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Form 990

Department of the Treasury  
Internal Revenue Service

## Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public  
Inspection

A For the 2011 calendar year, or tax year beginning 07/01/11, and ending 06/30/12

B Check if applicable:		C Name of organization FRANCISCAN HEALTH CENTER		D Employer identification number 41-1799268	
<input type="checkbox"/> Address change		Doing Business As		E Telephone number 218-727-8933	
<input type="checkbox"/> Name change		Number and street (or P.O. box if mail is not delivered to street address) 3910 MINNESOTA AVENUE		Room/suite	
<input type="checkbox"/> Initial return		City or town, state or country, and ZIP + 4 DULUTH MN 55802		G Gross receipts \$ 3,291,953	
<input type="checkbox"/> Terminated					
<input checked="" type="checkbox"/> Amended return					
<input type="checkbox"/> Application pending					
F Name and address of principal officer: LUVERNE HOFFMAN 801 NEVADA AVE MORRIS MN 56267				H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
				If "No," attach a list. (see instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				H(c) Group exemption number ►	
J Website: ► WWW.SFHS.ORG					
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►				L Year of formation: 1994 M State of legal domicile: MN	

## Part I Summary

1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O

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

3 Number of voting members of the governing body (Part VI, line 1a) 3 13

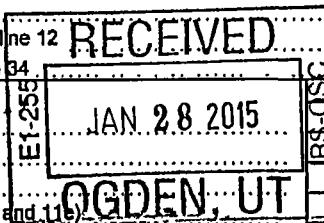
4 Number of independent voting members of the governing body (Part VI, line 1b) 4 13

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) 5 116

6 Total number of volunteers (estimate if necessary) 6 15

7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0

b Net unrelated business taxable income from Form 990-T, line 34 7b 0



Activities & Governance	Revenue	Expenses	Net Assets or Fund Balances	RS-QSC	
				Prior Year	Current Year
				1,963	8,925
				3,487,936	3,271,109
				-8,758	48
				5,690	8,749
				3,486,831	3,288,831
				7,709	9,999
				0	0
				1,689,303	1,691,108
				0	0
				1,513,822	1,414,117
				3,210,834	3,115,224
				275,997	173,607
				Beginning of Current Year	End of Year
				4,339,638	4,505,857
				3,817,935	3,810,547
				521,703	695,310

## Part II Signature Block

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

Sign Here	Signature of officer LUVERNE HOFFMAN		Date 1/16/15	
	Type or print name and title		PRESIDENT	
Paid Preparer Use Only	Print/Type preparer's name JAMES A. GILMAN CPA	Preparer's signature James A. Gilman	Date 12/22/14	Check <input type="checkbox"/> if self-employed PTIN P00112998
	Firm's name ► CONWAY, DEUTH & SCHMIESING, PLLP	Firm's EIN ► 41-1539592		
	401 ATLANTIC AVE.			
	Firm's address ► MORRIS, MN 56267-1324	Phone no. 320-589-2602		

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

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Form 990 (2011)

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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 O2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

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

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 2,719,730 including grants of \$ 9,999 ) (Revenue \$ 3,288,831 )

FRANCISCAN HEALTH CENTER IS A 44 BED SKILLED NURSING FACILITY LOCATED IN DULUTH, MINNESOTA. THE FACILITY PROVIDES MEDICAL, SOCIAL, AND SPIRITUAL CARE TO ITS RESIDENTS WITHOUT REGARD TO RACE, COLOR, CREED, OR NATIONAL ORIGIN, IN FURTHERANCE OF THE ORGANIZATION'S EXEMPT STATUS.

DURING THE CURRENT REPORTING YEAR, THE ORGANIZATION HAD 15,017 PATIENT DAYS AND PROVIDED SERVICES TO MORE THAN 70 PATIENTS. ALSO DURING THIS TIME PERIOD, THE ORGANIZATION EMPLOYED ABOUT 43 FULL TIME EQUIVALENT EMPLOYEES AND GROSS WAGES PAID OUT WERE MORE THAN 1.3 MILLION DOLLARS.

4b (Code: ) (Expenses \$ ..... including grants of \$ ..... ) (Revenue \$ ..... )

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 ► 2,719,730

## 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 X	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2 X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3 X	
4	<b>Section 501(c)(3) organizations.</b> 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 X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5 X	
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6 X	
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7 X	
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8 X	
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 X	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b X	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c X	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d X	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f X	
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 X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13 X	
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a X	
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b X	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15 X	
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16 X	
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17 X	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19 X	
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

**Part IV Checklist of Required Schedules (continued)**

21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II

22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III

23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J

24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25

b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?

c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?

d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?

