




See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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 2010 Open to Public Inspection
---	--	---

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization ST LUKE'S FOUNDATION Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 1000 EAST FIRST STREET NO 102 City or town, state or country, and ZIP + 4 DULUTH, MN 55805	D Employer identification number 41-1448118 E Telephone number (218) 249-2420 G Gross receipts \$ 2,048,799
	F Name and address of principal officer JOHN STRANGE 915 EAST 1ST ST DULUTH, MN 55805	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
	I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀(insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
	J Website: ▶ HTTP //WWW.SLHDULUTH.COM/FOUNDATION	
	K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
L Year of formation 1982		M State of legal domicile MN

Part I		Summary		
Activities & Governance	1 Briefly describe the organization's mission or most significant activities ST LUKE'S FOUNDATION PROVIDES FINANCIAL SUPPORT TO ST LUKE'S AND THE REGION IT SERVES TO ADVANCE PATIENT CARE, HEALTH EDUCATION, AND CLINICAL RESEARCH			
	2 Check this box <input checked="" 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	17	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12	
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	0	
	6 Total number of volunteers (estimate if necessary)	6	0	
	7a	0		
	7b	0		
Revenue			Prior Year	Current Year
	8 Contributions and grants (Part VIII, line 1h)	876,238		712,023
	9 Program service revenue (Part VIII, line 2g)	0		0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	131,814		187,669
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	152,854		149,087
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,160,906		1,048,779
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	547,827		604,680
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	275,171		281,227
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0		0
	b Total fundraising expenses (Part IX, column (D), line 25) <input checked="" type="checkbox"/> 112,490			
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	112,766		104,880
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	935,764		990,787
	19 Revenue less expenses Subtract line 18 from line 12	225,142		57,992
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	6,687,950		7,431,551
	21 Total liabilities (Part X, line 26)	307,462		310,855
	22 Net assets or fund balances Subtract line 21 from line 20	6,380,488		7,120,696

Part II Signature Block					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
Sign Here	Signature of officer			2011-11-07 Date	
	JAMES WUELLNER CHIEF FINANCIAL OFFICER Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no ▶
May the IRS discuss this return with the preparer shown above? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No					

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

ST LUKE'S FOUNDATION PROVIDES FINANCIAL SUPPORT TO ST LUKE'S AND THE REGION IT SERVES TO ADVANCE PATIENT CARE, HEALTH EDUCATION, AND CLINICAL RESEARCH

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

If "Yes," describe these changes on Schedule O
















TO MAKE GRANTS TO ST LUKE'S HOSPITAL AND OTHER ORGANIZATIONS TO PURCHASE MEDICAL EQUIPMENT & SUPPLIES AND TO PROVIDE HEALTHY LIFESTYLE EDUCATION TO BOTH PUBLIC & HOSPITAL EMPLOYEES DURING FISCAL YEAR 2010, ST LUKE'S FOUNDATION PROVIDED \$604,680 IN GRANTS TO ST LUKE'S HOSPITAL AND OTHER ORGANIZATIONS

[illegible][illegible]

4e	Total program service expenses	\$ 706,550
-----------	---------------------------------------	-------------------

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	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? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	No
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Parts I and IV.</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? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions).</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? <i>If "Yes," complete Schedule G, Part II.</i>	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	

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		No
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 lines 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		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <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)?	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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				
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>				
			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	0	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a	0	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).				
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?			3a	No
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.			3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			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	Yes
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year.			7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	No
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			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	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.			13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.			13b	
c Enter the amount of reserves on hand.			13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			14b	

Part VI

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

Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 17		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 12		
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		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		No
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		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	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		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? <i>If "No," go to line 13</i>	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		No
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 If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)	15b	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," 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		

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 checked="" type="checkbox"/> Another's website <input 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 ▶ ST LUKE'S ACCOUNTING 915 EAST FIRST STREET DULUTH, MN 55805 (218) 249-6922

Part VII

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(1) DR PAUL SANFORD BD MEMBER/PAST CHAIR	40 00	X						0	224,049	26,292
(2) TOM CONRAD BD MEMBER/CHAIR	1 00	X		X				0	0	0
(3) KIM KEUNING BD MEMBER/SECRETARY	1 00	X		X				0	0	0
(4) HELENA JACKSON BD MEMBER	1 00	X						0	0	0
(5) DR TED HARWOOD BD MEMBER	1 00	X						0	0	0
(6) CAROLINE BYE BD MEMBER	1 00	X						0	0	0
(7) MELINDA MACHONES BD MEMBER/TREASURER	1 00	X		X				0	0	0
(8) BARB PAYETTE BD MEMBER	1 00	X						0	0	0
(9) TED HARWOOD MD BD MEMBER	1 00	X						0	0	0
(10) JACK SEILER BD MEMBER	1 00	X						0	0	0
(11) CECILE SWENSON BD MEMBER	1 00	X						0	0	0
(12) ROBERT ULLAND BD MEMBER	1 00	X						0	0	0
(13) HELGA WALLNER BD MEMBER/VICE CHAIR	1 00	X		X				0	0	0
(14) JON WELLES BD MEMBER	1 00	X						0	0	0
(15) ROBERT ZALLAR BD MEMBER	1 00	X						0	0	0
(16) LINDA KRUG BD MEMBER	1 00	X						0	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(17) BRIAN RYKS BD MEMBER	1 00	X						0	0	0
(18) SCOTT LYONS BD MEMBER	1 00	X						0	0	0
(19) CATHERINE CARTER HUBER EXECUTIVE DIRECTOR/COO	38 00			X				0	134,050	24,695
(20) JOHN STRANGE CHIEF EXECUTIVE OFFICER	2 00			X				0	493,028	117,810
(21) JAMES WUELLNER CHIEF FINANCIAL OFFICER	2 00			X				0	285,338	78,859
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								0	1,136,465	247,656

2Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization0

		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>		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>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
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 0		

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			
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	712,023		
	g	Noncash contributions included in lines 1a-1f \$		21,580		
	h	Total. Add lines 1a-1f		712,023		
Program Service Revenue	2a		Business Code			
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f				
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		156,557	156,557
4		Income from investment of tax-exempt bond proceeds . . .				
5		Royalties				
6a		Gross Rents	(i) Real	(ii) Personal		
b		Less rental expenses				
c		Rental income or (loss)				
d		Net rental income or (loss)				
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
b		Less cost or other basis and sales expenses				
c		Gain or (loss)				
d		Net gain or (loss)			31,112	31,112
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
b		Less direct expenses				
c		Net income or (loss) from fundraising events . . .			149,087	149,087
9a		Gross income from gaming activities See Part IV, line 19				
b		Less direct expenses				
c		Net income or (loss) from gaming activities . . .				
10a		Gross sales of inventory, less returns and allowances				
b		Less cost of goods sold				
c		Net income or (loss) from sales of inventory . . .				
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d					
12	Total revenue. See Instructions		1,048,779	187,669	0	149,087

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	604,680	604,680		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
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	158,745		95,247	63,498
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	88,503		53,102	35,401
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,411		847	564
9	Other employee benefits	32,568		19,541	13,027
10	Payroll taxes				
a	Fees for services (non-employees)				
	Management				
b	Legal				
c	Accounting	8,198	8,198		
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	25,940	25,940		
g	Other				
12	Advertising and promotion	9,502	9,502		
13	Office expenses	8,034	8,034		
14	Information technology	2,898	2,898		
15	Royalties				
16	Occupancy	20,724	20,724		
17	Travel	808	808		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	3,010		3,010	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEMBERSHIP DUES	4,909	4,909		
b					
c					
d					
e					
f	All other expenses	20,857	20,857		
25	Total functional expenses. Add lines 1 through 24f	990,787	706,550	171,747	112,490
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) 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			178,398	1	105,896
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net			77,997	3	107,500
	4	Accounts receivable, net			198,005	4	181,709
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees <i>Complete Part II of Schedule L</i>				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) <i>Schedule L</i>				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges				9	
	10a	Land, buildings, and equipment <i>cost or other basis Complete Part VI of Schedule D</i>	10a			10c	
	b	Less accumulated depreciation	10b				
	11	Investments—publicly traded securities			6,194,535	11	7,000,024
	12	Investments—other securities <i>See Part IV, line 11</i>				12	
	13	Investments—program-related <i>See Part IV, line 11</i>				13	
	14	Intangible assets				14	
	15	Other assets <i>See Part IV, line 11</i>			39,015	15	36,422
	16	Total assets. Add lines 1 through 15 (must equal line 34)			6,687,950	16	7,431,551
Liabilities	17	Accounts payable and accrued expenses			12,262	17	10,197
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability <i>Complete Part IV of Schedule D</i>				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities <i>Complete Part X of Schedule D</i>			295,200	25	300,658
	26	Total liabilities. Add lines 17 through 25			307,462	26	310,855
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			2,377,491	27	2,675,551
	28	Temporarily restricted net assets			3,565,854	28	4,008,002
	29	Permanently restricted net assets			437,143	29	437,143
	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			6,380,488	33	7,120,696
	34	Total liabilities and net assets/fund balances			6,687,950	34	7,431,551

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,048,779
2	Total expenses (must equal Part IX, column (A), line 25)	2	990,787
3	Revenue less expenses Subtract line 2 from line 1	3	57,992
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	6,380,488
5	Other changes in net assets or fund balances (explain in Schedule O)	5	682,216
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	7,120,696

Part XII Financial Statements and Reporting

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

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

2010

Open to Public
Inspection

Name of the organization ST LUKE'S FOUNDATION		Employer identification number 41-1448118
--	--	--

Part I

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

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

- 1

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☒

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

a

☒ Type I

b

☐ Type II

c

☐ Type III - Functionally integrated

d

☐ Type III - 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	
(A) ST LUKE'S HOSPITAL	410714079	3	Yes		Yes		Yes		505,683
Total									505,683

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
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 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. 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—2009. 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—2010. 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—2009. 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 IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9	Amounts from line 6						
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c	Add lines 10a and 10b						
11	Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12	Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13	Total support (Add lines 9, 10c, 11 and 12)						
14	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage			
17	Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18	Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a	33 1/3% support tests—2010. 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—2009. 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 explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

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

2010

Open to Public
Inspection

Name of the organization
ST LUKE'S FOUNDATION

Employer identification number
41-1448118

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or 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
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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

► \$ _____

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ 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	4,002,997	3,255,138	4,358,502		
b Contributions	368,898	371,299	399,718		
c Investment earnings or losses	481,630	717,855	-1,112,537		
d Grants or scholarships	408,380	341,295	390,546		
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	4,445,145	4,002,997	3,255,137		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 10 000 %

c

Term endowment ▶ 90 000 %

3a

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

(i) unrelated organizations

(ii) related organizations

3a(i)

