEMENTARY - 875 SCHOOL ROAD SW - HUTCHINSON, MN 55350	41-6002222	EDUCATION	5,000.	0.			MDE PREK-3 ALIGNMENT
ISD #775 - KERKHOVEN/MURDOCK/SUNBURG - PO BOX 168 - KERKHOVEN, MN 56252	41-1329385	EDUCATION	5,000.	0.			PREK-GRADE 3 ALIGNMENT TRAINING AND PLANNING
JACKSON COMMUNITY FOUNDATION PO BOX 91 JACKSON, MN 56143	41-1555592	501C3	6,750.	0.			KRISTI ELAINE TEIGEN SCHOLARSHIP AWARDS
KANDIYOHI COUNTY AND CITY OF WILLMAR EDC - PO BOX 1783 - WILLMAR, MN 56201	41-1662533	GOVERNMENT	15,000.	0.			DIVERSE BUSINESS RETENTION AND EXPANSION PROGRAM
LEARNING FUNHOUSE INC. 199 MAIN STREET BIRD ISLAND, MN 55310	41-1930163	501C3	26,500.	0.			THE LEARNING FUNHOUSE EXPANSION

Schedule I (Form 990)

SOUTHWEST INITIATIVE FOUNDATION

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

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
LET'S GO FISHING OF MINNESOTA 1025 19TH AVE SW WILLMAR, MN 56201	48-1259413	501C3	7,500.	0.			GETTING HOOKED
LITCHFIELD AREA MENTORSHIP PROGRAM - KINSHIP - PO BOX 82 - LITCHFIELD, MN 55355	13-4365598	501C3	5,000.	0.			2017-2018 LUNCH BUDDIES
LUVERNE AREA COMMUNITY FOUNDATION PO BOX 623 LUVERNE, MN 55021	41-1512905	501C3	10,000.	0.			CREATING ENTREPRENEURSHIP OPPORTUNITIES
LYON-LINCOLN ELECTRIC TRUST PO BOX 639 TYLER, MN 56178	41-1930173	501C3	5,000.	0.			TYLER GOLF CLUB YOUTH MEMBERSHIP
MINNESOTA RIVER AREA AGENCY ON AGING - 201 N BORAD ST. STE 102 - MANKATO, MN 56001	26-1632413	501C3	67,300.	0.			AGE FRIENDLY COMMUNITIES - ASSESSMENT
NOBLES COUNTY LIBRARY 407 12TH STREET, PO BOX 1049 WORTHINGTON, MN 56187	41-6005845	GOVERNMENT	68,068.	0.			ADRIAN BRANCH/NOBLES COUNTY LIBRARY
PARENT CONNECTION 530 HIDDEN CIRCLE SW HUTCHINSON, MN 55350	27-0247232	501C3	5,000.	0.			PARENT CONNECTION ORGANIZATION
PIPESTONE COUNTY FOOD SHELF 223 2ND ST NW PIPESTONE, MN 56164	55-0888466	501C3	5,000.	0.			PIPESTONE COUNTY FOOD SHELF SUPPORT
PRAIRIE FIVE COMMUNITY ACTION COUNCIL - PO BOX 159 - MONTEVIDEO, MN 56265	41-0904802	501C3	5,000.	0.			FREE VITA TAX CLINIC

Schedule I (Form 990)

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

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
PRAIRIE HOME HOSPICE 408 E MAIN ST, #8 MARSHALL, MN 56258	41-1494079	501C3	9,000.	0.			PALLIATIVE CARE/CHRONIC DISEASE MANAGEMENT PROGRAM YEAR 2
PRAIRIE HOME HOSPICE 408 E MAIN ST, #8 MARSHALL, MN 56258	41-1494079	501C3	10,888.	0.			FISCAL YEAR 2017 DISBURSEMENT
REDWOOD AREA COMMUNITIES FOUNDATION - 200 S MILL STREET - REDWOOD FALLS, MN 56283	36-3611923	501C3	10,000.	0.			TECHNOLOGY AND TRADES ON THE PRAIRIE
RICE HEALTH FOUNDATION 301 BECKER AVE SW WILLMAR, MN 56201	41-1611555	501C3	25,000.	0.			EVERYONE DESERVES A SMILE
SOUTHWEST HEALTH AND HUMAN SERVICES - 607 W MAIN, STE 200 - MARSHALL, MN 56258	41-1597340	GOVERNMENT	5,000.	0.			INCREASING DENTAL AVAILABILITY TO OUR SERVICE AREA
SOUTHWEST INITIATIVE FOUNDATION PO BOX 91 JACKSON, MN 56143	41-1555592	501C3	6,250.	0.			KRISTI ELAINE TEIGEN SCHOLARSHIP AWARDS
SOUTHWEST INITIATIVE FOUNDATION 15 3RD AVE NW HUTCHINSON, MN 55350	41-1555592	501C3	7,000.	0.			EARLY CHILDHOOD DENTAL NETWORK - SOUTHWEST
SOUTHWEST MINNESOTA HOUSING PARTNERSHIP - 2401 BROADWAY AVE - SLAYTON, MN 56172	41-1721815	501C3	25,000.	0.			PUSH PROJECT UNITING SOUTHWEST HMONG
SOUTHWEST MINNESOTA STATE UNIVERSITY FOUNDATION - 1501 STATE STREET - MARSHALL, MN 56258	23-7108470	501C3	5,000.	0.			MARL CLASS IX YEAR 1 PROGRAM

Schedule I (Form 990)

