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Change in Accounting Period

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 10/01 , 2010, and ending 06/30 , 20 11

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

C Name of organization: Sanford Health Foundation of Northern Minnesota

Doing Business As:

Number and street (or P O box if mail is not delivered to street address): 1300 Anne St NW

Room/suite:

City or town, state or country, and ZIP + 4: Bemidji, MN 56601-5103

D Employer identification number: 41-1389317

E Telephone number: 218-751-5430

G Gross receipts $: 363,760

F Name and address of principal officer: Kelby Krabbenhoft
1305 W 18th Street, Sioux Falls, SD 57117

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

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

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

J Website: ▶ www.nchs.com

H(c) Group exemption number ▶

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

L Year of formation: 1977

M State of legal domicile: MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities: Dedicated to the Work of Health and Healing.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7
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	97
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	614,282	326,965
9	Program service revenue (Part VIII, line 2g)	592	1,449
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	33,019	34,330
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,666	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	656,559	362,744
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	514,884	45,000
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)	0	0
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 142,423		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	186,999	355,738
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	701,883	400,738
19	Revenue less expenses. Subtract line 18 from line 12	-45,324	-37,994

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	2,471,822	7,678,893
21	Total liabilities (Part X, line 26)	339,993	499,537
22	Net assets or fund balances. Subtract line 21 from line 20	2,131,829	7,179,356

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: Lisa M. Carlson — Date: May 14, 2012

Lisa Carlson, 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	PTIN
Kristina Rasmussen	Kristina Rasmussen CPA	5/14/12		P00143920

Firm's name ▶ Deloitte Tax LLP — Firm's EIN ▶

Firm's address ▶ 50 S. Sixth St., Ste 2800, Minneapolis, MN 55402 — Phone no 612-397-4000

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

For Paperwork Reduction Act Notice, see the separate instructions. Cat No. 11282Y Form **990** (2010)

SCANNED JUN 21 2012

RECEIVED MAY 21 2012 OGDEN, UT

9-16 17

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

Sanford's mission is "Dedicated to the Work of Health and Healing." Part of the Sanford Health System, Sanford is committed to the healthcare needs of communities throughout South Dakota, North Dakota, Minnesota and Iowa. Sanford provides a full range of primary and specialty health care services.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code.) (Expenses $ 222,376 including grants of $ 45,000) (Revenue $ 1,449)

The primary activities of Sanford Health Foundation of Northern Minnesota include fundraising, investment of funds and support for the activities of Sanford Health of Northern Minnesota, a Minnesota non profit corporation that operates a 118 bed medical center, 78 bed long-term care facility, home care and hospice agency, and senior housing. Funds raised support major capital projects of the medical center and long-term care facility as well as community healthcare and wellness related projects.

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

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

4e **Total program service expenses** ▶ 222,376

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	✓	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		✓
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	✓	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	✓	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		✓
b	If "Yes" to line 20a, did the organization attach its audited financial statements 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)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	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			✓
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			✓
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			✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
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			✓
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			✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .	7f			✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . .	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
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			✓
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 line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions*

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . 1a 20			
b	Enter the number of voting members included in line 1a, above, who are independent . 1b 7			
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	✓	
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		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	✓	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		✓
6	Does the organization have members or stockholders?	6	✓	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	✓	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	✓	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
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		✓

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		✓
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		✓
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? *If "No," go to line 13* . . .	12a	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
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	✓	
13	Does the organization have a written whistleblower policy?	13	✓	
14	Does the organization have a written document retention and destruction policy?	14	✓	
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	✓	
b	Other officers or key employees of the organization	15b	✓	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
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 Forms 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.

☐ Own website ☐ Another's website ☑ 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.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Lisa Carlson, (605)312-6594

1300 Anne St NW, Bemidji, MN 56601

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (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			
Ann Christensen Trustee	0.50	✓						0	0	0
Barb Everist Trustee	0.50	✓						0	0	0
Barbara Stork Trustee	0.50	✓						0	0	0
Barry Martin Trustee	0 50	✓						0	0	0
Brent Telken Trustee	0 50	✓						0	0	0
David Beito Trustee	0.50	✓						0	0	0
Don Morton Trustee	0.50	✓						0	0	0
Jerome Feder Trustee	0.50	✓						0	0	0
Jim Entenman Trustee	0.50	✓						0	0	0
John C Vanderwoude Trustee	60	✓						0	1,184,560	30,701
John Jambois Trustee	0.50	✓						0	0	0
Lauris Molbert Trustee	0.50	✓						0	0	0
Mark Paulson MD Trustee	60	✓						0	220,036	46,521
Michael L Olson Trustee	60	✓						0	518,455	6,998
Michael L Olson Defd Comp Trustee	60	✓						0	0	46,935
Mikal Claar Trustee	0.50	✓						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			
Pamela Anderson Trustee	0.50	✓						0	0	0
Richard D Hardie Trustee	60	✓						0	444,434	18,343
Ronald Moquist Trustee	0 50	✓						0	0	0
Terrance Grimm MD Trustee	60	✓						0	585,887	42,328
Terry Baloun Trustee	0.50	✓						0	0	0
Kelby K Krabbenhoft Sanford Health President & CEO	60	✓		✓				0	1,274,514	19,513
Kelby K Krabbenhoft Defd Comp Sanford Health President & CEO	60	✓		✓				0	0	565,838
Lisa Carlson Chief Financial Officer Corporate	60			✓				0	418,112	51,907
Paul Hanson President	60				✓			0	504,141	18,523
Craig Boyer Chief Financial Officer	60				✓			0	184,080	18,511
1b Sub-total ▶								0	5,334,219	866,118
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								0	5,334,219	866,118