☐ Yes

☐ No

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				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				0

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)	11,048,779
2	Total expenses (Form 990, Part IX, column (A), line 25)	990,787
3	Excess or (deficit) for the year Subtract line 2 from line 1	57,992
4	Net unrealized gains (losses) on investments	682,216
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net) Add lines 4 - 8	682,216
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	740,208

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	11,202,539
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	0
3	Subtract line 2e from line 13	1,202,539
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 7b4a	
b	Other (Describe in Part XIV)4b	-153,760
c	Add lines 4a and 4b4c	-153,760
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)5	1,048,779

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1,144,547
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	0
3	Subtract line 2e from line 13	1,144,547
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 7b4a	
b	Other (Describe in Part XIV)4b	-153,760
c	Add lines 4a and 4b4c	-153,760
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)5	990,787

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
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE PRIMARY PURPOSE OF THE ST LUKE'S FOUNDATION ENDOWMENT FUNDS IS TO MAKE GRANTS TO ST LUKE'S HOSPITAL AND OTHER ORGANIZATIONS TO PURCHASE MEDICAL EQUIPMENT AND SUPPLIES AND TO PROVIDE HEALTHY LIFESTYLE EDUCATION TO BOTH PUBLIC AND HOSPITAL EMPLOYEES
PART XII, LINE 4B - OTHER ADJUSTMENTS		SPECIAL EVENT EXPENSES <153,760>
PART XIII, LINE 4B - OTHER ADJUSTMENTS		SPECIAL EVENT EXPENSES <153,760>

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
ST LUKE'S FOUNDATION

Employer identification number
41-1448118

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐

Mail solicitations

e

☐

Solicitation of non-government grants

b

☐

Internet and e-mail solicitations

f

☐

Solicitation of government grants

c

☐

Phone solicitations

g

☐

Special fundraising events

d

☐

In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total ▶						

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>CIRCLE OF LIGHT</u> (event type)	<u>GOLF BENEFIT</u> (event type)	<u>6</u> (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	125,307	63,295	114,245
	2	Less Charitable contributions			
	3	Gross income (line 1 minus line 2)	125,307	63,295	114,245
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses	89,906	42,795	21,059
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Combine lines 3 and 10 in column (d). ▶			

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
Direct Expenses	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<div><input type="checkbox"/> Yes % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes % <input type="checkbox"/> No</div>
7 Direct expense summary Add lines 2 through 5 in column (d) ▶					
8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶					

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c

If "Yes," enter name and address

Name

Address

16 Gaming manager information

Name

Gaming manager compensation \$

Description of services provided

☐ Director/officer

☐ Employee

☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
------------	-----------------	-------------

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
ST LUKE'S FOUNDATION

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

2010

Open to Public
Inspection

Employer identification number

41-1448118

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

1 (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
(1) ST LUKE'S HOSPITAL OF DULUTH915 EAST FIRST STREET DULUTH,MN 55805	41-0714079	501(C)(3)	505,683				ADVANCE PATIENT CARE, HEALTH EDUCATION, AND CLINICAL RESEARCH
(2) REGENTS OF THE UNIVERSITY OF MINNESOTA2221 UNIVERSITY AVE SE STE111 MINNEAPOLIS,MN 55414	41-6007513	170(C)(1)	6,000				WORKSITE OBESITY PREVENTION INTERVENTION GRANT
(3) MN MEDICAL FOUNDATIONMCMAMARA ALUMNI CENTER 200 OAK STREET SE SUITE 300 MINNEAPOLIS,MN 55455	41-6027707	501(C)(3)	7,500				SUPPORT FOR THE UNIVERSITY OF MINNESOTA DULUTH MEDICAL SCHOOL
(4) COLLEGE OF ST SCHOLASITCA1200 KENWOOD AVENUE DULUTH,MN 55811	41-0698301	501(C)(3)	7,500				SUPPORT FOR MEDICAL SCHOLARSHIP FUND

2

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

3

Enter total number of other organizations

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE FOUNDATION REQUESTS THAT GRANTEES PROVIDE AN UPDATE ON THE IMPACT OF THE GRANT SIX MONTHS AFTER THE GRANT HAS BEEN MADE IN ADDITION, THE FOUNDATION REVIEWS INVOICES SUPPORTING THE FUNDS USED FROM THE GRANT THE AFOREMENTIONED PROCESS HELPS ENSURE THE GRANT WAS USED FOR THE INDENDED PURPOSE

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

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 FOUNDATION	Employer identification number 41-1448118
--	--

Part I

Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) 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				
(1) DR PAUL SANFORD	(i)	0	0	0	0	0	0	0
	(ii)	208,584	15,465	0	0	26,292	250,341	251,094
(2) CATHERINE CARTER HUBER	(i)	0	0	0	0	0	0	0
	(ii)	134,050	0	0	0	24,695	158,745	145,020
(3) JOHN STRANGE	(i)	0	0	0	0	0	0	0
	(ii)	460,586	0	32,442	0	117,810	610,838	1,135,490
(4) JAMES WUELLNER	(i)	0	0	0	0	0	0	0
	(ii)	283,576	0	1,762	0	78,859	364,197	388,957
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

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
------------	------------------	-------------