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

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
SOUTHWEST REGIONAL DEVELOPMENT COMM. - 2401 BROADWAY AVE STE 1 - SLAYTON, MN 56172	41-1235045	GOVERNMENT	7,458.	0.			MURRAY COUNTY EARLY CHILDHOOD FUND
ST. JAMES EPISCOPAL CHURCH 101 N 5TH STREET MARSHALL, MN 56258	41-6098516	RELIGIOUS	13,628.	0.			FISCAL YEAR 2017 DISBURSEMENT
UNITED COMMUNITY ACTION PARTNERSHIP - 1400 S SARATOGA ST - MARSHALL, MN 56258	41-0904860	501C3	5,000.	0.			DENTAL ACCESS
UNITED COMMUNITY ACTION PARTNERSHIP - 1400 S SARATOGA ST - MARSHALL, MN 56258	41-0888137	501C3	9,000.	0.			VOLUNTEER INCOME TAX ASSISTANCE (VITA) SERVICES
UNIVERSITY OF NEW HAMPSHIRE 73 MAIN STREET DURHAM, NH 03824	02-0437506	EDUCATION	25,962.	0.			SOUTHWEST MINNESOTA RESEARCH / OPPORTUNITY GAP
VACKER PLACE 69531 213TH STREET DARWIN, MN 55324	41-1758705	501C3	5,000.	0.			VACKER PLACE BOARD STRATEGIC PLANNING
VICTORY CHRISTIAN CHURCH PO BOX 250 BALATON, MN 56115	41-1463914	RELIGIOUS	26,500.	0.			ADDING CHILD CARE SPACE IN NEW BUILDING
WEST CENTRAL MINNESOTA EDUCATIONAL TELEVISION CO. - 120 W SCHLIEMAN AVE - APPLETON, MN 56208	41-6038611	501C3	5,000.	0.			GROW OUR OWN TELEVISION SPECIAL
WILLMAR AREA COMMUNITY FOUNDATION 1601 HWY 12 E, STE 9 WILLMAR, MN 56201	36-3412544	501C3	5,000.	0.			ROBBINS ISLAND PLAYGROUND

Schedule I (Form 990)

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

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
WILLMAR AREA MULTICULTURAL BUSINESS CENTER - 311 BENSON AVENUE SW - WILLMAR, MN 56201	01-0893778	501C3	12,000.	0.			WAM-BC ENTREPRENEURSHIP INITIATIVE
WILLMAR COMMUNITY EDUCATION & RECREATION - 1234 KANDIYOHI AVENUE SW - WILLMAR, MN 56201	41-6001746	EDUCATION	10,000.	0.			PREK-GRADE 3 ALIGNMENT IMPLEMENTATION
WORTHINGTON AREA CHAMBER OF COMMERCE - 1121 3RD AVENUE - WORTHINGTON, MN 56187	41-0620765	501C6	22,000.	0.			DIVERSE BUSINESS RETENTION AND EXPANSION PROGRAM
WORTHINGTON REGIONAL ECONOMIC DEVELOPMENT CORP - 1121 3RD AVENUE - WORTHINGTON, MN 56187	36-3339749	GOVERNMENT	10,000.	0.			WORTHINGTON GLOBAL MARKET FEASIBILITY ANALYSIS
YMCA OF WORTHINGTON 1501 COLLEGEWAY WORTHINGTON, MN 56187	41-6007569	501C3	7,782.	0.			FISCAL YEAR 2017 DISBURSEMENT

Schedule I (Form 990)

(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 noncash assistance

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information

PART I, LINE 2:

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

**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" on Form 990, Part IV, line 23.**
▶ **Attach to Form 990.**

▶ **Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2016

**Open to Public
Inspection**

Name of the organization

SOUTHWEST INITIATIVE FOUNDATION

Employer identification number

41-1555592

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

b If any of the boxes on 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.

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

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.

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

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

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

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

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

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

8 Were any amounts reported on Form 990, Part VII, paid or accrued 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.

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

Yes No

1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

Part III Supplemental Information

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.

PART I, LINE 3:
THE EXECUTIVE COMMITTEE REVIEWED INFORMATION FROM SIMILAR ORGANIZATION'S
REPORTED SALARIES WHICH INCLUDED LOOKING AT OTHER ORGANIZATION'S 990'S AS
WELL AS A SURVEY OF OTHER SIMILAR ORGANIZATION'S COMPENSATION PRACTICES.

OMB No 1545-0047
2016
Open to Public
Inspection

Employer identification number
41-1555592

SEE PART VI FOR COLUMN (F) CONTINUATIONS

Part II Proceeds

Part III Private Business Use

- 632121 10-19-18 LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 44

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?	X							
c No rebate due?		X						
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?								
b Name of provider		X						
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?		X						

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions.

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: MCLEOD COUNTY

(F) DESCRIPTION OF PURPOSE: REFUNDED BONDS ISSUED ON 12/29/2005

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

OMB No 1545-0047

2016

Open To Public
Inspection

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

SOUTHWEST INITIATIVE FOUNDATION

Employer identification number

41-155592

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				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	5	793,481.	HI/LOW AVERAGE SALE
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	X	1	384,624.	AG APPRAISAL
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (GRAIN)	X	3	670.	MKT VALUE PER BUSHEL
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

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

29

1

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?

	Yes	No
30a		X
31	X	
32a		X
33		

b If "Yes," describe the arrangement in Part II

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

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

b If "Yes," describe in Part II

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2016)

Part II

Supplemental Information. 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.

