

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2012 calendar year, or tax year beginning , **and ending**

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

C Name of organization **ORCAS ISLAND COMMUNITY FOUNDATION**
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 1496
 City, town or post office, state, and ZIP code
EASTSOUND WA 98245

D Employer identification number
91-1680527

E Telephone number
(360) 376-6423

F Name and address of principal officer:
STEVE JUNG PO BOX 1496, EASTSOUND, WA 98245

G Gross receipts \$ **875,312**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list. (see instructions)

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

J Website: ▶ **www.oicf.us**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1995**

M State of legal domicile: **WA**

| Part I Summary | | | |
|---|---|--|--------------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: FOSTERING PHILANTHROPY TO ENHANCE AND PRESERVE THE QUALITY OF LIFE ON ORCAS ISLAND. | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 14 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 14 |
| | 5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) | 5 | 3 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 60 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0 |
| b Net unrelated business taxable income from Form 990-T, line 34 | 7b | 0 | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year 706,162 | Current Year 626,946 |
| | 9 Program service revenue (Part VIII, line 2g) | 0 | 0 |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 99,420 | 130,466 |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 120,486 | 117,900 |
| | 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 926,068 | 875,312 |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) | 737,067 | 677,679 |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0 | 0 |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | 91,363 | 93,310 |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0 | 0 |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 36,058 | | |
| | 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | 110,472 | 112,058 |
| | 18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) | 938,902 | 883,047 |
| 19 Revenue less expenses. Subtract line 18 from line 12 | -12,834 | -7,735 | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year 5,160,299 | End of Year 5,447,657 |
| | 21 Total liabilities (Part X, line 26) | 161,577 | 183,622 |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 4,998,722 | 5,264,035 |

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 _____ Date _____

Type or print name and title _____

Paid Preparer Use Only

| | | | | |
|--|--|--------------------------|--|--------------------------|
| Print/Type preparer's name SUSAN THOMSON-SINES | Preparer's signature SUSAN THOMSON-SINES | Date 8/26/2013 | Check <input checked="" type="checkbox"/> if self-employed | PTIN P00097073 |
| Firm's name ▶ THOMSON AND COMPANY, PLLC | Firm's EIN ▶ 91-2011543 | | | |
| Firm's address ▶ PO BOX 28190, BELLINGHAM, WA 98228 | Phone no. 360-734-3939 | | | |

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
FOSTERING PHILANTHROPY TO ENHANCE AND PRESERVE THE QUALITY OF LIFE ON ORCAS ISLAND.

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 [X] 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 [X] 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 \$ 738,759 including grants of \$ 677,679) (Revenue \$)
ANNUAL GRANTS PROGRAM: IN 2012 OICF MADE GRANTS TOTALING \$677,679 THANKS TO THE CONTRIBUTIONS FROM 342 DONORS. THIS INCLUDED \$128,631 IN COMMUNITY IMPACT DISTRIBUTIONS SUPPORTING COMMUNITY EFFORTS INCLUDING THE ORCAS BOOSTER CLUB, THE SCHOOL BUILDING REHAB FUND, AND THE ISLAND REPRODUCTIVE HEALTH INITIATIVE. DONOR ADVISED DISTRIBUTIONS OF \$331,652, ENDOWMENT DISTRIBUTIONS OF \$121,379, AND THE ANNUAL COMMUNITY GRANTS FOR LOCAL NON PROFITS OF \$96,017 WERE MADE.

4b (Code:) (Expenses \$ 33,251 including grants of \$) (Revenue \$)
COMMUNITY AND NONPROFIT LEADERSHIP: 2012 WAS A BANNER YEAR OF LEADERSHIP FOR THE ORCAS ISLAND COMMUNITY FOUNDATION. WE LAUNCHED THE DENTAL VAN IN COLLABORATION WITH SEVEN NONPROFITS AND FAITH BASED ORGANIZATIONS, PROVIDING FREE DENTAL CARE FOR OVER 170 ISLAND NEIGHBORS. WHEN THE BELOVED EXCHANGE BURNED DOWN, OICF OPENED THE PHOENIX FUND TO HELD REBUILD THE VITAL COMMUNITY RESOURCE. WE CONTINUED TO BUILD COMMUNITY NONPROFIT CAPACITY BY OFFERING BOTH A BOARD BOOT CAMP, FOCUSED ON DEVELOPING STRONGER NON PROFIT BOARDS, AND A FINANCIAL WORKSHOP TO IMPROVE FINANCIAL REPORTING AND LITERACY. SEVERAL OTHER NON PROFITS WERE OFFERED INDIVIDUAL SUPPORT TO REFINE BYLAWS, WORK ON COMPLIANCE ISSUES, RECRUIT BOARD MEMBERS AND STRENGTHEN GOVERNANCE IN GENERAL.

4c (Code:) (Expenses \$ 33,251 including grants of \$) (Revenue \$)
COMMUNITY AND NONPROFIT SERVICES: IN 2012, OICF COMPLETED A REVIEW OF INVESTMENT OPTIONS AND, UNDER THE LEADERSHIP OF OUR INVESTMENT COMMITTEE AND CORNERSTONE ADVISORS, DEVELOPED A NEW INVESTMENT STRATEGY. THE PRIMARY GOALS ESTABLISHED BY THE COMMITTEE WERE TO INCREASE DONOR AND FUND SERVICES, MINIMIZE FEES, AND MAINTAIN A STEADY PERFORMANCE. ALL FUNDS WERE MOVED FROM THE SEATTLE FOUNDATION INTO A BLENDED INVESTMENT ACCOUNT AT A BROKERAGE HOUSE ALONG WITH A SERIES OF BROKERED CERTIFICATES OF DEPOSIT. ALL OF THE PRIMARY GOALS HAVE BEEN MET. IN ADDITION, OICF LAUNCHED A NEW ENTERPRISE SOFTWARE PROGRAM PROVIDING ONLINE ACCESS FOR FUND HOLDERS.