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization ST LUKE'S FOUNDATION	Employer identification number 41-1448118
--	--

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		JOHN STRANGE, JAMES WUELLNER, CATHERINE CARTER-HUBER, AND PAUL SANFORD MD WERE EMPLOYEES OF ST LUKE'S HOSPITAL, A 501(C)(3) RELATED ORGANIZATION PART VII, SECTION A, COLUMN B JOHN STRANGE DEVOTES AN AVERAGE OF 36 HOURS PER WEEK TO ST LUKE'S HOSPITAL AND 2 HOURS PER WEEK TO LAKE VIEW MEMORIAL HOSPITAL, BOTH 501(C)(3) RELATED ORGANIZATIONS JAMES WUELLER DEVOTES AN AVERAGE OF 36 HOURS PER WEEK TO ST LUKE'S HOSPITAL AND 2 HOURS PER WEEK TO LAKE VIEW MEMORIAL HOSPITAL, BOTH 501(C)(3) RELATED ORGANIZATIONS CATHERINE CARTER-HUBER DEVOTES AN AVERAGE OF 2 HOURS PER WEEK TO ST LUKE'S HOSPITAL, A 501(C)(3) RELATED ORGANIZATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		MANAGEMENT REFERENCED MULTIPLE SOURCES OF INFORMATION IN ORDER TO ACCURATELY PREPARE THE 2010 FORM 990 THESE SOURCES INCLUDE THE INTERNAL REVENUE SERVICE WEBSITE, HEALTHCARE TRADE ASSOCIATIONS AND OTHER VARIOUS PUBLICATIONS ONCE THE FORM 990 WAS PREPARED, IT WAS REVIEWED BY THE FOLLOWING GROUPS 1 OFFICERS AND SENIOR MANAGEMENT (OCT 2011) 2 BOARD OF DIRECTORS (OCT 2011) THE ABOVE GROUPS WERE PROVIDED WITH A COMPLETE COPY OF THE 2010 FORM 990 IN ADVANCE THE FORM 990 REVIEW WAS LISTED AS AN AGENDA ITEM ON THE BOARD OF DIRECTORS AGENDA THE CHIEF FINANCIAL OFFICER PROVIDED AN OVERVIEW OF THE RETURN AND ANSWERED ANY QUESTIONS OR CONCERNS FROM THE BOARD THE RETURN WAS THEN FILED ON OR BEFORE NOVEMBER 15, 2011

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	<p>1 ALL EMPLOYEES OF THE ORGANIZATION 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 ST LUKE'S COMPLIANCE OFFICE MAINTAINS A LIST OF AFFECTED INDIVIDUALS B THE ST LUKE'S COMPLIANCE OFFICE REQUESTS THAT AFFECTED INDIVIDUALS REVIEW THIS POLICY, COMPLETES AND RETURNS THE CONFLICT OF INTEREST STATEMENT C THE ST LUKE'S COMPLIANCE OFFICE REVIEWS THE STATEMENTS OF EMPLOYEES AND DIRECTORS AND NOTIFES THE APPROPRIATE EXECUTIVE OF ANY POTENTIAL CONFLICT OR DUALITY OF INTEREST D THE CEO REVIEWS THE STATEMENTS OF THE EXECUTIVE DIRECTOR FOR POTENTIAL CONFLICT OR DUALITY OF INTEREST E THE CHAIRMAN OF THE BOARD OF DIRECTORS REVIEWS THE STATEMENTS OF THE 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 ANY POSITION WITHIN THE ORGANIZATION A ST LUKE'S 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 ST LUKE'S 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 EXECUTIVE DIRECTOR NOTIFIES THE ST LUKE'S 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, THE AFFECTED INDIVIDUAL IS OBLIGATED TO 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 THE ORGANIZATION 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 IS HANDLED THROUGH THE CHAIN OF COMMAND OR AT THE BOARD OF DIRECTOR 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 FOUNDATION A BUSINESS TRAVEL PAID IN PART OR COMPLETELY BY AN OUTSIDE INDIVIDUAL, AGENCY, CORPORATION OR ORGANIZATION REQUIRES PRIOR APPROVAL BY THE CEO B PERISHABLE OR CONSUMABLE GIFTS (CANDY, DONUTS, FLOWERS, ETC) GIVEN TO THE ORGANIZATION ARE ALLOWED C CASH GIFTS ARE PROHIBITED D IF AN EMPLOYEE IS GIVEN A GIFT THAT CANNOT BE RETURNED, THE EMPLOYEE CONSULTS WITH THE EXECUTIVE DIRECTOR AND/OR HUMAN RESOURCES TO DETERMINE AN ACCEPTABLE COURSE OF ACTION</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE CHIEF EXECUTIVE OFFICER IS AN EMPLOYEE OF ST LUKE'S, A 501(C)(3) RELATED ORGANIZATION THE CEO'S COMPENSATION IS REVIEWED AND ESTABLISHED BY ST LUKE'S NO PORTION OF THE CEO'S COMPENSATION WAS CHARGED TO THE ORGANIZATION AS AN EXPENSE DURING 2010 THE CHIEF FINANCIAL OFFICER IS AN EMPLOYEE OF ST LUKE'S, A 501(C)(3) RELATED ORGANIZATION THE CFO'S COMPENSATION IS REVIEWED AND ESTABLISHED BY ST LUKE'S NO PORTION OF THE CFO'S COMPENSATION WAS CHARGED TO THE ORGANIZATION AS AN EXPENSE DURING 2010 THE EXECUTIVE DIRECTOR IS AN EMPLOYEE OF ST LUKE'S, A 501(C)(3) RELATED ORGANIZATION THE COMPENSATION REVIEW PROCESS DESCRIBED BELOW PERTAINS TO THE EXECUTIVE DIRECTOR THE EXECUTIVE DIRECTOR IS THE TOP MANAGEMENT OFFICIAL THERE ARE NO EMPLOYEES WHO QUALIFY AS KEY EMPLOYEES OF THE ORGANIZATION THE COMPENSATION REVIEW PROCESS OCCURS DURING AN ANNUAL REVIEW PERFORMED BY THE ST LUKE'S HUMAN RESOURCES DEPARTMENT AND LAST OCCURRED IN 2010 TOTAL COMPENSATION FOR THE EXECUTIVE DIRECTOR WAS ITEMIZED INCLUDING BASE SALARY, HEALTH INSURANCE, DENTAL INSURANCE, LIFE INSURANCE, DISABILITY, VACATION, AND HOLIDAY PAY 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 CONTEMPORANEOUS DOCUMENTS AND RECORDKEEPING WITH RESPECT TO THE DELIBERATIONS AND DECISIONS ARE MAINTAINED BY THE ST LUKE'S HUMAN RESOURCES DEPARTMENT</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	ST LUKE'S FOUNDATION'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. FINANCIAL INFORMATION IS MADE AVAILABLE THROUGH ST LUKE'S FOUNDATION 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
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 682,216