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 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public
Inspection

Name of the organization

SOUTHWEST INITIATIVE FOUNDATION

Employer identification number
41-1555592

FORM 990, PART III, LINE 1, ORGANIZATION'S MISSION

SINCE 1986, SOUTHWEST INITIATIVE FOUNDATION HAS BEEN COMMITTED TO THE SOCIAL AND ECONOMIC GROWTH OF SOUTHWEST MINNESOTA BY EVOLVING, GROWING AND RESPONDING TO THE EVER-CHANGING, 18-COUNTY REGION THAT SWIF PROUDLY CALLS HOME. BEGINNING IN 1997, THE BOARD AND LEADERSHIP POSITIONED SWIF AS A SPARK FOR CHANGE THROUGH PHILANTHROPY, LEADERSHIP, INNOVATION AND COLLABORATION. THESE QUALITIES ARE NOW WIDELY RECOGNIZED AS CORE TO SWIF'S APPROACH AND SUCCESS.

SWIF'S ORIGINAL MISSION WAS TO STRENGTHEN SOUTHWEST MINNESOTA IN THREE WAYS: IMPROVING THE REGION'S ECONOMIC SELF-RELIANCE, OVERCOMING HUMAN DISTRESS, AND PROMOTING REGIONAL LEADERSHIP, COORDINATION AND PARTNERSHIPS. WHILE THE WORK CONTINUES TO ADDRESS THESE BROAD AREAS, THE CHANGING REGIONAL REALITY NOW CALLS SWIF TO ACT IN NEW WAYS. IN FISCAL YEAR 2017, SWIF ADOPTED A NEW FOCUS TO HELP ALL SOUTHWEST MINNESOTA KIDS SUCCEED.

SWIF'S 12-MEMBER VOLUNTEER BOARD OF DIRECTORS-WHICH REPRESENTS DIVERSE GEOGRAPHIC LOCATIONS, PROFESSIONS AND BACKGROUNDS-TOGETHER WITH SWIF'S PROFESSIONAL STAFF AND RESEARCH PARTNERS, EXPLORED DEMOGRAPHICS AND TRENDS IMPACTING THE REGION. IN SOUTHWEST MINNESOTA, THERE IS GROWING INCOME DISPARITY AMONG FAMILIES WITH CHILDREN. MEDIAN INCOMES FOR FAMILIES IN THE BOTTOM 20 PERCENT OF THE INCOME DISTRIBUTION DECLINED BY 9 PERCENT BETWEEN 1999 AND 2014, WHILE MEDIAN INCOMES FOR FAMILIES IN THE TOP 20 PERCENT ROSE BY 9 PERCENT DURING THAT SAME PERIOD.

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AS COMMUNITIES ACROSS THE REGION CHANGE, KIDS FROM LOW INCOME FAMILIES ARE FACING OBSTACLES THAT REMOVE STEPPING STONES TO UPWARD MOBILITY-OR THEIR ABILITY TO DO BETTER THAN THEIR PARENTS THROUGH HARD WORK. RESEARCH SHOWS THAT THESE CHILDREN HAVE LESS ACCESS TO EVERYTHING FROM QUALITY EARLY CHILDHOOD EDUCATION TO ADVANCED PLACEMENT COURSES IN HIGH SCHOOL TO SPORT AND ENRICHMENT ACTIVITIES THAT PROVIDE MENTORING, TEAMBUILDING AND OTHER LIFE-LONG SKILLS THEY NEED TO BE GOOD CITIZENS AND GOOD EMPLOYEES. THIS DIVIDE IS COMMONLY KNOWN AS "THE OPPORTUNITY GAP."

SWIF BELIEVES THE REGION'S FUTURE ECONOMIC SUCCESS DEPENDS ON THE SUCCESS OF OUR NEXT GENERATION AND MOST VULNERABLE RESIDENTS. FOR THE REGION, 17 PERCENT OR 11,000 KIDS UNDER AGE 18 ARE LIVING IN POVERTY. EVEN MORE ALARMING, 21 PERCENT OR 4,499 KIDS ARE LIVING IN POVERTY BEFORE THEY REACH ELEMENTARY SCHOOL. AS SOUTHWEST MINNESOTA'S FUTURE EMPLOYEES, ENTREPRENEURS, COMMUNITY LEADERS, VOLUNTEERS, HOMEOWNERS AND TAXPAYERS, THEIR SUCCESS WILL DIRECTLY IMPACT NOT JUST INDIVIDUALS AND FAMILIES, BUT ALSO BUSINESSES AND ENTIRE COMMUNITIES.

SWIF IS UNIQUELY POSITIONED TO PROVIDE LEADERSHIP FOR THE REGION ON THIS ISSUE, OFFERING A TRUSTED PERSPECTIVE THAT CAN UNITE EFFORTS AND LEADERS THROUGHOUT SOUTHWEST MINNESOTA. AS AN INDEPENDENT COMMUNITY FOUNDATION, SWIF CARRIES A LONG-TERM COMMITMENT TO THE REGION AND CAN LEVERAGE OUTSIDE FUNDING AND EXPERTISE. SWIF ALSO HAS A DEEP HISTORY OF BRINGING PEOPLE TOGETHER FROM ALL SECTORS TO EXPLORE AND IMPLEMENT LOCAL SOLUTIONS: SWIF'S EXPERIENCE DELIVERING EDUCATION AND PROGRAMMING DIRECTLY ALIGNS WITH THE FRAMEWORK OF WHAT KIDS NEED TO SUCCEED: STABLE FAMILY AND PARENTING, HIGH QUALITY EARLY CHILDHOOD EDUCATION,

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ENGAGEMENT IN THE K-12 YEARS IN AND OUT OF SCHOOL, SAFE AND CARING COMMUNITIES, AND CAREER "ON-RAMPS."

