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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

SEE SCHEDULE O

2

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

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?

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 \$ 344,894,213 including grants of \$) (Revenue \$ 369,362,840)

SEE SCHEDULE O

4b

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

SEE SCHEDULE O

4c

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

4d

Other program services (Describe in Schedule O)






















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

4e

Total program service expenses \$ 344,894,213

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
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	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9 Yes	
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 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
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	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a	No
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 Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) 	17 Yes	
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 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	100
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	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	3,723
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	Yes
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
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? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		No
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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	Yes	
10b	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?	Yes	
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		No
11b	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	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
15c	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?	Yes	
16b	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?	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. GARY OLSON PRESIDENT CEO 232 S WOODS MILL RD Chesterfield, MO 63017 (314) 434-1500

Part VII

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: 137

3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>

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
MCCARTHY BROTHERS CONSTRUCTION	CONSTRUCTION	6,098,304
QUEST DIAGNOSTICS	LAB SERVICES	1,222,297
FAULTLESS LINEN CO	LINEN SERVICES	1,097,997
ICS CONSTRUCTION SERVICES LTD	CONSTRUCTION	1,014,720
NUANCE COMMUNICATIONS	TRANSCRIPTION	993,795
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 ▶40		

Part VIII

Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c	36,040			
	d Related organizations 1d				
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	6,565,041			
	g Noncash contributions included in lines 1a-1f \$	321,775			
	h Total. Add lines 1a-1f	6,601,081			
Program Service Revenue	2a	Business Code			
	INPATIENT / OUTPATIENT REVENUE (NET)	623990	366,928,943	366,928,943	
	b NONPATIENT LABS	621110	2,348,749		2,348,749
	c RETAIL PHARMACIES	446110	4,210,528	2,433,897	1,776,631
	d ALL OTHER PROGRAM SERVICE REVENUE	623990	534,265		534,265
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f	374,022,485			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)				
		1,403,407			1,403,407
	4 Income from investment of tax-exempt bond proceeds . . .	0			
	5 Royalties	0			
	6a Gross Rents	(i) Real 7,737,037	(ii) Personal		
	b Less rental expenses				
	c Rental income or (loss)	7,737,037			
	d Net rental income or (loss)	7,737,037			7,737,037
	7a Gross amount from sales of assets other than inventory	(i) Securities 81,990	(ii) Other		
	b Less cost or other basis and sales expenses	5,860			
	c Gain or (loss)	76,130			
	d Net gain or (loss)	76,130			
	8a Gross income from fundraising events (not including \$ 36,040 of contributions reported on line 1c) See Part IV, line 18	a 10,580			
	b Less direct expenses b	16,292			
	c Net income or (loss) from fundraising events . . .	-5,712			
	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 . . .	0			
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 . . .	0				
Miscellaneous Revenue		Business Code			
11a CAFETERIA	623990	2,131,575			2,131,575
b REHAB SERVICES	623990	1,274,330			1,274,330
c MISCELLANEOUS INCOME	623990	763,351			763,351
d All other revenue		-2,587,754			-2,587,754
e Total. Add lines 11a-11d	1,581,502				
12 Total revenue. See Instructions	391,415,930	369,362,840	4,659,645		10,721,946

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	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	4,594,437		4,344,224	250,213
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	147,177,139	143,161,776	3,795,907	219,456
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,091,050	6,688,784	380,322	21,944
9	Other employee benefits	17,788,626	16,779,501	954,077	55,048
10	Payroll taxes	10,272,344	9,689,607	550,948	31,789
a	Fees for services (non-employees)				
	Management	0			
b	Legal	727,319		727,319	
c	Accounting	139,196		139,196	
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	46,672			46,672
f	Investment management fees	0			
g	Other	3,886,293	3,886,293		
12	Advertising and promotion	928,803	21,295	907,508	
13	Office expenses	5,932,819	5,010,066	830,728	92,025
14	Information technology	2,974,622	2,974,622		
15	Royalties	0			
16	Occupancy	11,221,441	11,157,904	63,537	
17	Travel	429,810	408,048	16,961	4,801
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	125,443	110,505	11,018	3,920
20	Interest	5,427,838	5,427,838		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	22,963,847	22,963,847		
23	Insurance	3,152,509	6,026	3,146,483	
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	SUPPLIES	73,790,700	73,562,439	219,002	9,259
b	MEDICAID FRA TAX EXPENSE	17,309,000	17,309,000		
c	CONTRACT SERVICES	9,984,023	9,025,817	957,384	822
d	REPAIR & MAINTENANCE EXPENSE	5,859,318	5,839,811	19,507	
e	BAD DEBT EXPENSE	2,759,531	2,759,531		
f	All other expenses	9,802,028	8,111,503	1,611,938	78,587
25	Total functional expenses. Add lines 1 through 24f	364,384,808	344,894,213	18,676,059	814,536
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			152,866,477	2	164,680,817
	3	Pledges and grants receivable, net			3,759,590	3	4,759,529
	4	Accounts receivable, net			36,871,680	4	38,638,752
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			450,000	5	525,000
	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). Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			5,290,231	8	6,120,433
	9	Prepaid expenses and deferred charges			4,277,578	9	4,653,117
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	475,036,063	194,996,797	10c	202,087,313
	b	Less: accumulated depreciation	10b	272,948,750			
	11	Investments—publicly traded securities			35,290,516	11	35,320,626
	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			31,605,143	15	32,888,145
16	Total assets. Add lines 1 through 15 (must equal line 34)			465,408,012	16	489,673,732	
Liabilities	17	Accounts payable and accrued expenses			28,936,492	17	29,515,657
	18	Grants payable			18,293	18	197,397
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			109,816,423	20	106,499,583
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			455,135	21	471,565
	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			49,549,984	25	37,043,012
	26	Total liabilities. Add lines 17 through 25			188,776,327	26	173,727,214
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			267,765,503	27	305,084,255
	28	Temporarily restricted net assets			5,724,813	28	6,579,997
	29	Permanently restricted net assets			3,141,369	29	4,282,266
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			276,631,685	33	315,946,518
	34	Total liabilities and net assets/fund balances			465,408,012	34	489,673,732

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	391,415,930
2	Total expenses (must equal Part IX, column (A), line 25)	2	364,384,808
3	Revenue less expenses Subtract line 2 from line 1	3	27,031,122
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	276,631,685
5	Other changes in net assets or fund balances (explain in Schedule O)	5	12,283,711
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	315,946,518

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization St Luke's Episcopal-Presbyterian Hospitals	Employer identification number 43-0652680
---	--

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2010

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part IIIPart III

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

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

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

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Additional Data

Software ID:

Software Version:

EIN: 43-0652680

Name: St Luke's Episcopal-Presbyterian Hospitals

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Ned O Lemkemeier Chairman	4 0	X		X						
Annie Schlafly Vice Chairman	4 0	X		X						
James G Forsyth III Treasurer	1 0	X		X						
Daniel K Stegmann Secretary	1 0	X		X						
John B Buettner MD Director	40 0	X						82,789	0	10,582
William Cornelius Director	1 0	X								
John F Eilermann Jr Director	1 0	X								
The Rev Terry Epling Director	1 0	X								
Kathleen Higgins Director	1 0	X								
Jefferson L Miller Director	1 0	X								
Thomas Niesen MD Director	1 0	X								
John A O'Rourke Director	1 0	X								
Jerome G Plontek MD Director	1 0	X								
Jerrie H Plegge Director	1 0	X								
David B Price Jr Director	1 0	X								
Hugh Scott III Director	1 0	X								
Joseph A Sheehan Director	1 0	X								
The Rt Rev G Wayne Smith Director	1 0	X								
Eugene M Toombs Director	1 0	X								
Gary Olson President and CEO	54 0			X	X			642,655	0	60,569
Brian Spillers Executive V P - Finance	48 0			X	X			745,307	0	50,769
David Krajcovic MD Chief Department of Surgery	60 0				X			434,376	0	22,069
Paul Mennes MD Chief Department of Medicine	65 0				X			518,264	0	23,069
Carlton Pearse MD Chief Department of OB/GYN	25 0				X			146,577	0	20,004
Gail Wagner Senior V P of Nursing	50 0				X			293,773	0	27,858

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Sue Adams Executive Director Development	50 0				X			173,688	0	24,829
Jan Hess Vice President	50 0				X			227,864	0	34,868
Brenda Kelly V P of Surgical Services	50 0				X			226,081	0	35,625
William Meyer Chief Information Officer	50 0				X			249,409	0	36,649
Don Miller Vice President of Operations	49 0				X			254,761	0	25,898
Janette Taaffe Vice President Human Resources	50 0				X			200,519	0	25,582
Talat Nawas MD Medical Director - Hospitalist	50 0					X		469,059	0	28,719
Hope Cranston D'Amato MD Medical Director - ICU	60 0					X		410,756	0	21,499
Abdul Moheet MD Emergency Department	55 0					X		383,670	0	30,099
Sergio Garcia MD Emergency Department	55 0					X		372,781	0	16,437
Vijayakumari Reddy MD Hospitalist	40 0					X		324,455	0	9,188

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization St Luke's Episcopal-Presbyterian Hospitals	Employer identification number 43-0652680
--	--

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

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

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

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

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?	Yes		29,181
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV		No	
	j Total lines 1c through 1i			29,181
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
PART II-B, LINE 1F		APPROXIMATELY \$29,181 OF THE DUES PAID TO VARIOUS TRADE ORGANIZATIONS FOR THE YEAR ENDED JUNE 30, 2011 IS ATTRIBUTABLE TO LOBBYING ACTIVITIES BY THE ORGANIZATIONS

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St Luke's Episcopal-Presbyterian Hospitals

Employer identification number
43-0652680

Part I

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

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

Part II

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

1

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

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

☐ Protection of natural habitat

☐ Preservation of open space

☐ Preservation of an historically importantly land area

☐ Preservation of a certified historic structure

2

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

	Held at the End of the Year
2a	Total number of conservation easements
2b	Total acreage restricted by conservation easements
2c	Number of conservation easements on a certified historic structure included in (a)
2d	Number of conservation easements included in (c) acquired after 8/17/06

3

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

4

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

5

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

☐ Yes☐ No

6

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

7

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

8

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

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

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

2

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

a

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

b

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

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☒ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☒ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	3,141,369	2,702,625	3,888,899		
b Contributions	8,000	5,252	4,776		
c Investment earnings or losses	1,131,646	433,492	-1,191,050		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	4,281,015	3,141,369	2,702,625		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

3a

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

(i) unrelated organizations

(ii) related organizations

b

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

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

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	15,085,984		15,085,984
b Buildings	0	265,661,593	130,620,299	135,041,294
c Leasehold improvements	0	17,008,439	6,000,857	11,007,582
d Equipment	0	169,538,786	136,327,595	33,211,193
e Other	0	7,741,261		7,741,261
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				202,087,314

