

2007 Exempt Org. Return
prepared for:

St. Luke's in the Desert, Inc.
615 East Adams
Tucson, AZ 85705

DeVries CPAs of Arizona, P.C.
4349 East Fifth Street
Tucson, AZ 85711-2025

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2007, or fiscal year beginning _____, 2007, and ending _____.

**▶ Do not send to the IRS. Keep for your records.
▶ See instructions.**

2007

Department of the Treasury
Internal Revenue Service

Return ID (20-digit number) ▶ 86348220081551500049

Name of exempt organization

Employer identification number

St. Luke's in the Desert, Inc.

86-0098924

Name and title of officer

Tunis Parsons

Treasurer

Part I Tax Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here.	▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, line 12)	1b <u>877,811.</u>
2a Form 990-EZ check here.	▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here.	▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here.	▶ <input type="checkbox"/>	b Tax Based on Investment Income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here.	▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2007 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize DeVries CPAs of Arizona, P.C. to enter my PIN 03292 as my signature

ERO firm name

do not enter all zeros

on the organization's tax year 2007 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2007 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 86348276365
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2007 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers.

ERO's signature ▶ _____ Date ▶ _____

**ERO Must Retain This Form – See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

BAA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2007)

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)

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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

A For the 2007 calendar year, or tax year beginning, 2007, and ending

- B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C St. Luke's in the Desert, Inc. 615 East Adams Tucson, AZ 85705

D Employer Identification Number 86-0098924 E Telephone number 520-628-1512 F Accounting method: Cash, Accrual, Other

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If 'Yes,' enter number of affiliates H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number M Check if the organization is not required to attach Schedule B

G Web site: www.stlukeshometucson.org

J Organization type (check only one) 501(c) 3

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 1,114,506.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Total. Includes sections for Revenue (lines 1-12), Expenses (lines 13-17), and Assets (lines 18-21).

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See *instructions*.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule).....	23				
24 Benefits paid to or for members (attach schedule).....	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A.....	25a	74,713.	51,553.	11,206.	11,954.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B.....	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).....	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c.....	26	361,874.	249,693.	54,281.	57,900.
27 Pension plan contributions not included on lines 25a, b, and c.....	27				
28 Employee benefits not included on lines 25a - 27.....	28	18,303.	12,628.	2,746.	2,929.
29 Payroll taxes.....	29	47,636.	32,869.	7,146.	7,621.
30 Professional fundraising fees.....	30				
31 Accounting fees.....	31				
32 Legal fees.....	32				
33 Supplies.....	33	32,175.	20,823.	1,960.	9,392.
34 Telephone.....	34				
35 Postage and shipping.....	35				
36 Occupancy.....	36	122,821.	108,395.	14,426.	
37 Equipment rental and maintenance.....	37	30,709.	19,654.	11,055.	
38 Printing and publications.....	38				
39 Travel.....	39				
40 Conferences, conventions, and meetings.....	40				
41 Interest.....	41	2,779.	2,779.		
42 Depreciation, depletion, etc (attach schedule).....	42	19,667.	17,504.	2,163.	
43 Other expenses not covered above (itemize):					
a See Statement 4.....	43a	66,506.	56,256.	7,282.	2,968.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15).....	44	777,183.	572,154.	112,265.	92,764.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ <u>See Statement 5</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>See Statement 6</u> ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	572,154.
b ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	572,154.