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

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

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	0				
	b Membership dues	1b	0				
	c Fundraising events	1c	0				
	d Related organizations	1d	0				
	e Government grants (contributions)	1e	0				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	326,965				
	g Noncash contributions included in lines 1a-1f $		0				
	h **Total.** Add lines 1a–1f ▶			326,965			
Program Service Revenue		Business Code					
	2a Miscellaneous Revenue	900099		1,449	1,449	0	0
	b						
	c						
	d						
	e						
	f All other program service revenue			0	0	0	0
	g **Total.** Add lines 2a–2f ▶			1,449			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			34,206	0	0	34,206
	4 Income from investment of tax-exempt bond proceeds ▶			0	0	0	0
	5 Royalties ▶			0	0	0	0
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)	0	0				
	d Net rental income or (loss) ▶						
	7a Gross amount from sales of assets other than inventory	(i) Securities 1,140	(ii) Other 0				
	b Less: cost or other basis and sales expenses	1,016	0				
	c Gain or (loss)	124	0				
	d Net gain or (loss) ▶			124	0	0	124
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c). See Part IV, line 18 a						
	b Less: direct expenses b						
	c Net income or (loss) from fundraising events ▶						
	9a Gross income from gaming activities. See Part IV, line 19 a						
	b Less: direct expenses b						
	c Net income or (loss) from gaming activities ▶						
	10a Gross sales of inventory, less returns and allowances a						
	b Less: cost of goods sold b						
	c Net income or (loss) from sales of inventory ▶						
	Miscellaneous Revenue	Business Code					
	11a						
	b						
	c						
	d All other revenue						
	e **Total.** Add lines 11a–11d ▶			0			
	12 **Total revenue.** See instructions. ▶			362,744	1,449	0	34,330

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	35,000	35,000		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	10,000	10,000		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	0	0	0	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	0	0	0	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0	0	0	0
9	Other employee benefits	0	0	0	0
10	Payroll taxes	0	0	0	0
11	Fees for services (non-employees)				
a	Management	0	0	0	0
b	Legal	0	0	0	0
c	Accounting	775	0	775	
d	Lobbying	0	0	0	0
e	Professional fundraising services. See Part IV, line 17	0			0
f	Investment management fees	0	0	0	0
g	Other	25,500	0	0	25,500
12	Advertising and promotion	17,975	0	0	17,975
13	Office expenses	10,593	0	1,589	9,004
14	Information technology	2,599	0	0	2,599
15	Royalties	0	0	0	0
16	Occupancy	0	0	0	0
17	Travel	335	0	0	335
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	7,657	0	0	7,657
20	Interest	0	0	0	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	0	0	0	0
23	Insurance	0	0	0	0
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	Management Services - Related Organization	111,915	0	33,575	78,340
b	Memberships & dues	758	0	0	758
c	Licenses	140	0	0	140
d	Net Assets Released from Restrictions	177,376	177,376	0	0
e	Miscellaneous	115	0	0	115
f	All other expenses	0	0	0	0
25	**Total functional expenses.** Add lines 1 through 24f	400,738	222,376	35,939	142,423
26	**Joint costs.** Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	18,358	1	5,094,361
	2	Savings and temporary cash investments	293,464	2	66,986
	3	Pledges and grants receivable, net	598,823	3	584,921
	4	Accounts receivable, net		4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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)		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: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b	0	10c	
	11	Investments—publicly traded securities	1,560,927	11	1,932,007
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	250	15	618
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	2,471,822	16	7,678,893
Liabilities	17	Accounts payable and accrued expenses	1,779	17	2,603
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	338,214	25	496,934
	26	**Total liabilities.** Add lines 17 through 25	339,993	26	499,537
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	532,168	27	5,580,118
	28	Temporarily restricted net assets	1,324,451	28	1,324,028
	29	Permanently restricted net assets	275,210	29	275,210
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	2,131,829	33	7,179,356
	34	Total liabilities and net assets/fund balances	2,471,822	34	7,678,893

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	362,744
2	Total expenses (must equal Part IX, column (A), line 25)	2	400,738
3	Revenue less expenses. Subtract line 2 from line 1	3	-37,994
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,131,829
5	Other changes in net assets or fund balances (explain in Schedule O)	5	5,085,521
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	7,179,356

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		✓
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	✓	
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 ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate 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?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
Sanford Health Foundation of Northern Minnesota	41-1389317

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 33⅓% 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 33⅓% 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?