Schedule D (Form 990) 2010

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
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 - 8	9	
10	Excess or (deficit) for the year per 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 should 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 should 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
SCHEDULE D, PART V, LINE 4 - USES OF ENDOWMENT FUNDS		ENDOWMENT FUNDS CONSIST OF APPROXIMATELY EIGHT INDIVIDUAL FUNDS, OF WHICH THREE WERE ESTABLISHED FOR INDIGENT CARE. ALL REALIZED INVESTMENT RETURNS ARE RELEASED TO OPERATIONS IN ACCORDANCE WITH THE DONOR RESTRICTIONS.
SCHEDULE D, PART IV, LINE 2b - ESCROW FUNDS SURREY PLACE SKILLED NURSING	FACILITY	THE HOSPITAL OBTAINS ONE MONTH'S WORTH OF DEPOSITS IN ADVANCE FOR ROOM AND BOARD CHARGES FOR SKILLED NURSING FACILITY PRIVATE PAY RESIDENTS.
SEE SCHEDULE O FOR ADDITIONAL INFORMATION ON CORE FORM PART IV, QUESTION	12 AND SCHEDULE D, PARTS XI, XII & XIII	
SCHEDULE D, PART X - FIN48 AUDIT DISCLOSURE IS N/A		

Additional Data

Software ID:

Software Version:

EIN: 43-0652680

Name: St Luke's Episcopal-Presbyterian Hospitals

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
DEFERRED COMPENSATION	9,968,659
HELD BY BOND TRUSTEE	8,987,405
INVESTMENT IN REHAB HOSPITAL	4,778,745
INTERCOMPANY RECEIVABLES	2,561,858
UNAMORTIZED BOND ISSUE COSTS	2,325,638
SPECIAL PURPOSE FUND	1,821,719
MISCELLANEOUS ASSETS	861,905
INVEST IN WOMEN'S HEALTH CARE	608,072
INVESTMENT IN HOSPICE	552,600
INV IN OUTPATIENT IMAGING	421,544

Employer identification number
43-0652680

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

a <input checked="" type="checkbox"/> Mail solicitations	e <input checked="" type="checkbox"/> Solicitation of non-government grants
b <input type="checkbox"/> Internet and e-mail solicitations	f <input type="checkbox"/> Solicitation of government grants
c <input checked="" type="checkbox"/> Phone solicitations	g <input checked="" type="checkbox"/> Special fundraising events
d <input type="checkbox"/> In-person solicitations	

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☒ Yes ☐ No

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
WILKINSON GROUP INC 4516 Persing 4516 Persing Place St Louis, MO 63108	CONSULTING		No	0	46,672	0
Total				0	46,672	0

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 50083H **Schedule G (Form 990 or 990-EZ) 2010**

Part II Fundraising Events.

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		Golf Tournament (event type)	Walk (event type)	0 (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	33,575	13,045	46,620
	2	Less Charitable contributions	22,995	13,045	36,040
	3	Gross income (line 1 minus line 2)	10,580		10,580
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs	7,002	165	7,167
	7	Food and beverages	4,055		4,055
	8	Entertainment			
	9	Other direct expenses	3,447	1,623	5,070
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			16,292
	11	Net income summary Combine lines 3 and 10 in column (d). ▶			-5,712

Part III Gaming.

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

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

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

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

14

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

Name ▶ _____

Address ▶ _____

15a

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

☐ Yes ☐ No

b

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

c

If "Yes," enter name and address

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

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

☐ Yes ☐ No

b

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

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

Identifier	ReturnReference	Explanation
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization
St Luke's Episcopal-Presbyterian
Hospitals

Employer identification number
43-0652680

Part I

Financial Assistance and Certain Other Community Benefits at Cost

1a

Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a

1a

Yes

b

If "Yes," is it a written policy?

1b

Yes

2

If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year

☐ Applied uniformly to all hospitals

☐ Applied uniformly to most hospitals

☐ Generally tailored to individual hospitals

3

Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

a

Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care

☐ 100%

☐ 150%

☒ 200%

☐ Other _____%

b

Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

☐ 200%

☐ 250%

☐ 300%

☐ 350%

☒ 400%

☐ Other _____%

c

If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4

Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?

4

Yes

5a

Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

5a

Yes

b

If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

5b

Yes

c

If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?

5c

No

6a

Does the organization prepare a community benefit report during the tax year?

6a

Yes

6b

If "Yes," did the organization make it available to the public?

6b

Yes

Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)		11,388	4,948,686		4,948,686	1 370 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		7,995	5,714,805	4,332,349	1,382,456	0 380 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		19,383	10,663,491	4,332,349	6,331,142	1 750 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			592,146	41,418	550,728	0 150 %
f Health professions education (from Worksheet 5)			6,697,815	3,840,904	2,856,911	0 790 %
g Subsidized health services (from Worksheet 6)		5,936	1,022,288	427,064	595,224	0 160 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			673,016		673,016	0 190 %
j Total Other Benefits		5,936	8,985,265	4,309,386	4,675,879	1 290 %
k Total. Add lines 7d and 7j			19,648,756	8,641,735	11,007,021	0 %

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

Cat No 50192T

Schedule H (Form 990) 2010

Part IICommunity Building Activities

during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

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

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2920,298	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3272,166	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5122,789,426	
6	Enter Medicare allowable costs of care relating to payments on line 5	6127,685,108	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7-4,895,682	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1ST LUKE'S CENTER	OUTPATIENT IMAGING MANAGEMENT	31.000 %	0 %	18.000 %
2FOR DIAGNOSTIC	SERVICES			
3IMAGING LLC				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

Schedule H (Form 990) 2010

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

Name and address		Type of Facility (Describe)
1	St Luke's Hospital Skilled Nursing Facility - Surrey Place Olive Chesterfi, MO 63017	Skilled Nursing/Residential Care Facility
2	St Luke's Hospital Skilled Nursing Facility - Surrey Place Olive Chesterfi, MO 63017	Skilled Nursing/Residential Care Facility
3	St Luke's Hospital Skilled Nursing Facility - Surrey Place Olive Chesterfi, MO 63017	Skilled Nursing/Residential Care Facility
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
PART I, LINE 3C		N/A

Identifier	ReturnReference	Explanation
PART I, LINE 6A		N/A - ISSUED THROUGH MISSOURI HOSPITAL ASSOCIATION

Identifier	ReturnReference	Explanation
PART I, LINE 7G		N/A

Identifier	ReturnReference	Explanation
PART I, LINE 7, COLUMN (f) - Total Community Benefit Expense as a Percent	of Total Expense	Line 7 a Charity Care 1 37% Line 7 b Unreimbursed Medicaid 1 58% Line 7 d Total Charity Care and govt programs 2 95% Line 7 e Community Health improvement services 16% Line 7 f Health professions education 1 85% Line 7 g Subsidized Health Services 28% Line 7 i Cash and in-kind contributions 19% Line 7 j Total Other Benefits 2 48%

Identifier	ReturnReference	Explanation
PART I, LINE 7		BAD DEBT EXPENSE SUBTRACTED FROM AMOUNT REPORTED ON LIKE 7F - N/A

Identifier	ReturnReference	Explanation
PART III, LINE 4		a) No footnote regarding bad debt expense in the organization's financial statements b) Costing methodology used in determining the amounts reported on lines 2 and 3 - cost to charge ratio

Identifier	ReturnReference	Explanation
PART III, LINE 8		Provision of care to Medicare beneficiaries meets a need in the community and any shortfall is considered to be a community benefit Costing methodology used to determine Medicare allowable costs -cost to charge ratios/Medicare cost report

Identifier	ReturnReference	Explanation
PART III, LINE 9B		Collection policy regarding patients who are known to qualify for charity care or financial assistance - St Luke's Hospital has developed policies and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from St Luke's Hospital, and a patient's good faith effort to comply with his or her payment agreements with St Luke's Hospital For patients who qualify for financial assistance and who are cooperating in good faith to resolve their hospital bills, St Luke's Hospital may offer extended payment plans, will not impose wage garnishments or force a foreclosure on primary residences, will not impose actions that force bankruptcy and will not send unpaid bills to outside collection agencies St Luke's Hospital adheres to the laws of the Fair Debt Collection Practices Act and the Association of Credit and Collection Professional's Code of Ethics and Professional Responsibility and patients are treated with dignity, respect and in line with our mission and values

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		St Luke's identifies and assesses the unmet needs of its community during its daily operations and ongoing community outreach efforts. Many requests come from physicians on staff, leaders in the community, community focus groups, and strategic planning. Through reports from the Missouri Hospital Association, including the community health profile data for the St. Louis area, the health status and needs of the community are identified. Behaviors, medical risk factors, social determinants and outcomes over a multi-year period are reviewed. The organization then takes a systematic approach in defining the appropriate health care initiatives and the resources needed.

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		Patients are informed about St Luke's Financial Assistance process in a number of ways - Financial counselors and Social workers are available to patients during their stay - Patient financial Services attempts to contact scheduled patients prior to services to provide patients with their expected amounts due and discuss payment/discount options - Discussions about financial assistance occur when speaking to patients on the phone about their account balances - Information regarding the Financial Assistance Policy is located via the - Website - Billing statements - Registration booklets/brochures

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		St Luke's serves the region from more than 20 locations across St Louis and St Charles counties, with its secondary service area including portions of the city of St Louis, Franklin county and Jefferson County The geographic area population is greater than 1.3 million, with over 500,000 households In addition, patients from St Clair and Madison counties in Illinois utilize St Luke's Hospital