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	100,604.	45	55,780.
	46 Savings and temporary cash investments.....	302,797.	46	615,425.
	47a Accounts receivable.....	47a 94.		
	b Less: allowance for doubtful accounts	47b	89.	47c 94.
	48a Pledges receivable.....	48a		
	b Less: allowance for doubtful accounts	48b	5,000.	48c
	49 Grants receivable.....			49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51a Other notes and loans receivable (attach schedule)..... See St. 7.	51a 1,252,799.		
	b Less: allowance for doubtful accounts	51b	1,158,647.	51c 1,252,799.
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges		6,872.	53 6,537.
	54a Investments — publicly-traded securities... Stmt. 8... <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		156,096.	54a 155,986.
	b Investments — other securities (attach sch)... Stmt. 9... <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		299,712.	54b 170,006.
	55a Investments — land, buildings, & equipment: basis ..	55a		
	b Less: accumulated depreciation (attach schedule).....	55b		55c
	56 Investments — other (attach schedule)			56
	57a Land, buildings, and equipment: basis.....	57a 471,946.		
b Less: accumulated depreciation (attach schedule)..... Statement 10.	57b 155,843.	283,371.	57c 316,103.	
58 Other assets, including program-related investments (describe ► See Statement 11).....		416,953.	58 264,458.	
59 Total assets (must equal line 74). Add lines 45 through 58		2,730,141.	59 2,837,188.	
LIABILITIES	60 Accounts payable and accrued expenses	51,702.	60	58,348.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63
	64a Tax-exempt bond liabilities (attach schedule).....			64a
	b Mortgages and other notes payable (attach schedule)..... See Statement 12		577,890.	64b 577,890.
	65 Other liabilities (describe ►			65
66 Total liabilities. Add lines 60 through 65.....		629,592.	66 636,238.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		1,879,759.	67 1,992,930.
	68 Temporarily restricted		58,790.	68 46,020.
	69 Permanently restricted		162,000.	69 162,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds			70
	71 Paid-in or capital surplus, or land, building, and equipment fund			71
	72 Retained earnings, endowment, accumulated income, or other funds			72
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		2,100,549.	73 2,200,950.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		2,730,141.	74 2,837,188.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	951,738.
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	-227.
	2 Donated services and use of facilities	b2	
	3 Recoveries of prior year grants	b3	
	4 Other (specify): _____	b4	
	Add lines b1 through b4	b	-227.
c	Subtract line b from line a	c	951,965.
d	Amounts included on Part I, line 12, but not on line a :		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	-74,154.
	See Stmt 13		
	Add lines d1 and d2	d	-74,154.
e	Total revenue (Part I, line 12). Add lines c and d	e	877,811.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	851,337.
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities	b1	
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify): _____	b4	74,154.
	See Stmt 14		
	Add lines b1 through b4	b	74,154.
c	Subtract line b from line a	c	777,183.
d	Amounts included on Part I, line 17, but not on line a :		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	777,183.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 15		67,237.	7,476.	0.

Part VI Other Information (continued)	Yes	No
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b	X
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85a 501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	85a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members.	85c	N/A
d Section 162(e) lobbying and political expenditures.	85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.	85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e).	85f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.	88a	X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI.	88b	X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.		
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. ▶ 0.		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90a List the states with which a copy of this return is filed ▶ <u>AZ</u>		
b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	20
91a The books are in care of ▶ <u>the corporation</u> Telephone number ▶ <u>520 628-1512</u> Located at ▶ <u>615 E Adams Tucson AZ</u> ZIP + 4 ▶ <u>85705</u>		
b 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)?	91b	X
If 'Yes,' enter the name of the foreign country ▶		
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91 c Yes No
 If 'Yes,' enter the name of the foreign country ▶
 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. N/A
 and enter the amount of tax-exempt interest received or accrued during the tax year. ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Administrative fees					36,886.
b Service fees					230,410.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	88,842.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop.					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-27,459.	
101 Net income or (loss) from special events			1	170,030.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				231,413.	267,296.
105 Total (add line 104, columns (B), (D), and (E))					498,709.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 16

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

	Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	▶ _____ Signature of officer	_____ Date
	▶ <u>Tunis Parsons, Treasurer</u> Type or print name and title.	

Paid Preparer's Use Only	Preparer's signature ▶ _____	Date 6/04/08	Check if self-employed ▶ <input type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X) N/A
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ <u>DeVries CPAs of Arizona, P.C.</u> <u>4349 East Fifth Street</u> <u>Tucson, AZ 85711-2025</u>	EIN ▶ <u>N/A</u>	Phone no. ▶ <u>(520) 298-6200</u>	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Organization Exempt Under
Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No. 1545-0047

2007

Name of the organization: **St. Luke's in the Desert, Inc.** Employer identification number: **86-0098924**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000	0			

Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services	0	

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services	0	

Part III Statements About Activities (See instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		N/A
c Did the organization make a distribution to a donor, donor advisor, or related person?		N/A
d Enter the total number of donor advised funds owned at the end of the tax year ▶		N/A
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶		N/A
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year . . . ▶		0.

