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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

St Luke's Hospital of Duluth

Doing Business As

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

915 East First Street

Room/suite

City or town, state or country, and ZIP + 4

Duluth, MN 55805

D Employer identification number

41-0714079

E Telephone number

(218) 249-5555

G Gross receipts \$ 321,592,987

F Name and address of principal officer

John Strange

915 East First Street

Duluth, MN 55805

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

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

H(c) Group exemption number

I Tax-exempt status

☒ 501(c) (3) ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

www.slhduluth.com

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1881

M State of legal domicile

MN

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities See Schedule O Our mission is to serve as a leading healthcare provider of quality healthcare services in our local community and the surrounding 17-county region of northeastern Minnesota, northwestern Wisconsin and the upper peninsula of Michigan		
	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	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5	Total number of employees (Part V, line 2a)	5	2,399
	6	Total number of volunteers (estimate if necessary)	6	338
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	5,969,333
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	-1,240,799
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	503,389	417,325
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	289,753,927	302,575,876
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,974,148	2,916,822
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,134,381	1,189,441
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	293,365,845	307,099,464
	14	Benefits paid to or for members (Part IX, column (A), line 4)	3,843,329	6,211,051
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	172,178,029	178,969,516
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		0
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	115,755,747	113,915,446
Net Assets or Fund Balances	19	Revenue less expenses Subtract line 18 from line 12	291,777,105	299,096,013
	20	Total assets (Part X, line 16)	1,588,740	8,003,451
	21	Total liabilities (Part X, line 26)	Beginning of Current Year	End of Year
	22	Net assets or fund balances Subtract line 21 from line 20	146,804,469	139,443,828
			133,762,144	111,913,609
			13,042,325	27,530,219

Part II

Signature Block

Sign Here

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

Signature of officer

2010-11-01

Date

James Wuellner CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4

EIN

Phone no

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

☐ Yes ☐ No

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

Cat No 11282Y

Form 990 (2009)

Part III Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

Our mission is to serve as a leading provider of quality healthcare services in our local community and the surrounding 17-county region of northeastern Minnesota, northwestern Wisconsin, and the upper peninsula of Michigan

2

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

Yes

No

If “Yes,” describe these new services on Schedule O

3

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

Yes

No

If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 247,950,374 including grants of \$ 6,211,051) (Revenue \$ 295,329,438)

See Schedule O for organizational description of commitment to providing community benefit Organizational commitment to providing community benefit A Our mission is to serve as a leading provider of quality healthcare services in our local community and the surrounding 17-county region of northeastern Minnesota, northwestern Wisconsin and the upper peninsula of Michigan As the federally designated regional trauma center for this region, St Luke’s provides critical access to high quality acute healthcare services B St Luke’s recognizes its responsibility to the community by providing financial support to community organizations, offering education programs, outreach programs and supporting the community through employee volunteer efforts and donations We support the Lake Superior Community Health Center and the Health Care Access Office In 2009, St Luke’s donated more than 2,100 hours to enrich the healthcare of the community, including serving on boards of the MN Homecare association,United Way, and other non-profit organizations in our community C St Luke’s serves a disproportionate share of Medicare and Medicaid patients Also, through our patient assistance program, we provide full or partially subsidized services to individuals and families who are unable to pay At admission and through patient handbooks, patients are given information to contact St Luke’s financial counselors for information on our financial assistance programs Also, St Luke’s provides medical transport services at less than cost to our patients in the region

4b

(Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

See schedule O for organizational description for tax exemption Organizational description for tax exemption St Luke’s is a not-for-profit, community-based, non-denominational hospital, governed by a volunteer board of directors Our medical staff is open to all qualified physicians and allied health professionals St Luke’s emergency department serves patients regardless of ability to pay St Luke’s research department, the Whiteside Institute for Clinical Research, participates in investigational drug protocols that are non-funded or under-funded St Luke’s is a clinical training site for many healthcare students In addition to medical students and residents, we provide clinical training for students in nursing, physical medicine, radiology, respiratory, lab, medical assistant, occupational therapy, physician assistant, dietetics, social work, medical record coding, paramedic, health unit coordinator, surgical technology, anesthesia and pharmacy We contributed to scholarship funds for medical students at the University of Minnesota, Duluth School of Medicine and nursing students at the College of St Scholastica and Lake Superior College Other education activities reach tens of thousands of people through community education and outreach, health screenings, support groups and other community services Our speakers bureau offered programs at no charge to thousands more Topics presented included men’s health, women and breast cancer, children’s nutrition, mental health issues, cardiac issues, fall prevention, first aid, diabetes, eye and lung issues, and infection control We also offered tours to dozens of community and school groups, made medical supplies/equipment donations to community and medical relief organizations, donated newspaper advertising space for the Junior League of Duluth, participated in the community coalition for fall prevention and offered brochure printing services to a local medical professional group Annually, we provide rent-free, hundreds of hours of free meeting space for community groups, such as Lyme disease support group, mothers of multiples and the ostomy club, and organizations such as The Minnesota Homecare Association, The Boy Scouts and the College of St Scholastica We offer support groups to the community, including - Heart-to-Heart support group - Parkinson’s disease - Look good, feel good group (through the American Cancer Society) - Cancer information and support group - Ostomy club - Breast cancer support group - Diabetes support group (sponsored by St Luke’s, Duluth Diabetes center and the Duluth Family Practice center) - Insulin pump support group (sponsored by St Luke’s, Duluth Diabetes center and the Duluth Family Practice center) - Celiac support group (sponsored by St Luke’s and St Mary’s/Duluth Clinic)We participate in Medicaid, Medicare, Champus, Tricare and other government sponsored health care programs During 2009, there were 13,608 admissions, 51,918 patient days, 461,607 clinic visits, 159,000 outpatient registrations and 38,811 emergency/urgent care visits