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
(A) Sanford Health of Northern Minnesota	41-1266009	Type 3	✓						222,376
(B)									
(C)									
(D)									
(E)									
Total									222,376

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 section 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 from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33⅓% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓% support test—2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% 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 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 section 501(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 ▶ ☐

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

Sanford Health Foundation of Northern Minnesota

Employer identification number

41-1389317

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? ☐ Yes ☐ No

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

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

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

☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

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

9 In Part 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 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

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

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

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

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

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part 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 . .	275,210	275,210	275,210		
b Contributions . . .	0	0	0		
c Net investment earnings, gains, and losses	3,066	5,394	7,146		
d Grants or scholarships	3,066	5,308	6,998		
e Other expenditures for facilities and programs	0	0	0		
f Administrative expenses	0	86	148		
g End of year balance	275,210	275,210	275,210		

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ 0 %
b Permanent endowment ▶ 100 %
c Term endowment ▶ 0 %

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

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

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

Part VI 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 through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* . . . ▶				

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

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

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

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

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

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

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

1.	(a) Description of liability	(b) Amount
(1)	Federal income taxes	0
(2)	Intercompany Payable	496,934
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶		496,934

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

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

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

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

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

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, line 2; 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.

Schedule D, Part V, Line 4 - The Breen trust endowment funds are permanently restricted. The Foundation board annually designates the interest earnings for specific current foundation projects.

Schedule D, Part X, Line 2 - Part X, Line 2. Certain controlled organizations are subject to income taxes. Deferred income tax assets and liabilities are recognized for the differences between the financial and income tax reporting basis of assets and liabilities based on enacted tax rates and laws. A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination. The deferred income tax provision or benefit generally reflects the net change in deferred income tax assets and liabilities during the year. The current income tax provision reflects the tax consequences of revenues and expenses currently taxable or deductible on various income tax returns for the year reported. Sanford Health of Northern Minnesota did not have a material income tax liability at June 30, 2011; some related organizations have established reserves.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

Sanford Health Foundation of Northern Minnesota

Employer identification number

41-1389317

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 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) Sch I, Stmt 1							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 2

3 Enter total number of other organizations . . . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

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

Schedule I, Part I, Line 2 - Sanford Health Foundation of Northern Minnesoat provides grants to community service groups for general operations. Justification for need is required at the time of the request for funds and the organization does not require reporting as to how the funds were used.

Description of Grants and Other Assistance to Governments and Organizations in the United States

		Amount of cash grant	Amount of non-cash assistance
Name and address	Sexual Assault Program of Beltrami Cass and Hubbard Counties 403 4th Street NW Suite 140 Bemidji, MN 56601	20,000	0
EIN	41-1369558		
IRC code section	501 (c)(3)		
Method of valuation	cash		
Description of non-cash assistance			
Purpose of grant	Grant to fund general operations		
Name and address	Mississippi Headwaters Area Dental Health Center DBA Northern Dental Access Center 1405 Anne St NW Bemidji, MN 56601	10,000	0
EIN	84-1711812		
IRC code section	501 (c)(3)		
Method of valuation	cash		
Description of non-cash assistance			
Purpose of grant	Grant to fund general operations		

Description of Grants and Other Assistance to Individuals in the United States

		Number of recipients	Amount of cash grant	Amount of non-cash assistance
Type of grant	Employee scholarships for individuals seeking to further their education in a healthcare field	9	10,000	
Method of valuation				
Description of non-cash assistance				

