

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
2006
Open to Public Inspection

A For the 2006 calendar year, or tax year beginning **10/01/06**, and ending **9/30/07**

- B Check if applicable
- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
Friends of Glencoe Regional Health Services Foundation, Inc

Number and street (or P O box if mail is not delivered to street address) Room/suite
1805 Hennepin Avenue North

City or town, state or country, and ZIP + 4
Glencoe MN 55336

D Employer identification number
41-1625505

E Telephone number
320-864-3121

F Accounting method Cash
 Accrual Other (specify)

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 are not applicable to section 527 organizations

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

H(b) If "Yes," enter number of affiliates **▶**

H(c) Are all affiliates included? Yes No
(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number **▶**

M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Website: **▶ GRHSONLINE.ORG**

J Organization type (check only one) 501(c) (**3**) (insert no) 4947(a)(1) or 527

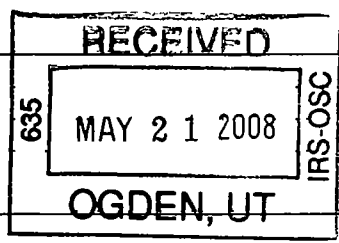
K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 30,031**

SCANNED JUN 25 2008

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

1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b		4,726	
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	Total (add lines 1a through 1d) (cash \$ 4,726 noncash \$)				1e 4,726
2	Program service revenue including government fees and contracts (from Part VII, line 93)				2
3	Membership dues and assessments				3
4	Interest on savings and temporary cash investments				4
5	Dividends and interest from securities				5 12,082
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a				6c
7	Other investment income (describe)				7
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			8d
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1b)	9a		17,696	
b	Less direct expenses other than fundraising expenses <i>Statement 7</i>	9b		4,473	
c	Net income or (loss) from special events. Subtract line 9b from line 9a				9c 13,223
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a				10c
11	Other revenue (from Part VII, line 103)				11
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12 30,031
13	Program services (from line 44, column (B))				13 23,400
14	Management and general (from line 44, column (C))				14 2,095
15	Fundraising (from line 44, column (D))				15
16	Payments to affiliates (attach schedule)				16
17	Total expenses. Add lines 16 and 44, column (A)				17 25,495
18	Excess or (deficit) for the year. Subtract line 17 from line 12				18 4,536
19	Net assets or fund balances at beginning of year (from line 73, column (A))				19 357,553
20	Other changes in net assets or fund balances (attach explanation)				20 28,938
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20				21 391,027



See Statement 2

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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 the 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 schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) Stmt 3 (cash \$ 23,400 non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	23,400	23,400	
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 (attach schedule)	25a			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b			
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) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26			
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34			
35 Postage and shipping	35			
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38	153	153	
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42			
43 Other expenses not covered above (itemize):				
a See Statement 4	43a	1,942	1,942	
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	25,495	23,400	2,095

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? ▶ See Statement 5 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) orgs., and 4947(a)(1) trusts, but optional for others.)
a Carl Sanken Scholarship Program \$ 23400.00 Given to area students to assist in financing higher education in the pursuit of a career in health care. (Grants and allocations \$ 23,400) If this amount includes foreign grants, check here <input type="checkbox"/>	23,400
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 (attach schedule) (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)	23,400

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	5,860	45	13,433
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	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) (att. schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54a Investments—publicly-traded securities See Statement 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	351,693	54a	377,594
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	55a Investments—land, buildings, and equipment, basis	55a		
	b Less accumulated depreciation (attach schedule)	55b	55c	
	56 Investments—other (attach schedule)		56	
57a Land, buildings, and equipment basis	57a			
b Less: accumulated depreciation (attach schedule)	57b	57c		
58 Other assets, including program-related investments (describe <input type="checkbox"/>)		58		
59 Total assets (must equal line 74) Add lines 45 through 58	357,553	59	391,027	
Liabilities	60 Accounts payable and accrued expenses		60	
	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)		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities. Add lines 60 through 65	0	66	0	
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	107,553	67	141,027
	68 Temporarily restricted	250,000	68	250,000
	69 Permanently restricted		69	
	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)	357,553	73	391,027
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	357,553	74	391,027	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions) **N/A**

a Total revenue, gains, and other support per audited financial statements		a
b Amounts included on line a but not on Part I, line 12		
1 Net unrealized gains on investments	b1	
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
c Subtract line b from line a		c
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	
Add lines d1 and d2		d
e Total revenue (Part I, line 12) Add lines c and d	▶	e