4d Other program services. (Describe in Schedule O.)
(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses ▶ 805,261

Part IV Checklist of Required Schedules

| | Yes | No |
|---|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? | X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | | 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? If "Yes," complete Schedule C, Part II | | 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? If "Yes," complete Schedule C, Part III | | |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | 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? If "Yes," complete Schedule D, Part II | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | | 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? If "Yes," complete Schedule D, Part IV | | X |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V | 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? If "Yes," complete Schedule D, Part VI | 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? If "Yes," complete Schedule D, Part VII | | 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? If "Yes," complete Schedule D, Part VIII | | 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? If "Yes," complete Schedule D, Part IX | | X |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X | 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)? If "Yes," complete Schedule D, Part X | X | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII | | X |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional | | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | | 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? If "Yes," complete Schedule F, Parts I and IV | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV | | 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? If "Yes," complete Schedule G, Part I (see instructions) | | 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? If "Yes," complete Schedule G, Part II | | X |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | | X |
| 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? | | X |

Part IV Checklist of Required Schedules (continued)

| | | Yes | No |
|-----|---|-----|----|
| 21 | Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i> | X | |
| 22 | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i> | | 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? <i>If "Yes," complete Schedule J.</i> | | 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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i> | | X |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| 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? | | |
| d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i> | | 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? <i>If "Yes," complete Schedule L, Part I.</i> | | X |
| 26 | Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i> | | 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? <i>If "Yes," complete Schedule L, Part III.</i> | | 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? <i>If "Yes," complete Schedule L, Part IV.</i> | | X |
| b | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> | | 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? <i>If "Yes," complete Schedule L, Part IV.</i> | | X |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i> | | X |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i> | | X |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i> | | X |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i> | | 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? <i>If "Yes," complete Schedule R, Part I.</i> | | X |
| 34 | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i> | | 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)? <i>If "Yes," complete Schedule R, Part V, line 2.</i> | | |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i> | | 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? <i>If "Yes," complete Schedule R, Part VI.</i> | | X |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O. | X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V []

Table with columns for question number, description, and Yes/No boxes. Includes questions 1a through 14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, annual gross receipts, deductible contributions, and various organizational requirements.

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 to any question in this Part VI.

Section A. Governing Body and Management

| | | Yes | No |
|-----------|--|-----|----|
| 1a | Enter the number of voting members of the governing body at the end of the tax year 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. | | |
| | 1a 14 | | |
| b | Enter the number of voting members included in line 1a, above, who are independent | | |
| | 1b 14 | | |
| 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? | | 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? | | X |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | X |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | X |
| 6 | Did the organization have members or stockholders? | | 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? | | 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? | | X |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | X | |
| b | Each committee with authority to act on behalf of the governing body? | 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. | | 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? | | 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? | 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. | X | |
| b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 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 | X | |
| 12c | | X | |
| 13 | Did the organization have a written whistleblower policy? | X | |
| 14 | Did the organization have a written document retention and destruction policy? | 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. | | X |
| b | Other officers or key employees of the organization | | X |
| | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | | 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 | | | |

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ▶ WA
- 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, physical address, and telephone number of the person who possesses the books and records of the organization: (360) 376-6423
 ORCAS ISLAND COMMUNITY FOUNDATION
 141 PRUNE ALLEY, SUITE 201, EASTSOUND, WA 98245

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, 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 dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | | | |
| (1) STEVE JUNG ----- PRESIDENT | 6.00 ----- 0.00 | X | | X | | | 0 | 0 | 0 |
| (2) DIANE BERRETH ----- PAST PRESIDENT | 3.00 ----- 0.00 | X | | X | | | 0 | 0 | 0 |
| (3) COLEEN O'BRIEN ----- SECRETARY | 3.00 ----- 0.00 | X | | X | | | 0 | 0 | 0 |
| (4) JIM KEYES ----- TREASURER | 3.00 ----- 0.00 | X | | X | | | 0 | 0 | 0 |
| (5) CRAIG ANDERSON ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (6) BRUCE COFFEY ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (7) JIM CONNELL ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (8) MARGIE DOYLE ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (9) MIDGE KRAETZER ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (10) DIMITRI STANKEVICH ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (11) STEVE SPENCE ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (12) HELEN BEE ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (13) SALLY BUCHANAN ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |
| (14) PERRY PUGH ----- DIRECTOR | 3.00 ----- 0.00 | X | | | | | 0 | 0 | 0 |

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (15) HILARY CANTY EXECUTIVE DIRECTOR | 40.00 0.00 | | | | X | | | 63,838 | 0 | 0 |
| (16) | | | | | | | | | | |
| (17) | | | | | | | | | | |
| (18) | | | | | | | | | | |
| (19) | | | | | | | | | | |
| (20) | | | | | | | | | | |
| (21) | | | | | | | | | | |
| (22) | | | | | | | | | | |
| (23) | | | | | | | | | | |
| (24) | | | | | | | | | | |
| (25) | | | | | | | | | | |
| 1b Sub-total | | | | | | | | 63,838 | 0 | 0 |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0 | 0 | 0 |
| d Total (add lines 1b and 1c) | | | | | | | | 63,838 | 0 | 0 |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |
| | | 0 |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