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES		<p>- St Luke's work's with its denominational sponsors, the Episcopal and Presbyterian USA C hurches (the Churches), to improve the health of the greater St Louis community in body, mind and spirit Through various communications and outreach efforts, St Luke's works to create a stronger connection with the Churches and community to show how St Luke's lives out its mission and ministry of healing Key initiatives include 1) Annual representation at a meeting of the Presbytery of Giddings-Lovejoy/Episcopal Diocese of Missouri by the P astoral Care Director to provide an overview of annual mission activities, 2) Annual Healt h Fair participation at Presbyterian and Episcopal leadership functions, including health care screenings and education for various topics (i e Women's Health, Men's Health, Child ren's Health), 3) Annual mission brochure to describe hospital services, community outreac h, education, provision of charity care to the uninsured and underinsured within the commu nity, and information about other resources provided by the hospital, such as Meals on Whe els and the Pediatric Care Center, 4) Annual Founder's Day celebration at St Luke's atten ded by Hospital physicians, employees, volunteers and clergy leaders from throughout the a rea to celebrate the renewal of St Luke's mission and communicate how it is lived out in the daily services provided to the community, 5) Raising awareness about the St Luke's Pa stor al Care Department and Clinical Pastoral Education program, and 6) Identifying opportu nities to provide health education articles and information about upcoming healthy living events to the Presbytery/Diocese Additional community support includes - St Luke's offe rs a free membership program to community women called Spirit of Women This national prog ram focuses on advancing women's healthcare and inspiring women to take action for their h ealth, and the health of their families 7,000 women joined the program to date to receive ongoing health information about key health topics and information on many free health ed ucation programs offered by St Luke's - St Luke's supported the Chesterfield Chamber's Junior Leadership Development and Training by providing a Program Leader who managed the p rogram for Juniors of four area high schools This program is designed to provide a forum of education and growth for the future leaders of the Chesterfield community In addition, each "student team" is responsible for a community project that involves fellow students and benefits community organizations in our area - St Luke's supports the Leadership Che sterfield program by providing speakers and meeting rooms for this group This program is structured to challenge business professionals and community members by addressing topics such as government and public service, history, arts and culture, education and training, health care and quality of life, and community growth and development - A St Luke's Lead ership Team member participates in an active role on the Health subcommittee for Partners for Progress of St Charles County, which is affiliated with the economic development cent er This committee meets to discuss Environment and infrastructure, education, health and public policy - A St Luke's Sr staff member participates on the Episcopal-Presbyterian trust fund board which donates significant monies to help the poor in the city of St Loui s - A St Luke's Sr staff member participates on the Chesterfield Development Advisory B oard This group provides a sounding board for the Mayor and staff, as well as an opportu nity to seek the opinion of local business leaders - St Luke's Community Outreach Departm ent strongly supports the area's school nurses, providing meeting rooms and Missouri Nursi ng Association (MONA) credit hours for their educational monthly meetings and an annual "C oncepts in School Nursing" workshop Focus is on the key "hot topics" school nurses must a ddress to keep students healthy and safe in the school environment - St Luke's has parti cipated in the St Louis Internship Program for nearly 15 years This program is designed to invest in our community by offering support in life skills and inspiration to underserv ed high school students As a corporate partner, St Luke's helps these students realize t heir potential by exposing them to healthcare job opportunities and providing them with me aningful work during an 8 week summer internship Each summer, St Luke's sponsors 4-8 hig h school interns St Luke's has been recognized by the Board of the St Louis Internship Program for the hospital's consistent dedication to these youth and for the high marks the interns give the hospital for their professional work experience Approximately 95 percen t of the interns graduate from high school and go on to post-secondary education or traini ng St Luke's is a proud participant in the program, believing that the entire community benefits because the program increases the skilled</p>

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES		talent in the workforce and cultivates future St. Louis leaders - St. Luke's also partners with academic facilities throughout the region by providing supervised internships for college and graduate students in various healthcare fields (nursing, physical therapy, hospital administration, health information services, social services, etc.). These internships provide new graduates with the real-life professional experiences they need prior to entering the workforce as a healthcare professional - St. Luke's offers use of its Institute for Health Education auditorium and meeting space free of charge to area non-profits for health education and support groups - St. Luke's Physicians and health educators author two health columns in the St. Louis Post-Dispatch newspaper each month to raise awareness about key health topics. The physicians and health educators also conduct media interviews for print and television on key health topics to help educate the public on diagnosis and treatments for various medical conditions - St. Luke's works with area public and private high schools and colleges to provide "shadowing" experiences for students interested in the medical profession. This enables students to gain additional knowledge to help guide them in their choice of professional careers.

Identifier	ReturnReference	Explanation
OTHER INFORMATION		<p>Services Provided St Luke's Hospital is a regional Health Care provider committed to improving the quality of life for patients and the community St Luke's offers services from more than 20 locations with services in 60 specialty areas including cardiovascular care and surgery, cancer care, neurosurgery and neurology, orthopedics, maternity and other women's health, general medicine, outpatient services, pediatrics and comprehensive surgical services Given the dramatic growth in the number of persons using the internet to obtain information on healthcare, St Luke's utilizes technology resources to improve the health of the community and educate patients and the public by offering the following health information</p> <ul style="list-style-type: none">- Women's Center - Provides in-depth information on the prevention, diagnosis, treatment, and care of conditions that affect women of all ages- Pediatric Center - Provides in-depth information on the prevention, diagnosis, treatment, and care of conditions that affect newborn, children, and adolescents- Senior Center - Provides in-depth information on the prevention, diagnosis, treatment, and care of conditions that become more common as people age- Men's Center - Provides in-depth information on the prevention, diagnosis, treatment, and care of conditions that affect men of all ages- Multimedia Encyclopedia - Take charge of your health and gain knowledge by watching informative multimedia presentations- Symptom Navigator - "Where does it hurt?"- My Checkups - Know when to schedule important exams- In-Depth reports - 100 topics for advanced study- Pregnancy Health Center - Important information designed to guide you through your pregnancy - you will see how your baby develops each week, find helpful planning tips, and learn what to expect from labor and delivery- Surgery and Procedures - Includes descriptions, visual illustrations and indicators for specific surgeries- Health Care Guides - Educational materials for specific conditions including high blood pressure, high cholesterol, allergies and Type I diabetes- Wellness Tools - Health calculators including body mass index calculator, calorie burner counter, target heart rate calculator, ideal body weight, nutritional needs and waist to hip calculator- Drug Interaction Center - Medication information including description of the medicines, possible interactions and reasons for taking prescribed medications- Drug Notes - Medications in alphabetical order- Body Guide - Interactive guide to all 12 body systems- Animation Player - Visually-rich, multimedia presentation- Heart Aware Risk Assessment - This assessment helps patients assess and identify potential risk of heart disease and other health concerns <p>St Luke's Hospital Early Detection Center contacts at risk patients to schedule a free follow-up evaluation with a registered heart caring professional This 45-minute appointment includes a free cholesterol/glucose screening, a blood pressure check and personal consultation on screening results</p> <ul style="list-style-type: none">- Other health aware risk assessments - These online assessments for stroke, spine issues and sleep apnea provide the community with estimated risk for various conditions <p>Medical Staff St Luke's Hospital extends medical staff privileges to all qualified physicians in the community for primary care services (i e Internal medicine and pediatrics) Of the current 989 physicians on the Medical staff greater than 95% are board certified</p> <p>Governing Body St Luke's Hospital has 19 voting members on its Board of Directors They include community and corporate leaders as well as physicians and representatives of both the Episcopal and Presbyterian churches</p> <p>Allocation of surplus funds Positive financial results support 1) investment in strategic capital expenditures and new technology, 2) growth and expansion of services to meet identified community needs, and 3) recruitment and retention of quality healthcare professionals through a comprehensive market based compensation and benefits program</p>

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM		N/A

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
St Luke's Episcopal-Presbyterian Hospitals

Employer identification number
43-0652680

Part I

Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

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

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
Schedule J, Part I, Q 6		The executive incentive compensation plan recognizes and reinforces the Hospital's strategic balance scorecard objectives which are built around four perspectives including: 1. Patient/physician/community; 2. Employee; 3. Internal business; 4. Financial. The incentive pay is based on measurable results against pre-determined goals for the Officers, Vice Presidents and department directors of the hospital.

Software ID:
Software Version:
EIN: 43-0652680
Name: St Luke's Episcopal-Presbyterian
Hospitals

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
Gary Olson	(i)	536,455	106,200	0	23,800	36,769	703,224	0
	(ii)	0	0	0	0	0	0	0
Brian Spillers	(i)	417,399	70,000	257,908	11,000	39,769	796,076	0
	(ii)	0	0	0	0	0	0	0
David Krajcovic MD	(i)	434,376	0	0	0	22,069	456,445	0
	(ii)	0	0	0	0	0	0	0
Paul Mennes MD	(i)	518,264	0	0	0	23,069	541,333	0
	(ii)	0	0	0	0	0	0	0
Carlton Pearse MD	(i)	146,577	0	0	0	20,004	166,581	0
	(ii)	0	0	0	0	0	0	0
Gail Wagner	(i)	237,976	55,797	0	0	27,858	321,631	0
	(ii)	0	0	0	0	0	0	0
Sue Adams	(i)	141,951	31,737	0	0	24,829	198,517	0
	(ii)	0	0	0	0	0	0	0
Jan Hess	(i)	183,090	44,774	0	0	34,868	262,732	0
	(ii)	0	0	0	0	0	0	0
Brenda Kelly	(i)	183,691	42,390	0	0	35,625	261,706	0
	(ii)	0	0	0	0	0	0	0
William Meyer	(i)	201,841	47,568	0	0	36,649	286,058	0
	(ii)	0	0	0	0	0	0	0
Don Miller	(i)	205,610	49,151	0	0	25,898	280,659	0
	(ii)	0	0	0	0	0	0	0
Janette Taaffe	(i)	161,476	39,043	0	0	25,582	226,101	0
	(ii)	0	0	0	0	0	0	0
Talat Nawas MD	(i)	469,059	0	0	0	28,719	497,778	0
	(ii)	0	0	0	0	0	0	0
Hope Cranston D'Amato MD	(i)	410,756	0	0	0	21,499	432,255	0
	(ii)	0	0	0	0	0	0	0
Abdul Moheet MD	(i)	383,670	0	0	0	30,099	413,769	0
	(ii)	0	0	0	0	0	0	0
Sergio Garcia MD	(i)	372,781	0	0	0	16,437	389,218	0
	(ii)	0	0	0	0	0	0	0
Vijayakumari Reddy MD	(i)	324,455	0	0	0	9,188	333,643	0
	(ii)	0	0	0	0	0	0	0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
St Luke's Episcopal-Presbyterian
Hospitals

Employer identification number
43-0652680

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A HEALTH & EDUCATIONAL FACILITIES AUTH STATE OF MO	43-1178966	60635RY68	01-09-2007	56,215,363	SEE PART V		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	57,062,584							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	549,996							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	31,129,830							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
PART I, LINE A, COLUMN F		2006 BONDS WERE ISSUED JANUARY 9, 2007 AT A FIXED RATE WITH PROCEEDS OF \$56 MILLION USED IN PART TO REFUND A PORTION OF SERIES 2001 BONDS (ISSUED JUNE 14, 2001) AND TO PARTIALLY FINANCE CAPITAL IMPROVEMENTS
PART II, LINE 3		THE DIFFERENCE BETWEEN PROCEEDS AND ISSUE PRICE IS INTEREST EARNED ON THE PROJECT FUND

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St Luke's Episcopal-Presbyterian Hospitals

Employer identification number
43-0652680

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) GARY OLSON - RETENTION		X	525,000	525,000		No	Yes		Yes	
Total ▶ \$ 525,000										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V

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

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St Luke's Episcopal-Presbyterian Hospitals

Employer identification number
43-0652680

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles .				
7 Boats and planes				
8 Intellectual property . .				
9 Securities—Publicly traded	X	7	321,775	FAIR MARKET VALUE
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests .				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other . .				
15 Real estate—Residential .				
16 Real estate—Commercial				
17 Real estate—Other . .				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts . .				
23 Scientific specimens . .				
24 Archeological artifacts .				
25 Other ► ()				
26 Other ►()				
27 Other ►()				
28 Other ► ()				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement			29	

30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	Yes	No
b	If "Yes," describe the arrangement in Part II		No
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	Yes	
b	If "Yes," describe in Part II		
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part III