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return N/A

a Total expenses and losses per audited financial statements		a
b Amounts included on line a but not 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	
Add lines b1 through b4		b
c Subtract line b from line a		c
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

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 & deferred compensation plans	(E) Expense account and other allowances
Mary Lemke	Director 0	0	0	0
Maryls Pinske	Director 0	0	0	0
Mary Ott	Sec./Trea. 0	0	0	0
Mary Skolberg	President 0	0	0	0
Larry Herrmann	Director 0	0	0	0
Tom Schwichtenberg	Vice Pres. 0	0	0	0
Janel Tangen	Director 0	0	0	0
Kathy Olson	Director 0	0	0	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?		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		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	N/A	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.	N/A	
c	Dues, assessments, and similar amounts from members		
	85c		
d	Section 162(e) lobbying and political expenditures		
	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	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?	N/A	
	85g		
	85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
	86a		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
	87a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
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.		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.		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) orgs. 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.		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 0 .		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		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?		X
	89g		
90a	List the states with which a copy of this return is filed MN .		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)		
	90b		
91a	The books are in care of Cheryl Trippel 1805 Hennipenn Avenue North Located at Glencoe,	Telephone no 320-864-3121	
		ZIP + 4 55336	
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)?		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		
		Yes	No
	91b		X

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?

91c 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

and enter the amount of tax-exempt interest received or accrued during the tax year

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

Note: Enter gross amounts unless otherwise indicated

	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					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	12,082	
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 personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			1	13,046	
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))		0		25,128	0
105 Total (add line 104, columns (B), (D), and (E))					25,128

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 8

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).

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

Yes	No
	X

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

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

Yes	No
	X

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

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?

Yes	No

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: Mary Jo Skolberg Date: 5/13/08

Type or print name and title: MARY JO SKOLBERG, PRESIDENT

Paid Preparer's Use Only

Preparer's signature: Jerry Scharpe Date: 5/09/08 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: Jerry Scharpe, Ltd.
712 East 13th Street
Glencoe, MN 55336-1501

Preparer's SSN or PTIN (See Gen Instr X): P00273069 EIN: Phone no: 320-864-5380

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

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

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization: **Friends of Glencoe Regional Health Services Foundation, Inc** Employer identification number: **41-1625505**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the 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) Comp	(d) Contrib to empl ben plans & deferred comp	(e) Expense account & other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the 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 ▶

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 page 2 of the 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 ▶

Part III Statements About Activities (See page 2 of the 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 ► \$ _____ (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	
See Statement 8		
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?		
c Did the organization make a distribution to a donor, donor advisor, or related person?		
d Enter the total number of donor advised funds owned at the end of the tax year ► _____		
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____		
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 pages 4 through 7 of the 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 Intergrated
 - Type III-Other

Provide the following information about the supported organizations. (See page 7 of the 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					

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	3,275	6,355	27,791	26,904	64,325
16 Membership fees received					0
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	13,046	16,279			29,325
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	10,736	10,836	12,288	11,437	45,297
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	27,057	33,470	40,079	38,341	138,947
24 Line 23 minus line 17	14,011	17,191	40,079	38,341	109,622
25 Enter 1% of line 23	271	335	401	383	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					2,192
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 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					
c Total support for section 509(a)(1) test Enter line 24, column (e)					109,622
d Add Amounts from column (e) for lines 18 45,297 19 _____ 22 _____ 26b _____					45,297
e Public support (line 26c minus line 26d total)					64,325
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					58.6789%
27 Organizations described on line 12: 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	(2005)	(2004)	(2003)	(2002)	N/A
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	(2005)	(2004)	(2003)	(2002)	N/A
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 2002 through 2005, 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					