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

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 | |
|---|---|---|----------------------|----------------------|--|---|---|--|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a | Federated campaigns | 1a | 0 | | | | |
| | b | Membership dues | 1b | 0 | | | | |
| | c | Fundraising events | 1c | 0 | | | | |
| | d | Related organizations | 1d | 0 | | | | |
| | e | Government grants (contributions) | 1e | 0 | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | 626,946 | | | | |
| | g | Noncash contributions included in lines 1a-1f: \$ | | 0 | | | | |
| | h | Total. Add lines 1a-1f ▶ | | 626,946 | | | | |
| | Program Service Revenue | | | | Business Code | | | |
| | | 2a | | | 0 | | | |
| b | | | | 0 | | | | |
| c | | | | 0 | | | | |
| d | | | | 0 | | | | |
| e | | | | 0 | | | | |
| f | | All other program service revenue | | 0 | | | | |
| g | | Total. Add lines 2a-2f ▶ | | 0 | | | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) ▶ | | 130,466 | | | | |
| | 4 | Income from investment of tax-exempt bond proceeds . . . ▶ | | 0 | | | | |
| | 5 | Royalties ▶ | | 0 | | | | |
| | 6a | | | (i) Real | (ii) Personal | | | |
| | | Gross rents | | | | | | |
| | | b Less: rental expenses | | | | | | |
| | | c Rental income or (loss) | | 0 | 0 | | | |
| | d | Net rental income or (loss) ▶ | | 0 | | | | |
| | 7a | | | (i) Securities | (ii) Other | | | |
| | | Gross amount from sales of assets other than inventory | | 0 | 0 | | | |
| | | b Less: cost or other basis and sales expenses | | 0 | 0 | | | |
| | | c Gain or (loss) | | 0 | 0 | | | |
| | d | Net gain or (loss) ▶ | | 0 | | | | |
| | 8a | Gross income from fundraising events (not including \$ _____ 0 of contributions reported on line 1c). See Part IV, line 18 | | a | 0 | | | |
| | | b Less: direct expenses | | b | 0 | | | |
| | | c Net income or (loss) from fundraising events ▶ | | | 0 | | | |
| | 9a | Gross income from gaming activities. See Part IV, line 19 | | a | 0 | | | |
| | | b Less: direct expenses | | b | 0 | | | |
| | | c Net income or (loss) from gaming activities ▶ | | | 0 | | | |
| | 10a | Gross sales of inventory, less returns and allowances | | a | 0 | | | |
| b Less: cost of goods sold | | b | 0 | | | | | |
| c Net income or (loss) from sales of inventory ▶ | | | 0 | | | | | |
| Miscellaneous Revenue | | | Business Code | | | | | |
| 11a | REALIZED GAIN ON INVESTMENTS | | | 117,900 | | | | |
| b | | | | 0 | | | | |
| c | | | | 0 | | | | |
| d | All other revenue | | | 0 | | | | |
| e | Total. Add lines 11a-11d ▶ | | | 117,900 | | | | |
| 12 | Total revenue. See instructions. ▶ | | | 875,312 | 0 | 0 | | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 | Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 | 677,679 | 677,679 | | |
| 2 | Grants and other assistance to individuals in the United States. See Part IV, line 22 | 0 | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 | 0 | | | |
| 4 | Benefits paid to or for members | 0 | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees | 63,838 | 31,919 | 12,768 | 19,151 |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | 0 | | | |
| 7 | Other salaries and wages | 23,043 | 9,217 | 11,522 | 2,304 |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 0 | | | |
| 9 | Other employee benefits | 0 | | | |
| 10 | Payroll taxes | 6,429 | 3,044 | 1,797 | 1,588 |
| 11 | Fees for services (non-employees): | | | | |
| a | Management | 0 | | | |
| b | Legal | 0 | | | |
| c | Accounting | 4,500 | 3,600 | 900 | 0 |
| d | Lobbying | 0 | | | |
| e | Professional fundraising services. See Part IV, line 17 | 0 | | | |
| f | Investment management fees | 0 | | | |
| g | Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) | 10,098 | 5,049 | 5,049 | 0 |
| 12 | Advertising and promotion | 0 | | | |
| 13 | Office expenses | 4,223 | 1,901 | 1,900 | 422 |
| 14 | Information technology | 338 | 152 | 152 | 34 |
| 15 | Royalties | 0 | | | |
| 16 | Occupancy | 12,749 | 5,737 | 5,737 | 1,275 |
| 17 | Travel | 0 | | | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials | 0 | | | |
| 19 | Conferences, conventions, and meetings | 0 | | | |
| 20 | Interest | 0 | | | |
| 21 | Payments to affiliates | 0 | | | |
| 22 | Depreciation, depletion, and amortization | 998 | 998 | 0 | 0 |
| 23 | Insurance | 2,056 | 925 | 925 | 206 |
| 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 | FUNDRAISING | 10,574 | 0 | 0 | 10,574 |
| b | TELEPHONE | 1,587 | 714 | 714 | 159 |
| c | VOLUNTEER EXPENSE/MEMBERSHIP DUES | 1,613 | 1,518 | 95 | 0 |
| d | FUND ADMINISTRATION | 61,081 | 61,081 | 0 | 0 |
| e | All other expenses OTHER | 2,241 | 1,727 | 169 | 345 |
| 25 | Total functional expenses. Add lines 1 through 24e | 883,047 | 805,261 | 41,728 | 36,058 |
| 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | | | | |

Part X Balance Sheet

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

| | | (A) | | (B) |
|---|--|-------------------|-----------|------------------|
| | | Beginning of year | | End of year |
| Assets | 1 Cash—non-interest-bearing | 263,293 | 1 | 357,862 |
| | 2 Savings and temporary cash investments | 598,542 | 2 | 0 |
| | 3 Pledges and grants receivable, net | 0 | 3 | 0 |
| | 4 Accounts receivable, net | 0 | 4 | 0 |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L | | 6 | |
| | 7 Notes and loans receivable, net | 0 | 7 | 0 |
| | 8 Inventories for sale or use | | 8 | |
| | 9 Prepaid expenses and deferred charges | | 9 | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 6,869 | | |
| | b Less: accumulated depreciation | 10b 998 | 872 | 10c 5,871 |
| | 11 Investments—publicly traded securities | 0 | 11 | 5,060,196 |
| | 12 Investments—other securities. See Part IV, line 11 | 4,295,741 | 12 | 21,841 |
| | 13 Investments—program-related. See Part IV, line 11 | 0 | 13 | 0 |
| | 14 Intangible assets | 0 | 14 | 0 |
| | 15 Other assets. See Part IV, line 11 | 1,851 | 15 | 1,887 |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 5,160,299 | 16 | 5,447,657 | |
| Liabilities | 17 Accounts payable and accrued expenses | 2,453 | 17 | 6,210 |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 0 | 23 | 0 |
| | 24 Unsecured notes and loans payable to unrelated third parties | 0 | 24 | 0 |
| | 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 | 159,124 | 25 | 177,412 |
| | 26 Total liabilities. Add lines 17 through 25 | 161,577 | 26 | 183,622 |
| 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 | 1,002,391 | 27 | 1,200,299 |
| | 28 Temporarily restricted net assets | 188,873 | 28 | 780,153 |
| | 29 Permanently restricted net assets | 3,807,458 | 29 | 3,283,583 |
| | Organizations that do not follow SFAS 117 (ASC958), 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 | 4,998,722 | 33 | 5,264,035 | |
| 34 Total liabilities and net assets/fund balances | 5,160,299 | 34 | 5,447,657 | |

Part XI Reconciliation of Net Assets

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

| | | | |
|-----------|--|-----------|-----------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 875,312 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 883,047 |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | -7,735 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 4,998,722 |
| 5 | Net unrealized gains (losses) on investments | 5 | 273,048 |
| 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 | |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 5,264,035 |

Part XII Financial Statements and Reporting

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

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

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

Department of the Treasury
Internal Revenue Service

▶ **Attach to your tax return.**

▶ **Information about Form 4797 and its separate instructions is at www.irs.gov/form4797.**

Attachment

Sequence No. **27**

| | |
|---|---|
| Name(s) shown on return ORCAS ISLAND COMMUNITY FOUNDATION | Identifying number 91-1680527 |
|---|---|

| | |
|--|----------|
| 1 Enter the gross proceeds from sales or exchanges reported to you for 2012 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) | 1 |
|--|----------|

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| 2 | (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|---|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| | FURNITURE | 12/31/2007 | 6/1/2012 | 0 | 1,584 | 1,926 | -342 |
| | EQUIPMENT | 12/31/2008 | 6/1/2012 | 0 | 197 | 1,392 | -1,195 |
| | | | | | | | 0 |

| | | |
|--|----------|--------|
| 3 Gain, if any, from Form 4684, line 39 | 3 | |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 | 4 | |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | 5 | |
| 6 Gain, if any, from line 32, from other than casualty or theft | 6 | |
| 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: | 7 | -1,537 |

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

| | | |
|--|----------|---|
| 8 Nonrecaptured net section 1231 losses from prior years (see instructions) | 8 | |
| 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) | 9 | 0 |

Part II Ordinary Gains and Losses (see instructions)

| | | | | | | |
|--|--|--|--|--|--|---|
| 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less): | | | | | | |
| | | | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |

| | | |
|---|-----------|----------|
| 11 Loss, if any, from line 7 | 11 | (1,537) |
| 12 Gain, if any, from line 7 or amount from line 8, if applicable | 12 | |
| 13 Gain, if any, from line 31 | 13 | |
| 14 Net gain or (loss) from Form 4684, lines 31 and 38a | 14 | |
| 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 | 15 | |
| 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 | 16 | |
| 17 Combine lines 10 through 16 | 17 | -1,537 |

| | | |
|--|------------|---|
| 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: | | |
| a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions | 18a | |
| b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 | 18b | 0 |

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|---|---|---|
| Name(s) shown on return ORCAS ISLAND COMMUNITY FOUNDATION | Business or activity to which this form relates 990 | Identifying number 91-1680527 |
|---|---|---|

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

| | | |
|---|------------------------------|------------------|
| 1 Maximum amount (see instructions) | 1 | 500,000 |
| 2 Total cost of section 179 property placed in service (see instructions) | 2 | 6,869 |
| 3 Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | 2,000,000 |
| 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | 0 |
| 5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | 500,000 |
| 6 | | |
| (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| | | |
| | | |
| | | |
| 7 Listed property. Enter the amount from line 29 | 7 | |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | 0 |
| 9 Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | 0 |
| 10 Carryover of disallowed deduction from line 13 of your 2011 Form 4562. | 10 | |
| 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | 0 |
| 13 Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12 ▶ | 13 | 0 |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | |
|--|-----------|-----|
| 14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 Property subject to section 168(f)(1) election | 15 | |
| 16 Other depreciation (including ACRS) | 16 | 389 |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

| | | |
|---|-----------|--|
| 17 MACRS deductions for assets placed in service in tax years beginning before 2012 | 17 | |
| 18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ <input type="checkbox"/> | 18 | |

Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19 a 3-year property | | | | | | |
| b 5-year property | | | | | | |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 39 yrs. | MM | S/L | |

Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|-----------------|--|-------|---------|----|-----|-----|
| 20 a Class life | | 4,869 | 4 | HY | S/L | 609 |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | |
|--|-----------|-----|
| 21 Listed property. Enter amount from line 28 | 21 | |
| 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions | 22 | 998 |
| 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs ▶ | 23 | |

For Paperwork Reduction Act Notice, see separate instructions.