25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I

b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I

26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II

27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III

28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):

a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV

29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M

30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M

31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I

32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II

33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I

34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1

35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?

b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2

36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2

37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI

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

	Yes	No
21		X
22	X	
23	X	
24a	X	
24b		X
24c		X
24d		X
25a		X
25b		X
26		X
27		X
28a		X
28b	X	
28c		X
29		X
30		X
31		X
32		X
33		X
34	X	
35a		X
35b		X
36		X
37		X
38		X

**Part V Statements Regarding Other IRS Filings and Tax Compliance**  
 Check if Schedule O contains a response to any question in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	9
1b 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	X
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	116
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</i>	2b	X
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b If "Yes," enter the name of the foreign country: ► <i>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</i>	5a	X
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5b	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5c	
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	6a	X
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?	6b	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	7a	
7 <b>Organizations that may receive deductible contributions under section 170(c).</b>	7b	
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?	7c	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7d	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7e	
d If "Yes," indicate the number of Forms 8282 filed during the year	7f	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7g	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7h	
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	8	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	9a	
8 <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9b	
9 <b>Sponsoring organizations maintaining donor advised funds.</b>		
a Did the organization make any taxable distributions under section 4966?	10a	
b Did the organization make a distribution to a donor, donor advisor, or related person?	10b	
10 <b>Section 501(c)(7) organizations.</b> Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12	11a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	11b	
11 <b>Section 501(c)(12) organizations.</b> Enter:		
a Gross income from members or shareholders	12a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	12b	
12a <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	13a	
13 <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
a Is the organization licensed to issue qualified health plans in more than one state? <i>Note. See the instructions for additional information the organization must report on Schedule O.</i>	13b	
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	13c	
c Enter the amount of reserves on hand		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

### Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 13	
1b		1b 13	
2			X
3		X	
4		X	
5		X	
6		X	
7a		X	
7b		X	
8a		X	
8b		X	
9			X

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

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

### Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed ► MN
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► SHERRY WAGNER MORRIS
	801 NEVADA AVE MN 56267 320-589-4919

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
**Check if Schedule O contains a response to any question in this Part VII**

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's **five current highest compensated employees** (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DON GIESELMANN CHAIR	1.00	X		X				0	0	0
(2) MAGGIE FLETCHER TRUSTEE	1.00	X						0	0	0
(3) STEVE LIENEMANN TRUSTEE	1.00	X						0	0	0
(4) KATIE ERDMAN TRUSTEE	1.00	X						0	0	0
(5) BARBARA SPAULDING TRUSTEE	1.00	X						0	0	0
(6) DOUGLAS WARTNER TRUSTEE	1.00	X						0	0	0
(7) ANDY LOPEZ VICE CHAIR	1.00	X		X				0	0	0
(8) KENNY WESTBROCK TRUSTEE	1.00	X						0	0	0
(9) KEN KELLER TRUSTEE	1.00	X						0	0	0
(10) RANDY SUTTER SEC/TREASURER	1.00	X		X				0	0	0
(11) FATHER ROBERT KIEFFER TRUSTEE	1.00	X						0	0	0
(12) ROSE MURPHY TRUSTEE	1.00	X						0	0	0
(13) NEIL SCHMIDGALL TRUSTEE	1.00	X						0	0	0
(14) LUVERNE HOFFMAN PRES/CEO	1.00			X				0	208,017	23,442

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(15) CAROL RAW VP SENIOR SVS	0.00			X			0	146,550	14,696
(16) ROBERT WIKAN CFO - DEC TO MARCH	1.00			X			0	108,023	5,481
(17) DENNIS LINDOR VP BEHAV SVC	0.00			X			0	90,876	14,783
(18) SHERRY WAGNER CFO-MARCH TO PRESEN	1.00			X			0	72,058	3,802
(19) JUNE SCHELDE ADMIN - GAHRC	0.00				X		0	115,588	15,084
(20) SCOTT JACKSON DIRECTOR OF PROJECTS	0.00				X		0	107,465	6,870
(21) .....									
(22) .....									
(23) .....									
(24) .....									
(25) .....									
1b Sub-total							848,577	84,158	
c Total from continuation sheets to Part VII, Section A									
d Total (add lines 1b and 1c)							848,577	84,158	