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

Sanford Health Foundation of Northern Minnesota

Employer identification number

41-1389317

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.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	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.			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization.			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a		✓
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	✓	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		✓
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		✓
b	Any related organization?	5b		✓
	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		✓
b	Any related organization?	6b	✓	
	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		✓
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		✓
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				
John C Vanderwoude	(i)	0	0	0	0	0	0	0
1	(ii)	1,000,000	0	184,560	7,650	23,351	1,215,561	0
Mark Paulson MD	(i)	0	0	0	0	0	0	0
2	(ii)	196,432	0	23,604	31,527	14,994	266,557	0
Michael L Olson	(i)	0	0	0	0	0	0	0
3	(ii)	504,486	0	13,969	0	6,998	525,453	0
Michael L Olson Defd Comp	(i)	0	0	0	0	0	0	0
4	(ii)	0	0	0	46,935	0	46,935	0
Richard D Hardie	(i)	0	0	0	0	0	0	0
5	(ii)	414,473	0	29,961	7,350	10,993	462,777	0
Terrance Grimm MD	(i)	0	0	0	0	0	0	0
6	(ii)	500,004	0	85,883	34,928	7,400	628,215	0
Kelby K Krabbenhoft	(i)	0	0	0	0	0	0	0
7	(ii)	789,232	0	485,282	0	19,513	1,294,027	0
Kelby K Krabbenhoft Defd Comp	(i)	0	0	0	0	0	0	0
8	(ii)	0	0	0	565,838	0	565,838	0
Lisa Carlson	(i)	0	0	0	0	0	0	0
9	(ii)	335,811	0	82,301	34,928	16,979	470,019	0
Paul Hanson	(i)	0	0	0	0	0	0	0
10	(ii)	352,464	61,199	11,785	88,259	8,957	522,664	0
Craig Boyer	(i)	0	0	0	0	0	0	0
11	(ii)	155,637	19,575	0	19,745	6,480	201,437	0
	(i)							
12	(ii)							
	(i)							
13	(ii)							
	(i)							
14	(ii)							
	(i)							
15	(ii)							
	(i)							
16	(ii)							

Part III Supplemental Information

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

Schedule J, Part I, Line 3 - The Sanford Board of Trustees directly engages a nationally recognized independent compensation consulting firm to annually review the total compensation of arrangements of the officers of the organization, and to report findings and recommendations to the Sanford Board of Trustees for deliberation and action. The most recent study was completed in 2011.

Schedule J, Part I, Line 4 - In addition to employer contributions to pension plans, amounts representing increases and decreases in actuarial value (actuarial value factors include age, tenure and salary) of defined benefit SERP Plans are included in Column C. Participants and changes in values include: Kelby Krabbenhoft $420,519.

Schedule J, Part I, Line 6 - Sanford physicians are compensated based on the professional services they perform within the clinic in which they provide care. Generally, the model is revenues less expenses. Physicians listed that were paid on this model include Michael Olson, Richard Hardie, Adam Stys, Tomasz Stys, Marian Petrasko, Scott Pham, Wilson Asfora. Sanford Health of Northern Minnesota had an incentive compensation program in place where certain key employees and middle level management were eligible for additional compensation if specific corporate goals on patient and employee safety, quality and finance were achieved. A portion of this compensation was dependent on operating margin results. Key employees paid with this model included: Paul Hanson, Craig Boyer, and Penny Echternach.

Schedule J, Part II - Compensation reported on Schedule J includes: (B)(i) Base compensation - salaries are based on the experience and performance of each executive and bench-marked using independent compensation survey information. (B)(ii) - Bonus & incentive compensation - as part of executive compensation, individuals may be eligible for incentive performance compensation, however if the organization does not meet its financial targets, incentive payments are not paid, regardless of performance. (B)(iii) Other Reportable Compensation - generally includes taxable executive benefits. It also includes the one-time payout of previously deferred compensation (which was also reported as compensation in the earned period). To be in compliance with the IRS regulatory environment, listed individuals compensation includes a one-time payment of deferred compensation, this compensation was earned over multiple periods, and should be treated as earned over that length of time in exchange for services provided. (C) Deferred Compensation includes employer contributions to pension plans and the increase (or decrease) in the actuarial value (actuarial value factors include age, tenure and salary) of the defined benefit plans. (D) Nontaxable Benefits generally includes health insurance premiums.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
Sanford Health Foundation of Northern Minnesota	41-1389317

Form 990, Part VI, Section A, Line 2 - Pamela Anderson, Trustee, and Lisa Carlson, CFO, have a business relationship. The following officers, board members, and key employees are employees of Sanford or its related organizations. Many of these employees also serve on other related Sanford boards, or have business relationships with each other that span the organization as a whole: John Vanderwoude, Mark Paulson, Michael Olson, Richard Hardie, Terrence Grimm, Kelby Krabbenhoft, Lisa Carlson, Paul Hanson, Craig Boyer.

Form 990, Part VI, Section A, Line 4 - The articles of incorporation were amended to reflect the name change of the organization as well as the name change of the sole member.

Form 990, Part VI, Section A, Line 6 - Sanford Health of Northern Minnesota is the sole voting member of the organization.

Form 990, Part VI, Section A, Line 7a - The Sanford Health of Northern Minnesota Board of Directors has the authority to appoint the board members for the board of Sanford Health Foundation of Northern Minnesota.