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

Name of the organization

ORCAS ISLAND COMMUNITY FOUNDATION

Employer identification number

91-1680527

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III—Functionally integrated d Type III—Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

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

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1–9 above or IRC section (see instructions)) | (iv) Is the organization in col. (i) listed in your governing document? | | (v) Did you notify the organization in col. (i) of your support? | | (vi) Is the organization in col. (i) organized in the U.S.? | | (vii) Amount of monetary support |
|------------------------------------|----------|---|---|----|--|----|---|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| (A) | | | | | | | | | |
| (B) | | | | | | | | | |
| (C) | | | | | | | | | |
| (D) | | | | | | | | | |
| (E) | | | | | | | | | |
| Total | | | | | | | | | 0 |

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

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

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | 608,103 | 264,936 | 740,566 | 706,162 | 626,946 | 2,946,713 |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | 0 |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | 0 |
| 4 Total. Add lines 1 through 3 | 608,103 | 264,936 | 740,566 | 706,162 | 626,946 | 2,946,713 |
| 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) | | | | | | 780,069 |
| 6 Public support. Subtract line 5 from line 4. | | | | | | 2,166,644 |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|-----------|-----------|
| 7 Amounts from line 4 | 608,103 | 264,936 | 740,566 | 706,162 | 626,946 | 2,946,713 |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | 28,352 | 108,020 | 87,530 | 99,420 | 130,466 | 453,788 |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | 0 |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | 0 |
| 11 Total support. Add lines 7 through 10 | | | | | | 3,400,501 |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 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 2012 (line 6, column (f) divided by line 11, column (f)) | 14 | 63.72% |
| 15 Public support percentage from 2011 Schedule A, Part II, line 14 | 15 | 70.06% |
| 16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/> | | |
| b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | |
| 17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/> | | |
| b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <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"/> | | |

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

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

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | 0 |
| 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 | | | | | | 0 |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | 0 |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | 0 |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | 0 |
| 6 Total. Add lines 1 through 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | 0 |
| 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 | | | | | | 0 |
| c Add lines 7a and 7b | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Public support (Subtract line 7c from line 6.) | | | | | | 0 |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | 0 |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | 0 |
| c Add lines 10a and 10b | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | 0 |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | 0 |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | 0 | 0 | 0 | 0 | 0 | 0 |

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 2012 (line 8, column (f) divided by line 13, column (f)) | 15 | 0.00% |
| 16 Public support percentage from 2011 Schedule A, Part III, line 15 | 16 | 0.00% |

Section D. Computation of Investment Income Percentage

| | | |
|--|-----------|-------|
| 17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) | 17 | 0.00% |
| 18 Investment income percentage from 2011 Schedule A, Part III, line 17 | 18 | 0.00% |

19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2012

Open to Public Inspection

| | |
|--|---|
| Name of the organization ORCAS ISLAND COMMUNITY FOUNDATION | Employer identification number 91-1680527 |
|--|---|

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

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|------------------------------|
| 1 Total number at end of year | 24 | |
| 2 Aggregate contributions to (during year) | 255,080 | |
| 3 Aggregate grants from (during year) | 369,312 | |
| 4 Aggregate value at end of year | 788,187 | |

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

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

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

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

| | |
|--|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of an 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, and enforcing conservation easements during the year ▶

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? **Yes** **No**

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

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

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

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

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

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

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

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

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

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|--------|
| c Beginning balance | 0 |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | 0 |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

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

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 3,759,894 | 3,014,322 | 2,562,772 | 2,316,712 | 3,080,450 |
| b Contributions | 11,613 | 46,892 | 65,647 | 28,415 | 197,028 |
| c Net investment earnings, gains, and losses | 420,037 | 157,822 | 463,302 | 379,088 | -796,576 |
| d Grants or scholarships | 111,126 | 156,225 | 98,796 | 70,664 | 130,000 |
| e Other expenditures for facilities and programs | 484,912 | -758,083 | -78,051 | 62,426 | |
| f Administrative expenses | 48,856 | 61,000 | 56,654 | 28,353 | 34,187 |
| g End of year balance | 3,546,650 | 3,759,894 | 3,014,322 | 2,562,772 | 2,316,715 |

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶ _____ %
 - b** Permanent endowment ▶ _____ 100%
 - c** Temporarily restricted endowment ▶ _____ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------------------------|-------------------------------------|
| (i) unrelated organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | <input type="checkbox"/> | <input type="checkbox"/> |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

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

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | 0 | 0 | 0 | 0 |
| b Buildings | 0 | 0 | 0 | 0 |
| c Leasehold improvements | 0 | 0 | 0 | 0 |
| d Equipment | 0 | 6,869 | 998 | 5,871 |
| e Other | 0 | 0 | 0 | 0 |