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

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

## Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
JOHNSON WILSON CONSTRUCTORS INC DULUTH MN 55816	4431 WEST MICHIGAN ST CONSTRUCTION	218,724
AEGIS THERAPIES, INC FORT SMITH AR 72902	PO BOX 8103 THERAPY/REHAB	206,136
ST. FRANCIS HEALTH SERVICES MORRIS MN 56267	801 NEVADA AVE MANAGEMENT FEE	166,600
CARLSON DULUTH COMPANY DULUTH MN 55806	2901 HELM ST CONSTRUCTION	117,803

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

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**Part VIII Statement of Revenue**

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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
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>					
1a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c	5,713			
d Related organizations	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f	3,212			
g Noncash contributions included in lines 1a-1f		\$			
<b>h Total. Add lines 1a-1f</b>		►	8,925		
<b>Program Service Revenue</b>		<b>Busn. Code</b>			
2a PROGRAM SERVICE REVENUE			3,271,109	3,271,109	
b					
c					
d					
e					
f All other program service revenue					
<b>g Total. Add lines 2a-2f</b>		►	3,271,109		
<b>3 Investment income (including dividends, interest, and other similar amounts)</b>		►	48		48
<b>4 Income from investment of tax-exempt bond proceeds</b>		►			
<b>5 Royalties</b>		►			
6a Gross rents	(i) Real	(ii) Personal			
b Less: rental exps.					
c Rental inc. or (loss)					
d Net rental income or (loss)		►			
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less: cost or other basis & sales exps					
c Gain or (loss)					
d Net gain or (loss)		►			
8a Gross income from fundraising events (not including \$ 5,713 of contributions reported on line 1c). See Part IV, line 18	a	3,122			
b Less: direct expenses	b	3,122			
c Net income or (loss) from fundraising events		►			
9a Gross income from gaming activities. See Part IV, line 19	a				
b Less: direct expenses	b				
c Net income or (loss) from gaming activities		►			
10a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory		►			
<b>Miscellaneous Revenue</b>	<b>Busn. Code</b>				
11a MISC. REV.		4,952	4,952		
b MEALS/EMPLOYEE & GUESTS		3,797	3,797		
c					
d All other revenue					
e Total. Add lines 11a-11d		►	8,749		
<b>12 Total revenue. See instructions.</b>		►	3,288,831	3,279,858	0
					48

**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).

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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 .....				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 .....	9,999	9,999		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
7 Other salaries and wages .....	1,358,517	1,248,885	109,632	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) .....	36,621	33,666	2,955	
9 Other employee benefits .....	197,177	181,265	15,912	
10 Payroll taxes .....	98,793	90,820	7,973	
11 Fees for services (non-employees):				
a Management .....	166,600		166,600	
b Legal .....	2,604		2,604	
c Accounting .....	3,560		3,560	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17 .....				
f Investment management fees .....				
g Other .....				
12 Advertising and promotion .....	18,968		18,968	
13 Office expenses .....	7,105		7,105	
14 Information technology .....				
15 Royalties .....				
16 Occupancy .....	90,639	90,639		
17 Travel .....	5,680	1,027	4,653	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials .....				
19 Conferences, conventions, and meetings .....	1,188	388	800	
20 Interest .....	166,605	166,605		
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	223,995	223,995		
23 Insurance .....	28,964	10,737	18,227	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL PROFESSIONAL FEES .....	208,542	201,097	7,445	
b SUPPLIES .....	199,121	192,550	6,571	
c SURCHARGE EXPENSE .....	123,860	123,860		
d PURCHASED SERVICES .....	86,659	82,058	4,601	
e All other expenses .....	80,027	62,139	17,306	582
25 Total functional expenses. Add lines 1 through 24e .....	3,115,224	2,719,730	394,912	582
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) .....				

## Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	315,183	1	138,907
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	459,505	4	332,350
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	19,268	9	16,009
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	6,266,801		
	b Less: accumulated depreciation	2,318,301	10c	3,948,500
	11 Investments—publicly traded securities		11	
	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	74,972	15	70,091
	16 Total assets. Add lines 1 through 15 (must equal line 34)	4,339,638	16	4,505,857
Liabilities	17 Accounts payable and accrued expenses	172,718	17	165,293
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	3,630,370	20	3,457,941
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	12,050	21	15,522
	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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	2,797	25	171,791
	26 Total liabilities. Add lines 17 through 25	3,817,935	26	3,810,547
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	521,703	27	695,310
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	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	521,703	33	695,310
	34 Total liabilities and net assets/fund balances	4,339,638	34	4,505,857

**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	3,288,831
2 Total expenses (must equal Part IX, column (A), line 25) .....	2	3,115,224
3 Revenue less expenses. Subtract line 2 from line 1 .....	3	173,607
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) .....	4	521,703
5 Other changes in net assets or fund balances (explain in Schedule O) .....	5	
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	695,310

**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? .....	2a	X
b Were the organization's financial statements audited by an independent accountant? .....	2b	X
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....	2c	X
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
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 separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....	3a	X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

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

► Attach to Form 990 or Form 990-EZ. ► See separate Instructions.