Part V Private School Questionnaire (See page 9 of the 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?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
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)	32d		
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
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	34b		
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	35		

Federal Statements**Statement 1 - Explanation for Not Filing on Time**Description

Extended To May 15, 2007

Statement 2 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances

<u>Description</u>	<u>Amount</u>
Unrealized Gain On Investments	\$ 28,938
Total	\$ 28,938

Federal Statements

Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations

Name Address	Date of Gift	Description of Property	Relationship to Org	Cash Contrib	NonCash Contrib	Book Value	BV Explantn	FMV Explantn
Alicia Doetskott 209 East Alden Stret Arlington MN 55307	11/17/06		\$	500	\$			\$
Caitlin Ide 1408 Elm Avenue Glencoe MN 55336	11/17/06			500				
Laura Kloeckl 502 East Circle Lane Arlington MN 55307	11/17/06			500				
Kallyne Marshall 28751 411th Street Arlington MN 55307	11/17/06			500				
Miranda Matousek 13819 County Road 2 Glencoe MN 55336	11/17/06			500				
Crystal Meyer 35968 501st Avenue	11/17/06			500				

Federal Statements

Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Date of Gift	Description of Property	Relationship to Org		Class of Activity		Book Value	BV Explantn	FMV Explantn
			Cash Contrib	NonCash Contrib	Cash Contrib	NonCash Contrib			
Layfayette MN 56054			\$	\$					
Alaina Otto 19969 County Road 9	11/17/06		500						
Lester Prairie MN 55354									
Miranda Pudwill PO Box 175	11/17/06		500						
Stewart MN 55385									
Brianna Radtke 21615 Cable Avenue	11/17/06		500						
Winsted MN 55395									
Danielle Schuette 8818 Leaf Avenue	11/17/06		500						
Glencoe MN 55336									
Benjamin Schuth 8708 Babcock Avenue	11/17/06		500						
Plato MN 55370									
Laura Senst	11/17/06		500						

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Federal Statements

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Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Date of Gift	Description of Property	Relationship to Org		Class of Activity		Book Value	BV Explantn	FMV Explantn
			Cash Contrib	NonCash Contrib	Cash Contrib	NonCash Contrib			
710 1st Street East Glencoe MN 55336			\$	\$					
Leah Belter 43540 180th Street Glencoe MN 55336	11/17/06			500					
Tara Belter 43540 180th Street Glencoe MN 55336	11/17/06			500					
Joy Braband 201 Douglas Drive Glencoe MN 55336	11/17/06			500					
Karene Donnay 8202 Dove Avenue Glencoe MN 55336	11/17/06			500					
Emily Duncan PO Box 745 Lester Prairie MN 55354	11/17/06			500					

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Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Date of Gift	Description of Property	Relationship to Org		Class of Activity			FMV Explantn
			Cash Contrib	NonCash Contrib	Book Value	BV Explantn		
Marisa Hlavka PO Box 249 Silver Lake MN 55381	11/17/06		\$ 500	\$				
Benjamin Knick PO Box 444 Brownton MN 55312	11/17/06		500					
Jennifer Lano 323 Casper Street Norwood-YMA MN 55368	11/17/06		500					
Tiffany Roberts 302 Andrew Drive Glencoe MN 55336	11/17/06		500					
Emily Rose 13093 110th Street Glencoe MN 55336	11/17/06		500					
Teresa Werth 5713 Highway 212	11/17/06		500					

Federal Statements

Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Date of Gift	Description of Property	Relationship to Org		Class of Activity		Book Value	BV Explanth	FMV Explintn
			Cash Contrib	NonCash Contrib	Cash Contrib	NonCash Contrib			
Glencoe MN 55336			\$	\$					
Kerry Zajicek 800 West College Avenue	11/17/06		500						
St. Peter MN 56082									
Hali Haukos 1030 Reeds Lane	7/25/07		500						
Glencoe MN 55336									
Catherine Delwiche 115 Interwood Drive	7/25/07		500						
Glencoe MN 55336									
Mallory Godel 1122 Russell Avenue	7/25/07		500						
Glencoe MN 55336									
Tricia Thomes 101 East Adams Street	7/25/07		500						
Arlington MN 55307									
Jennifer Schwope	7/25/07		500						