Identifier	Return Reference	Explanation
	FORM 990, PART XI, LINE 2C	THE ST LUKE'S FOUNDATION BOARD HAS APPOINTED A FINANCE COMMITTEE WHICH HAS THE RESPONSIBILITY OF OVERSEEING THE AUDIT AND REVIEWING FINANCIAL STATEMENTS THE INDEPENDENT AUDITOR IS SELECTED BY THE ST LUKE'S AUDIT COMMITTEE

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
ST LUKE'S FOUNDATION

Employer identification number
41-1448118

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ST LUKE'S HOSPITAL OF DULUTH 915 EAST 1ST STREET DULUTH, MN 55805 41-0714079	HEALTH CARE/HOSPITAL	MN	501(C)(3)	3- 170(B) (1)(A) (II	N/A		No
(2) LAKE VIEW MEMORIAL HOSPITAL INC 325 11TH AVENUE TWO HARBORS, MN 55616 41-0786046	HEALTH CARE/HOSPITAL	MN	501(C)(3)	3- 170(B) (1)(A) (II	ST LUKES HOSPITAL		No

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) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							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

Part V

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

No

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	(d) Method of determining amount involved
(1) ST LUKE'S HOSPITAL OF DULUTH	B	505,683	FAIR MARKET VALUE
(2) ST LUKE'S HOSPITAL OF DULUTH	M	20,724	FAIR MARKET VALUE
(3)			
(4)			
(5)			
(6)			

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]

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
------------	------------------	-------------

**ST. LUKE'S FOUNDATION
Duluth, Minnesota**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

ST. LUKE'S FOUNDATION
Duluth, Minnesota
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5



CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
St Luke's Foundation
Duluth, Minnesota

We have audited the accompanying statements of financial position of St Luke's Foundation (Foundation) as of December 31, 2010 and 2009, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St Luke's Foundation as of December 31, 2010 and 2009, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
March 18, 2011



(1)

An independent member of Nexia International

ST. LUKE'S FOUNDATION
Duluth, Minnesota
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Cash Equivalents	\$ 105,896	\$ 178,398
Investments	7,000,024	6,194,535
Amounts Due from Related Party	195,709	212,005
Pledges Receivable	107,500	77,997
Accrued Interest and Dividends Receivable	20,977	25,015
Other Assets	<u>1,445</u>	<u>-</u>
Total Assets	<u><u>\$ 7,431,551</u></u>	<u><u>\$ 6,687,950</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants and Accounts Payable	\$ 10,197	\$ 3,762
Amounts Due to Related Party	<u>300,658</u>	<u>303,700</u>
Total Liabilities	<u>310,855</u>	<u>307,462</u>
COMMITMENTS		
NET ASSETS		
Unrestricted	2,675,551	2,377,491
Temporarily Restricted	4,008,002	3,565,854
Permanently Restricted	<u>437,143</u>	<u>437,143</u>
Total Net Assets	<u>7,120,696</u>	<u>6,380,488</u>
Total Liabilities and Net Assets	<u><u>\$ 7,431,551</u></u>	<u><u>\$ 6,687,950</u></u>