OMB No 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number  
41-1799268

**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 supported organization? .....  
 (ii) A family member of a person described in (i) above? .....  
 (iii) A 35% controlled entity of a person described in (i) or (ii) above? .....  
 h Provide the following information about the supported organization(s).

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

(I) Name of supported organization	(II) EIN	(III) Type of organization (described on lines 1-9 above or IRC section (see Instructions))	(IV) Is the organization in col. (I) listed in your governing document?		(V) Did you notify the organization in col. (I) of your support?		(VI) Is the organization in col. (I) organized in the U.S.?		(VII) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

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

Schedule A (Form 990 or 990-EZ) 2011

**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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)						12
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2011. 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		
16b 33 1/3% support test—2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2011. 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		
17b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	1,585	1,288	9,896	1,963	8,925	23,657
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	2,905,702	3,278,507	3,516,288	3,495,390	3,282,980	16,478,867
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 .....	2,907,287	3,279,795	3,526,184	3,497,353	3,291,905	16,502,524
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	957,349	1,243,751	1,460,436	1,597,130	1,552,353	6,811,019
c Add lines 7a and 7b .....	957,349	1,243,751	1,460,436	1,597,130	1,552,353	6,811,019
8 Public support (Subtract line 7c from line 6.)						9,691,505

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6 .....	2,907,287	3,279,795	3,526,184	3,497,353	3,291,905	16,502,524
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 .....	4		55	389	48	496
c Add lines 10a and 10b .....	4		55	389	48	496
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.) .....	2,907,291	3,279,795	3,526,239	3,497,742	3,291,953	16,503,020
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 ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) .....	15	58.73 %
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	60.20 %

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) .....	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17 .....	18	%
19a 33 1/3% support tests—2011. 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 .....		► <input checked="" type="checkbox"/>
b 33 1/3% support tests—2010. 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 .....		► <input type="checkbox"/>
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions .....		► <input type="checkbox"/>

**Part IV 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).

**SCHEDULE D**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

**2011**Open to Public  
Inspection

Name of the organization

Employer Identification number

FRANCISCAN HEALTH CENTER

41-1799268

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Revenues included in Form 990, Part VIII, line 1 ► \$  
b Assets included in Form 990, Part X ► \$

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

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

a  Public exhibition  
 b  Scholarly research  
 c  Preservation for future generations

d  Loan or exchange programs  
 e  Other

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

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

Yes  No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

Yes  No

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

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

	Amount
1c	12,050
1d	7,337
1e	-3,865
1f	15,222

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.

1a Beginning of year balance  
 b Contributions  
 c Net investment earnings, gains, and losses  
 d Grants or scholarships  
 e Other expenditures for facilities and programs  
 f Administrative expenses  
 g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
b					
c					
d					
e					
f					
g					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ► %  
 b Permanent endowment ► %  
 c Temporarily restricted endowment ► %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

(I) unrelated organizations  
 (II) related organizations

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

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

Yes	No
3a(I)	
3a(II)	
3b	

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		51,690		51,690
b Buildings		4,899,302	1,955,083	2,944,219
c Leasehold improvements				
d Equipment		435,573	363,218	72,355
e Other		880,236		880,236
<b>Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)</b>			►	3,948,500

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

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

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

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

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

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

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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO RELATED PARTY	171,791
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►</b>	171,791

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

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

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

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

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

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

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

**Part XIV Supplemental Information**

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

PART IV, LINE 1B - EXPLANATION FOR UNREPORTED CONTRIBUTIONS OR ASSETS  
THE ORGANIZATION ACTED AS A CUSTODIAN FOR THE FUNDS OF THE RESIDENTS.

PART IV, LINE 2B - ESCROW LIABILITY ARRANGEMENT EXPLANATION  
THE ORGANIZATION ACTED AS A CUSTODIAN FOR THE FUNDS OF THE RESIDENTS.



**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

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

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

► Attach to Form 990.