Federal Statements

Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Date of Gift	Description of Property	Relationship to Org		Class of Activity			BV Explantn	FMV Explantn
			Cash Contrib	NonCash Contrib	Book Value				
37183 210th Street			\$	\$					
Green Isle MN 55338									
Chinah Midtling	7/25/07			500					
8523 Orange Avenue									
Brownton MN 55312									
Vincent Starkson	7/25/07			500					
4698 Castle circle									
Lester Prairie MN 55354									
Alissa Templin	7/25/07			500					
2101 Judd Avenue North									
Glencoe MN 55336									
Jennifer Ische	7/25/07			500					
323 Casper Street									
Norwood-YMA MN 55368									
Joanna Conkel	7/25/07			500					
910 Glenmoor Lane									
Glencoe MN 55336									

Federal Statements

Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Date of Gift	Description of Property	Relationship to Org	Cash Contrib	NonCash Contrib	Book Value	BV Explantn	FMV Explantn
Nina Schiro 1496 110th street Plato MN 55370	7/25/07		\$	500	\$			\$
Tracy Englemann 2027 122nd Street Plato MN 55370	7/25/07			500				
Amy Ott 18858 351st Lane Green Isle MN 55338	7/25/07			1,000				
Erin McCarthy PO Box 887 Arlington MN 55307	7/25/07			1,000				
Katie Schaufler 80416 County Road 20 Glencoe MN 55336	7/25/07			1,000				
Patricia Hueser 8355 88th Street	7/25/07			1,000				

Federal Statements

Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Date of Gift	Description of Property	Relationship to Org	Cash Contrib	NonCash Contrib	Book Value	BV Explantn	FMV Explantn
Glencoe MN 55336			\$		\$			
Jenna Linsmeier	7/25/07			1,000				
51884 300th Street								
Winthrop MN 55396								
Adam Foss	7/25/07			1,000				
PO Box 622								
Winsted MN 55395								
Prior Year Void#1317	4/10/07				-600			
Total				\$ 23,400	\$ 0			

Federal Statements**Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses**

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Mgt & General</u>	<u>Fund-Raising</u>
	\$	\$	\$	\$
Expenses				
Bank Charges	1,881		1,881	
Registration Fee	25		25	
Floral Gift	36		36	
Total	<u>\$ 1,942</u>	<u>\$ 0</u>	<u>\$ 1,942</u>	<u>\$ 0</u>

Federal Statements

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

To provide opportunities for community-based health care support and to promote Glencoe Regional Health Services.

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Federal Statements

FYE: 9/30/2007

Statement 6 - Form 990, Part IV, Line 54a - Publicly Traded Securities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
US and State Government	\$	\$	
Friends Of GRHS, Inc Endowment	351,693	377,594	Market
Corporate Stock			
Corporate Bonds			
Total	<u>\$ 351,693</u>	<u>\$ 377,594</u>	

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Federal Statements

FYE: 9/30/2007

Statement 7 - Form 990, Part VIII - Relationship of Activities

<u>Line No.</u>	<u>Description</u>				
93a	Special Events And Activities	990			
		Gross Contribut-	Gross	Direct	Net
		Receipts	Revenue	Exp	Inc.
	Funday Sunday	15296	15296	4473	10823
	Tree Of Lights	2400	2400		2400
	990Part I Line9a	17696	17696	4473	13223

Statement 8 - Schedule A, Part III, Line 3a - Explanation of Grant/Loan Qualifications**Description**

Friends of GRHS Foundation, Inc. provides scholarships to assist in financing higher education for community members who are pursuing a career in healthcare. Applicants must be members of the GRHS Area. They must be enrolled in a full-time course of study in an approved healthcare career at an accredited Vocational/Technical School, College or University. Awards are up to \$ 2000.00 Each per school year