4c

(Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

See schedule O for organizational description of community benefit programs DESCRIPTION OF COMMUNITY BENEFIT PROGRAMSA All patients receive services at St Luke’s regardless of ability to pay In addition, St Luke’s mental health services maintain a pharmaceutical sample program for its clients These medications are provided through pharmaceutical companies and managed through the outpatient mental health department The health and safety of our community were addressed through health screenings at no charge for blood pressure, blood sugar, cholesterol and bone density at community health fairs Monthly child care seat safety clinics were held in conjunction with the Duluth Fire Department, and Traumaroo, a bike and playground safety program for children in kindergarten through 2nd grade was offered to local schools at no charge We participate in our community’s disaster drills held twice a year and we work with other hospitals in the region to plan in the event of a bioterrorism attack or other major calamity

4d

Other program services (Describe in Schedule O) See also Additional Data for Description

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

4e











Total program service expenses

\$ 247,950,374

Form 990 (2009)

Part IV

Checklist of Required Schedules

		Yes	No	
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	• 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.			
	• 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.			
	• 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.			
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	• 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? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	64	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	2,399	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .			5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .			7f	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g	No
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	No
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10 Section 501(c)(7) organizations. Enter				
a Initiation fees and capital contributions included on Part VIII, line 12			10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b	
11 Section 501(c)(12) organizations. Enter				
a Gross income from members or shareholders			11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body	1a	15	
b	Enter the number of voting members that 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?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	Yes	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶MN
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ James Wuellner 915 East First Street Duluth, MN 55805 (218) 249-5475

1b	Total	6,058,616	0	303,850
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **235**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Amensourcebergen Co 6810 Shady Oak Rd Eden Prairie, MN 55344	Pharmaceuticals	18,136,566
Owens & Minor 12199 Collection Center Drive Chicago, IL 60693	Medical Supplies	4,751,329
IRET Properties 11 East Superior Street Suite 500 Duluth, MN 55802	Property Rentals	4,502,265
Stryker 2825 Airview Blvd Kalamazoo, MI 49002	Medical Supplies	4,151,250
MIDWEST MEDICAL INSURANCE 7650 EDINBOROUGH WAY STE 400 MINNEAPOLIS, MN 55435	MEDICAL INSURANCE	1,977,935