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OMB No. 1545-0047

FRANCISCAN HEALTH CENTER

Name of the organization

Employer identification number  
41-1799268

**Part I General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

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

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.  
Part II can be duplicated if additional space is needed. ►

1	1(a) Name and address of organization or government	2(b) EIN	2(c) IRC section if applicable	2(d) Amount of cash grant	2(e) Amount of non-cash assistance	2(f) Method of valuation (book, FMV, appraisal, other)	2(g) Description of non-cash assistance	2(h) Purpose of grant or assistance
(1)	.....	.....	.....	.....	.....	.....	.....	.....
(2)	.....	.....	.....	.....	.....	.....	.....	.....
(3)	.....	.....	.....	.....	.....	.....	.....	.....
(4)	.....	.....	.....	.....	.....	.....	.....	.....
(5)	.....	.....	.....	.....	.....	.....	.....	.....
(6)	.....	.....	.....	.....	.....	.....	.....	.....
(7)	.....	.....	.....	.....	.....	.....	.....	.....
(8)	.....	.....	.....	.....	.....	.....	.....	.....
(9)	.....	.....	.....	.....	.....	.....	.....	.....

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

3 Enter total number of other organizations listed in the line 1 table

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

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

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 SCHOLARSHIPS	2	9,999			
2					
3					
4					
5					
6					
7					

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

**SCHEDULE J**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Compensation Information**  
For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees  
► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 23.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2011**

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Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number  
**41-1799268**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? .....

**3** Indicate which, if any, of the following the filing organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?  
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?  
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

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

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

a The organization?  
b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

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

a The organization?  
b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

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

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

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

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

Schedule J (Form 990) 2011

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 LUVERNE HOFFMAN	(i) 208,017	0	0	0	9,641	0	231,459
2 CAROL RAW	(i) 146,550	0	0	0	7,461	0	161,246
3	(i) .....	..	..	..	..	..	..
4	(i) .....	..	..	..	..	..	..
5	(i) .....	..	..	..	..	..	..
6	(i) .....	..	..	..	..	..	..
7	(i) .....	..	..	..	..	..	..
8	(i) .....	..	..	..	..	..	..
9	(i) .....	..	..	..	..	..	..
10	(i) .....	..	..	..	..	..	..
11	(i) .....	..	..	..	..	..	..
12	(i) .....	..	..	..	..	..	..
13	(i) .....	..	..	..	..	..	..
14	(i) .....	..	..	..	..	..	..
15	(i) .....	..	..	..	..	..	..
16	(i) .....	..	..	..	..	..	..

**Part III Supplemental Information**

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

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**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 Part VI.

► Attach to Form 990. ► See separate instructions.

Name of the organization

FRANCISCAN HEALTH CENTER

**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) Pooled financing
A CITY OF BUHL	41-6005020		10/24/07	4,616,450	REFINANCE THE	Yes	No	Yes
B						X	X	X
C								
D								

**Part II Proceeds**

	A	B	C	D
1 Amount of bonds retired				
2 Amount of bonds legally defeased				
3 Total proceeds of issue				
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds				
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds				
11 Other spent proceeds				
12 Other unspent proceeds				
13 Year of substantial completion	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
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X		

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**Part III. Private Business Use (Continued)**

	A				B				C				D			
	Yes	No														
3a Are there any management or service contracts that may result in private business use of bond-financed property?																
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?																
c Are there any research agreements that may result in private business use of bond-financed property?																
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?																
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														
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?																
2 Is the bond issue a variable rate issue?																
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?																
b Name of provider																
c Term of hedge																
d Was the hedge superintegrated?																
e Was the hedge terminated?																
4a Were gross proceeds invested in a guaranteed investment contract (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 Procedures To Undertake Corrective Action**

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement if self-remediation is not available under applicable regulations

Yes  No

**Part VI Supplemental Information.** Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

**SCHEDULE K - PURPOSE OF ISSUE DESCRIPTION**

CITY OF BUHL

OUTSTANDING PRINCIPAL AMOUNT OF TAX EXEMPT AND TAXABLE INDEBTEDNESS INCURRED TO FINANCE THE ACQUISITION OF AND CAPITAL IMPROVEMENTS TO FRANCISCAN HEALTH CENTER; PAY COSTS ASSOCIATED WITH THE FINANCING.