THE "HOW" OF SWIF CONTINUES THROUGH ITS BUSINESS FINANCE, GRANTMAKING, EARLY CHILDHOOD INITIATIVE AND COMMUNITY GIVING. THE "WHY" IS THE NEW FOCUS SWIF IS CALLING GROW OUR OWN-A COLLECTIVE EFFORT TO HELP ALL SOUTHWEST MINNESOTA KIDS LEARN, GROW, BUILD A CAREER AND EXPERIENCE A GOOD QUALITY OF LIFE RIGHT HERE AT HOME.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS

STRONG EMPLOYERS WITH QUALITY JOB OPPORTUNITIES ARE CRITICAL TO SWIF'S GROW OUR OWN INITIATIVE, A COMPREHENSIVE APPROACH TO HELP ALL SOUTHWEST MINNESOTA KIDS SUCCEED. MORE EMPLOYEES ARE ALSO NEEDED TO ENTER THE WORKFORCE AND SUCCESSFULLY STAY THERE. TRAINING WORKERS STARTS LONG BEFORE WALKING THROUGH THEIR COMPANY'S DOOR.

SOUTHWEST INITIATIVE FOUNDATION PROVIDES FLEXIBLE AND INNOVATIVE ECONOMIC DEVELOPMENT FINANCE SOLUTIONS FOR BUSINESS RETENTION, EXPANSION, STARTUP AND OWNERSHIP SUCCESSION PROJECTS THROUGH ITS BUSINESS FINANCE PROGRAM AND ITS MICROENTERPRISE LOAN PROGRAM. ITS FINANCING PROGRAMS SUPPORT PROJECTS IN THE RETAIL, SERVICE AND INDUSTRIAL SECTORS, WITH A SPECIAL INTEREST IN SUPPORTING BUSINESS PROJECTS IN FOOD AND AGRICULTURE, MANUFACTURING, RENEWABLE ENERGY AND BIOSCIENCE. IN ADDITION, THE MICROENTERPRISE LOAN PROGRAM PROVIDES VALUABLE TECHNICAL ASSISTANCE FOR BORROWERS IN THE AREAS OF BUSINESS MANAGEMENT AND OPERATIONS, FINANCE AND ACCOUNTING AND MARKETING.

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SWIF ALSO OPERATES THE CENTER OF RURAL ENTREPRENEURSHIP (CORE) WEBSITE MNCORE.ORG, WHICH PROVIDES VALUABLE RESOURCES AND EDUCATIONAL OPPORTUNITIES TO ASSIST EMERGING, NEW AND GROWING ENTREPRENEURS.

SWIF WAS SELECTED AS A LENDER FOR THE MINNESOTA EMERGING ENTREPRENEUR LOAN PROGRAM THROUGH THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT. THROUGH A NETWORK OF NONPROFIT LENDERS, THIS PROGRAM IS DESIGNED TO PROVIDE FINANCING AND SUPPORT THE GROWTH OF BUSINESSES OWNED AND OPERATED BY WOMEN, VETERANS, PERSONS WITH DISABILITIES, MINORITIES AND LOW-INCOME PERSONS.

THROUGH FUNDING PROVIDED BY THE STATE OF MINNESOTA'S DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT, SWIF SUPPORTED ECONOMIC DEVELOPMENT INITIATIVES DESIGNED TO FOSTER ENTREPRENEURSHIP AMONG SOUTHWEST MINNESOTA'S GROWING DIVERSE POPULATIONS. INCLUDED IN THESE EFFORTS WERE DIRECT TECHNICAL ASSISTANCE, BUSINESS RETENTION AND EXPANSION INITIATIVES, AND PROJECT FEASIBILITY ANALYSIS.

SWIF IS A PARTICIPANT IN THE SECOND NATIONAL COHORT OF THE COMMUNITY FOUNDATION CIRCLE COORDINATED BY THE BUSINESS ALLIANCE FOR LOCAL LIVING ECONOMIES (BALLE). THIS GROUP IS COMPRISED OF BOTH COMMUNITY AND PLACE-BASED PRIVATE FOUNDATIONS FROM RURAL AND METROPOLITAN AREAS AND IS FOCUSED ON DEVELOPING CAPACITY AND SYSTEMS, RELATIONSHIPS AND OPPORTUNITIES FOR IMPACT INVESTING.

SWIF WAS SELECTED AS ONE OF NINE COMMUNITY FOUNDATIONS NATIONALLY TO PARTICIPATE IN THE RURAL ECONOMIC DEVELOPMENT PHILANTHROPY INNOVATORS NETWORK (REDPIN) COORDINATED BY THE ASPEN INSTITUTE AND THE CENTER FOR

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RURAL ENTREPRENEURSHIP. SWIF HAS SELECTED THE AVAILABILITY OF AFFORDABLE, QUALITY CHILD CARE IN THE REGION AS ITS AREA OF FOCUS FOR THE REDPIN INITIATIVE. CHILD CARE IS ONE OF THE MOST CRITICAL ECONOMIC DEVELOPMENT ISSUES FACING SOUTHWEST MINNESOTA, BUSINESSES AND FAMILIES.