See accompanying Notes to Financial Statements

ST. LUKE'S FOUNDATION
Duluth, Minnesota
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT								
Contributions	\$ 362,371	\$ 349,652	\$ -	\$ 712,023	\$ 516,238	\$ 360,000	\$ -	\$ 876,238
Investment Income	84,408	103,261	-	187,669	54,932	76,882	-	131,814
Special Event	283,598	19,249	-	302,847	264,532	11,300	-	275,832
Net Assets Released from Restrictions	408,380	(408,380)	-	-	341,297	(341,297)	-	-
Total Revenues and Other Support	1,138,757	63,782	-	1,202,539	1,176,999	106,885	-	1,283,884
EXPENSES								
Grants and Expenditures to Hospital	505,683	-	-	505,683	417,325	-	-	417,325
Grants and Expenditures to Others	98,997	-	-	98,997	130,502	-	-	130,502
General and Administrative	284,238	-	-	284,238	278,243	-	-	278,243
Contract Services	8,198	-	-	8,198	5,426	-	-	5,426
Supplies and Other	93,671	-	-	93,671	104,268	-	-	104,268
Special Event	153,760	-	-	153,760	122,978	-	-	122,978
Total Expenses	1,144,547	-	-	1,144,547	1,058,742	-	-	1,058,742
EXCESS (DEFICIT) OF REVENUES AND OTHER SUPPORT OVER EXPENSES	(5,790)	63,782	-	57,992	118,257	106,885	-	225,142
CHANGE IN NET UNREALIZED GAINS ON INVESTMENTS	303,850	378,366	-	682,216	433,174	640,975	-	1,074,149
INCREASE IN NET ASSETS	298,060	442,148	-	740,208	551,431	747,860	-	1,299,291
Net Assets - Beginning of Year	2,377,491	3,565,854	437,143	6,380,488	1,826,060	2,817,994	437,143	5,081,197
NET ASSETS - END OF YEAR	<u>\$ 2,675,551</u>	<u>\$ 4,008,002</u>	<u>\$ 437,143</u>	<u>\$ 7,120,696</u>	<u>\$ 2,377,491</u>	<u>\$ 3,565,854</u>	<u>\$ 437,143</u>	<u>\$ 6,380,488</u>

See accompanying Notes to Financial Statements

ST. LUKE'S FOUNDATION
Duluth, Minnesota
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 740,208	\$ 1,299,291
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Net Unrealized Gains on Investments	(682,216)	(1,074,149)
Net Realized (Gains) Losses on Investments	(31,112)	13,825
Change in Amounts Due to/from Related Parties	13,254	(160,689)
(Increase) Decrease in Pledges Receivable	(29,503)	49,516
Increase in Other Assets	(1,445)	-
Decrease in Accrued Interest and Dividends Receivable	4,038	4,070
Increase (Decrease) in Grants and Accounts Payable	6,435	(1,471)
Net Cash Provided by Operating Activities	<u>19,659</u>	<u>130,393</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(954,769)	(1,375,635)
Sales of Investments	862,608	1,282,621
Net Cash Used by Investing Activities	<u>(92,161)</u>	<u>(93,014)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(72,502)	37,379
Cash and Cash Equivalents - Beginning of Year	<u>178,398</u>	<u>141,019</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 105,896</u></u>	<u><u>\$ 178,398</u></u>

See accompanying Notes to Financial Statements

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Luke's Foundation (the Foundation) raises funds to support health care activities. The Foundation was formed as an independent corporation in 1982 as part of a corporate reorganization of St. Luke's Hospital of Duluth (the Hospital) to provide the Hospital with a means of responding to certain environmental constraints and to enhance its ability to pursue planned development. The Foundation provides support annually to the Hospital and other organizations.

During fiscal year 2009, the Foundation amended and restated their by-laws so that the Hospital board now appoints and approves the board members of the Foundation. Accounting guidance now requires that the Foundation accounts be consolidated into the Hospital. The Foundation financial statements are consolidated with the Hospital beginning with fiscal 2009.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Foundation considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents. Cash and cash equivalent are stated at cost, which approximates fair value.

Concentrations of Credit Risk

The Foundation has, from time to time, deposits in financial institutions that exceed FDIC insurance limits. Management believes any credit risk related to these deposits is minimal.

Investments

Investments in equity securities with readily determinable fair market values and all investments in debt securities are measured at fair market value in the statement of financial position. Investment income (including realized market gains and losses) is included in the excess of revenues over expenses, unless the income is restricted by donor or law.

The Foundation continually monitors the difference between the cost and fair market value of its investments. If any of the Foundation's investments experience a decline in value that the Foundation deems to be other than temporary, the Foundation records a realized loss in investment income in the statement of activities. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the balance sheets.

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges receivable represent commitments to make gifts received from residents, organizations and businesses. The pledges are not legally enforceable.

Net Assets

Net assets are classified into three separate categories based on the existence or absence of donor-imposed restrictions. In the financial statements, net assets that have similar characteristics have been combined into categories as follows:

Unrestricted – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that may or will be met either with actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted – Net assets subject to donor-imposed restrictions that are maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for specific or general purposes.

The Foundation follows guidance on endowments of not-for-profit organizations, including guidance on the net asset classification of donor-restricted endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). This guidance provides for additional disclosures about the Foundation's endowment funds.

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Foundation. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are released from restriction and are reclassified to unrestricted net assets. Temporarily restricted contributions received in a specific year are recorded as temporarily restricted, even if the restrictions on the use of the contributions are met in the same year as the contributions were received.

Tax Status

A notification letter has been received from the Internal Revenue Service stating that the Foundation is a tax-exempt organization under the provisions of Internal Revenue Code Section 501(c)(3).

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status (Continued)

The Foundation has elected to adopt guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The Foundation follows the accounting standard for contingencies for evaluating uncertain tax positions. The adoption of this standard had no effect on the financial statements.

The Foundation's income tax returns are subject to review and examination by federal, state, and local authorities. The tax returns for the years 2008 to 2010 are open to examination by federal, state, and local authorities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue, expenses, and distributions during the reported period. Actual results could differ from those estimates.