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶ 5,871

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

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|--|
| (1) Financial derivatives | 0 | |
| (2) Closely-held equity interests | 0 | |
| (3) Other ----- | | |
| (A) ----- | | |
| (B) ----- | | |
| (C) ----- | | |
| (D) ----- | | |
| (E) ----- | | |
| (F) ----- | | |
| (G) ----- | | |
| (H) ----- | | |
| (I) ----- | | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶ | 0 | |

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

| (a) Description of investment type | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|--|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶ | 0 | |

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

| (a) Description | (b) Book value |
|---|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | 0 |

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

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | 0 |
| (2) FUNDS HELD AS AGENT FOR OTHER CHA | 177,412 |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| (11) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 177,412 |

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

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

| | | | | |
|----------|--|-------------------|-----------|-----------|
| 1 | Total revenue, gains, and other support per audited financial statements | | 1 | 1,150,185 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | | |
| a | Net unrealized gains on investments | 2a 273,048 | | |
| b | Donated services and use of facilities | 2b 1,825 | | |
| c | Recoveries of prior year grants | 2c | | |
| d | Other (Describe in Part XIII.) | 2d | | |
| e | Add lines 2a through 2d | | 2e | 274,873 |
| 3 | Subtract line 2e from line 1 | | 3 | 875,312 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIII.) | 4b | | |
| c | Add lines 4a and 4b | | 4c | 0 |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | | 5 | 875,312 |

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

| | | | | |
|----------|---|-----------------|-----------|---------|
| 1 | Total expenses and losses per audited financial statements | | 1 | 884,872 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | | |
| a | Donated services and use of facilities | 2a 1,825 | | |
| b | Prior year adjustments | 2b | | |
| c | Other losses | 2c | | |
| d | Other (Describe in Part XIII.) | 2d | | |
| e | Add lines 2a through 2d | | 2e | 1,825 |
| 3 | Subtract line 2e from line 1 | | 3 | 883,047 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIII.) | 4b | | |
| c | Add lines 4a and 4b | | 4c | 0 |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | | 5 | 883,047 |

Part XIII Supplemental Information

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

Part V Line 4 THE ENDOWMENT FUNDS ARE RESTRICTED FOR THE SUPPORT OF VARIOUS ORGANIZATIONS

 AND CHARITABLE CAUSES. THE BOARD INTENDS TO USE THE ENDOWMENT FUNDS CONSISTENT WITH THE

 DONOR'S INTENT.

Part X Line 2 THE FOUNDATION IS A TAX-EXEMPT CORPORATION UNDER SECTION 501(C)(3) OF THE

 IRS CODE AND IS EXEMPT FROM FEDERAL INCOME TAX ON EARNINGS ASSOCIATED WITH ITS EXEMPT

 PURPOSE. UNRELATED BUSINESS INCOME IS TAXED AT REGULAR CORPORATE RATES. THE FOUNDATION HAS

 NO UNRELATED BUSINESS INCOME. FOR THE YEAR ENDED DECEMBER 31, 2012, THE FOUNDATION

 CONTINUED FOLLOWING GUIDANCE IN ASC 740-10 REGARDING THE REPORTING OF UNCERTAINTY IN

Part XIII Supplemental Information *(continued)*

INCOME TAXES. THE IMPLEMENTATION OF FASB ASC 740-10 HAD NO IMPACT ON THE FOUNDATION'S
STATEMENT OF FINANCIAL POSITION OR STATEMENT OF ACTIVITIES. THE FOUNDATION DOES NOT
BELIEVE IT'S FINANCIAL STATEMENTS REFLECT ANY UNCERTAIN TAX POSITIONS. THE FOUNDATION'S
ACCOUNTING POLICY REQUIRES RECORDING A LIABILITY FOR UNCERTAIN TAX POSITIONS WHEN IT IS
PROBABLE THAT A LOSS HAS BEEN INCURRED AND THE AMOUNT CAN BE REASONABLY ESTIMATED.
Part X Line 2 THE FOUNDATION CONTINUALLY EVALUATES EXPIRING STATUTES OF LIMITATIONS,
AUDITS, PROPOSED SETTLEMENTS, CHANGES IN TAX LAW AND NEW AUTHORITATIVE RULINGS IN
DETERMINING TRANSACTIONS TO BE RECOGNIZED IN THE FINANCIAL STATEMENTS.

**SCHEDULE I
(Form 990)**

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

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 990.

Name of the organization

ORCAS ISLAND COMMUNITY FOUNDATION

Employer identification number

91-1680527

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990 Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

| 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 |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| (1) DOGS FOR THE DEAF 10175 WHEELER RD | 93-0681311 | 501C3 | 5,000 | | FMV | | |
| (2) CHILDRENS DISCOVER FOUN 30 PEA PATCH LANE | 91-1806943 | 501C3 | 56,205 | | FMV | | |
| (3) INDRAYLA 360 INDRAYLA RD | 91-6076839 | 501C3 | 9,500 | | FMV | | |
| (4) OPAL COMMUNITY LAND TRU PO BOX 1133 | 94-3116010 | 501C3 | 33,750 | | FMV | | |
| (5) ORCAS CENTER PO BOX 567 | 91-0930009 | 501C3 | 88,028 | | FMV | | |
| (6) ORCAS ISLAND CHAMBER M PO BOX 646 | 91-1886480 | 501C3 | 11,625 | | FMV | | |
| (7) ORCAS ISLAND CHILDRENS H 36 PEA PATCH LANE | 91-0929364 | 501C3 | 26,143 | | FMV | | |
| (8) ORCAS ISLAND EDUCATION I PO BOX 782 | 91-1276459 | 501C3 | 16,533 | | FMV | | |
| (9) ORCAS ISLAND HISTORICAL PO BOX 134 | 91-6054959 | 501C3 | 11,100 | | FMV | | |
| (10) ORCAS ISLAND PUBLIC LIBR 500 ROSE STREET | 91-1400683 | 501C3 | 9,640 | | FMV | | |
| (11) ORCAS ISLAND SCHOOL DIS 557 SCHOOL RD | 91-1041037 | SCHOOL | 126,739 | | FMV | | |
| (12) ORCAS MEDICAL FOUNDATIO PO BOX 515 | 91-6037582 | 501C3 | 9,947 | | FMV | | |