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **147**

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	417,325				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			417,325			
Program Service Revenue			Business Code					
	2a	Medical Services	621,990	295,329,438	295,329,438			
	b	Pharmacy	446,110	5,438,949		5,438,949		
	c	Dietary	722,210	1,258,856			1,258,856	
	d	Parking Fees	812,930	345,797			345,797	
	e	Credentialing	541,900	89,025		89,025		
	f	All other program service revenue		113,811		78,616	35,195	
	g	Total. Add lines 2a-2f			302,575,876			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			2,722,088		2,722,088	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		1,482,136						
		b	Less rental expenses	655,438				
		c	Rental income or (loss)	826,698				
	d	Net rental income or (loss)			826,698		826,698	
	7a	(i) Securities		(ii) Other				
		13,912,580		120,239				
		b	Less cost or other basis and sales expenses	13,767,459	70,626			
		c	Gain or (loss)	145,121	49,613			
	d	Net gain or (loss)			194,734		194,734	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
		b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19		a				
		b	Less direct expenses	b				
c	Net income or (loss) from gaming activities . .							
10a	Gross sales of inventory, less returns and allowances		a					
	b	Less cost of goods sold . . .	b					
c	Net income or (loss) from sales of inventory . .							
Miscellaneous Revenue		Business Code						
11a	Answering Services		561,000	221,606		221,606		
b	Laundry Services		812,300	140,597		140,597		
c	Security Services		812,900	540		540		
d	All other revenue							
e	Total. Add lines 11a-11d			362,743				
12	Total revenue. See Instructions			307,099,464	295,329,438	5,969,333	5,383,368	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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 U S See Part IV, line 21	199,676	199,676		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	6,011,375	6,011,375		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,524,446		1,524,446	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	139,243,627	123,379,091	15,864,536	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,209,711	6,319,100	890,611	
9	Other employee benefits	22,478,318	19,701,587	2,776,731	
10	Payroll taxes	8,513,414	7,228,431	1,284,983	
11	Fees for services (non-employees)				
a	Management	404,234	404,234		
b	Legal	575,836		575,836	
c	Accounting	112,209		112,209	
d	Lobbying	8,957	8,957		
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	59,677		59,677	
g	Other	12,011,419	4,605,983	7,405,436	
12	Advertising and promotion	519,564	519,564		
13	Office expenses	54,247,908	50,117,827	4,130,081	
14	Information technology	2,087,773	1,712,030	375,743	
15	Royalties				
16	Occupancy	13,459,059	9,240,527	4,218,532	
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,293,763	1,123,070	170,693	
20	Interest	3,945,968	3,794,932	151,036	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	8,628,212	4,476,172	4,152,040	
23	Insurance	1,744,094	1,744,094		
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	MN Care Tax	2,357,115	2,357,115		
b	Medicaid Surcharge	1,711,235	1,711,235		
c					
d					
e					
f	All other expenses	10,748,423	3,295,374	7,453,049	
25	Total functional expenses. Add lines 1 through 24f	299,096,013	247,950,374	51,145,639	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)	
					Beginning of year		End of year	
Assets	1	Cash—non-interest-bearing			20,128,795		1	13,721,389
	2	Savings and temporary cash investments					2	
	3	Pledges and grants receivable, net					3	
	4	Accounts receivable, net			43,396,306		4	40,290,525
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L					5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L					6	
	7	Notes and loans receivable, net					7	
	8	Inventories for sale or use			4,926,321		8	5,052,585
	9	Prepaid expenses and deferred charges			677,014		9	800,904
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	128,964,276				
	b	Less accumulated depreciation	10b	86,658,143	43,830,385	10c	42,306,133	
	11	Investments—publicly traded securities			7,985,487		11	8,698,042
	12	Investments—other securities See Part IV, line 11			13,863,491		12	17,346,526
	13	Investments—program-related See Part IV, line 11					13	
	14	Intangible assets			2,529,141		14	2,617,992
	15	Other assets See Part IV, line 11			9,467,529		15	8,609,732
	16	Total assets. Add lines 1 through 15 (must equal line 34)			146,804,469		16	139,443,828
Liabilities	17	Accounts payable and accrued expenses			44,559,977		17	31,088,629
	18	Grants payable					18	
	19	Deferred revenue					19	
	20	Tax-exempt bond liabilities			49,849,495		20	48,988,865
	21	Escrow or custodial account liability Complete Part IV of Schedule D					21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L					22	
	23	Secured mortgages and notes payable to unrelated third parties			69,499		23	
	24	Unsecured notes and loans payable to unrelated third parties					24	
	25	Other liabilities Complete Part X of Schedule D			39,283,173		25	31,836,115
	26	Total liabilities. Add lines 17 through 25			133,762,144		26	111,913,609
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets			12,331,325		27	27,530,219
	28	Temporarily restricted net assets			664,000		28	0
	29	Permanently restricted net assets			47,000		29	0
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds					30	
	31	Paid-in or capital surplus, or land, building or equipment fund					31	
	32	Retained earnings, endowment, accumulated income, or other funds					32	
	33	Total net assets or fund balances			13,042,325		33	27,530,219
	34	Total liabilities and net assets/fund balances			146,804,469		34	139,443,828

Part XI **Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization St Luke's Hospital of Duluth	Employer identification number 41-0714079
--	--

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

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

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety 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 - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts 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						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						

14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

☐

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	

19a**33 1/3% support tests—2009.** 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—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

☐

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

☐

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2009

Open to Public
Inspection

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

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

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

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

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

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

Name of the organization St Luke's Hospital of Duluth	Employer identification number 41-0714079
--	--

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ \$
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		8,957
	i Other activities? If "Yes," describe in Part IV		No	
	j Total lines 1c through 1i			8,957
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1.
Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Explanation of Other Lobbying Activities	ST LUKE'S HOSPITAL PAYS AMERICAN AND MINNESOTA HOSPITAL ASSOCIATION DUES TO ADVOCATE ON BEHALF OF THE HOSPITAL AND ISSUES RELATING TO HEALTHCARE

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, 11, or 12.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization St Luke's Hospital of Duluth	Employer identification number 41-0714079
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Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4

Number of states where property subject to conservation easement is located ▶ _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2009

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ %

b

Permanent endowment ▶ %

c

Term endowment ▶ %

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,442,992		2,442,992
b Buildings		58,910,383	42,105,091	16,805,292
c Leasehold improvements				
d Equipment		62,802,514	43,541,552	19,260,962
e Other		4,808,387	1,011,500	3,796,887
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				42,306,133

Schedule D (Form 990) 2009

Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	307,099,464
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	299,096,013
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	8,003,451
4	Net unrealized gains (losses) on investments	4	1,246,139
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	5,238,304
9	Total adjustments (net) Add lines 4 - 8	9	6,484,443
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	14,487,894

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	301,743,527
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	301,743,527
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	5,355,937
c	Add lines 4a and 4b	4c	5,355,937
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	307,099,464

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	293,740,076
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	293,740,076
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	5,355,937
c	Add lines 4a and 4b	4c	5,355,937
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	299,096,013

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
Part X	Description of Uncertain Tax Positions Under FIN 48	The system has elected to defer application of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes. The System follows Statement of Financial Accounting Standards No. 5, Accounting for Contingencies, for evaluating uncertain tax positions.
Part XI, Line 8 - Other Adjustments		Change in minimum pension liability 5,838,387 transfer from St. Luke's foundation 112,526 Change in Beneficial Interest in St. Luke's Foundation <712,609>
Part XII, Line 4b - Other Adjustments		Add Charity Care 6,011,375 Less Rental Expense included on Form 990 VIII, Line 6 <655,438>
Part XIII, Line 4b - Other Adjustments		Add Charity Care 6,011,375 Less Rental Expense included on Form 990 VIII, Line 6 <655,438>

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.**
▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
St Luke's Hospital of Duluth