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ -----
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc. 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations.(See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

BAA

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	N/A				
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 N/A . . . ▶					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total) ▶					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add: Line 27a total and line 27b total					27d
e Public support (line 27c total minus line 27d total) ▶					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . ▶					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. N/A					

Part V Private School Questionnaire (See instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
	d Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
	a Students' rights or privileges?		
	b Admissions policies?		
	c Employment of faculty or administrative staff?		
	d Scholarships or other financial assistance?		
	e Educational policies?		
	f Use of facilities?		
	g Athletic programs?		
	h Other extracurricular activities?		
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
	b Has the organization's right to such aid ever been revoked or suspended?		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	If the amount on line 40 is —		
	The lobbying nontaxable amount is —		
	Not over \$500,000	20% of the amount on line 40	
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
	Over \$17,000,000	\$1,000,000	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4 -Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

	During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:		Amount
	Yes	No	
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h .)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h .)			

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No. 1545-0047

2007

Name of organization

St. Luke's in the Desert, Inc.

Employer identification number

86-0098924

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule – see instructions.)

General Rule –

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules –

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.

Schedule **B** (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization

Employer identification number

St. Luke's in the Desert, Inc.

86-0098924

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Wylie Wallace Fults Foundation 5151 E St Andrews Dr Tucson, AZ 85718	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	The Marshall Foundation P.O. Box 3306 Tucson, AZ 85722	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	Tucson Heritage Fund PO Box 2268 Tucson, AZ 85702	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	Rosemary Engler 1740 N Avenida Azahar Tucson, AZ 85745-1665	\$ 5,650.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	Elizabeth Parkman Foundation 1011 E Via Entrada Tucson, AZ 85718	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	Barbara Fox 5541 E Circulo Terra Tucson, AZ 85750	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

St. Luke's in the Desert, Inc.

86-0098924

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	L. Neel Hall 4811 N Campbell Ave Tucson, AZ 85718	\$ 25,550.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	Virginia T. "Ginny" Rezetko 7003 N. Ina Place Tucson, AZ 85718-1700	\$ 5,400.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	Harold Willingham 6739 E Calle Cadena Tucson, AZ 85715	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	Woodrow Master Revocable Trust PO Box 8050 Santa Fe, CA 92067	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization St. Luke's in the Desert, Inc.	Employer identification number 86-0098924
--------------------------------------------------------	----------------------------------------------

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. (Complete cols (a) through (e) and the following line entry.)

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once – see instructions.) \$ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
N/A			
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
N/A			
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
N/A			
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
N/A			
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

St. Luke's in the Desert, Inc.

86-0098924

Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Other Assets

Description:	Huntington House property		
Date Acquired:	1/01/2006		
How Acquired:	Donated		
Date Sold:	8/30/2007		
To Whom Sold:			
Gross Sales Price:	162,541.		
Cost or Other Basis:	190,000.		
Basis Method:	Cost		
		Gain (Loss)	-27,459.
Total Gain (Loss) Other Assets			<u>\$ -27,459.</u>
Total Net Gain (Loss) From Noninventory Sales			<u>\$ -27,459.</u>

Statement 2
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

<u>Special Events</u>	<u>Gross Receipts</u>	<u>Less Contri- butions</u>	<u>Gross Revenue</u>	<u>Less Direct Expenses</u>	<u>Net Income (Loss)</u>
Baile de las Flores	181,827.	2,525.	179,302.	34,163.	145,139.
Sensational Settings	54,981.	18,343.	36,638.	12,532.	24,106.
Other	785.	0.	785.	0.	785.
Total	<u>\$ 237,593.</u>	<u>\$ 20,868.</u>	<u>\$ 216,725.</u>	<u>\$ 46,695.</u>	<u>\$ 170,030.</u>

Statement 3
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Unrealized loss on investments.....	\$ -227.
Total	<u>\$ -227.</u>

Statement 4
Form 990, Part II, Line 43
Other Expenses

	(A) <u>Total</u>	(B) <u>Program Services</u>	(C) <u>Management & General</u>	(D) <u>Fundraising</u>
Activities	8,300.	8,300.		
Bad debt expense	221.			221.
Contract Labor	2,924.	2,924.		
Insurance	6,913.	6,153.	760.	
Operations	39,248.	33,361.	3,140.	2,747.