IN ADDITION TO CHILD CARE, SOUTHWEST MINNESOTA EMPLOYERS FACE CHALLENGES WITH WORKFORCE RECRUITMENT, RETENTION AND DEVELOPMENT. IN FISCAL YEAR 2017, SOUTHWEST MINNESOTA WAS SELECTED AS AN EXPANSION SITE FOR THE GREATER TWIN CITIES UNITED WAY'S CAREER ACADEMIES. TOGETHER WITH LOCAL PARTNERS, SWIF IS ADMINISTERING THE PROGRAM TO HELP STUDENTS IN WORTHINGTON, JACKSON AND WINDOM SCHOOL DISTRICTS GET ONTO A CAREER TRAJECTORY IN THE MEDICAL, MANUFACTURING OR EDUCATION FIELDS. CAREER READINESS IS A KEY STRATEGY TO PROMOTE GROW OUR OWN, CONNECTING FUTURE WORKFORCE WITH THE JOB OPPORTUNITIES LOCATED IN THEIR OWN COMMUNITIES AND REGION.

SWIF HAS SUPPORTED PROFESSIONAL DEVELOPMENT OF THE REGION'S ECONOMIC DEVELOPMENT PROFESSIONALS AND SPONSORED TARGETED CONFERENCES AND EVENTS. RURAL COMMUNITIES FACE UNIQUE CHALLENGES, AS WELL AS OPPORTUNITIES TO COLLABORATE AROUND THESE AND OTHER ISSUES. WORKFORCE HOUSING AND BROADBAND REPRESENT TWO AREAS WHERE SWIF HAS PROVIDED SUPPORT BECAUSE THE INFRASTRUCTURE IS CRITICAL TO BUILDING THE WORKFORCE AND PREPARING FUTURE GENERATIONS OF FAMILIES, BUSINESSES AND COMMUNITIES.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS

SOUTHWEST INITIATIVE FOUNDATION MOBILIZES VOLUNTEERS AND DONORS

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THROUGHOUT SOUTHWEST MINNESOTA TO CREATE A CULTURE OF GIVING THAT IS, AT ITS HEART, INCLUSIVE, TRANSFORMATIVE AND LOCALLY-INVESTED. THIS EXPANSIVE NETWORK EXTENDS SWIF'S REACH INTO LOCAL COMMUNITIES AND OFFERS A UNIQUE MODEL FOR PEOPLE TO SUPPORT THE CAUSES THEY CARE ABOUT MOST, IN THE PLACE THEY CALL "HOME."

SWIF'S COMMUNITY FOUNDATION PROGRAM ESTABLISHES A LOCAL "FOUNDATION" KNOWN AS AN AFFILIATE. A TRUE PARTNERSHIP IS DEVELOPED-ONE PROVEN MUTUALLY BENEFICIAL AND AN EFFECTIVE MEANS TO RETAIN CHARITABLE DOLLARS LOCALLY. VOLUNTEER ADVISORY BOARDS DRIVE LOCAL MISSION, ACTIVITIES AND IMPACT FOR 26 AFFILIATES, INCLUDING ONE NEW IN FY2017. SWIF PROVIDES THE ADMINISTRATIVE AND 501(C)(3) INFRASTRUCTURE, AS WELL AS ONGOING TECHNICAL AND PROFESSIONAL SUPPORT IN AREAS LIKE STRATEGIC PLANNING, FUNDRAISING, MARKETING, PUBLIC RELATIONS AND GRANTMAKING.

SWIF'S 13 SCHOOL FOUNDATION PARTNERS OPERATE WITH A SIMILAR STRUCTURE. DONOR-ADVISED FUNDS ALLOW AN INDIVIDUAL DONOR OR FAMILY TO PROVIDE INPUT REGARDING GRANT DISTRIBUTIONS, RESEMBLING A PRIVATE FOUNDATION. FUNDS CAN BE ENDOWED OR NON-ENDOWED (PASS-THROUGH) AND ARE CREATED WITH A SPECIFIC PURPOSE IN MIND. MANY DONORS FIND SWIF FUNDS ARE ATTRACTIVE OPTIONS TO SUPPORT THEIR CHARITABLE INTERESTS WHILE RELIEVING THEM OF THE ADMINISTRATIVE RESPONSIBILITIES THAT CAN OFTEN BECOME OVERWHELMING FOR FAMILIES AND VOLUNTEERS. ALL FUNDS CAN RECEIVE MANY TYPES OF GIFTS, INCLUDING CASH, APPRECIATED STOCK, REAL ESTATE, FARMLAND-WHICH CAN STAY IN PRODUCTION THROUGH SWIF'S KEEP IT GROWING PROGRAM-AND PLANNED GIFTS, SUCH AS CHARITABLE GIFT ANNUITIES AND BEQUESTS. SWIF CAN CREATE A FUND THAT FULFILLS ANY CHARITABLE GOAL OF A DONOR.

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LOCAL AFFILIATE VOLUNTEERS BECOME NATURAL COMMUNITY LEADERS, MAKING PROJECTS LIKE PARK IMPROVEMENTS, SWIMMING POOLS, BACK PACK FOOD PROGRAMS, BAND INSTRUMENTS, STUDENT FIELD TRIPS AND SO MUCH MORE POSSIBLE THROUGH SPECIAL PROJECTS AND ANNUAL GRANTMAKING. AFFILIATES ALSO REPRESENT A KEY GROUP OF SWIF PARTNERS DIGGING INTO LOCAL YOUTH POVERTY DATA AND SUPPORTING THE NEW GROW OUR OWN FOCUS TO HELP ALL SOUTHWEST MINNESOTA KIDS SUCCEED. IN FY2017, MANY ADVISORY BOARDS ALIGNED SOME OF THEIR RESOURCES FOR ACTIVITIES THAT SUPPORT FAMILIES, YOUTH MENTORSHIP PROGRAMS AND EDUCATIONAL OUTREACH. TWELVE AFFILIATES PARTICIPATED IN A SWIF CHALLENGE AND GRANTED \$30,000 TO LOCAL ORGANIZATIONS WORKING TO CLOSE THE OPPORTUNITY GAP.