Form 990, Part VI, Section A, Line 7b - The corporation shall not, without the prior approval of the Member, (a) enter into any fund-raising project, (b) borrow any money, whether secured or unsecured, (c) enter into any contract providing for the sale, assignment, transfer, lease, or other disposition of any real estate or interest therein having a value of more than $50,000.00, or any other property or interest therein which involves, in the aggregate, more than $25,000 00 payable or receivable by the corporation and which is not cancelable by the corporation on notice of thirty (30) days or less without penalty; (d) make contributions or dispositions of property (i) to any entity outside of SHNM and its controlled entities or (ii) in excess of $50,000 per individual contribution or disposition or $250,000 in the aggregate during any fiscal year of the corporation; (e) take any action violative of the restrictions set forth in its Restated Articles of Incorporation and any subsequent amendments thereto; (f) raise funds by means of charitable gambling, although it may receive funds from outside entities which so raise funds so long as such funds are not raised in the name of this corporation, Sanford Health of Northern Minnesota or its controlled entities; or (g) take any action in contradiction with any express restrictions adopted by the Member.

Form 990, Part VI, Section B, Line 11b - The Form 990 is prepared internally by the finance department and reviewed by executive management. An external accounting firm reviews the return prior to filing and prepares return highlights and key disclosures for the Board of Trustees meeting immediately following the return filing date. After the return is filed, a complete copy is made available to the current trustees.

Form 990, Part VI, Section B, Line 12c - The annual Conflict of Interest disclosure process is managed by the Chief Compliance Officer (CCO) The CCO is responsible for assuring that all completed forms are returned in a timely and complete manner. Conflict of Interest questionnaires are sent to System Trustees, members of the governing boards of subsidiary entities, officers, and key employees for all entities subject to the IRS Form 990 filings. The disclosures are summarized for review by the executive committee of the Board of Trustees, pursuant to policy. This review allows: 1) The Board to acquire an awareness of financial relationships of board members and key management employees and can invoke the recusal process on a case-by-case basis when potential conflicts are implicated in Board decisions and deliberations, and, 2) Gives the Board the opportunity to seek additional information and clarification about disclosures to determine potential conflicts of interest, and how to manage such.

Form 990, Part VI, Section B, Line 15 - The Sanford Board of Trustees directly engages a nationally recognized independent compensation consulting firm to annually review the total compensation arrangements of the officers and operating unit executives of the organization, including the CEO, and to report the findings and recommendations to them for deliberation and action. The deliberations and actions are recorded in the minutes of the Sanford Board of Trustees. The most recent study was completed in 2011. Additionally, Sanford periodically engages an independent compensation consultant to review and issue a report regarding the reasonableness of the total compensation arrangements of all physicians employed by the organization. The most recent study of physician total compensation arrangements was

Supplemental Information (Continued)

completed in 2009

Form 990, Part VI, Section C, Line 19 - Although the organization does not maintain a website where the public can access these documents, it would respond individually to any requests or inquiries from the public for these documents.

Form 990, Part VII, Section A, Line 1a - Form 990, Part VII: Sanford Trustees provide services to Sanford and its subsidiaries Hours reported for each individual reflect the time spent on work related to either the filing organization or a related organization. Sanford Board of Trustees has ultimate governance responsibilities for each entity within the Sanford system. In addition, a Board of Directors or Board of Governors is established for each entity, which has specific delegated responsibilities from the Board of Trustees related to the oversight of day to day operations of that entity.

Form 990, Part VII, Section A, Line 1b - Form 990, Part VII: Sanford Trustees provide services to Sanford and its subsidiaries. Hours reported for each individual reflect the time spent on work related to either the filing organization or a related organization.

Form 990, Part XI, Line 5 - On March 1, 2011, Sanford Health, a South Dakota non profit corporation, acquired the assets of North Country Health Services, which included the assets of North Country Health Services Foundation. As part of this transaction, Sanford Health provided an equity transfer of $5,000,000 to the Foundation to fund future expansion of health services in the Bemidji, Minnesota region. Additionally, as part of this transaction, restricted funds that were housed in North Country Health Services were transferred to the Foundation, an equity transfer of $85,521.

Form 990, Part XII, Line 2c - On March 1, 2011, Sanford North, a North Dakota non-profit corporation, acquired the assets of North Country Health Services, which included the assets of North Country Health Services Foundation. Subsequent to that date, the Board of Trustees of Sanford Health assumed oversight authority over the entity and the name was changed to Sanford Health Foundation of Northern Minnesota. The year-end was changed from September 30 to June 30 to align with the parent entity and the entity was part of the consolidated financial statement audit of Sanford Health. The Sanford Health Board of Trustees reviews and approves the consolidated audit