St. Luke's in the Desert, Inc.

86-0098924

Statement 4 (continued)
Form 990, Part II, Line 43
Other Expenses

	(A)	(B)	(C)	(D)
	<u>Total</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
Professional Services	8,900.	5,518.	3,382.	
Total	<u>\$ 66,506.</u>	<u>\$ 56,256.</u>	<u>\$ 7,282.</u>	<u>\$ 2,968.</u>

Statement 5
Form 990, Part III
Organization's Primary Exempt Purpose

To provide a loving home and community, actively manage, and maintain an excellent level of residential living and supervisory care for elderly women, men and couples with limited financial resources in Tucson, Arizona.

Statement 6
Form 990, Part III, Line a
Statement of Program Service Accomplishments

<u>Description</u>	<u>Grants and Allocations</u>	<u>Program Service Expenses</u>
--------------------	-----------------------------------	-----------------------------------------

St. Luke's' Home is a 64-unit assisted living facility licensed to provide services at the supervisory care level for elderly individuals of limited financial means. It is the project of St. Luke's in the Desert, Inc., the 501(c)(3) organization which oversees the needs of the Home.

The St. Luke's in the Desert, Inc. Board and the Board of Visitors have been providing services to the Tucson community since 1917. The original facility, a structure built over 85 years ago, was used as a tuberculosis sanitarium.

St Luke's Home was established in 1980 through the efforts of St. Luke's in the Desert, Inc., St. Luke's in the Desert auxiliary Board of Visitors, and the Junior League of Tucson. These three organizations joined forces to assess the needs of elderly women in Tucson and determined there was an urgent need for a facility to house older, independent women of limited financial means. The Home opened in July 1980 with four residents, then filled to maximum capacity of 27 residents.

In 1998 St. Luke's Home was awarded \$2.7 million in IRS Tax Credits (Low Income Housing Funds) to build a new and renovated Home. The IRS Tax Credit funded the bricks and mortar for the Home's expansion to 64 units. An additional

St. Luke's in the Desert, Inc.

86-0098924

Statement 6 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
one million was raised locally and nationally to complete the project. In December of 2000, St. Luke's opened its doors to elderly men and couples as well as elderly women.		
The St. Luke's program today provides accommodation and services including three nutritious meals plus snacks daily, 24 hour staffing, weekly housekeeping support in residential units, planned social, recreational and leisure activities. Residents contribute to operating costs based on their total monthly income. Over 65% of our clientele can only afford to contribute approximately 40% of the total costs to operate our program (Each resident's portion is calculated based on Arizona Low Income Housing Tax Credit Program Guidelines.)		572,154.
Includes Foreign Grants: No		
	<u>\$ 0.</u>	<u>\$ 572,154.</u>

Statement 7
Form 990, Part IV, Line 51
Other Notes and Loans Receivable

Other Notes and Loans	Balance Due	Doubtful Accounts Allowance
St. Luke's Limited Prtn	\$ 251,467.	\$ 0.
St. Luke's Limited Prtn	300,000.	0.
St. Luke's Limited Prtn	277,890.	0.
St. Luke's Limited Prtn	273,442.	0.
St. Luke's Limited Prtn	150,000.	0.
Total Other Notes and Loans	<u>\$ 1,252,799.</u>	<u>\$ 0.</u>
Total Net Receivables		<u>\$ 1,252,799.</u>

Statement 8
Form 990, Part IV, Line 54a
Investments - Publicly Traded Securities

Corporate Stocks	Valuation Method	Amount
Common Stock	Market Value	\$ 1,913.
	Total	<u>\$ 1,913.</u>

St. Luke's in the Desert, Inc.