SWIF FUNDS PRESENT INCREDIBLE POTENTIAL TO KEEP SOUTHWEST MINNESOTA COMMUNITIES, SCHOOLS AND ORGANIZATIONS STRONG AND VIBRANT. THEY CONNECT PASSIONATE PEOPLE, LOCAL NEEDS AND SOPHISTICATED RESOURCES FOR ONGOING IMPACT.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS FISCAL YEAR 2017 MARKED THE BEGINNING OF A SHIFT IN FOCUS FOR SOUTHWEST INITIATIVE FOUNDATION'S PROGRAMMATIC WORK. WORK IN COMMUNITY IMPACT, ECONOMIC DEVELOPMENT AND PHILANTHROPY ARE BEING ALIGNED WITH THE DIRECTION THE BOARD AND LEADERSHIP AGREED TO GO-A COMPREHENSIVE APPROACH TO HELP ALL SOUTHWEST MINNESOTA KIDS SUCCEED, KNOWN AS THE GROW OUR OWN INITIATIVE.

SWIF IS WELL-KNOWN AS A CONVENER AND FACILITATOR, AND HOSTED ITS FIRST GROW OUR OWN SUMMIT IN DECEMBER 2016. IT ATTRACTED MORE THAN 500

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INDIVIDUALS, ELECTED OFFICIALS, EMPLOYERS, COMMUNITY LEADERS, EDUCATORS AND STUDENTS TO HEAR A FULL LINE-UP OF EXPERTS LED BY ROBERT D. PUTNAM, MALKIN PROFESSOR OF PUBLIC POLICY AT HARVARD UNIVERSITY AND AUTHOR OF OUR KIDS: THE AMERICAN DREAM IN CRISIS.

SWIF COMMISSIONED RESEARCH FROM THE CARSEY SCHOOL OF PUBLIC POLICY AT THE UNIVERSITY OF NEW HAMPSHIRE TO UNDERSTAND WHAT SOUTHWEST MINNESOTA KIDS FACE. THE REPORT, "A PROFILE OF YOUTH POVERTY AND OPPORTUNITY IN SOUTHWESTERN MINNESOTA," WAS ALSO HIGHLIGHTED AT THE SUMMIT AND HAS BEEN SHARED WIDELY WITH THE PUBLIC. THIS DATA HAS BEEN PAIRED WITH ADDITIONAL LOCAL STATISTICS AND SHARED THROUGH DOZENS OF COMMUNITY PRESENTATIONS.

SWIF STAFF BEGAN AN INTENSIVE COMMUNITY ENGAGEMENT PROCESS WITH ORTONVILLE AND PIPESTONE TO COME UP WITH LOCAL SOLUTIONS TO SUPPORT THEIR OWN LOCAL KIDS. AT LEAST SEVEN ADDITIONAL COMMUNITIES WILL CONTINUE WORKING WITH SWIF ON LOCAL SOLUTIONS MOVING FORWARD. ANOTHER IMPORTANT TOOL FOR THESE CONVERSATIONS IS THE GROW OUR OWN PROGRAM PRODUCED AND BROADCAST TO 2.5 MILLION HOUSEHOLDS IN PIONEER PUBLIC TELEVISION'S COVERAGE AREA. THIS IS A PRIME EXAMPLE OF HOW SWIF LEVERAGES AND ENHANCES ITS WORK THROUGH STRONG PARTNERSHIPS.

SWIF IS CREATING PARTNERSHIPS THROUGH ITS NEW EMERGING LEADERS CABINET, WHICH LAUNCHED IN FY17. IT IS A COMMITTEE OF THE BOARD OF DIRECTORS COMPRISED SPECIFICALLY OF PEOPLE UNDER THE AGE OF 40 WHO REPRESENT THE DIVERSITY OF THE REGION. THE ROLE OF THE COMMITTEE IS TO EXPLORE CURRENT REALITIES AND TRENDS AND TO CREATE AVENUES OF INFLUENCE, INCLUDING THROUGH GRANTMAKING.

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IN THE PAST YEAR, SWIF GRANTS WERE ALIGNED WITH GROW OUR OWN. AN OPEN GRANT ROUND ATTRACTED PROJECTS AND PROGRAMS THAT SUPPORT STABLE PARENTING AND FAMILIES, YOUTH ENGAGEMENT, SAFE COMMUNITIES AND CAREER READINESS. EXAMPLES INCLUDE PARENTING WORKSHOPS IN THE BOLD SCHOOL DISTRICT AND UPPER SIOUX COMMUNITY, STUDENT BEHAVIOR IMPROVEMENT PROGRAMS IN WILLMAR AND HUTCHINSON, A DESTINATION PLAYGROUND AT ROBBINS ISLAND PARK, HOUSING STUDY IN MARSHALL, KANDIYOHI CREATING ENTREPRENEURIAL OPPORTUNITIES STUDENT PROGRAM, AND TECHNOLOGY AND TRADES WORKFORCE PROGRAM IN REDWOOD FALLS.

A CHALLENGE GRANT ROUND OFFERED TO LOCAL COMMUNITY FOUNDATION PARTNERS IS OUTLINED IN THE AFFILIATE FUND NARRATIVE. THESE GRANTS EXTENDED SWIF'S REACH IN THE TARGET AREAS AND STRENGTHENED PARTNERSHIPS BETWEEN AFFILIATES AND LOCAL NONPROFITS.