Employer identification number
41-0714079

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <div><input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____</div>	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____</div>	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			2,396,614		2,396,614	0 800 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			37,693,074	29,182,068	8,511,006	2 850 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			40,089,688	29,182,068	10,907,620	3 650 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			249,444		249,444	0 080 %
f Health professions education (from Worksheet 5)			5,631,421		5,631,421	1 880 %
g Subsidized health services (from Worksheet 6)			3,202,348		3,202,348	1 070 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			403,519		403,519	0 130 %
j Total Other Benefits			9,486,732		9,486,732	3 160 %
k Total. Add lines 7d and 7j			49,576,420	29,182,068	20,394,352	0

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development		24,638		24,638	0.010 %
3	Community support		14,456		14,456	0 %
4	Environmental improvements					
5	Leadership development and training for community members		3,128		3,128	0 %
6	Coalition building					
7	Community health improvement advocacy		7,214		7,214	0 %
8	Workforce development		843		843	0 %
9	Other					
10	Total		50,279		50,279	0.010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	29,628,657	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	33,949,439	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	595,970,268	
6	Enter Medicare allowable costs of care relating to payments on line 5	6124,403,057	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7-28,432,789	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1CENTER FOR DIAGNOSTIC IMAGING	DIAGNOSTIC IMAGING	21.000 %	0 %	21.000 %
2PAVILION SURGERY CENTER	OUTPATIENT AMBULATORY SURGERY	50.000 %	5.000 %	45.000 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Name and address

Schedule H (Form 990) 2009

Part VI Supplemental Information

Complete this part to provide the following information

- 1** Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V. See Instructions.

Part I, Line 7g St Luke's included subsidized health services from a mental health clinic (\$1,671,810) and a pediatrics clinic (\$1,109,848)

Part I, Line 7f Bad debt expense from form 990, part IX, line 25 = \$9,628,657

Part I, Line 7 St Luke's used cost-to-charge ratios derived from the most recent completed Medicare Cost Report.

Part III, Line 4 St Luke's does not include a footnote in it's audited financial statements that describes bad debt St Luke's accounts for discounts and payments on patient accounts through a record keeping system in the business services department Payment for services is required upon receipt of a bill or statement All self pay accounts are analyzed for collectability based on the months past due and payment history The allowance for doubtful accounts is calculated by applying historical experience to an aging of these accounts Accounts that are determined to be uncollectible are sent to a collection agency and written off at that time The cost of bad debt was reported in Part III, line 2 This amount is calculated using the Medicare Cost Report ratio for the hospital and clinic, multiplied by St Luke's bad debt expense for FY ending 12/31/09 The cost of charity care was reported in Part III, line 3 This amount is calculated using the Medicare Cost Report ratio for the hospital, multiplied by St Luke's charity care expense for FY ending 12/31/09

Part III, Line 8 The cost-to-charge ratio was the costing methodology used to determine the Medicare allowable costs reported on the Medicare Cost Report The entire shortfall (\$28,432,788) is included in the total value of community contributions listed under "other community contributions" (per VHA guidelines the shortfall cannot be included in the total cost of community benefits)

Part III, Line 9b The general debt collection process includes begins either at the time of billing, or after all identified insurance payments have been received and posted Any remaining patient liability will be transferred to the patient responsibility category Any monthly payment less than \$50 a month must be approved by the Business Services Director or the Central Billing Office (CBO) Manager Uninsured patients whose household income is less than \$125,000 may apply for a Self Pay Uninsured Patient Discount by submitting copies of the previous year's income tax form, copies of their past 3 pay stubs, and a completed application (Addendum B) If that documentation shows a qualifying annual income, the patient will receive a discount on their outstanding Hospital balance equal to the rate given to St Luke's largest contracted non-governmental payer This discount does not apply to elective procedures or Physician Clinic balances The discount rate will be evaluated on each July 1st based on the payer discount rates for the previous calendar year's activity Collection, litigation and or garnishment activities will not be initiated until the Business Services Director, Patient Accounting Manager and/or CBO Manager verifies that I The patient or guarantor owes the debtII All third party payers have been billedIII When applicable, the patient/guarantor has been offered a reasonable payment planIV The patient/guarantor has been made aware of the uninsured patient discount or financial assistance program, has been offered an application and the offer of assistance to complete the application Patients who desire elective hospital or ambulatory surgery center services and are uninsured or have large insurance deductibles must first meet with a financial counselor to discuss financial arrangements prior to services being rendered St Luke's collection cycle will include a minimum of 4 statements (1 summary bill and 3 dunning statements) and a minimum of 3 telephone contacts A 100% deposit is expected for the expected patient liability in advance of services being rendered If the 100% deposit cannot be met, then a minimum deposit of 50% of the expected patient liability will be required and the patient must sign a promissory note for the remaining balance to be paid within 30 days of services If neither of these conditions can be met, an elective procedure may be cancelled until such time as these financial conditions can be met

- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves

Part VI, Line 2 St. Luke's has a long history of participating in successful, sustainable collaborative initiatives on local, regional and national levels. 1) St. Luke's Research Department, the Whiteside Institute for Clinical Research, was formed in 1996 as the result of a partnership with the University of Minnesota Medical School, Duluth (UMMSD), and continues to provide services to St. Luke's patients in access to local, national and multi-national clinical studies as well as to St. Luke's staff in development of research studies, referral to IM collaborators and grant writing resources. 2) St. Luke's has collaborated with the multi-state consortium of about 56 supporting organizations including County Public Health Departments, Hospitals and Clinics to fund the Bridge to Health Project. This project collected population-based, health status data on adults (aged 18+) in the region using a 70 question telephone survey format and was conducted in 1995, 2000 and 2005. To address a need that became apparent as a result of the Bridge to Health Survey, the Twin Ports Healthcare Access Group was formed. St. Luke's joined with other healthcare providers in the community to develop two programs: ShareCare which established sliding fee scales for clinic and outpatient services to diminish the financial barrier to preventive, mental health and primary care services, and HealthShare which is a coverage model for small businesses funded collaboratively by the employers, employees and the community. This coverage model provides a continuum of health care services for employees within a defined network of community providers. 3) St. Luke's was a lead participant in the Wilderness Coalition Pharmacy Services Project funded by the Agency for Healthcare Research and Quality. This 3-year project successfully implemented 24/7 professional pharmacy services for 10 rural hospitals in northeastern Minnesota using St. Luke's 24-hour pharmacy, an ITV-based system of continuing education for sites, pharmacy policies and procedures adaptable for individual sites, as well as bedside verification of medication administration and medication bar coding at some locations. Though project funding has ended, the services remain and the program is now self-sustaining. 4) St. Luke's is an active participant in the Community Health Information Collaborative (CHIC) which recently launched "HIE-Bridge", a secure "Health Information Exchange" which allows health care providers to quickly determine the location of patient medical records in the region and communicate with patient's home facility in order to provide prompt quality care. St. Luke's assisted CHIC in the test phase of this project funded by the National Library of Medicine.

- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

Part VI, Line 3 St Luke's informs and educates patients and persons who may be billed for patient care about eligibility for assistance the following ways - Information is included on the St Luke's web site (www.slhduluth.com) regarding who patients should contact for information or financial assistance - There are postings in all registration areas with contact information and phone numbers regarding how patients can obtain assistance (both from St Luke's and external organizations) - All St Luke's external billing and collection vendors have been instructed to refer any patient indicating they lack the financial wherewithal to meet their financial obligations to St Luke's financial counselors St Luke's performs an annual audit of all external vendors to ensure compliance with this instruction and all other St Luke's policies and procedures - St Luke's financial counselors' business cards are prominently displayed and available at all registration areas (including the emergency/urgent care area) with their contact information and phone numbers Patients are encouraged to contact financial counselors - The St Luke's financial counselors' phone number is listed prominently on the patient billing statements - The financial counselors are available weekdays by phone or in person to discuss and apply for financial assistance programs - St Luke's has engaged an external vendor to meet with patients at bedside to discuss eligibility for assistance with governmental assistance programs or St Luke's financial assistance program - St Luke's inpatient booklet contains information regarding financial assistance and contact information - At least annually, the St Luke's and Medical Staff newsletters contain articles regarding patient financial assistance Hospital and medical staff members are informed that they have the responsibility to listen for financial concerns expressed by patients and to proactively refer those patients to St Luke's financial counselors

- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

Part VI, Line 4 Community or communities the organization serves St Luke's service area consists of a 17-county region of northeastern Minnesota, northwestern Wisconsin and the western Upper Peninsula of Michigan with a population of approximately 500,000 The primary market consists of Duluth, Cloquet and Two Harbors, Minnesota, and Superior, Wisconsin This primary market serves urban and suburban areas with a population of approximately 166,000 Demographics of the community or communities (primary market) Populations Duluth, MN (87,000), Superior, WI (27,000) Median household income Duluth, MN (\$33,766), Superior, WI (\$31,921) Median family income Duluth, MN (\$46,394), Superior, WI (\$41,093) % of families below FPG Duluth, MN (8.6%), Superior, WI (9.6%) % of individuals below FPG Duluth, MN (15.5%), Superior, WI (13.4%) % of hospital Medicaid Payor Mix Inpatient (13%), Outpatient (14%) % of hospital Self Pay Payor Mix Inpatient (4%), Outpatient (3%) Number of hospitals serving the community or communities (primary market) St Luke's Hospital SMDC Medical Center (formerly Miller Dwan) Lake View Hospital Cloquet Community Memorial Hospital St Mary's Hospital of Superior St Mary's Medical Center Number of federally-designated medically underserved areas or populations present in the community MUA/P Duluth, MN (11), Superior, WI (7)

- 5 Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

Part VI, Line 5 St. Luke's community-building activities include cash, in-kind donations, and other expenditures for the development of community health programs and partnerships

- 6** Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)

Part VI, Line 6 St. Luke's has built a reputation of providing quality care and putting the patient first. Since opening in 1881, St. Luke's has grown into a nationally recognized health care system serving 17 counties throughout northeastern Minnesota, northwestern Wisconsin and the upper peninsula of Michigan. St. Luke's Hospital, along with its primary and specialty care clinics, offers a comprehensive continuum of care that includes trauma, medical, surgical, diagnostic, therapeutic and rehab services. More than 2,000 health care professionals, including a medical staff of 365 physicians and other medical providers, make up St. Luke's staff. With rapid access to St. Luke's electronic medical records, physicians can make informed treatment decisions for their patients. St. Luke's 13 primary care clinics include 10 family practice clinics located in Duluth (4), and across Minnesota in Silver Bay, Hibbing, Mountain Iron and Hermantown, MN as well as in Ashland and Superior, WI. In addition, St. Luke's Duluth Internal Medicine Associates (DIMA) is located in downtown Duluth while St. Luke's Internal Medicine Associates and St. Luke's Pediatric Associates are located on the St. Luke's campus. An additional 23 specialty clinics located primarily on the St. Luke's campus, provide expertise in many areas of health care including Cancer Care, Cardiac Care, Home Care and Hospice, Adult Psychiatry, Plastic Surgery, Allergy, Endocrinology, Dermatology, Gastroenterology, Infectious Disease, Physical Medicine and Rehab, Urology, Rheumatology, Neurosurgery and Pulmonary Medicine.