86-0098924

Statement 8 (continued)
Form 990, Part IV, Line 54a
Investments - Publicly Traded Securities

<u>Corporate Bonds</u>	<u>Valuation Method</u>	<u>Amount</u>
Corporate Bonds	Market Value	\$ 126,892.
	Total	\$ 126,892.
<u>U.S. Government Obligations</u>	<u>Valuation Method</u>	<u>Amount</u>
Government Agency Bonds	Market Value	27,181.
	Total	\$ 27,181.
	Publicly Traded Securities	<u>\$ 155,986.</u>

Statement 9
Form 990, Part IV, Line 54b
Investments - Other Securities

<u>Other Securities</u>	<u>Valuation Method</u>	<u>Amount</u>
Certificate of Deposit	Market Value	\$ 170,006.
	Total	\$ 170,006.

Statement 10
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>
Automobiles / Transportation Equipment	\$ 39,629.	\$ 39,629.	\$ 0.
Furniture and Fixtures	138,803.	82,722.	56,081.
Improvements	293,514.	33,492.	260,022.
Total	<u>\$ 471,946.</u>	<u>\$ 155,843.</u>	<u>\$ 316,103.</u>

St. Luke's in the Desert, Inc.

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Statement 11
Form 990, Part IV, Line 58
Other Assets

Accrued interest receivable.....	\$	264,458.
Total	\$	<u>264,458.</u>

Statement 12
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

Other Notes Payable

Lender's Name:	State of Arizona	
Date of Note:	4/01/2000	
Maturity Date:	4/01/2020	
Security Provided:	Deed of trust	
Original Amount:	300,000.	
Balance Due:		\$ 300,000.

Lender's Name:	City of Tucson	
Date of Note:	7/01/2000	
Maturity Date:	7/01/2020	
Repayment Terms:	negotiated annually	
Interest Rate:	1.00%	
Security Provided:	deed of trust	
Original Amount:	277,890.	
Balance Due:		\$ 277,890.

Total	\$	<u>577,890.</u>
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Statement 13
Form 990, Part IV-A, Line d(2)
Other Amounts

Loss on disposal of assets.....	\$	-27,459.
Special events expense.....		<u>-46,695.</u>
Total	\$	<u>-74,154.</u>

Statement 14
Form 990, Part IV-B, Line b(4)
Other Amounts

Loss on disposal of assets.....	\$	27,459.
Special event expense.....		<u>46,695.</u>
Total	\$	<u>74,154.</u>

St. Luke's in the Desert, Inc.

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Statement 15
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Margaret Kordsiemon 615 E. Adams Tucson, AZ 85705	Director 2.00	\$ 0.	\$ 0.	\$ 0.
Betsy Bowen 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Donna Brammer 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Ann-Eve Cunningham 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Willard T Carleton 615 E. Adams Tucson, AZ 85705	Vice President 2.00	0.	0.	0.
William Creamer 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Merrity Davis 615 East Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Shirley Duncan 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Tunis Parsons 615 E. Adams Tucson, AZ 85705	Treasurer 2.00	0.	0.	0.
Neel Hall 615 E. Adams Tucson, AZ 85705	President 5.00	0.	0.	0.
Albin Littell 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Micky Krugman 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.

St. Luke's in the Desert, Inc.

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Statement 15 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Mari Martin 615 E. Adams Tucson, AZ 85705	Director 2.00	\$ 0.	\$ 0.	\$ 0.
Joanne Mayer 615 E. Adams Tucson, AZ 85705	Secretary 2.00	0.	0.	0.
Frances Moore 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Paul Plunkett 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Virginia Rezetko 615 East Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Randy Ryan 615 E. Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Paul Volpe 615 East Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Anne Via 615 East Adams Tucson, AZ 85705	Director 2.00	0.	0.	0.
Larry Rush 615 East Adams Tucson, AZ 85705	Executive Direc 40.00	67,237.	7,476.	0.
	Total	\$ 67,237.	\$ 7,476.	\$ 0.

Statement 16
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93b	Residents pay for meals, lodging and care based upon their individual resources. Participants in this program all have limited means.
93a	Administrative fees are earned from other organizations for providing administrative/management services associated with running the property. Also includes reimbursed costs such as telephone.