AN OPEN GRANT ROUND SPECIFIC TO EARLY CHILDHOOD CARE AND EDUCATION ALSO ATTRACTED IMPACTFUL PROJECTS. GRANTEES ATTENDED TEACHER AND ADMINISTRATOR TRAININGS, EXPANDED CHILD CARE CENTER HOURS AND SLOTS, DEVELOPED CURRICULUM AND PROVIDED PARENT AND COMMUNITY OUTREACH. IN ADDITION, SWIF REMAINS ENGAGED IN THE STATEWIDE MINNESOTA EARLY CHILDHOOD INITIATIVE, A NETWORK OF COALITIONS FOCUSED ON QUALITY CARE AND EDUCATIONAL OPPORTUNITIES FOR CHILDREN AGES BIRTH TO 5. SWIF STARTED 16 SOUTHWEST MINNESOTA COALITIONS AND SUPPORTS THEIR LOCAL WORK, LIKE HOSTING READ-ALONG EVENTS, INSTALLING DIAPER CHANGING STATIONS IN PUBLIC RESTROOMS, TRAINING FIRST RESPONDERS ON HOW TO INTERACT WITH YOUNG CHILDREN IN A CRISIS, HOME AND CHILD CARE VISITS AND MORE.

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SOUTHWEST INITIATIVE FOUNDATION ALSO DEMONSTRATED THE BEST PRACTICES LEARNED THROUGH THE PHILANTHROPIC PREPAREDNESS, RESILIENCY & EMERGENCY PARTNERSHIP. SWIF IS ONE OF 18 COMMUNITY FOUNDATIONS FROM ACROSS A 10-STATE NETWORK PARTICIPATING IN A DISASTER-PREPAREDNESS, RESPONSE AND RECOVERY PROGRAM. SWIF QUICKLY CREATED THE MEEKER COUNTY TORNADO RECOVERY EFFORT FUND FOLLOWING A 2016 STORM AND WORKED CLOSELY WITH LOCAL LEADERS TO AID IN LONG-TERM PLANNING AND RECOVERY. IN TOTAL, EFFORTS HELPED 56 HOUSEHOLDS AND 105 PEOPLE, WITH NEARLY ONE-QUARTER BEING SENIORS.

SWIF'S PAUL AND ALMA SCHWAN AGING TRUST ENDOWMENT FUND CONTINUES TO PROMOTE PRODUCTIVE AGING IN SOUTHWEST MINNESOTA. ESTABLISHED IN 1991, THIS IS A KEY EXAMPLE OF THE LEGACY AND IMPACT DONORS CAN MAKE THROUGH SWIF. IT FUNDED AGE FRIENDLY COMMUNITY WORK LAUNCHED IN 2016, WHICH CONTINUES THROUGH A PARTNERSHIP WITH MINNESOTA RIVER AREA AGENCY ON AGING. SWIF ALSO DEVELOPED A PLAN TO INCORPORATE THIS RESOURCE INTO GROW OUR OWN EFFORTS MOVING FORWARD, THROUGH INTERGENERATIONAL ACTIVITIES LIKE MENTORSHIP.

FORM 990, PART VI, SECTION A, LINE 1:

THE EXECUTIVE COMMITTEE IS COMPRISED OF THE OFFICERS OF THE CORPORATION; CHAIRPERSON, VICE-CHAIRPERSON, SECRETARY AND TREASURER AS WELL AS THE IMMEDIATE PAST CHAIRPERSON. THE EXECUTIVE COMMITTEE MAY ACT ON BEHALF OF THE BOARD TO REVIEW AND ACT UPON GRANTS AND LOANS, REVIEW AND ACT UPON POLICIES, REVIEW AND ACT UPON BUDGETARY VARIANCES, AND CONDUCT OTHER BUSINESS OF THE CORPORATION BETWEEN REGULARLY SCHEDULED BOARD MEETINGS. ALL

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ACTIONS OF THE EXECUTIVE COMMITTEE ARE REVIEWED BY THE FULL BOARD THROUGH THE APPROVAL OF EXECUTIVE COMMITTEE MEETING MINUTES AT THE NEXT SCHEDULED FULL BOARD MEETING.

FORM 990 PART VI SECTION A, LINE 2:

BOARD MEMBERS DO NOT HAVE FAMILY OR BUSINESS RELATIONSHIPS WITH EACH OTHER. A CONFLICT OF INTEREST QUESTIONNAIRE IS DISTRIBUTED ANNUALLY AND EACH BOARD MEETING HAS A STANDING AGENDA ITEM ASKING FOR DISCLOSURES AS WELL.

FORM 990, PART VI, SECTION B, LINE 11B:

THE IRS FORM 990 IS REVIEWED BY APPROPRIATE STAFF IN THE FOUNDATION AND THEN PRESENTED TO THE AUDIT/FINANCE COMMITTEE FOR REVIEW AND RECOMMENDATION TO THE BOARD. THE FULL BOARD OF DIRECTORS RECEIVE A COPY THROUGH THE SECURE BOARD PORTAL OF THE WEBSITE ONE WEEK PRIOR TO FILING. THE AUDIT/FINANCE COMMITTEE RECEIVES A FULL COPY OF THE FORM 990. THE BOARD RECEIVES A PUBLIC INSPECTION COPY OF THE FORM 990 THAT DOES NOT INCLUDE THE CONFIDENTIAL LIST OF MAJOR DONORS. OTHER THAN THIS LIST, THE FORM IS GIVEN IN ITS ENTIRETY TO THE BOARD AND COMMITTEE FOR REVIEW.