- 7** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

- 8** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
St Luke's Hospital of Duluth

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

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

OMB No 1545-0047

2009

Open to Public
Inspection

Employer identification number
41-0714079

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

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

2

Enter total number of section 501(c)(3) and government organizations

▶

3

Enter total number of other organizations

▶

Software ID:
Software Version:
EIN: 41-0714079
Name: St Luke's Hospital of Duluth

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Lake Superior Community Health Center4325 GRAND AVENUE DULUTH, MN 55807	23-7167576	501(c)(3)	82,500				To serve low income, uninsured clients
United Way424 WEST SUPERIOR STREET DULUTH, MN 55802	41-0857077	501(c)(3)	5,000				To support the work of the United Way
Program for Aid to Victims of Sexual Assault32 EAST 1ST STREET SUITE 200 DULUTH, MN 55802	41-1350021	501(c)(3)	25,000				Training and support for Sexual Assault Nurse Examiner program
Fit City Duluth202 WEST SUPERIOR STREET 321 DULUTH, MN 55802	26-1647764	501(c)(3)	12,500				To improve the overall health and wellness of the Duluth community
Amercian Cancer Society130 WEST SUPERIOR STREET DULUTH, MN 55802	41-0724036	501(c)(3)	10,500				To support the Relay for Life, Daffodil Days, and the Liz Prebich Golf Classic
MN Medical FoundationPO BOX 86 MINNEAPOLIS, MN 55486	41-6027707						Support the Heart Walk and Go Red for Women
		501(c)(3)	7,500				Support for the University of Minnesota Duluth Medical School
College of St Scholastica1200 KENWOOD AVENUE DULUTH, MN 55811	41-0698301	501(c)(3)	7,500				Support for medical scholarship fund
LOCAL INITIATIVES SUPPORT CORP202 WEST SUPERIOR STREET 600 DULUTH, MN 55802	13-3030229	501(c)(3)	15,000				Support for housing efforts in East Hillside Neighborhood for St Luke's
MONACO AIR DULUTH FOUNDATION4535 AIRPORT APPROACH RD DULUTH, MN 55811	26-1211672	501(c)(3)	10,000				Support for the Duluth Airport Authority Advertising campaign

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
DULUTH GIRLS HOCKEY ASSOCIATIONPO BOX 16443 DULUTH, MN 55816	41-1836509	501(c)(3)	5,000				Sponsor for 2009 St Luke's Girls Icebreaker Invitational
DULUTH AREA CHAMBER OF COMMERCE5 WEST FIRST STREET 101 DULUTH, MN 55802	41-0225910	501(C)(6)	5,500				Sponsor for 2009 Duluth Days at the Capital
ARROWHEAD EMS ASSOCIATION INC4219 ENTERPRISE CIRCLE DULUTH, MN 55811	41-1522627	501(c)(3)	5,000				Sponsor for the Arrowhead EMS annual conference

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
St Luke's Hospital of Duluth

Employer identification number
41-0714079

Part I

Questions Regarding Compensation

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

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
John Strange	(i)	401,325	0	620,683	0	113,482	1,135,490	534,480
	(ii)	0	0	0	0	0	0	0
James Wuellner	(i)	293,142	0	25,387	0	70,428	388,957	356,202
	(ii)	0	0	0	0	0	0	0
John Yoon MD	(i)	998,900	352,860	0	3,000	22,621	1,377,381	2,556,991
	(ii)	0	0	0	0	0	0	0
THOMAS NELSON MD	(i)	597,505	13,630	304,130	3,000	22,734	940,999	0
	(ii)	0	0	0	0	0	0	0
WALDO AVELLO MD	(i)	645,597	127,645	54,764	3,000	22,734	853,740	0
	(ii)	0	0	0	0	0	0	0
AGATA BEDNARZ MD	(i)	594,977	229,019	0	3,000	17,117	844,113	0
	(ii)	0	0	0	0	0	0	0
MARY J BOYLAN MD	(i)	799,052	0	0	0	22,734	821,786	820,794
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 4a	John Strange - contributions of \$16,500 to a 457b plan & withdrawals of \$14,386, \$573,920 and \$32,377 from a 457f plan, a Capital Accumulation Account and a retention bonus, respectively. Jim Wuellner - contributions of \$4,200 to a 457b plan & withdrawals of \$23,645 and \$1,743 from a Capital Accumulation Account and a retention bonus, respectively. John Yoon, M.D. - contributions of \$16,500 and \$6,000 to a 457b plan and a 457f plan, respectively. Thomas Nelson, M.D. - contributions of \$16,500 to a 457b plan and \$6,000 to a 457f plan & withdrawals of \$304,130 from a 457f plan. Waldo Avello, M.D. - contributions of \$16,500 to a 457b plan and \$6,000 to a 457f plan & withdrawals of \$54,764 from a 457f plan. Agata Bednarz, M.D. - contributions of \$6,000 to a 457f plan.