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
32b		ST LUKE'S HOSPITAL USES AN OUTSIDE TRUST COMPANY TO SELL EQUITY SECURITIES CONTRIBUTED TO THE ORGANIZATION

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

2010

**Open to Public
Inspection**

Name of the organization
St Luke's Episcopal-Presbyterian
Hospitals

Employer identification number

43-0652680

Identifier	Return Reference	Explanation
FORM 990, PART I, Q1 & PART III, Q1 - ORGANIZATION'S MISSION		<p>Our Mission Faithful to our Episcopal-Presbyterian heritage and its ministry of healing, St Luke's Hospital is dedicated to improving the health of the community Using talents and resources responsibly, our medical staff, employees and volunteers provide care for the whole person with compassion, professional excellence and respect for each other and those we serve Living Our Mission Mission outreach is a founding principle of St Luke's Hospital, which had its beginnings February 28, 1866 We celebrate Founders' Day to remember our heritage and to honor our founders, whose vision we continue to live out each day We remember and reaffirm our mission, which is the foundation supporting our service in and to the community St Luke's lives out its ministry of healing by dedicating itself to improving the health of the community through the wide array of services it makes available to the St Louis metropolitan area Our mission commitment includes the vital areas of community outreach, community health, community health information and education and community services St Luke's vision as a premier regional healthcare provider is a catalyst for building a healthy community We stress education regarding lifestyles, nutrition, immunization and other methods of maintaining the health of the body and the spirit We find new and innovative means of bringing this message to the community, including the underserved St Luke's provides quality medical care to patients regardless of race, creed, sex, national origin, handicap, age or ability to pay As we continue to provide quality and compassionate care to heal the acutely ill in our hospital and skilled nursing facility in a cost-efficient manner, we also increase our efforts to assist those who are living with chronic disease in their homes, to relieve their suffering and improve their quality of life In addition to the regular services we provide, as a not-for-profit organization, St Luke's continues to provide much needed charitable care to people throughout the St Louis area We support a wide variety of community causes and outreach efforts, both externally and internally, from sponsoring free clinics and screenings for the underserved, to making available an employee crisis fund which serves those in need These important endeavors embrace a common thread congruent with our mission statement by providing services for those who may otherwise go without As we receive input, we measure and evaluate our efforts to be sure that what we do brings benefit to the people in our community We continually refine our approaches to maintain and improve community health and wellness</p>

Identifier	Return Reference	Explanation
FORM 990, PART III, Q 4 (a) - Description of Services provided		<p>Medically-necessary health services are provided to all individuals in a non-discriminatory manner regardless of race, color, national origin, religion or ability to pay Our 493-bed, not-for-profit hospital serves the region from more than 20 locations across the greater St Louis area including St Louis and St Charles Counties St Luke's comprehensive approach to healthcare includes a hospital, an outpatient center, a skilled nursing/residential care facility, six urgent care centers, a rehabilitation hospital, diagnostic imaging centers, a vascular access center, home health services and hospice services Nationally-recognized for clinical excellence, St Luke's offers care in more than 60 specialty areas including heart care, cancer care, orthopedics, neurosurgery and neurology, cardiology and cardiovascular surgery, women's services (including obstetrics), pediatrics, urgent care, pulmonary medicine, sleep medicine and wellness services for adults with Down syndrome Additionally, St Luke's Hospital is the exclusive Spirit of Women Hospital in St Louis and has been recognized as a Spirit of Women Premier Hospital for its focus on elevating the standards in women's health The national designation is based on a comprehensive evaluation of innovation and excellence in women's health care and community outreach developed in consultation with the Office on Women's Health in the US Department of Health and Human Services To further our mission of providing care for the medically underserved and underinsured, St Luke's Hospital operates a pediatric care center which provides healthcare to children and education and social support services to their families St Luke's is the only Missouri hospital recognized as one of America's 50 Best Hospitals by HealthGrades (2007-2012) As one of America's 50 Best Hospitals, St Luke's ranks among the top one percent of hospitals in the nation for clinical excellence based on survival and complication rates According to HealthGrades, an independent healthcare ratings company, patients admitted to an America's 50 Best Hospital are more likely to have successful treatment without major complications HealthGrades also ranked St Luke's number one in Missouri for 2012 in the areas of cardiac services, neurosurgery, neurosciences (neurosurgery and stroke treatment combined), critical care and gastrointestinal medical treatment St Luke's is also the recipient of the HealthGrades Emergency Medicine Excellence Award (2011 and 2012), Pulmonary Care Excellence Award (2005-2012), Women's Health Excellence Award (2009-2011) and Outstanding Patient Experience Award (2011)</p>

Identifier	Return Reference	Explanation
FORM 990, PART III, Q 4(b) - Resources invested and program services to	support mission	<p>In support of our mission, St Luke's Hospital provides care to patients regardless of the ir ability to pay, which includes those who lack financial resources and are deemed to be medically indigent In addition, the organization provides services to other medically ind igent patients under various state Medicaid programs Such programs pay providers amounts that are less than the related costs for the services provided to the recipients Each yea r, we invest considerable resources to improve the health, wellness and quality of life in our community In response to identified needs, St Luke's also benefits the community in the following ways - St Luke's support for the Residency in Internal Medicine program is an integral part of our service to the community by preparing new physicians At any giv en time, there are about 40 medical residents in the program This program provides a uniq ue opportunity for training in primary care internal medicine at both St Luke's Hospital and public health clinics serving the needs of the indigent population in the St Louis ar ea St Luke's medical residents also provide community service by speaking at schools and to various civic organizations Training opportunities for health professionals in nursin g, pharmacy and other health specialties are available - St Luke's offers continuing med ical education (CME) for physicians The program recently earned a six-year accreditation with commendation by the Accreditation Council for Continuing Medical Education (ACCME), r anking among the top 15 percent of CME providers in the United States, including some of t he nation's most prestigious medical schools The program continues its proud tradition an d service - A pastoral care ministry and a fully-accredited chaplaincy program is provide d 24 hours a day, seven days a week The Pastoral Care Department participates in St Luke 's ministry of healing by working with the health-care team to provide holistic care for p atients, their families, visitors, physicians and employees of all faiths The department holds regular worship services, including Episcopal and Presbyterian Eucharist Services, R oman Catholic Mass, ecumenical worship services, morning and evening prayer services and o ther liturgical services on special feast days Clinical Pastoral Education (CPE) at St L uke's Hospital, accredited by the Association of Clinical Pastoral Education, Inc , is the ological and professional education for ministry Chaplains of various faith traditions mi nister to persons in crisis situations, reflecting on their ministry encounters to develop their pastoral practice - St Luke's Institute for Health Education and our extremely ac tive community outreach program provide more than 1,100 health education opportunities, pr evention programs, health screenings, special events, support groups and classes to area s chools, companies and the broader community - St Luke's Pediatric Care Center is a missi on-based agency of St Luke's Hospital that has been providing care for medically underser ved and underinsured children in the St Louis region for more than 60 years The Center, located in North St Louis County, offers care for children from birth to age 18 in a priv ate practice setting rather than in a clinic setting The primary goal of the Center is to establish and maintain access to healthcare for families through a primary care physician , thereby helping them understand and deal with potential health issues before the issues become serious enough to require acute care The staff consists of two full-time board cer tified pediatricians, as well as a site manager, registered nurse, social worker and offic e coordinator, all of whom are dedicated to improving healthcare for children and families - We participate in the Meals on Wheels program, which provides meals to community resid ents who are not able to prepare meals for themselves due to their medical conditions - S t Luke's HealthAware resource provides free online, confidential risk assessments and per sonal follow-up for those found at risk for heart disease, stroke, sleep apnea, diabetes a nd back pain These assessments provide valuable information to help individuals and fam ilies determine if they are at risk for these chronic illnesses, enabling them to make more informed, proactive decisions about their health - Women's Health - St Luke's helps educ ate women about important health topics that impact their health and the health of their f amilies More than 8,000 area women have joined this free membership program to receive he alth information from St Luke's via emails and mailed newsletters Through our website, w e offer Spirit of Women monthly health topics and provide women and men with easy-to-navig ate preventive health information by decade of life The community is invited to Spirit of Women programming and events throughout the year, ranging from smaller "ask the physician " format discussions to large interactive events s</p>

Identifier	Return Reference	Explanation
FORM 990, PART III, Q 4 (b) - Resources invested and program services to	support mission	<p>uch as St Luke's Day of Dance. This event attracts hundreds of women each year to dance for their health and take advantage of free health screenings - St Luke's Passport to Wellness program provides more than 175 local employers with worksite wellness programs. The objective of this program is to collaborate with employers to identify, address and eliminate employee health risks before they result in costly healthcare claims. Our team visits employers free of charge and collects personal health profiles from their employees. Then, we provide a group health report to identify the specific health risks present in their workforce and ways to address these risks. St Luke's healthcare professionals coordinate and provide on-site fee-based screenings, lunchtime seminars and educational materials targeted to the specific needs of each employer. St Luke's also provides employers with access to an Internet-based financial analysis tool that allows the employer to understand the health risks faced by workers, project how healthcare dollars will be spent and identify potential savings through the attainment of a healthier workforce. St Luke's provides Health Information Centers (wall-mounted displays) at more than 50 employers, which are designed to educate employees on pertinent health issues and provide details regarding available health promotion activities - St Luke's Heart Failure Disease Management Program is a referral-based outpatient program designed to provide heart failure patients with effective, state-of-the-art disease management. This comprehensive, integrated program is designed specifically for patients living with heart failure. Patients work with their physicians and the Center's multidisciplinary team to develop an individualized plan of care that includes cardiac diagnostic testing, management of medication, laboratory monitoring, education, counseling and follow-up. Patients and physicians may access the heart failure disease manager 24 hours a day.</p>

Identifier	Return Reference	Explanation
FORM 990, PART IV Q 12A & PART XII Q 2B		The organization's financial statements were audited in accordance with GAAP as part of the consolidated audit of St Luke's Health Corporation. The consolidated financial statements include the accounts of St Luke's Health Corporation, St Luke's Hospital and all of their controlled subsidiaries, including St Luke's Medical Group and St Luke's Development Corporation, a for-profit corporation.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, Q 6		St Luke's Health Corporation, a 501(c)(3) organization, is the sole corporate member of St Luke's Episcopal-Presbyterian Hospitals, a regional health care provider