**SCHEDULE L**  
(Form 990 or 990-EZ)

**Transactions With Interested Persons**

OMB No 1545-0047

**2011**

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Department of the Treasury  
Internal Revenue Service

Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number  
41-1799268

**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
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
<b>Total</b>			► \$						

**Part III Grants or Assistance Benefiting 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 and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

## **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 org revenues?	
				Yes	No
(1) MARK HOFFMAN	FAMILY TO	54,006	EMPLOYED IN		X
(2)	LUVERNE HOFFMAN		MAINTENANCE		X
(3)	PRES & CEO				X
(4) ELIZABETH LETICH	DAUGHTER OF	64,272	EMPLOYED AS AN		X
(5)	CAROL RAW		ADMINISTRATOR		X
(6)	VICE PRESIDENT				X
(7) ANDREW RAW	SON TO CAROL	26,945	EMPLOYED IN		X
(8)	RAW VICE		MAINTENANCE		X
(9)	PRESIDENT				X
(10)					

**Part V      Supplemental Information**

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

SCHEDULE L, PART V - ADDITIONAL INFORMATION

DURING THE YEAR, THE ORGANIZATION MAY EMPLOY INDIVIDUALS WHO MAY BE RELATED TO AN OFFICER, DIRECTOR, TRUSTEE, OR KEY EMPLOYEE. PAYMENTS FOR SERVICES WOULD BE MADE ACCORDING TO EMPLOYMENT POLICY AND DONE AT ARMS LENGTH. DUE TO THE RURAL LOCATION OF THE ORGANIZATION AND THE NEED TO FIND QUALIFIED STAFF, THESE EMPLOYMENT RELATIONSHIPS WOULD BE NECESSARY TO FUTHER THE ORGANIZATION'S EXEMPT PURPOSE.

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number  
41-1799268

**AMENDED RETURN EXPLANATION**

TAXPAYER IS AMENDING THE 2011 SCHEDULE K AS THERE WERE QUESTIONS THAT WERE ANSWERED INCORRECTLY ON THE ORIGINAL RETURN. SPECIFICALLY SCHEDULE K PART I LINES 16 AND 17, PART IV LINE 7.

**FORM 990 - ORGANIZATION'S MISSION OR MOST SIGNIFICANT ACTIVITIES**

WE ARE COMMITTED TO EXPRESS CHRIST'S MESSAGE OF LOVE AND HOPE BY PROVIDING FOR HEALTH, RESIDENTIAL, COMMUNITY, AND ALLIED SERVICES IN A HOLISTIC, COMPETENT, AND CARING MANNER THAT RECOGNIZES THE VALUE AND DIGNITY IN EVERY HUMAN LIFE.

ST. FRANCIS HEALTH SERVICES CONTROLS AND OPERATES FRANCISCAN HEALTH CENTER AND IS SPONSORED BY THE CATHOLIC DIOCESE OF ST CLOUD. WE AGREE TO PROMOTE THE ETHICAL AND RELIGIOUS DIRECTIVE FOR CATHOLIC HEALTH CARE SERVICES.

**FORM 990, PART VI, LINE 3 - MANAGEMENT DELEGATED**

ST. FRANCIS HEALTH SERVICES OF MORRIS, INC (A RELATED ORGANIZATION WITH COMMON CONTROL) MANAGES THE FACILITY.

**FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS**

THE ORGANIZATION IS ORGANIZED WITH MEMBERS. THE MEMBERS OF THE CORPORATION SHALL CONSIST OF THE BOARD OF DIRECTORS OF ST. FRANCIS HEALTH SERVICES OF MORRIS, INC.

**FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990**

THE CFO OF ST. FRANCIS HEALTH SERVICES OF MORRIS, INC REVIEWS THE TAX

Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number

41-1799268

RETURN AS PART OF THE MANAGEMENT SERVICES.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY. ANNUALLY THE ORGANIZATION CONDUCTS IN-SERVICE TRAINING REVIEWING THE POLICY ON CONFLICTS OF INTEREST AND REQUIRES THE BOARD MEMBERS, MANAGEMENT STAFF, AND KEY EMPLOYEES TO DISCLOSE CONFLICTS.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL. THE CEO AND OFFICERS ARE EMPLOYEES OF ST. FRANCIS HEALTH SERVICES OF MORRIS, INC (A RELATED ORGANIZATION AND UNDER COMMON CONTROL). THE COMPENSATION PROCESS FOR THE CEO - ANNUALLY THE HR DIRECTOR SUBMITS THE CEO'S JOB DESCRIPTION, PERFORMANCE EVALUATION FORM, ST. FRANCIS HEALTH SERVICES OF MORRIS, INC'S PAY GRADE SCHEDULE AND COMPARABLE WAGE SURVEY(S) TO THE CHAIRMAN OF THE BOARD. THE CHAIRMAN AND THE EVALUATION COMMITTEE OF THE BOARD REVIEWS THE PERFORMANCE AND DETERMINES THE SALARY OF THE CEO.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS. THE CEO AND OFFICERS ARE EMPLOYEES OF ST. FRANCIS HEALTH SERVICES OF MORRIS, INC (A RELATED ORGANIZATION AND UNDER COMMON CONTROL). THE COMPENSATION PROCESS FOR OFFICERS - CEO AND THE HR DIRECTOR REVIEWS COMPARABLE WAGE SURVEY INFORMATION, REVIEWS PERFORMANCE (WITH INPUT FROM THE VP, IF APPROPRIATE) AND DETERMINES SALARY.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION. THE GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICIES, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC ON AN AS REQUESTED BASIS.

Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number

41-1799268

## FORM 990, PART VII - RELATED ORGANIZATIONS

ST. FRANCIS HEALTH SERVICES OF MORRIS, INC HAS A MANAGEMENT AGREEMENT WITH  
THE RELATED ENTITY.

**SCHEDULE R**  
(Form 990)

**2011**  
Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

FRANCISCAN HEALTH CENTER

► 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.

Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number

41-1799268

**Related Organizations and Unrelated Partnerships**

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

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	...	...	...	...	...	...
(2)	...	...	...	...	...	...
(3)	...	...	...	...	...	...
(4)	...	...	...	...	...	...
(5)	...	...	...	...	...	...

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

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 50 (c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
(1) WEST WIND VILLAGE	1001 SCOTT AVE ..... MN 56267	23-7625632	CAREGIVER	MN	501C3	9	SFHS
(2) PENNINGTON HEALTH SERVICES	130 LABREE AVE S ..... THIEF RIVER FALLS MN 56701	20-5617275	CAREGIVER	MN	501C3	9	SFHS
(3) GUARDIAN ANGELS HEALTH & REHAB CENT	1500 3RD AVE E ..... HIBBING MN 55746	41-1810369	CAREGIVER	MN	501C3	9	SFHS
(4) RENVILLE HEALTH SERVICES	205 SE ELM AVE ..... RENVILLE MN 56284	20-2581924	CAREGIVER	MN	501C3	9	SFHS
(5) AITKIN HEALTH SERVICES	301 MINNESOTA AVE ..... AITKIN MN 56431	20-3367397	CAREGIVER	MN	501C3	9	SFHS

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

Schedule R (Form 990) 2011

OMB No. 1545-0047

**SCHEDULE R**  
(Form 990)

OMB No 1545-0047  
**2011**

Department of the Treasury  
Internal Revenue Service

Name of the organization

FRANCISCAN HEALTH CENTER

► 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.

**Open to Public  
Inspection**

Name of the organization

FRANCISCAN HEALTH CENTER

Employer identification number

41-1799268

**Related Organizations and Unrelated Partnerships**

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

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	.....	.....	.....	.....	.....	.....
(2)	.....	.....	.....	.....	.....	.....
(3)	.....	.....	.....	.....	.....	.....
(4)	.....	.....	.....	.....	.....	.....
(5)	.....	.....	.....	.....	.....	.....

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

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes No
(1)	VIEWCREST HEALTH CENTER 3111 CHURCH PLACE ..... MN 55811	41-1843283 CAREGIVER	MN	501C3	9	SFHS	X
(2)	CHISHOLM HEALTH CENTER 321 NE 8TH ST ..... MN 55719	41-1879639 CAREGIVER	MN	501C3	9	SFHS	X
(3)	FARMINGTON HEALTH SERVICES 3410 23TH ST. W ..... MN 55024	20-0100365 CAREGIVER	MN	501C3	9	SFHS	X
(4)	ZUMBROTA HEALTH SERVICES 433 MILL ST ..... MN 55992	51-0487275 CAREGIVER	MN	501C3	9	SFHS	X
(5)	ST. FRANCIS HEALTH SERVICES (SFHS) 801 NEVADA AVE ..... MN 56267	41-1484416 MGMT CO.	MN	501C3	9	SFHS	X

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

FRANCISCAN HEALTH CENTER

**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

**2011**

**Open to Public  
Inspection**

Employer identification number  
41-1799268

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

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	.....	.....	.....	.....	.....	.....
(2)	.....	.....	.....	.....	.....	.....
(3)	.....	.....	.....	.....	.....	.....
(4)	.....	.....	.....	.....	.....	.....
(5)	.....	.....	.....	.....	.....	.....