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 14
- 3 Enter total number of other organizations listed in the line 1 table ▶ 0

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

Schedule I (Form 990) (2012)

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---------------------------------|--------------------------|--------------------------|-----------------------------------|---|--|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |

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

Part 1 Line 2 THE FOUNDATION REQUESTS A FOLLOW UP REPORT ON THE USE OF FUNDS GRANTED TO EACH ORGANIZATION. THE FOUNDATION READS REPORTS AND EVALUATES THE EFFECTIVENESS OF THE GRANT ON THE COMMUNITY, IF DATA IS AVAILABLE.

Continuation Sheet for Schedule I (Form 990)

| | |
|---|--|
| Name of the organization ORCAS ISLAND COMMUNITY FOUNDATION | Employer identification number 91-1680527 |
|---|--|

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States

| (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 |
|--|------------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| (13) ORCAS MONTESSORI SCHOOL 1147 N BEACH RD | 91-1490036 | 501C3 | 5,000 | | FMV | | |
| (14) PRIDE FOUNDATION 1122 E PIKE ST PMB 1001 | 91-1325007 | 501C3 | 21,100 | | FMV | | |
| (15) | | | | | | | |
| (16) | | | | | | | |
| (17) | | | | | | | |
| (18) | | | | | | | |
| (19) | | | | | | | |
| (20) | | | | | | | |
| (21) | | | | | | | |
| (22) | | | | | | | |
| (23) | | | | | | | |
| (24) | | | | | | | |
| (25) | | | | | | | |
| (26) | | | | | | | |
| (27) | | | | | | | |
| (28) | | | | | | | |
| (29) | | | | | | | |

Continuation Sheet for Schedule I (Form 990)

| | |
|---|--|
| Name of the organization ORCAS ISLAND COMMUNITY FOUNDATION | Employer identification number 91-1680527 |
|---|--|

Part III Continuation of Grants and Other Assistance to Individuals in the United States

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---------------------------------|--------------------------|--------------------------|-----------------------------------|---|--|
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | | | | | |
| 20 | | | | | |
| 21 | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

ORCAS ISLAND COMMUNITY FOUNDATION

Employer identification number

91-1680527

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 in 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 (e.g., 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 officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in 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 type="checkbox"/> Compensation survey or study |
| <input 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 in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

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

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

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

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

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

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

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

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

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

| | Yes | No |
|-----------|-----|----|
| | | |
| 1b | | |
| 2 | | |
| | | |
| 4a | | X |
| 4b | | X |
| 4c | | X |
| | | |
| 5a | | X |
| 5b | | X |
| | | |
| 6a | | X |
| 6b | | X |
| | | |
| 7 | | X |
| | | |
| 8 | | X |
| | | |
| 9 | | |

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

Schedule J (Form 990) 2012

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

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

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)–(D) | (F) Compensation reported as deferred in prior Form 990 |
|--------------------|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 2 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 3 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 4 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 5 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 6 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 7 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 8 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 9 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 10 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 11 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 12 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 13 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 14 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 15 | (i) | | | | | | | |
| | (ii) | | | | | | | |
| 16 | (i) | | | | | | | |
| | (ii) | | | | | | | |

Part III Supplemental Information

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

(Area with horizontal dashed lines for supplemental information)

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization

Employer identification number

ORCAS ISLAND COMMUNITY FOUNDATION

91-1680527

Form 990 Part VI Section B Line 11 THE FORM 990 WAS REVIEWED BY THE TREASURER AND CIRCULATED
TO THE FINANCE COMMITTEE. ONCE THE FINANCE COMMITTEE APPROVES THE 990, THEN IT IS CIRCULATED
TO THE ENTIRE BOARD FOR REVIEW AND COMMENT AT THE MONTHLY BOARD MEETING. THE 990 IS DISCUSSED
AND ANY QUESTIONS RAISED BY THE BOARD ARE ANSWERED. ONCE DISCUSSION IS COMPLETED, A MOTION TO
APPROVE THE 990 FOR FILING IS MADE AND A VOTE IS TAKEN.

Form 990 Part VI Section B Line 12c THE POLICY REQUIRES THE PERSON WITH A POSSIBLE CONFLICT OF
INTEREST OR ANY OTHER PERSON WITH KNOWLEDGE TO NOTIFY THE BOARD OF ALL CIRCUMSTANCES RESULTING
IN THE POTENTIAL CONFLICT SO THAT THE BOARD CAN PROVIDE SUCH GUIDANCE AND TAKE SUCH ACTION AS
IT SHALL DEEM APPROPRIATE.

Form 990 Part VI Section C Line 19 THE REVIEWED FINANCIAL STATEMENTS AND GOVERNING DOCUMENTS
ARE MADE AVAILABLE TO THE PUBLIC AT THE ORCAS ISLAND COMMUNITY FOUNDATION OFFICE LOCATED AT
141 PRUNE ALLEY, SUITE 201, EASTSOUND WA 98248, DURING NORMAL BUSINESS HOURS.