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, Q 11a & 11b - 990 REVIEW PROCESS		The form 990 has been discussed and presented to the Board and its committees. The organization provided a copy of the Form 990 to St. Luke's Health Corporation's Executive and Finance Committee of the Board of Directors prior to filing for review and input. All questions raised were addressed in advance of submission.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, Q 12c - COMPLIANCE / CONFLICT OF INTEREST		The organization monitors and enforces compliance with the policy by providing the policy and questionnaire to each Board Member at the time of appointment and to each new employee at the time of employment and annually thereafter. Each board member and key employee is required to sign a statement acknowledging he/she has read, understands and agrees to comply with the policy as well as submit the completed questionnaire. Any/all actual or possible conflicts of interest that arise from the forms are disclosed to the Audit Committee. The Audit Committee addresses any potential conflict of interest and takes appropriate action to resolve. The organization considers the possibility that Board Members or Key Employees may inadvertently fail to disclose actual or possible conflicts of interest and performs due diligence to address and respond in accordance with the policy.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, Q 15 - COMPENSATION PROCESS		Executive, key employee and physician salary/compensation information is based on comparative data with like positions in the market. The organization also engaged consultants for independent reviews to ensure compensation for certain of the above employees is fair and within market parameters. The salary data and potential adjustments for executives and key employees are presented to the compensation committee to approve or modify. The compensation committee has representation from the independent members of the board and legal counsel. Minutes are maintained of the discussions and conclusions of the committee.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION C, Q 19 - ORGANIZATION'S GOVERNING DOCUMENTS		Quarterly and annual financial statements including Form 990 and 990T are available to the public on the internet and upon request in the Administration Office Any proprietary internal policies or governing documents are available upon request in the Administration Office FORM 990, PART XII Q 2C The organization's Audit Committee assumes responsibility to oversee and review the audit process, and the selection and approval of the independent auditors FORM 990, PART XI Q 5 RECONCILIATION OF NET ASSETS- Other Changes in Net Assets Change in Pension Obligation, net \$12,107,000 Change in net unrealized gains on investments 3,006,400 Fund Balance Transfer (4,826,000) Change in Restricted Assets 1,996,311 ----- \$12,283,711

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, A(f) - DESCRIPTION OF PURPOSE		Series 2006 bonds were issued January 9, 2007 at a fixed rate with proceeds of \$56 million used in part to refund a portion of Series 2001 bonds (issued June 14, 2001) and to partially finance capital improvements

Identifier	Return Reference	Explanation
SCHEDULE R, PART II - MEDICAL GROUP		To further the charitable and health purposes of St Luke's Episcopal-Presbyterian Hospitals, and to recruit, train and employ qualified health care professionals to provide health care services to the community

Identifier	Return Reference	Explanation
FORM 990, PART IV, QUESTION 12 & SCHEDULE D, PART XII		RECONCILIATION OF REVENUE REVENUE, PER AUDITED FINANCIALS 390,172,162 SPECIAL PURPOSE FUNDS RELEASED FOR CAPITAL 1,243,768 REVENUE, PER FORM 990 391,415,930

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Gary Olson TITLE President and CEO HOURS 6

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Brian Spillers TITLE Executive V P - Finance HOURS 12

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Don Miller TITLE Vice President of Operations HOURS 1

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St Luke's Episcopal-Presbyterian
Hospitals

Employer identification number

43-0652680

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ST LUKE'S HEALTH CORPORATION 232 S WOODS MILL RD CHESTERFIELD, MO 63017 43-1246752	SOLE MEMBER	MO	501(c)(3)	11b	NA		
(2) ST LUKE'S MEDICAL GROUP 232 S WOODS MILL RD CHESTERFIELD, MO 63017 43-1349332	SEE SCH O	MO	501(c)(3)	11a	43-1246752		

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ST LUKE'S DEVELOPMENT CORP 232 S WOODS MILL RD CHESTERFIELD, MO63017 43-1238961	OTHER MISC	MO	43-1246752	CORPORATION	0	0	0 %

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a Yes

1b Yes

1c

1d

1e

1f

1g

1h

1i Yes

1j

1k Yes

1l

1m Yes

1n Yes

1o Yes

1p Yes

1q Yes

1r Yes

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) NA AS ALL TRANSACTIONS WITH 501(c)(3) ENTITY			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Form 990, Schedule R, Part I - Identification of Disregarded Entities

(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
PHYSICIAN SPECIALISTS OF ST LUKE'S LLC 232 S WOODS MILL RD CHESTERFIELD, MO 63017 20-5041902	MED PROF SERV	MO	11,130,094	1,055,115	NA
STEPHEN YIM MD LLC 232 S WOODS MILL RD STE 350E CHESTERFIELD, MO 63017 86-1141722	MED PROF SERV	MO	-24,280	37,394	43-1349332
REPRODUCTIVE IMAGINGANTENATAL TEST LLC 226 S WOODS MILL RD STE 62W CHESTERFIELD, MO 63017 86-1141720	MED PROF SERV	MO	-1,189	0	43-1349332
ADVANCED REPRODUCTIVE SPECIALISTS LLC 226 S WOODS MILL RD STE 64W CHESTERFIELD, MO 63017 25-1920150	MED PROF SERV	MO	857	97,771	43-1349332
CARDIAC SPECIALISTS OF ST LUKE'S LLC 222 S WOODS MILL RD STE 500N CHESTERFIELD, MO 63017 42-1672093	MED PROF SERV	MO	421,542	332,452	43-1349332
BREAST CARE CENTER LLC 232 S WOODS MILL RD STE 200E CHESTERFIELD, MO 63017 27-2760714	MED PROF SERV	MO	-6,188	57,361	43-1349332
MIDWEST DIAGNOSTIC CARDIOLOGY LLC 232 S WOODS MILL ROAD CHESTERFIELD, MO 63017 42-1672094	MED PROF SERV	MO	-281,364	102,873	43-1349332
CARDIO THORACIC SURGERY LLC 222 S WOODS MILL RD STE 550N CHESTERFIELD, MO 63017 86-1141715	MED PROF SERV	MO	-827,588	171,405	43-1349332
OPEN HEART ANESTHESIOLOGY LLC 222 S WOODS MILL RD STE 550N CHESTERFIELD, MO 63017 87-0748749	MED PROF SERV	MO	205,075	106,211	43-1349332
VAN AMBURG & BUSIEK MD'S LLC 232 S WOODS MILL RD STE 330E CHESTERFIELD, MO 63017 84-1684660	MED PROF SERV	MO	-30,809	139,297	43-1349332
J DANIELS LAMPING LLC 226 S WOODS MILL RD STE 60W CHESTERFIELD, MO 63017 26-3168227	MED PROF SERV	MO	-110,191	11,632	43-1349332
WEST COUNTY ADULT MEDICINE LLC 224 S WOODS MILL RD STE 620S CHESTERFIELD, MO 63017 33-1180875	MED PROF SERV	MO	325,457	62,388	43-1349332
CHESTERFIELD REHAB PHYSICIANS LLC 226 S WOODS MILL RD STE 59W CHESTERFIELD, MO 63017 26-3907161	MED PROF SERV	MO	514,451	89,944	43-1349332
JAMES F LOOMIS 222 S WOODS MILL RD STE 350N CHESTERFIELD, MO 63017 27-1427537	MED PROF SERV	MO	-28,634	27,222	43-1349332
WEST COUNTY WOMEN'S HEALTHCARE LLC 222 S WOODS MILL RD ST 360N CHESTERFIELD, MO 63017 27-2715682	MED PROF SERV	MO	49,126	42,084	43-1349332
DIAGNOSTICS INTERNISTS LLC 224 S WOODS MILL RD STE 410S CHESTERFIELD, MO 63017 27-3032603	MED PROF SERV	MO	55,563	68,983	43-1349332
CONWAY INTERNISTS LLC - BARAKE 121 ST LUKES CTR DR STE 402 CHESTERFIELD, MO 63017 87-0748750	MED PROF SERV	MO	106,713	72,541	43-1349332
PRACTICE OF ROSEMARY CANNISTRARO LLC 11550 OLIVE STREET ST LOUIS, MO 63141 86-1141728	MED PROF SERV	MO	26,741	43,673	43-1349332
WESTGLEN FAMILY PHYSICIANS LLC 225 CLARKSON ROAD ELLISVILLE, MO 63011 86-1141718	MED PROF SERV	MO	218,994	151,836	43-1349332
ASSOCIATES IN INTERNAL MEDICINE LLC 226 WOODS MILL ROAD STE 56W CHESTERFIELD, MO 63017 20-4554452	MED PROF SERV	MO	107,704	37,483	43-1349332
INTERNAL MEDICINE OF WEST COUNTY LLC 14897 CLAYTON RD STE 100 CHESTERFIELD, MO 63017 26-2985922	MED PROF SERV	MO	-43,169	18,429	43-1349332
CARDIO-PULMONARY ASSOCIATES LLC 222 S WOODS MILL RD STE 310N CHESTERFIELD, MO 63017 25-1920167	MED PROF SERV	MO	782,132	411,952	43-1349332
MEDICAL SPECIALISTS OF ST LUKE'S LLC 222 S WOODS MILL RD STE 750N CHESTERFIELD, MO 63017 84-1682728	MED PROF SERV	MO	1,233,877	406,656	43-1349332
INTERNAL MEDICINE OF ST LUKE'S LLC 121 ST LUKES CTR DR STE 504 CHESTERFIELD, MO 63017 26-3961790	MED PROF SERV	MO	213,381	123,564	43-1349332
CARDIAC CATH LAB LLC 222 S WOODS MILL RD STE 500N CHESTERFIELD, MO 63017 86-1141729	MED PROF SERV	MO	40,083	55,196	43-1349332
CHESTERFIELD INTERNAL MEDRHEUM LLC 226 WOODS MILL ROAD STE 43W CHESTERFIELD, MO 63017 86-1141726	MED PROF SERV	MO	261,789	234,434	43-1349332
OSTEOPOROSIS CENTER OF ST LUKE'S LLC 121 ST LUKES CTR DR STE 504 CHESTERFIELD, MO 63017 26-3962089	MED PROF SERV	MO	-69,931	40,662	43-1349332
CONWAY INTERNISTS LLC - KRAUJALIS 121 ST LUKES CTR DR STE 402 CHESTERFIELD, MO 63107 87-0748750	MED PROF SERV	MO	43,018	32,992	43-1349332
TRI-COUNTY FAMILY PRACTICE LLC 5551 WINGHAVEN BLVD STE 142 OFALLON, MO 63368 25-1920176	MED PROF SERV	MO	169,440	155,258	43-1349332
DR GENOVA LLC 5551 WINGHAVEN BLVD STE 132 OFALLON, MO 63368 25-1920156	MED PROF SERV	MO	-789	30,564	43-1349332
INTERNAL MEDICINE OF KIRKWOOD LLC 455 S KIRKWOOD ROAD KIRKWOOD, MO 63122 45-1960512	MED PROF SERV	MO	30,671	31,724	43-1349332
CLINIC OF INTERNAL MEDICINE LLC 121 ST LUKES CTR DR STE 506 CHESTERFIELD, MO 63017 84-1682760	MED PROF SERV	MO	158,445	125,312	43-1349332
DAVID J TUCKER MD LLC 1034 S BRENTWOOD BLVD STE 716 ST LOUIS, MO 63117 84-1682729	MED PROF SERV	MO	31,575	52,368	43-1349332
CLAYTON INTERNAL MEDICINE LLC 222 S WOODS MILL RD STE 520N CHESTERFIELD, MO 63017 84-1682754	MED PROF SERV	MO	47,096	39,409	43-1349332
DRS MERA BOESCH & KUMAR LLC 222 S WOODS MILL RD STE 630N CHESTERFIELD, MO 63017 86-1141713	MED PROF SERV	MO	468,938	174,058	43-1349332
NEUROSURGERY & NEUROLOGY LLC 232 S WOODS MILL RD STE 400E CHESTERFIELD, MO 63017 11-3750241	MED PROF SERV	MO	340,477	685,237	43-1349332
ATC LLC 121 ST LUKES CTR DR STE 403 CHESTERFIELD, MO 63017 20-5152770	MED PROF SERV	MO	-4,616	84,192	43-1349332