FORM 990, PART VI, SECTION B, LINE 12C:

AT THE START OF EACH YEAR, THE CONFLICT OF INTEREST POLICY, ACCOMPANYING QUESTIONNAIRE, AND THE CODE OF ETHICS AND CONDUCT ARE DISTRIBUTED TO ALL BOARD MEMBERS TO COMPLETE. DISCLOSURE OF CONFLICTS IS THE STANDING FIRST ITEM ON EVERY BOARD AGENDA. THE BOARD OF DIRECTORS ARE INSTRUCTED AT EACH MEETING TO DISCLOSE IF THEY FEEL THERE IS A CONFLICT OF INTEREST ON ANY AGENDA ITEM BEFORE IT IS BROUGHT TO DISCUSSION. THE BOARD AND/OR CEO QUESTION AND DETERMINE IF THE CONFLICT IS VALID; AND IF SO, THE BOARD MEMBER DOES NOT PARTICIPATE IN THE VOTE. THE CONFLICT IS NOTED IN THE

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MINUTES. THE EMPLOYEE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO KEY DECISION MAKING EMPLOYEES, REVIEWED, AND SIGNED ANNUALLY WITH UPDATES TO ANY POTENTIAL CONFLICTS OF INTERESTS NOTED. POTENTIAL CONFLICTS OF INTEREST FOR STAFF MUST BE REPORTED TO THE PRESIDENT/CEO AND ARE HANDLED ACCORDING TO THE BOARD APPROVED POLICY REQUIREMENTS.

FORM 990, PART VI, SECTION B, LINE 15:

SOUTHWEST INITIATIVE FOUNDATION'S EXECUTIVE COMPENSATION PROGRAM IS ADMINISTERED BY THE EXECUTIVE COMMITTEE OF THE BOARD. THE EXECUTIVE COMMITTEE IS RESPONSIBLE FOR ESTABLISHING AND MAINTAINING A COMPETITIVE COMPENSATION PROGRAM FOR THE KEY EXECUTIVES OF THE FOUNDATION. THE EXECUTIVE COMMITTEE UNDERTAKES AN ANNUAL REVIEW TO EVALUATE THE FOUNDATION'S EXECUTIVE COMPENSATION PROGRAM AGAINST THE COMPETITIVE MARKET USING INFORMATION GATHERED ON COMPARABLE POSITIONS WITHIN THE SPECIFIC INDUSTRY SECTOR AND FROM INDEPENDENTLY PUBLISHED SURVEYS. THE EXECUTIVE COMMITTEE MEETS INDEPENDENT OF THE PRESIDENT/CEO TO DISCUSS PERFORMANCE RELATIVE TO THE POSITION DESCRIPTION. DURING THESE DELIBERATIONS, THE COMMITTEE ALSO CONSIDERS INPUT OBTAINED FROM OTHER BOARD MEMBERS, STAFF, PROFESSIONAL ADVISORS, GRANT RECIPIENTS, AND OTHER INFORMED COMMUNITY LEADERS. THE DATE OF DELIBERATIONS AND SUBSEQUENT MEETING WITH PRESIDENT/CEO ARE DOCUMENTED IN THE MINUTES OF THE BOARD MEETING AND THE OUTCOME MAINTAINED IN THE CONFIDENTIAL PERSONNEL FILES OF THE FOUNDATION.

THE LAST REVIEW WAS COMPLETED IN 2017 FOR THE PRESIDENT/CEO, D. ANDERSON.

FORM 990, PART VI, SECTION C, LINE 19:

CONDENSED FINANCIAL STATEMENTS ARE AVAILABLE ON THE ORGANIZATION'S WEBSITE AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST. THE

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ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT
MADE PUBLIC.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN AGENCY FUNDS -165,924.

CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS 111,270.

TOTAL TO FORM 990, PART XI, LINE 9 -54,654.

FORM 990, BLOCK B AMENDED RETURN

REPORTABLE COMPENSATION AND ESTIMATED AMOUNT OF OTHER COMPENSATION FROM
THE ORGANIZATION AND RELATED ORGANIZATIONS HAVE BEEN AMENDED AND
UPDATED BASED ON MANAGER'S UPDATED UNDERSTANDING OF THE AMOUNTS THAT
SHOULD BE INCLUDED. THE AMOUNTS HAVE BEEN UPDATED FOR ALL THREE
OFFICERS ON FORM 990 PART VII SECTION A LINE 1A AND SCHEDULE J PART II
LINE 1.

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to related organization(s)**c** Gift, grant, or capital contribution from related organization(s)**d** Loans or loan guarantees to or for related organization(s)**e** Loans or loan guarantees by related organization(s)**f** Dividends from related organization(s)**g** Sale of assets to related organization(s)**h** Purchase of assets from related organization(s)**i** Exchange of assets with related organization(s)**j** Lease of facilities, equipment, or other assets to related organization(s)**k** Lease of facilities, equipment, or other assets from related organization(s)**l** Performance of services or membership or fundraising solicitations for related organization(s)**m** Performance of services or membership or fundraising solicitations by related organization(s)**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)**o** Sharing of paid employees with related organization(s)**p** Reimbursement paid to related organization(s) for expenses**q** Reimbursement paid by related organization(s) for expenses**r** Other transfer of cash or property to related organization(s)**s** Other transfer of cash or property from related organization(s)**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved	Yes No	
					1a	1b
(1)					1c	1d
(2)					1e	1f
(3)					1g	1h
(4)					1i	1j
(5)					1k	1l
(6)					1m	1n
					1o	1p
					1q	1r
					1s	

Part VII	Supplemental Information.
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Provide additional information for responses to questions on Schedule R. See instructions.