Functional Expenses

The cost of providing various program and support services have been summarized on a functional expense basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated between fundraising and management services.

Fair Value Measurement

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Foundation emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, the Foundation has measured fair value using a market based approach and has classified assets recorded at fair value based on observable inputs of the fair value hierarchy as defined by the standard.

Investments are recorded at fair value on a recurring basis. Fair value for investments designated as Level 1 measured based on quoted prices in active markets, including the New York Stock Exchange, National Association of Securities Dealers Automated Quotations and U.S. Treasury and government agency over-the-counter markets, for identical assets, if available. Fair value for investments designated as Level 2 are measured using independent pricing models based on quoted prices for similar assets. The Foundation has no investments valued using unobservable inputs, which would be considered Level 3 of the hierarchy. See Note 7 for information on investment balances by fair value hierarchy level.

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

The Foundation also adopted the policy of valuing certain financial instruments at fair value. This accounting policy allows the Foundation the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Foundation has not elected to measure any existing financial instruments at fair value, however, it may elect to measure newly acquired financial instruments at fair value in the future.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 18, 2011, the date the financial statements were available for issuance.

NOTE 2 INVESTMENTS

The composition of investments at December 31 was as follows:

	2010	2009
Cash and Cash Equivalents	\$ 2,094	\$ 5,137
Money Market Funds	97,720	82,597
Marketable Equity Securities	4,509,355	3,886,131
Government Obligations	786,944	1,014,437
Corporate Obligations	1,374,722	1,080,448
Real Estate Mutual Funds	229,189	125,785
Total Investments	<u>\$ 7,000,024</u>	<u>\$ 6,194,535</u>

Investment return comprises the following for the years ended December 31:

	2010	2009
Investment Income		
Interest and Dividend Income	\$ 156,557	\$ 145,639
Realized Gains (Losses) on Investments, Net	31,112	(13,825)
Total Investment Income	<u>187,669</u>	<u>131,814</u>
Change in Net Unrealized Gains on Investments	682,216	1,074,149
Total Investment Return	<u>\$ 869,885</u>	<u>\$ 1,205,963</u>

The Foundation allocates unrealized gains and losses on permanently restricted net assets consistent with management's interpretation of the donor's intent with respect to such gifts.

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 INVESTMENTS (CONTINUED)

The following table shows the gross unrealized losses and fair value of the Foundation's investments with unrealized losses that are deemed to be temporarily impaired, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position, at December 31, 2010

Description of Securities	Less Than 12 Months		12 Months or Greater	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable Equity Securities	\$ 65,654	\$ (1,366)	\$ 1,384,178	\$ (74,471)
Government Obligations	25,183	(154)	-	-
Corporate Obligations	100,101	(584)	59,125	(75,365)
Total	<u>\$ 190,938</u>	<u>\$ (2,104)</u>	<u>\$ 1,443,303</u>	<u>\$ (149,836)</u>

Marketable Equity Securities and Corporate Obligations

The unrealized losses on the marketable equity securities and corporate obligations amounted to \$151,786 for the year ended December 31, 2010. Of these amounts, \$149,836 of the marketable equity securities' and corporate obligations' losses relate to losses which extend over one year as of December 31, 2010. Investment losses under one year old are expected to be recoverable in future periods and are not deemed by management to be unrecoverable. Investment losses in excess of one year are also expected to be recoverable in future periods as the Foundation has the intent and ability to hold these investments until further market recovery occurs. The Foundation's investment policy allows up to 65.0% of investments in equities calculated at market value. As of December 31, 2010 and 2009, St. Luke's Foundation had 64.4% and 62.7% of investments in equity securities, respectively.

Government Obligations

The unrealized losses on the Foundation's investments in Government Obligations of \$154 were caused by interest rate increases. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the amortized cost of the investment. Because the Foundation has the ability and intent to hold these investments until a market price recovery, which may be maturity, the Foundation does not consider these investments to be other-than-temporarily impaired at December 31, 2010.

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 3 RELATED-PARTY TRANSACTIONS

The Foundation paid the Hospital \$281,228 and \$275,171 for administrative functions performed by hospital personnel for the Foundation in 2010 and 2009, respectively

Grants and accounts payable of \$300,658 and \$303,700 were payable to the Hospital at December 31, 2010 and 2009, respectively

Pledges receivable of \$65,619 and \$62,119 were due from Hospital employees at December 31, 2010 and 2009, respectively

The Foundation provides funds to the Hospital so that the Hospital can make loans to employees for the purchase of a personal computer. Advances to the Hospital were \$99,636 and \$99,550 in 2010 and 2009, respectively, under this program. The loans are being repaid through payroll deductions, and the terms are not to exceed 36 months. These loans are non-interest bearing, and no imputed interest has been recorded on the financial statements. Employee computer loans receivable from the Hospital were \$195,709 and \$212,005 at December 31, 2010 and 2009, respectively.

In 2010, the Foundation granted \$194,759 to the Hospital for purchases of property and \$310,924 for education, hospice, and other purposes. In 2009, the Foundation granted \$133,932 to the Hospital for purchases of property and \$283,393 for education, hospice and other purposes.

The Hospital provides building space, utilities, equipment and other services to the Foundation at no cost. As such, the operating expenses of the Foundation are not comparable to those of an independently operated foundation.