St. Luke's Health Corporation

Consolidated Financial Statements

June 30, 2011 and 2010

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

INDEPENDENT AUDITORS' REPORT

The Board of Directors
St. Luke's Health Corporation

We have audited the accompanying consolidated balance sheets of St. Luke's Health Corporation as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of St. Luke's Health Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Luke's Health Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Luke's Health Corporation as of June 30, 2011 and 2010, and the results of its operations, changes in net assets, and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

St. Louis, Missouri
August 15, 2011

St. Luke's Health Corporation

CONSOLIDATED BALANCE SHEETS

June 30, 2011 and 2010

(In thousands)

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets		
Cash and cash equivalents	\$ 11,359	20,683
Short term investments	154,266	133,106
Accounts receivable, net of allowance for uncollectible receivables of \$8.048 and \$7.827 in 2011 and 2010, respectively	43,330	41,379
Inventories	6,120	5,653
Other current assets	8,851	8,368
Total current assets	223,926	209,189
Assets limited as to use or restricted	50,888	49,927
Property and equipment, net	202,348	195,125
Other assets	18,931	17,428
Total assets	\$ <u>496,093</u>	<u>471,669</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Current maturities of long-term obligations	\$ 3,250	3,100
Accounts payable	8,444	8,132
Accrued liabilities	31,184	29,932
Total current liabilities	42,878	41,164
Insurance reserves and other liabilities	18,978	18,149
Pension liability	12,509	26,690
Long-term obligations, less current maturities	106,500	109,817
Total liabilities	180,865	195,820
Net assets		
Unrestricted	304,366	266,983
Temporarily restricted	6,580	5,725
Permanently restricted	4,282	3,141
Total net assets	315,228	275,849
Total liabilities and net assets	\$ <u>496,093</u>	<u>471,669</u>

See accompanying notes to consolidated financial statements

St. Luke's Health Corporation

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended June 30, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Operating revenues		
Net patient service revenues	\$ 414,943	393,661
Other operating revenues	24,290	20,594
Total operating revenues	<u>439,233</u>	<u>414,255</u>
Operating expenses		
Salaries and benefits	230,532	219,363
Supplies and other	155,482	145,555
Interest	5,429	5,718
Depreciation and amortization	23,127	22,027
Provision for uncollectible receivables	5,419	5,484
Total operating expenses	<u>419,989</u>	<u>398,147</u>
Operating income	<u>19,244</u>	<u>16,108</u>
Nonoperating gains and losses		
Investment return	1,706	1,734
Gain on sale of assets, net	76	217
Total nonoperating gains, net	<u>1,782</u>	<u>1,951</u>
Excess of revenues over expenses	21,026	18,059
Other changes in unrestricted net assets		
Net assets released from restrictions for property acquisitions	1,244	1,738
Change in pension obligation, net	12,107	(3,736)
Change in net unrealized gains on investments	3,006	1,119
Increase in unrestricted net assets	<u>\$ 37,383</u>	<u>17,180</u>

See accompanying notes to consolidated financial statements

St. Luke's Health Corporation

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended June 30, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted net assets		
Excess of revenues over expenses	\$ 21,026	18,059
Net assets released from restrictions for property acquisitions	1,244	1,738
Change in pension obligation, net	12,107	(3,736)
Change in net unrealized gains and losses on investments	3,006	1,119
Increase in unrestricted net assets	<u>37,383</u>	<u>17,180</u>
Temporarily restricted net assets		
Pledges, bequests and gifts for specific purposes	3,192	2,460
Net assets released from restrictions for property acquisitions	(1,244)	(1,738)
Net assets released from restrictions for operations	(1,093)	(1,801)
Increase (decrease) in temporarily restricted net assets	<u>855</u>	<u>(1,079)</u>
Permanently restricted net assets		
Pledges, bequests and gifts	8	5
Investment return	1,133	433
Increase in permanently restricted net assets	<u>1,141</u>	<u>438</u>
Change in net assets	39,379	16,539
Net assets, beginning of year	<u>275,849</u>	<u>259,310</u>
Net assets, end of year	<u>\$ 315,228</u>	<u>275,849</u>

See accompanying notes to consolidated financial statements

St. Luke's Health Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ 39,379	16,539
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in pension obligation, net	(12,107)	3,736
Investment return – restricted net assets	(1,133)	(433)
Investment return – unrestricted net assets	(5,236)	(3,155)
Pledges, bequests, and gifts for specific purposes	(3,200)	(2,465)
Equity in earnings of unconsolidated entities	(1,647)	(1,361)
Distributions received from unconsolidated entities	2,028	1,294
Depreciation and amortization	23,127	22,027
Provision for uncollectible receivables	5,419	5,484
Changes in assets and liabilities		
Accounts receivable	(7,370)	(5,378)
Inventories and other current assets	(950)	(1,457)
Accounts payable	312	518
Accrued liabilities	(822)	3,092
Insurance reserves and other liabilities	829	1,018
Net cash provided by operating activities	<u>38,629</u>	<u>39,459</u>
Cash flows from investing activities		
Net change in short term investments	(21,160)	(30,272)
Additions to property and equipment, net	(30,142)	(21,525)
Net change in assets limited as to use or restricted	6,983	2,228
Additions to investment in unconsolidated entities	(177)	(111)
Net change in other assets	(1,982)	(824)
Net cash used in investing activities	<u>(46,478)</u>	<u>(50,504)</u>
Cash flows from financing activities		
Cash receipts on pledges, bequests, and gifts for specific purposes	1,625	3,114
Principal payments on long-term obligations	(3,100)	(2,965)
Net cash (used in) provided by financing activities	<u>(1,475)</u>	<u>149</u>
Net decrease in cash and cash equivalents	(9,324)	(10,896)
Cash and cash equivalents, beginning of year	20,683	31,579
Cash and cash equivalents, end of year	<u>\$ 11,359</u>	<u>20,683</u>
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	\$ 5,321	5,632

See accompanying notes to consolidated financial statements

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

NOTE 1 — ORGANIZATION

St Luke's Health Corporation is the sole corporate member of St Luke's Episcopal-Presbyterian Hospitals (St Luke's), a regional health care provider. St Luke's services are provided throughout its primary service area including the hospital, Surrey Place—St Luke's skilled nursing and residential care facility, six urgent care facilities, five centers for diagnostic imaging, a vascular access center and home health and hospice services. The consolidated financial statements include the accounts of St Luke's Health Corporation, St Luke's, and all of their controlled subsidiaries, including St Luke's Medical Group and St Luke's Development Corporation, a for-profit corporation. St Luke's Health Corporation, St Luke's and St Luke's Medical Group are all Missouri nonprofit entities and are recognized as tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents approximate fair value and primarily include investments in highly liquid debt instruments with original maturities of three months or less.

Short Term Investments

Short term investments are measured at fair value, based on quoted market prices, and include liquid investments with original maturities of greater than three months and less than one year.

Inventories

Inventories, which consist principally of medical supplies, are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method.

Assets Limited as to Use or Restricted

Assets limited as to use or restricted are measured at fair value, based on quoted market prices or market based inputs, and primarily include assets held by trustees under indenture agreements and designated assets set aside by the Board of Directors (Board), over which the Board retains control and may at its discretion subsequently use for other purposes and assets received with donor imposed restrictions.

Assets restricted as to use are classified in the appropriate net asset category as specified by the donor.

Investments in Unconsolidated Entities

Investments in unconsolidated entities represent investments in which St Luke's does not have a controlling interest; accordingly, these investments are accounted for using the equity method of accounting. St Luke's equity income or loss on these investments is recorded as other revenue.

St Luke's has an equity investment in a rehabilitation hospital and outpatient therapy services provider (with ownership of 40%) and in two outpatient imaging management services companies (with ownership of 31% and 43.3%). The ownership percentages are unchanged for both 2011 and 2010.

The total assets, total liabilities, total revenues, and net income of the rehab hospital and outpatient imaging management services were \$24,614, \$4,433, \$22,245, and \$3,935, respectively, at June 30, 2011, and were \$25,698, \$4,316, \$21,862, and \$3,652, respectively, at June 30, 2010. Total

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

equity investment in unconsolidated entities at June 30, 2011 and 2010 was \$5,808 and \$6,012, respectively

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of receipt

Depreciation is determined using the straight-line method over the estimated useful lives of the asset: 3 – 30 years for land improvements, 10 – 40 years for buildings, and 2 – 30 years for equipment

Net interest costs related to borrowed funds for construction purposes are capitalized as a cost of the project. During 2011 and 2010, respectively, \$274 and \$107 of net interest cost was capitalized

Other Assets

Other assets consist primarily of securities held under deferred compensation arrangements, investments in unconsolidated affiliates, intangible assets and unamortized bond issuance costs

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by St. Luke's has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by St. Luke's in perpetuity

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are recorded at fair value

Net Patient Service Revenues

St. Luke's has agreements with third-party payors that provide payments at amounts different from established charges. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement, and negotiated discounts from established charges

Net patient service revenues are reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews, and investigations. St. Luke's expected payments from uninsured and underinsured patients are in line with those that have been negotiated with insurance companies. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Estimated third-party payor settlements are measured at fair value and are included in accrued liabilities on the consolidated balance sheet

Medicaid Federal Reimbursement Allowance Program revenues and related taxes are reported in net patient service revenues and in supplies and other expense in the amounts of \$17,309 and \$17,237 for the years ended June 30, 2011 and 2010, respectively

Services to the Community

In support of its mission, St. Luke's provides care to patients who lack financial resources and are deemed to be medically indigent. Because St. Luke's does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as patient service revenues. In addition,

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

St Luke's provides services to other medically indigent patients under various state Medicaid programs. Such programs pay providers amounts that are less than the costs for the services provided to the recipients. Further, St. Luke's provides services where it does not receive full payment for the care provided to patients who do not meet the criteria for financial assistance.

The following is a summary of estimated uncompensated costs related to these services for the years ended June 30, 2011 and 2010. Costs are estimated using the ratio of patient care expenses to charges.