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons
▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2009
Open to Public Inspection

Name of the organization St Luke's Hospital of Duluth	Employer identification number 41-0714079
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Part I

Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?
			YesNo
2	Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$		
3	Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$		

Part II

Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III

Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV

Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?
				YesNo
FAMILY MEMBER OF GAIL	EMPLOYED	92,980	WAGES	No
BALDWIN A DIRECTOR	PHARMACIST			No

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493305009190	
SCHEDULE O (Form 990)	Supplemental Information to Form 990				OMB No 1545-0047
					2009
	Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990.				Open to Public Inspection
Name of the organization St Luke's Hospital of Duluth				Employer identification number 41-0714079	

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 2		The organization had the follow ing Board Members in common with Lake View Memorial Hospital Dale Moe, the Organization's Chief Executive Officer, John Strange, served on the Board of Lake View Memorial Hospital The organization had the follow ing Board Members in common with St Luke's Foundation Melinda Machones and Brian Ryks, the organization's chief executive officer, John Strange, and Chief financial officer, James Wuellner, served chief executive officer and chief financial officer, respectively, of St Luke's Foundation Marlene David and the Organization's Chief Financial Officer, JimWuellner, served on the Board of the United Way of Greater Duluth Mark Emmel and the Organization's Chief Executive Officer, John Strange, served on the Board of the Area Partnership for Economc Expansion
Form 990, Part VI, Section A, line 3		The organization has contracted the services of Milestone Management to manage the subprovider/rehab service functions Milestone manages the day-to-day functions of the rehab unit as well as the billing and charge coding related to those functions
Form 990, Part VI, Section A, line 6		THE ORGANIZATION HAS MEMBERS AS OUTLINED IN ITS CORPORATE BYLAWS
Form 990, Part VI, Section A, line 7b		The voting rights of the Members of the Corporation shall be limited to the follow ing matters A) Approval of any transaction that would culminate in the transfer of control of Hospital operations to a sectarian or religious organization B) Approval of any transaction which would culmnate in the transfer of control of Hospital operations to a for-profit entity C) Approval of the dissolution of the Corporation or the cessation of Hospital operations The foregoing actions shall be approved and adopted only after authorization by the Board and approval by the Members
Form 990, Part VI, Section B, line 11		Management referenced multiple sources of information in order to accurately prepare the 2009 Form 990 These sources include the Internal Revenue Service website, legal counsel, healthcare trade associations and other various publications Once the Form 990 was prepared, it was review ed by the follow ing groups 1 St Luke's senior management (Oct 2010) 2 St Luke's Board of Directors (Oct 2010) 3 St Luke's Finance Committee (Oct 2010) All of the above groups were provided with a complete copy of the 2009 Form 990 in advance In the case of the Finance Committee and Board of Directors, the Form 990 review was listed as an agenda item at their respective meetings The Chief Financial Officer of St Luke's provided an overview of the return and answered any questions or concerns from the Board/Committee members Any suggested changes to the Form 990 were evaluated, with legal counsel if necessary, and incorporated into the return as appropriate The return was then filed on or before November 15, 2010
Form 990, Part VI, Section B, line 12c		1 All employees of St Luke's must disclose potential conflicts of interest to their supervisor(s), and refrain from making decisions based on outside interests 2 At least annually, affected individuals must review this policy and complete the attached Conflict of Interest Statement a The Compliance Office maintains a list of affected individuals Department Directors identify additional employees with significant purchasing and decision-making responsibility for the Compliance Office b Compliance Office requests that affected individuals review this policy, complete and return the Conflict of Interest Statement c Compliance Office reviews the Statements of employees, directors and physicians, and notifies the appropriate executive of any potential conflict or duality of interest d The President reviews the Statements of executives for potential conflict or duality of interest e The Chairman of the Board of Directors reviews the Statements of the President/CEO and Board members f Employee statements are filed in Human Resources, Board of Director statements are filed in the Administration Office 3 The Statement must be completed upon appointment / hiring to an administrative, director or management position a Human Resources includes the Conflict of Interest Policy and Statement in the new hire packet and forwards the completed statement to Compliance Office for review b Human Resources notifies Compliance Office of internal transfers to administrative, director and management positions Compliance Office requests completion of the Conflict of Interest Statement c If an employee's duties change during the year, resulting in a potential conflict of interest, the Department Director notifes the Compliance Office to obtain a Conflict of Interest Statement 4 At any time during the year, when an actual, potential or perceived conflict of interest arises, an affected individual must contact his or her supervisor or the Compliance Office and complete the Conflict of Interest Statement 5 Affected individuals are required to submit in writing a list of all businesses or other organizations if they or members of their family are an officer, member, owner, or employee and St Luke's has or might reasonably be expected to enter into a relationship or a transaction with the business or organization in the future 6 If resolution of potential conflicts of interest is needed, it will be handled through the chain of command or at the Board of Directors level 7 Employees accept no personal gifts, favors, or compensation from patients, vendors, or other individuals or organizations seeking a business relationship with St Luke's a Business travel paid in part or completely by an outside individual, agency, corporation or organization requires prior approval by management b Perishable or consumable gifts (candy, donuts, flowers, etc) given to a department or group of employees allowed c Cash gifts are prohibited d If an employee is given a gift that cannot be returned, the employee will consult his or her supervisor and/or Human Resources to determine an acceptable course of action such as donation of the gift to St Luke's Foundation
Form 990, Part VI, Section B, line 15		The compensation review process described below pertains to the Chief Executive Office (CEO) and the Chief Financial Officer (CFO) positions The CEO is the top management official The CFO is an officer of the corporation There are no employees who qualify as key employees of the organization The compensation review process occurs during an annual review of the compensation for both positions and last occurred in 2009 Total compensation for the CEO was itemized including base salary, health insurance, dental insurance, life insurance, disability, vacation and holiday pay and executive compensation All amounts were combined to determine the total compensation for this position The total compensation amount of each position was then measured against the 2008 - 2009 Watson Wyatt Data for hospital systems in the North Central U S regions with \$150 - \$450 million in net operating revenue The total compensation was also measured against the Minnesota Hospital Association data for hospitals with \$200 million or more in total expense budget The compensation review for the CFO follows the same process The aforementioned data for both the CEO and CFO was then reviewed with and approved by the Executive Committee and the Board of Directors Contemporaneous documents and recordkeeping with respect to the deliberations and decisions are maintained by the CEO and Human Resources department
Form 990, Part VI, Section C, line 19		St Luke's governing documents and conflict of interest statements are reviewed and updated annually by the Board of Directors They are not available to the general public The financial statements are made available through St Luke's Annual Report (published every year and available on St Luke's website at www slhduluth com) and the Form 990 is made available to the public in accordance with the Internal Revenue Service guidance