NOTE 4 COMMITMENTS

In fiscal 2009, the Foundation joined the Obligated Group created under and defined in the Mortgage and Master Trust Indenture dated August 1, 2002 between the Hospital and U S Bank National Association as Master Trustee of the Series 2002 Bonds. The outstanding balance of the Series 2002 Bonds is \$48,820,000 and \$49,775,000 at December 31, 2010 and 2009, respectively.

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 5 FUNCTIONAL EXPENSES

The Foundation provides services and donations to entities with missions consistent with that of the Foundation. The expenses are classified as follows for the years ended December 31:

	2010	2009
Programs	\$ 706,549	\$ 657,521
Administrative	284,238	278,243
Fundraising	153,760	122,978
	<u>\$ 1,144,547</u>	<u>\$ 1,058,742</u>

NOTE 6 RESTRICTED NET ASSETS

Temporarily Restricted

At December 31, 2010 and 2009, the Foundation had temporarily restricted net assets restricted for capital, equipment, education, patient assistance and other operating purposes as follows:

	2010	2009
Patient Care	\$ 2,429,494	\$ 2,150,230
Research	691,727	629,721
Lectures	339,172	302,941
Education	304,449	251,735
Other	243,160	231,227
Total Temporarily Restricted Net Assets	<u>\$ 4,008,002</u>	<u>\$ 3,565,854</u>

Permanently Restricted

At December 31, 2010 and 2009, the Foundation's permanently restricted net assets consist of investments providing a permanent source of income for capital, equipment, education, research and other operating purposes as follows:

	2010	2009
Patient Care	\$ 390,000	\$ 390,000
Lectures	24,711	24,711
Other	12,432	12,432
Education	10,000	10,000
Total Permanently Restricted Net Assets	<u>\$ 437,143</u>	<u>\$ 437,143</u>

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 6 RESTRICTED NET ASSETS (CONTINUED)

Endowment Funds

The Foundation endowments consist of approximately five funds established for a variety of purposes. Its endowments are donor restricted funds. As required by the Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including designated by the board of directors as to function as endowments, are classified and reported based on the existence or absence of donor- imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets the original value of the gifts to the permanent endowment and the value of subsequent gifts to the permanent endowment. The remaining portion of donor-restricted endowment funds, if any, that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor- restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policy of the Foundation

The Foundation's donor-restricted endowments net assets are \$1,853,611 and \$1,665,918 at December 31, 2010 and 2009, respectively. The Foundation had no board designated endowment funds for both years ended December 31, 2010 and 2009.

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 6 RESTRICTED NET ASSETS (CONTINUED)

Endowment Net Assets

The following is the changes in endowment net assets for the year ended December 31, 2010 and 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, January 1, 2009	\$ -	\$ 923,030	\$ 437,143	\$ 1,360,173
Investment Income	-	30,902	-	30,902
Change in Net Unrealized Gains	-	258,810	-	258,810
Endowment Investment Return	-	289,712	-	289,712
Contributions and Special Events	-	18,033	-	18,033
Released from Restriction	2,000	(2,000)	-	-
Appropriations	(2,000)	-	-	(2,000)
Endowment Net Assets, December 31, 2009	-	1,228,775	437,143	1,665,918
Investment Income	-	42,859	-	42,859
Change in Net Unrealized Gains	-	156,069	-	156,069
Endowment Investment Return	-	198,928	-	198,928
Contributions and Special Events	-	2,000	-	2,000
Released from Restriction	13,235	(13,235)	-	-
Appropriations	(13,235)	-	-	(13,235)
Endowment Net Assets, December 31, 2010	<u>\$ -</u>	<u>\$ 1,416,468</u>	<u>\$ 437,143</u>	<u>\$ 1,853,611</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2010 and 2009.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period.

ST. LUKE'S FOUNDATION
Duluth, Minnesota
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 6 RESTRICTED NET ASSETS (CONTINUED)

Return Objectives and Risk Parameters (Continued)

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standard to minimize the risk of large losses

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) The Foundation targets a diversified asset allocation that meets the Foundation's long-term rate-of-return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return

NOTE 7 FAIR VALUE MEASUREMENTS

The Foundation uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures For additional information on how the Foundation measures fair value refer to Note 1 – Summary of Significant Accounting Policies The following table presents the fair value hierarchy for the balances of the assets of the Foundation measured at fair value on a recurring basis as of December 31

2010	Level 1	Level 2	Level 3	Total
Investments				
Marketable Equity Securities	\$ 4,509,355	\$ -	\$ -	\$ 4,509,355
Government Obligations	786,944	-	-	786,944
Corporate Obligations	-	1,374,722	-	1,374,722
Real Estate Mutual Funds	229,189	-	-	229,189
	<u>\$ 5,525,488</u>	<u>\$ 1,374,722</u>	<u>\$ -</u>	<u>\$ 6,900,210</u>
2009	Level 1	Level 2	Level 3	Total
Investments				
Marketable Equity Securities	\$ 3,886,131	\$ -	\$ -	\$ 3,886,131
Government Obligations	1,014,437	-	-	1,014,437
Corporate Obligations	-	1,080,448	-	1,080,448
Real Estate Mutual Funds	125,785	-	-	125,785
	<u>\$ 5,026,353</u>	<u>\$ 1,080,448</u>	<u>\$ -</u>	<u>\$ 6,106,801</u>