	<u>2011</u>	<u>2010</u>
Medicaid	\$ 1,105	831
Charity services	<u>4,949</u>	<u>3,588</u>
	<u>\$ 6,054</u>	<u>4,419</u>
Other uninsured and underinsured	<u>\$ 2,932</u>	<u>3,213</u>

In addition to the services above, St. Luke's is committed to improving the health of the community it serves. St. Luke's, through its Institute for Health Education, is a leader in providing health education, prevention techniques, and screening programs to area schools, corporations, and the community. St. Luke's assists and instructs students of medicine, surgery, nursing, and chaplaincy. A graduate medical education training program is offered to instruct physician interns and residents in Internal Medicine. A fully accredited chaplaincy program is also offered at St. Luke's. In furtherance of its mission, St. Luke's operates a mission-based pediatric care center which provides health care to children in St. Louis City and County in a private practice setting.

Investment Return

Investment income and realized gains or losses on short-term investments and assets limited as to use are reported as nonoperating gains or losses in the accompanying consolidated statements of operations, except for investment income on funds held in trust for self-insurance purposes, which are included in other revenue. Unrealized gains or losses on funds held in trust for self-insurance purposes are included in nonoperating gains or losses.

Investment income and realized gains or losses on investments of donor-restricted funds are included in nonoperating gains or losses unless the income or loss is restricted by donors, in which case the realized gain or loss is recorded directly to temporarily restricted net assets. Unrealized gains or losses on investments are added directly to unrestricted net assets, as the investments are considered other than trading securities, unless the gains or losses are restricted by donors, in which case the unrealized gains or losses are recorded directly to permanently restricted net assets.

Securities with unrealized losses that are deemed to be other-than-temporary result in an impairment to reduce the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. To determine whether an impairment is other-than-temporary, St. Luke's considers whether it has the ability and intent to hold the investment until a market price recovery occurs and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

includes consultation with its investment advisor, who relies on industry analyst reports, credit ratings, current market conditions, and other information they deem relevant to the assessment

Gifts, Bequests, and Grants

Unconditional promises to give cash and other assets that are expected to be collected within one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in other operating revenues or restricted net assets, as appropriate.

Gifts are recorded as an increase in restricted net assets if they are received with donor stipulations that limit the use of the assets. Upon expenditure in accordance with a donor's restrictions, net assets restricted for capital acquisitions are reported as direct additions to unrestricted net assets, and assets restricted for operating purposes are reported within other operating revenues. Donor-restricted contributions whose restrictions are met within the same year as received, and contributions received by donors without restrictions are reflected as other operating revenues in the accompanying consolidated statements of operations.

Functional Classification of Expenses

St. Luke's, a regional health care provider, provides health care services, including acute inpatient, outpatient, ambulatory, and long-term, as well as related general and administrative services, as follows:

	2011	2010
Health care services	\$ 398,557	377,711
General and administrative	20,618	19,634
Fundraising	814	802
Total expenses	<u>\$ 419,989</u>	<u>398,147</u>

Operating Income

St. Luke's operating income represents the excess of operating revenues over operating expenses and includes all unrestricted revenue, gains, and other support and expenses from St. Luke's operations for the reporting period. Operating income excludes investment return, gain on sale of assets and earnings (losses) on St. Luke's activities deemed by management not to be directly related to patient care, which are reported as nonoperating gains and losses.

Excess of Revenues over Expenses

The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets), and changes in defined benefit pension obligations.

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

Use of Estimates

The preparation of consolidated financial statements in conformity with U S generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncement

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-23, *Health Care Entities (Topic 954), Measuring Charity Care for Disclosure* (ASU 2010-23), which requires that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing charity care. It also requires disclosure of the method used to identify or determine costs. St. Luke's early adopted ASU 2010-23 as of July 1, 2010. The adoption did not have an impact on St. Luke's consolidated financial statements.

NOTE 3 — CONCENTRATION OF CREDIT AND PAYOR RISK

St. Luke's grants credit to its patients and routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, managed care payors, and commercial insurance policies). At June 30, 2011 and 2010, approximately 34% and 32% of net accounts receivable were collectible from governmental payors (including Medicare and Medicaid), respectively, with approximately 66% and 68% collectible from commercial insurance, managed care and self-pay payors, respectively.

NOTE 4 — SHORT TERM INVESTMENTS AND ASSETS LIMITED AS TO USE OR RESTRICTED

The following is a summary of short term investments and assets limited as to use or restricted as of June 30, 2011 and 2010:

	2011	2010
Short term investments	\$ 154,266	133,106
Board designated	24,348	21,318
Professional liability trust fund	6,691	10,831
Held by bond trustee	8,987	8,912
Restricted by donor or grantor	10,862	8,866
Total assets limited as to use or restricted	50,888	49,927
Total short term investments and assets limited as to use or restricted	\$ 205,154	183,033

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

The following is a summary of short term investments and assets limited as to use or restricted by investment classification as of June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Investments at fair value		
Certificates of deposit, repurchase agreements, and money market funds	\$ 32,091	20,270
U S government securities	133,487	125,107
Corporate bonds – domestic	14,799	17,425
Equity securities – domestic	20,017	16,471
Total investments at fair value	200,394	179,273
Unconditional promises to give, net	4,760	3,760
Total short term investments and assets limited as to use or restricted	<u>\$ 205,154</u>	<u>183,033</u>

The following is a summary of the investment returns for the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Short term investments and assets limited as to use		
Interest and dividends	\$ 1,402	1,469
Realized gains and losses, net	202	59
Change in unrealized gains and losses, net	3,632	1,627
Total unrestricted investment return	5,236	3,155
Less unrealized gains and losses, net included in other changes in unrestricted net assets	3,006	1,119
Less interest and dividends and realized gains, net included in other revenue	524	302
Investment return	<u>\$ 1,706</u>	<u>1,734</u>
Permanently restricted investments		
Change in unrealized gains and losses, net	\$ 1,133	433
Total permanently restricted investment return	<u>\$ 1,133</u>	<u>433</u>

Other revenue includes interest and dividends and realized gains (losses) related to the self-insurance trust of \$340 and \$184, respectively, at June 30, 2011 and \$321 and \$(19), respectively, at June 30, 2010

At June 30, 2011 and 2010, unrealized losses in equity securities held for greater than 12 months were \$94 and \$751, respectively. There are no unrealized losses on corporate bonds at June 30, 2011 and 2010

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

Management reviewed the securities with unrealized losses and determined that these securities were not other than temporarily impaired

NOTE 5 — FAIR VALUE

St. Luke's defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. The fair value of all assets and liabilities recognized or disclosed at fair value are classified based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to measurements involving significant unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that St. Luke's has the ability to access at the measurement date

Level 2 – Inputs (financial matrices, models, valuation techniques) other than quoted market prices included in Level 1, that are observable for the asset or liability, either directly or indirectly

Level 3 – Inputs that are unobservable for the asset or liability

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value and items for which the fair value option has been elected) at June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 11,359	-	-	11,359
Short-term investments				
Certificates of deposit, repurchase agreements and money market funds	20,779	-	-	20,779
U.S. government securities	32,193	101,294	-	133,487
Assets limited as to use or restricted				
Certificates of deposit, repurchase agreements and money market funds	11,312	-	-	11,312
Equity securities — domestic	6,072	13,945	-	20,017
Corporate bonds — domestic	10,173	4,626	-	14,799
Deferred compensation assets — primarily domestic equity securities	9,590	379	-	9,969
Total Assets	<u>\$ 101,478</u>	<u>120,244</u>	<u>-</u>	<u>221,722</u>
Liabilities				
Deferred compensation liability	9,590	379	-	9,969
Total Liabilities	<u>\$ 9,590</u>	<u>379</u>	<u>-</u>	<u>9,969</u>

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value and items for which the fair value option has been elected) at June 30, 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 20,683	-	-	20,683
Short term investments				
Certificates of deposit, repurchase agreements and money market funds	7,999	-	-	7,999
U S government securities	2,008	123,099	-	125,107
Assets limited as to use or restricted				
Certificates of deposit, repurchase agreements and money market funds	12,271	-	-	12,271
Equity securities — domestic	4,839	11,632	-	16,471
Corporate bonds — domestic	10,228	7,197	-	17,425
Deferred compensation assets- primarily domestic equity securities	8,324	365	-	8,689
Total Assets	<u>\$ 66,352</u>	<u>142,293</u>	<u>-</u>	<u>208,645</u>
Liabilities				
Deferred compensation liability	8,324	365	-	8,689
Total Liabilities	<u>\$ 8,324</u>	<u>365</u>	<u>-</u>	<u>8,689</u>

The amounts in Level 2 domestic equity securities and corporate bonds for each year are index funds that are not traded in an active market, however, they have redemption clauses of one to three days and are expected to sell at net asset value. The net asset value per share has been elected to estimate fair value.

There were no transfers between Level 1 and Level 2 during the year ended June 30, 2011.

NOTE 6 — UNCONDITIONAL PROMISES TO GIVE

During 2007, St. Luke's initiated a planned giving program entitled *Advancing Excellence with Exceptional Care — The Campaign for St. Luke's Hospital*.

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

Included in temporarily restricted net assets are unconditional promises to give at June 30, 2011 and 2010 as follows

	<u>2011</u>	<u>2010</u>
Unconditional promises to give before unamortized discount restricted to future periods	\$ 6,111	5,046
Less unamortized discount	<u>(1,351)</u>	<u>(1,286)</u>
Net unconditional promises to give	<u>\$ 4,760</u>	<u>3,760</u>
Amounts due in		
Less than one year	\$ 1,558	1,310
One to five years	3,057	2,136
More than five years	<u>1,496</u>	<u>1,600</u>
Total	<u>\$ 6,111</u>	<u>5,046</u>

The discount rate of 4% was used to determine present value of estimated future cash flows for pledges received during 2011 and 2010

NOTE 7 — PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Land and improvements	\$ 25,122	24,929
Buildings	146,297	146,023
Equipment	298,230	275,795
Construction in progress	<u>7,752</u>	<u>9,961</u>
	477,401	456,708
Less accumulated depreciation	<u>(275,053)</u>	<u>(261,583)</u>
Property and equipment, net	<u>\$ 202,348</u>	<u>195,125</u>

NOTE 8 — SELF-ADMINISTERED LIABILITY PROGRAM

St Luke's has elected to be self-insured for professional liability, general patient liability, and general liability obligations and, as such, is using a trust fund for the purpose of funding certain of such risks. The self-insurance program includes varying levels of self-insured retention on an occurrence basis. The excess malpractice and general patient liability insurance coverage is purchased from commercial carriers on either an occurrence or claims made basis.