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

Sanford Health Foundation of Northern Minnesota

Employer identification number

41-1389317

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to 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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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 entity? Yes	(g) No
(1) Sanford Health of Northern Minnesota (41-1266009) 1300 Anne St NW, Bemidji, MN 56601	Hospital	MN	501(c)(3)	3	Sanford North	✓	
(2) Sanford Health Network North (45-0409348) PO Box 2010, Fargo, ND 58122	Hospital/Clinic	ND	501 (c) (3)	11-II	Sanford North	✓	
(3) Meritcare Health Enterprises Inc (45-0359785) PO Box 2010, Fargo, ND 58122	Prescription drugs	ND	501 (c) 4		Sanford North	✓	
(4) FM Ambulance Service (45-0344371) 2215 18th St S, Fargo, ND 58103	EMT	ND	501 (c) 4		Sanford North	✓	
(5) Sanford Medical Center Thief River Falls (41-0709579) 120 Labree Ave S, Thief River Falls, MN 56701	Hospital	MN	501 (c) (3)	3	Sanford North	✓	
(6) Sanford Medical Center Mayville (45-0228899) 42 6th Ave SE, Mayville, ND 58257	Hospital	ND	501 (c) (3)	3	Sanford North	✓	
(7) (Continued on Schedule R, Part VII, Statement 1)							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) National Student H 100 S Phillips Avenue	Investment	SD	Sanford Health	Related	0	0		✓	0		✓	0%
(2) RAC Rentals LLC 100 S Phillips Avenue	Investment	SD	Sanford Health	Related	0	0		✓	0		✓	0%
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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
(1) North Country Management Inc (41-1820025) 1300 Anne St NW, Bemidji, MN 56601	Management Services	MN	Sanford Health of Northern Minnesota	C	0	0	0%
(2) Healthcare Environmental Services Inc (45-0336598) 1420 40th St NW, Fargo, ND 58102	Laundry and Incineration Services	ND	Sanford North	C	0	0	0%
(3) Heart Partners at Sanford (46-0449572) 1305 W 18th Street, Sioux Falls, SD 57117	Healthcare	SD	Sanford Health	C	0	0	0%
(4) Sanford Home Medical Equipment Inc (46-0388597) 2710 W 12th Street, Sioux Falls, SD 57105	Healthcare Equipment	SD	Sanford Health	C	0	0	0%
(5) Sanford Health Plan (91-1842494) 300 Cherapa Place, Sioux Falls, SD 57103	Insurance	SD	Sanford Health	C	0	0	0%
(6) Sanford Health Plan of Mn (46-0445852) 300 Cherapa Place, Sioux Falls, SD 57103	Insurance	MN	Sanford Health	C	0	0	0%
(7) Sanford World Clinics (26-2707628) 1305 West 18th Street, Sioux Falls, SD 57117	Healthcare	SD	Sanford Health	C	0	0	0%

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to 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 of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to other organization(s)	1b		✓
c	Gift, grant, or capital contribution from other organization(s)	1c		✓
d	Loans or loan guarantees to or for other organization(s)	1d		✓
e	Loans or loan guarantees by other organization(s)	1e		✓
f	Sale of assets to other organization(s)	1f		✓
g	Purchase of assets from other organization(s)	1g		✓
h	Exchange of assets	1h		✓
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		✓
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		✓
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	✓	
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		✓
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		✓
n	Sharing of paid employees	1n		✓
o	Reimbursement paid to other organization for expenses	1o	✓	
p	Reimbursement paid by other organization for expenses	1p		✓
q	Other transfer of cash or property to other organization(s)	1q		✓
r	Other transfer of cash or property from other organization(s)	1r	✓	

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)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

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.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

Part VII **Supplemental Information**

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

Description of Identification of Related Tax-Exempt Organizations

Name and EIN	Sanford Medical Center Wheaton (27-2042143)
Address	401 12th Street N
	Wheaton, MN 56296
Primary activities	Hospital/Clinic
State or foreign country	MN
Exempt code section	501 (c)(3)
Public charity status	3
Direct controlling entity	Sanford North
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Health (31-1527032)
Address	1305 West 18th Street
	Sioux Falls, SD 57117
Primary activities	Supporting Organization
State or foreign country	SD
Exempt code section	501 (c)(3)
Public charity status	11-III
Direct controlling entity	Sanford
512(b)(13) controlled organization?	No

Name and EIN	Sanford USD Medical Center (46-0227855)
Address	1305 W 18th Street
	Sioux Falls, SD 57117
Primary activities	Hospital
State or foreign country	SD
Exempt code section	501 (c) (3)
Public charity status	3
Direct controlling entity	Sanford Health
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Clinic (46-0447693)
Address	1305 W 18th Street
	Sioux Falls, SD 57117
Primary activities	Clinical Services
State or foreign country	SD
Exempt code section	501 (c) (3)
Public charity status	3
Direct controlling entity	Sanford Health
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Health Network (46-0388596)
Address	1305 W 18th Street
	Sioux Falls, SD 57117
Primary activities	Hospital/Clinic
State or foreign country	SD
Exempt code section	501 (c) (3)
Public charity status	11-I
Direct controlling entity	Sanford Health
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Home Health (46-0282134)
Address	1305 W 18th Street
	Sioux Falls, SD 57117
Primary activities	Home Health Services
State or foreign country	SD
Exempt code section	501 (c) (3)
Public charity status	9
Direct controlling entity	Sanford Health
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Health Foundation (36-3297853)
Address	1305 West 18th Street