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

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
(1)	PRAIRIE COMMUNITY SERVICES 801 NEVADA AVE MORRIS .....	41-1598442 CAREGIVER .....	MN .....	501C3 .....	9 .....	SFHS .....	Yes .....
(2)	BROWNS VALLEY HEALTH CENTER RR 1, BOX 182D BROWNS VALLEY .....	SOUTH JEFFERSON MN 56219 .....	41-16668347 CAREGIVER .....	501C3 .....	9 .....	SFHS .....	No X .....
(3)	.....	.....	.....	.....	.....	.....	.....
(4)	.....	.....	.....	.....	.....	.....	.....
(5)	.....	.....	.....	.....	.....	.....	.....

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Dispro- portionate alloc?	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership
(1)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(2)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(3)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(4)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1)	.....	.....	.....	.....	.....	.....	.....
(2)	.....	.....	.....	.....	.....	.....	.....
(3)	.....	.....	.....	.....	.....	.....	.....
(4)	.....	.....	.....	.....	.....	.....	.....

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

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

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

- a Receipt of (I) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Sale of assets to related organization(s)
- g Purchase of assets from related organization(s)
- h Exchange of assets with related organization(s)
- i Lease of facilities, equipment, or other assets to related organization(s)
- j Lease of facilities, equipment, or other assets from related organization(s)
- k Performance of services or membership on fundraising solicitations for related organization(s)
- l Performance of services or membership on fundraising solicitations by related organization(s)
- m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n Sharing of paid employees with related organization(s)
- o Reimbursement paid to related organization(s) for expenses
- p Reimbursement paid by related organization(s) for expenses
- q Other transfer of cash or property to related organization(s)
- r Other transfer of cash or property from related organization(s)

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

(a) Name of other organization

(b) Transaction type (a-r)

(c) Amount involved

(d) Method of determining amount involved

(1)	ST. FRANCIS HEALTH SERVICES OF MORR	L	166,600	AMOUNT PAID OR ACCRUED
(2)	ST. FRANCIS HEALTH SERVICES OF MORRI	E	171,791	AMOUNT BORROWED
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?	(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			
(1) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(2) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(3) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(4) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(5) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(6) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(7) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(8) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(9) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(10) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(11) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**Part VII****Supplemental Information**

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

**SCHEDULE R - ADDITIONAL INFORMATION**

ST. FRANCIS HEALTH SERVICES OF MORRIS, INC HAS GUARANTEED EXISTING LOANS OF \$3,457,941 AS SHOWN IN FORM 990, PART X, LINE 20. THERE WERE NO NEW LOAN GUARANTEES DURING THIS FISCAL YEAR. THE ENTITY ALSO HAS A SHORT-TERM NOTE PAYABLE OF \$171,791 PAYABLE TO ST. FRANCIS HEALTH SERVICES OF MORRIS, INC AS SHOWN IN FORM 990, PART X, LINE 25

# Tax-Exempt Bond Liabilities

**Form 990**
**2011**

 For calendar year 2011, or tax year beginning **07/01/11**, and ending **06/30/12**

Name

Employer Identification Number

FRANCISCAN HEALTH CENTER
41-1799268

## FORM 990, PART X, LINE 20 - ADDITIONAL INFORMATION

Name of lender		Purpose of issue
(1) BREMER BANK		IMPROVEMENTS
(2) BREMER BANK		REFINANCE ACQUISITION DEBT
(3) CITY OF BUHL		REFINANCE DEBT ON CAPITAL IMPROVEME
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Issue date	Original amount of issue	Form 8038 filed: Y/N	Date filed	Date retired	Completion date of project	Unexpended bond proceeds
(1) 12/23/96	501,840	N		12/23/16		
(2) 05/21/02	612,240	N		05/21/02		
(3) 10/24/07	4,616,450	N		10/24/27		
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Third party use percent	Maturity date	Repayment terms	Interest rate
(1)	12/23/16	MONTHLY INSTALLMENTS	3.180
(2)	05/21/02	MONTHLY INSTALLMENTS	5.480
(3)	10/24/27	MONTHLY INSTALLMENTS	4.660
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Security provided by borrower		Amount outstanding at beginning of year	Amount outstanding at end of year
(1) PROPERTY & EQUIPMENT		63,318	51,927
(2) PROPERTY & EQUIPMENT		415,435	386,787
(3) PROPERTY & EQUIPMENT		3,151,617	3,019,227
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
<b>Totals</b>		<b>3,630,370</b>	<b>3,457,941</b>