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 2C		ST LUKE'S HAS AN AUDIT COMMITTEE WHICH IS A SUBSECTION OF THE BOARD THEIR ROLE AND RESPONSIBILITIES WITH REGARD TO THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
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Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

No

No

No

No

Yes

No

No

No

No

No

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	St Luke's Foundation	C	417,325
(2)	St Luke's Foundation	M	20,316
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2009

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

[illegible]

Additional Data

Software ID:
Software Version:
EIN: 41-0714079
Name: St Luke's Hospital of Duluth

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services	
(Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)	
The financial information in this report was prepared following guidelines suggested by Minnesota Hospital Association and other nationally recognized healthcare associations. These guidelines recommend the following including Medicare shortfall Report charity care at cost, not charges. Does not include bad debt, contractual allowances, and prompt pay discounts as charity care expenses. Reports the net expense for community benefit services, i.e., the total community benefit expense minus any associated revenue from patients, payors, and other external sources. For fiscal year ended December 31, 2009: Patient Assistance - at cost \$ 2,396,614; Government sponsored health care - net expense 32,873,952; Community health improvement services 249,444; Subsidized health services 3,202,348; Health professions education 5,631,421; MNCare Tax, Medicaid Surcharge & other taxes 4,969,276; Financial and In-kind contributions 403,519; Community-building activities 50,279; Total quantifiable community benefit \$49,776,853.	

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
Ray Christensen MD BD Member	1 00	X						0	0	0
Patrick Contardo BD MEMBER-1/09-5/09	1 00	X						0	0	0
Marlene David BD Member	1 00	X						0	0	0
Mark Emmel BD MEMBER TREASURER-6/09-12/09	1 00	X						0	0	0
Susan Goltz MD BD Member, Secretary	1 00	X		X				0	0	0
Melinda Machones BD MEM CHAIR-6/09-12/09	1 00	X		X				0	0	0
Debra Messer bD Member-1/09-5/09	1 00	X						0	0	0
Dale Moe BD Member VICE-CHAIR-6/09-12/09	1 00	X		X				0	0	0
Mark Monte MD bD Member	1 00	X						0	0	0
Kathleen Nelson EdD bD Member	1 00	X						0	0	0
Del Prevost bD Member	1 00	X						0	0	0
Steven Scrignoli BD MEM CHAIR 1/09-5/09	1 00	X		X				0	0	0
Peter Stephenson bD Member	1 00	X						0	0	0
Kristi Stokes bD Member	1 00	X						0	0	0
Bill Ulland bD Member	1 00	X						0	0	0
BRIAN RYKS BD MEMBER-10/09-12/09	1 00	X						0	0	0
Gail Baldwin MD bD Member	1 00	X						0	0	0
John Strange President/CEO	40 00			X				1,022,008	0	113,482
James Wuellner VP Finance/CFO	40 00			X				318,529	0	70,428
John Yoon MD Physician	40 00					X		1,351,760	0	25,621
THOMAS NELSON MD Physician	40 00					X		915,265	0	25,734
WALDO AVELLO MD Physician	40 00					X		828,006	0	25,734
AGATA BEDNARZ MD Physician	40 00					X		823,996	0	20,117
MARY J BOYLAN MD Physician	40 00					X		799,052	0	22,734

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Medical Services	621,990	295,329,438	295,329,438		
Pharmacy	446,110	5,438,949		5,438,949	
Dietary	722,210	1,258,856			1,258,856
Parking Fees	812,930	345,797			345,797
Credentialing	541,900	89,025		89,025	