Provisions for self-insured professional liability, general patient liability, and general liability obligations and funding of the trust fund are based upon independent actuarial estimates of the ultimate costs of the potential liability claims based on historical claim experience and other relevant industry and hospital-specific factors and trends. The estimated professional liability, general patient liability, and general liability obligation of \$7.418 and \$8.388 at June 30, 2011 and 2010, respectively, is

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

recorded as a long-term obligation with a discount rate of 4% in the consolidated balance sheets based on the estimated ultimate cost of liabilities related to asserted and currently identifiable unasserted claims and a provision for incurred but not reported incidents

NOTE 9 — EMPLOYEE RETIREMENT PLANS

St. Luke's has a defined benefit pension plan (the St. Luke's Plan). The retirement benefits under the St. Luke's Plan are calculated using a personal pension account formula, which is based on employee compensation and number of years of service. All participants' accounts are credited with a guaranteed annual rate of interest based on the equivalent of the 30-year U.S. Treasury bill rate, or 2.25% (5.25% prior to the 2010 plan amendment), whichever is greater. Pension cost is determined in accordance with the projected unit credit method. The St. Luke's Plan is funded quarterly.

The following table summarizes the fair value of plan assets, the benefit obligations, and the funded status at the measurement dates of June 30, 2011 and 2010.

Changes in plan assets:

	2011	2010
Fair value of plan assets at beginning of period	\$ 62,933	54,020
Actual return on plan assets	11,207	5,891
Employer contributions	8,880	5,680
Benefits paid	(2,124)	(2,658)
Fair value of plan assets at end of period	\$ 80,896	62,933

Changes in projected benefit obligation:

	2011	2010
Projected benefit obligation at beginning of period	\$ 89,623	77,089
Service cost, benefits earned during the period	5,293	4,512
Interest costs on projected benefit obligation	4,296	4,876
Plan amendment	-	(3,083)
Actuarial (gain) loss	(3,683)	8,887
Benefits paid	(2,124)	(2,658)
Projected benefit obligation at end of period	93,405	89,623
Funded status of the plan	\$ (12,509)	(26,690)
Accumulated benefit obligation at end of period	\$ 79,304	74,621

St. Luke's Health Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

(Dollars in thousands)

The following is a summary of the amounts recognized in the consolidated balance sheets for the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Noncurrent liability	\$ (12,509)	(26,690)
Accumulated charge to unrestricted net assets	<u>17,482</u>	<u>29,589</u>
Net amount recognized	<u>\$ 4,973</u>	<u>2,899</u>

The following is a summary of the amounts recognized in the accumulated charge to unrestricted net assets

	<u>2011</u>	<u>2010</u>
Net actuarial loss	\$ 20,114	32,522
Prior service cost	<u>(2,632)</u>	<u>(2,933)</u>
Accumulated charge to unrestricted net assets	<u>\$ 17,482</u>	<u>29,589</u>

The estimated net actuarial loss and prior service cost for the defined benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are \$1,700 and \$(300), respectively

The following is a summary of the components of net periodic pension cost for the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Service cost, benefits earned during the period	\$ 5,293	4,512
Interest costs on projected benefit obligation	4,296	4,876
Expected return on plan assets	(4,727)	(4,688)
Amortization of unrecognized		
Prior service costs	(301)	(79)
Net loss	<u>2,245</u>	<u>943</u>
Net periodic pension cost	<u>\$ 6,806</u>	<u>5,564</u>

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Other changes in plan assets and projected benefit obligation recognized in unrestricted net assets

	<u>2011</u>	<u>2010</u>
Net actuarial (gain) loss	\$ (10,163)	7,683
Plan amendment	-	(3,083)
Reversal of amortization item		
Net actuarial loss	(2,245)	(943)
Prior service cost	301	79
Net amount recognized	<u>\$ (12,107)</u>	<u>3,736</u>
	<u>2011</u>	<u>2010</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u>\$ (5,301)</u>	<u>9,300</u>

The following are the actuarial assumptions used by the St. Luke's Plan to develop the components of pension expense for the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Discount rates	4.88%	6.53%
Rates of salary increase	Graded from 3% – 8%	Graded from 3% – 8%
Return on plan assets	7.25%	7.50%

The following are the actuarial assumptions used by the St. Luke's Plan to develop the components of the pension projected benefit obligation for the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Discount rates	5.13%	4.88%
Rates of salary increase	Graded from 2.5% - 5.5%	Graded from 3% – 8%
Measurement date	June 30, 2011	June 30, 2010

The discount rates were determined using the Hewitt Top Quartile yield curve at the June 30, 2011 and 2010 measurement dates

St. Luke's expects to contribute \$6,640 to its pension plan in 2012

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Based on past trends and future expectations, the following benefit payments are expected to be paid from the pension plan

2012	\$	5.800
2013		6.400
2014		7.100
2015		7.900
2016		8.200
2017 – 2021		47.400

St Luke's investment objective for the pension plan is to produce sufficient current income and future growth through a portfolio of equity and fixed income investments which, together with employer contributions, is sufficient to provide for the pension benefit obligations. Pension assets are invested in indexed funds in accordance with the investment policies established by St Luke's and are diversified by asset category and issuer. Pension assets are rebalanced each quarter to the St Luke's asset allocation guidelines. These investment policies are expected to yield a return on plan assets of 7.25% and 7.50% at June 30, 2011 and 2010, respectively.

Plan asset allocations are comprised of the following investment classifications at June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Target</u>
Cash, cash equivalents and short term investments	1%	2%	0%
Equity securities	59	50	55
Fixed income securities	40	48	45
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Fair Value Measurement of Plan Assets

The combined fair value measurement (see note 5 for a description of levels used for valuation) of St Luke's Plan assets at June 30, 2011 and 2010 by asset category are as follows

		2011			
		Level 1	Level 2	Level 3	Total
Asset categories					
Short-term investments	\$	416	-	-	416
Equity securities—domestic		20,064	27,662	-	47,726
Corporate bonds—domestic		-	32,754	-	32,754
Total	\$	20,480	60,416	-	80,896

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		2010			
		Level 1	Level 2	Level 3	Total
Asset categories					
Short-term investments	\$	1,469	-	-	1,469
Equity securities—domestic		10,738	20,270	-	31,008
Corporate bonds—domestic		-	30,456	-	30,456
Total	\$	12,207	50,726	-	62,933

The amounts in Level 2 domestic equity securities and corporate bonds for each year are index funds that are not traded in an active market, however, they have redemption clauses of one to three days and are expected to sell at net asset value. The net asset value per share has been elected to estimate fair value.

St. Luke's has a defined contribution plan (St. Luke's Contribution Plan). Contributions to the St. Luke's Contribution Plan consist of employee contributions, subject to Internal Revenue Service limitations, and a St. Luke's matching contribution in an amount equal to 50% up to the first 1% of the participant's compensation, and 25% of the next 3% of the participant's compensation. St. Luke's expense related to the St. Luke's Contribution Plan was \$1,488 and \$1,255 for the years ended June 30, 2011 and 2010, respectively. The St. Luke's Contribution Plan is funded annually.

NOTE 10 — LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations as of June 30, 2011 and 2010:

	2011	2010
Series 2006 Bonds, 4.5% to 5.0%, due serially 2017 through 2021 and 2027 through 2036, plus unamortized premium of \$1,705 and \$1,772 at June 30, 2011 and 2010, respectively	\$ 55,915	55,982
Series 2001 Bonds, 4.25% to 5.50%, due serially through 2016 and 2022 through 2026	53,835	56,935
Total long-term obligations	109,750	112,917
Less current maturities	(3,250)	(3,100)
Total long-term obligations, less current maturities	\$ 106,500	109,817

Tax-exempt revenue bonds (Series 2006 Bonds) in the principal amount of \$54,210 were issued by the Health and Education Facilities Authority of the State of Missouri (the Authority) on behalf of St. Luke's on December 20, 2006. The proceeds were used to refund \$24,585 principal amount of the Series 2001 Bonds and to finance the expansion of St. Luke's campus, including a new Outpatient Care Center, expansion of the Cardiovascular/Neurosurgical Intensive Care Unit and costs of issuance. The premium on the Series 2006 Bonds and the deferred financing costs on the Series 2001 and 2006 Bonds are amortized on the straight-line method over the life of the respective bonds. The Series 2006 Bonds

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are secured by a gross revenue pledge and a mortgage on the hospital facility as long as the Series 2001 Bonds remain outstanding

Tax-exempt insured revenue bonds (Series 2001 Bonds) in the amount of \$100,000 were issued by the Authority on behalf of St. Luke's on June 14, 2001. The proceeds were used to refund the prior outstanding obligations, to finance the expansion of facilities on St. Luke's campus, to fund a debt service reserve fund for the Bonds, and to pay expenses incurred in connection with the issuance of the Bonds. The Series 2001 Bonds are secured by a gross revenue pledge and a mortgage on the hospital facility.

Aggregate maturities of long-term obligations at June 30, 2011 are as follows:

2012	\$	3,250
2013		3,395
2014		3,580
2015		3,780
2016		3,985
Thereafter		90,055
	\$	<u>108,045</u>

As of June 30, 2011 and 2010, the fair value of St. Luke's long-term obligations approximated \$107,530 and \$111,213, respectively, based upon borrowing rates currently available for debt instruments with similar remaining terms and maturities.

NOTE 11 — OPERATING LEASES

Rent expense for the years ended June 30, 2011 and 2010 totaled \$2,568 and \$2,699, respectively.

Future minimum rental payments under noncancelable operating leases as of June 30, 2011 that have initial or remaining terms in excess of one year are as follows:

2012	\$	2,479
2013		2,135
2014		1,925
2015		1,610
2016		1,483
Thereafter		3,135

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NOTE 12 — TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unconditional promises to give, net	\$ 4,760	3,760
Health care services, education and research	756	705
Indigent care	548	700
Purchase of equipment	316	383
Other	200	177
Total temporarily restricted net assets	<u>\$ 6,580</u>	<u>5,725</u>

Permanently restricted funds consist of approximately eight individual funds, of which three were established for indigent care. There are no permanently restricted funds with deficiencies as of June 30, 2011 or 2010. St. Luke's has interpreted state law Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted fund absent explicit donor stipulation to the contrary. The investment objective is to produce sufficient current income and future growth through a portfolio of equity and fixed income investments. St. Luke's spending policy is that all realized investment returns are released to operations in accordance with the donor restrictions.

NOTE 13 — COMMITMENTS AND CONTINGENCIES

Regulatory Compliance

The U.S. Department of Justice and other federal agencies are increasing resources dedicated to regulatory investigations and compliance audits of health care providers. St. Luke's is not exempt from these regulatory efforts. In consultation with legal counsel, management estimates potential matters, if any, will be resolved without a material adverse effect on St. Luke's consolidated financial position or results of operations. St. Luke's has established a formal corporate compliance function designed to monitor St. Luke's compliance with applicable laws and regulations.

Litigation

St. Luke's is involved in litigation arising in the normal course of business. After consultation with legal counsel, it is management's opinion that these matters will be resolved without a material adverse effect on St. Luke's consolidated financial position or consolidated results of operations.

NOTE 14 — SUBSEQUENT EVENTS

In connection with the preparation of the consolidated financial statements, St. Luke's evaluated subsequent events after the consolidated balance sheet date of June 30, 2011 through August 15, 2011, which was the date the consolidated financial statements were issued.