Elections

Election to Use MACRS 150% Declining Balance Method - All Property

Pursuant to IRC Section 168(b)(2)(C), the Taxpayer elects to use the 150% declining balance method of depreciation in computing the deduction for all property placed in service during the current tax year.

Election to Use MACRS Straight Line Method - All Property

Pursuant to IRC Section 168(b)(3)(D), the Taxpayer elects to use the straight line method of depreciation in computing the deduction for all property placed in service during the current tax year.

Election to Use MACRS Alternative Depreciation System (ADS) - All Property

Pursuant to IRC Section 168(g)(7), the Taxpayer elects to use the Alternative Depreciation System in computing the deduction for all property placed in service during the current tax year.

Election to Exclude Property From MACRS Depreciation

Pursuant to IRC Section 168(f)(1), the Taxpayer elects to exclude certain property (see depreciation schedule) placed in service during the current tax year from MACRS Depreciation.

Election to NOT claim first-year special depreciation - All Property

Pursuant to IRC Section 168(k)(2)(D)(iii), the Taxpayer elects out of first-year special depreciation for all depreciable property placed in service during the current tax year.

Election to Apply IRC Section 179(f)

Taxpayer elects the application of IRC Section 179(f) for the tax year ending 12/31/2012 for the following property:

- (1) Qualified leasehold improvement property as described in IRC Section 168(e)(6).
- (2) Qualified restaurant property as described in IRC Section 168(e)(7).
- (3) Qualified retail improvement property as described in IRC Section 168(e)(8).

See Form 4562 for detailed list of assets included in this election and computation of the deduction.

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ▶
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ▶

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

| | | |
|---|--|---|
| Type or print File by the due date for filing your return. See instructions. | Name of exempt organization or other filer, see instructions. ORCAS ISLAND COMMUNITY FOUNDATION | Employer identification number (EIN) or 91-1680527 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 1496 | Social security number (SSN) |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. EASTSOUND WA 98245 | |

Enter the Return code for the return that this application is for (file a separate application for each return)

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|--------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 990-T (corporation) | 07 |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 | 09 |
| Form 990-PF | 04 | Form 5227 | 10 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 6069 | 11 |
| Form 990-T (trust other than above) | 06 | Form 8870 | 12 |

- The books are in the care of ▶ ORCAS ISLAND COMMUNITY FOUNDATION-----

Telephone No. ▶ (360) 376-6423----- FAX No. ▶ -----

- If the organization does not have an office or place of business in the United States, check this box ▶

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box ▶ . If it is for part of the group, check this box. ▶ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15/2013, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 2012 or

▶ tax year beginning _____, and ending _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

| | | | |
|--|-----------|----|---|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ | 0 |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ | 0 |
| c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ | 0 |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

| | | |
|--|--|---|
| Type or print <small>File by the due date for filing your return. See instructions.</small> | Name of exempt organization ORCAS ISLAND COMMUNITY FOUNDATION | Employer identification number (EIN) or 91-1680527 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 1496 | Social security number (SSN) |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. EASTSOUND WA 98245 | |

Enter the Return code for the return that this application is for (file a separate application for each return)

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|--------------------|-------------|
| Form 990 or Form 990-EZ | 01 | | |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 | 09 |
| Form 990-PF | 04 | Form 5227 | 10 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 6069 | 11 |
| Form 990-T (trust other than above) | 06 | Form 8870 | 12 |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ORCAS ISLAND COMMUNITY FOUNDATION
Telephone No. (360) 376-6423 FAX No.
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until 11/15/2013 .
- For calendar year 2012 , or other tax year beginning _____ , and ending _____ .
- If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension Additional time is needed to gather the information required to complete the return.

| | | | |
|--|-----------|----|---|
| 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 8a | \$ | 0 |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. | 8b | \$ | 0 |
| c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 8c | \$ | 0 |

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Title Date

IRS e-file Signature Authorization for an Exempt Organization

Department of the Treasury
Internal Revenue Service

For calendar year 2012, or fiscal year beginning _____, 2012, and ending _____, 20_____

2012

▶ **Do not send to the IRS. Keep for your records.**

| | |
|---|---|
| Name of exempt organization ORCAS ISLAND COMMUNITY FOUNDATION | Employer identification number 91-1680527 |
|---|---|

| | |
|---|-----------|
| Name and title of officer JIM KEYES | TREASURER |
|---|-----------|

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

| | | | |
|--|--|----|---------|
| 1a Form 990 check here ▶ <input checked="" type="checkbox"/> | b Total revenue, if any (Form 990, Part VIII, column (A), line 12) | 1b | 875,312 |
| 2a Form 990-EZ check here ▶ <input type="checkbox"/> | b Total revenue, if any (Form 990-EZ, line 9) | 2b | |
| 3a Form 1120-POL check here ▶ <input type="checkbox"/> | b Total tax (Form 1120-POL, line 22). | 3b | |
| 4a Form 990-PF check here ▶ <input type="checkbox"/> | b Tax based on investment income (Form 990-PF, Part VI, line 5) | 4b | |
| 5a Form 8868 check here ▶ <input type="checkbox"/> | b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c) | 5b | |

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize THOMSON AND COMPANY, PLLC to enter my PIN 10527 as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

| |
|--|
| 91543897073 <small>do not enter all zeros</small> |
|--|

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ SUSAN THOMSON-SINES Date ▶ 8/26/2013

**ERO Must Retain This Form—See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**