	Sioux Falls, SD 57117
Primary activities	Supporting Organization
State or foreign country	SD
Exempt code section	501 (c) (3)
Public charity status	11-I
Direct controlling entity	Sanford Health
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Research USD (46-0450378)
Address	1305 W 18th Street
	Sioux Falls, SD 57117
Primary activities	Research
State or foreign country	SD
Exempt code section	501 (c) (3)
Public charity status	3
Direct controlling entity	Sanford Health
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford (27-1218956)
Address	801 Broadway Drive
	Fargo, ND 58122
Primary activities	Supporting Organization
State or foreign country	ND
Exempt code section	501 (c) (3)
Public charity status	11-II
Direct controlling entity	N/A
512(b)(13) controlled organization?	No

Name and EIN	Agassiz Assurance Company (74-3121855)
Address	100 Bankd Street Suite 610
	Burlington, VT 05401
Primary activities	Insurance
State or foreign country	VA
Exempt code section	501 (c) (3)
Public charity status	11-I
Direct controlling entity	Sanford North
512(b)(13) controlled organization?	Yes

Name and EIN	North Country Medical Clinic (41-1753855)
Address	1300 Anne Street NW
	Bemidji, MN 56601
Primary activities	Family Practice Medical Clinic
State or foreign country	MN
Exempt code section	501 (c) (3)
Public charity status	3
Direct controlling entity	Sanford Health of Northern Minnesota
512(b)(13) controlled organization?	Yes

Name and EIN	Baker Park Inc (41-1372480)
Address	803 Dewey Ave NW
	Bemidji, MN 56601
Primary activities	Low Income Senior Housing
State or foreign country	MN
Exempt code section	501 (c)(3)
Public charity status	9
Direct controlling entity	Sanford Health of Northern Minnesota
512(b)(13) controlled organization?	Yes

Name and EIN	SHM-Sanford (27-1213769)
Address	1305 West 18th Street
	Sioux Falls, SD 57105
Primary activities	Supporting Organization
State or foreign country	SD
Exempt code section	501 (c)(3)
Public charity status	11-II
Direct controlling entity	N/A

512(b)(13) controlled organization? No

Name and EIN	SHM-Meritcare (27-1213717)
Address	801 Broadway Drive
	Fargo, ND 58122
Primary activities	Supporting Organization
State or foreign country	ND
Exempt code section	501 (c)(3)
Public charity status	11-II
Direct controlling entity	N/A
512(b)(13) controlled organization?	No

Name and EIN	Sanford North (45-0385890)
Address	PO Box 2010
	Fargo, ND 58122
Primary activities	Supporting Organization
State or foreign country	ND
Exempt code section	501 (c)(3)
Public charity status	11-II
Direct controlling entity	Sanford
512(b)(13) controlled organization?	No

Name and EIN	Sanford Medical Center Fargo (45-0226909)
Address	PO Box 2010
	Fargo, ND 58122
Primary activities	Hospital
State or foreign country	ND
Exempt code section	501 (c)(3)
Public charity status	3
Direct controlling entity	Sanford North
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Clinic North (91-1770748)
Address	PO Box 2010
	Fargo, ND 58122
Primary activities	Clinics
State or foreign country	ND
Exempt code section	501 (c)(3)
Public charity status	9
Direct controlling entity	Sanford North
512(b)(13) controlled organization?	Yes

Name and EIN	Meritcare Minnesota (26-1530302)
Address	1720 South Highway 89
	Thief River Falls, MN 56601
Primary activities	Promotion of Health
State or foreign country	MN
Exempt code section	501 (c)(3)
Public charity status	3
Direct controlling entity	Sanford North
512(b)(13) controlled organization?	Yes

Name and EIN	Sanford Health Foundation North (45-0398104)
Address	PO Box 2010
	Fargo, ND 58122
Primary activities	Supporting Organization
State or foreign country	ND
Exempt code section	501 (c)(3)
Public charity status	7
Direct controlling entity	Sanford North
512(b)(13) controlled organization?	Yes

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . ▶ ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

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

Type or print	Name of exempt organization	Employer identification number
File by the extended due date for filing your return See instructions	SANFORD HEALTH FOUNDATION OF NORTHERN MINNESOTA	41-1389317
	Number, street, and room or suite no If a P.O box, see instructions 1300 ANNE ST NW	
	City, town or post office, state, and ZIP code For a foreign address, see instructions BEMIDJI, MN 56601-5103	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

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

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

• The books are in the care of ▶ HEATHER VANMEVEREN

Telephone No. ▶ 605-328-0593 FAX No ▶

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

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

4 I request an additional 3-month extension of time until MAY 15, 20 12

5 For calendar year ____, or other tax year beginning OCTOBER 1, 20 10, and ending JUNE 30, 20 11

6 If the tax year entered in line 5 is for less than 12 months, check reason. ☐ Initial return ☐ Final return
☒ Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS REQUIRED TO GATHER INFORMATION TO FILE A COMPLETE AND ACCURATE RETURN.

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

Signature and Verification

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

Signature ▶ Title ▶ CPA Date ▶ 2-10-12

P-609

NP-CN

43742810002

STATE OF MINNESOTA SECRETARY OF STATE

AMENDMENT OF ARTICLES OF INCORPORATION

READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM

1 Retain the original signed copy of this document for your records and submit a legible photocopy for filing with the Secretary of State
2 **There is a $35.00 fee** payable to the MN Secretary of State,
3. Return Completed Amendment Form and Fee to the address listed on the bottom of the form

CORPORATE NAME: (List the name of the company prior to any desired name change)

North Country Health Services Foundation

This amendment is effective on the day it is filed with the Secretary of State, unless you indicate another date, no later than 30 days **after** filing with the Secretary of State.

_____ Format (mm/dd/yyyy)

The following amendment(s) to articles regulating the above corporation were adopted (Insert full text of newly amended article(s) indicating which article(s) is (are) being amended or added) If the full text of the amendment will not fit in the space provided, attach additional pages

ARTICLE I

The name of this corporation shall be Sanford Health Foundation of Northern Minnesota.

This amendment has been approved pursuant to Minnesota Statutes, Chapter 302A or 317A.

I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609 48 as if I had signed this document under oath.

Robert T. FitzGerald

Signature of Authorized Person or Authorized Agent

Name and telephone number of contact person: Kim J Patrick, General Counsel (Please Print Legibly) 605-312-6573 (Phone Number)

FILE IN-PERSON OR MAIL TO.
Minnesota Secretary of State - Business Services
Retirement Systems of Minnesota Building
60 Empire Drive, Suite 100
St Paul, MN 55103
(Staffed 8 00 - 4 00, Monday - Friday, excluding holidays)

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUL 11 2011
Mark Ritchie
Secretary of State

To obtain a copy of a form you can go to our web site at www.sos state.mn.us , or contact us between 9.00am to 4 Monday through Friday at (651) 296-2803 or toll free 1-877-551-6767

All of the information on this form is public. Minnesota law requires certain information to be provided for this type of filing. If that information is not included, your document may be returned unfiled. This document can be made available in alternative formats, such as large print, Braille or audio tape, by calling (651) 296-2803/voice. For a TTY/TTD (deaf and hard of hearing) communication, contact the Minnesota Relay Service at 1-800-627-3529 and ask them to place a call to (651)296-2803 The Secretary of State's Office does not discriminate on the basis of race, creed, color, sex, sexual orientation, national origin, age, marital status, disability, religion, reliance on public assistance or political opinions or affiliations in employment or the provision of service.

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
NORTH COUNTRY HEALTH SERVICES FOUNDATION

Pursuant to Minnesota Statutes Sections 317A.133 and 317A.139, the following amendments to the Articles of Incorporation of North Country Health Services Foundation (the "Corporation") were duly adopted by the Board of Directors of the Corporation at a meeting duly called and held on February 14, 2011, and by North Country Health Services, the sole member of the Corporation, at a meeting of the North Country Health Services Board of Directors at a meeting duly called and held on February 16, 2011. The amendments are filed to be effective March 1, 2011.

1. Article 2 of the Articles of Incorporation is hereby deleted in its entirety and replaced with the following:

ARTICLE II

This corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes, specifically to be organized and operated exclusively for the benefit of, to perform the functions of and to carry out the purposes of Sanford Health of Northern Minnesota. All the powers of this corporation shall be exercised only so that this corporation's operations shall be exclusively within the contemplation of Section 501(c)(3) and Section 509(a)(3) of the Internal Revenue Code. All references in these Articles of Incorporation to sections of the Internal Revenue Code are to the Internal Revenue Code of 1986 and include any provisions thereof adopted by future amendments thereto and any cognate provisions in future Internal Revenue Codes to the extent such provisions are applicable to this corporation.

2. Article 7 of the Articles of Incorporation is hereby deleted in its entirety and replaced with the following:

ARTICLE VII

The sole member of this corporation shall be Sanford Health of Northern Minnesota.

3. All references in the Articles of Incorporation to "North Country Health Services" shall hereafter be changed to "Sanford Health of Northern Minnesota."

I swear that the foregoing is true and accurate and that I have the authority to sign these Articles of Amendment on behalf of the Corporation.

Date: _____, 2011

Sylvia Wildgen
Immediate Past Chairperson and Acting Chairperson

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAR 01 2011

Mark Ritchie
Secretary of State