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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

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

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

C Name of organization
ST MARY'S MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
407 East Third Street

City or town, state or country, and ZIP + 4
Duluth, MN 55807

D Employer identification number
41-0695604

E Telephone number
(218) 786-1421

G Gross receipts $ 374,467,717

F Name and address of Principal Officer
Barbara Johnson CFO
407 East Third Street
Duluth, MN 55805

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

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

H(c) Group Exemption Number ▶

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

J Web site: ▶ www smdc org

K Type of organization ☑ Corporation ☐ trust ☐ association ☐ other ▶

L Year of Formation 1888

M State of legal domicile MN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
ST MARY'S MEDICAL CENTER EXISTS TO WITNESS TO THE LOVE OF GOD THROUGH COMPASSIONATE AND COMPETENT HEALTH SERVICES FOR ALL, ESPECIALLY THE POOR AND POWERLESS

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of employees (Part V, line 2a)	5	3,676
6	Total number of volunteers (estimate if necessary)	6	1,070
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	224,329	0
9	Program service revenue (Part VIII, line 2g)	335,413,178	354,504,910
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,815,340	-14,986,838
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,891,534	3,230,267
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	343,344,381	342,748,339
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,173,417	769,361
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	164,391,912	175,389,740
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	(Total fundraising expenses, Part IX, column (D), line 25 1,722,599)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	149,096,310	146,934,351
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	314,661,639	323,093,452
19	Revenue less expenses Subtract line 18 from line 12	28,682,742	19,654,887
Net Assets or Fund Balances		**Beginning of Year**	**End of Year**
20	Total assets (Part X, line 16)	2,157,908,412	2,689,086,625
21	Total liabilities (Part X, line 26)	1,715,143,782	2,264,138,215
22	Net assets or fund balances Subtract line 21 from line 20	442,764,630	424,948,410

Part II Signature Block

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

Please Sign Here

Signature of officer — Date: 2010-05-14

BARBARA JOHNSON CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature		Check if self-empolyed ▶ ☐	Preparer's PTIN (See Gen Inst)
Firm's name (or yours if self-employed), address, and ZIP + 4	ERNST & YOUNG US LLP 75 BEATTIE PLACE SUITE 800 GREENVILLE, SC 29601		EIN ▶ Phone no ▶ (864) 242-5740

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

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

1 Briefly describe the organization's mission

See Additional Data Table

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 247,458,946 including grants of $ 769,361) (Revenue $ 354,504,910)

ST MARY'S MEDICAL CENTER PROVIDED $2,594,771 IN CHARITY CARE AS WELL AS AN ADDITIONAL $2,848,821 IN DISCOUNTS TO UNINSURED PATIENTS DURING THE FISCAL YEAR ENDED JUNE 30, 2009 FURTHER COMMUNITY BENEFITS PROVIDED BY ST MARY'S MEDICAL CENTER DURING THE FISCAL YEAR INCLUDE EDUCATION AND WORKFORCE DEVELOPMENT OF $4,356,417, SUBSIDIZED HEALTH SERVICES OF $41,681,777, COMMUNITY SERVICES OF $365,966, AND CASH AND IN-KIND DONATIONS OF $769,361

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses $ 247,458,946 *Must equal Part IX, Line 25, column (B).*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		No
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	184		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	3,676		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? **Note:** *If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	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.*				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body . .	1a 14		
b	Enter the number of voting members that are independent . .	1b 13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . .	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11		No

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No", go to line 13* . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
a	The organization's CEO, Executive Director, or top management official?	15a	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	Describe the process in Schedule O			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed MN

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ own website ☐ another's website ☑ upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

Barbara Johnson CFO
407 East Third Street
Duluth, MN 55805
(218) 786-1421

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

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

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed
* List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

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

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

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

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

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

(A) Name and Title	**(B)** Average hours per week	**(C)** Position (check all that apply)						**(D)** Reportable compensation from the organization (W-2/1099MISC)	**(E)** Reportable compensation from related organizations (W- 2/1099-MISC)	**(F)** Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								2,570,235	1,859,186	720,548

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 104

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
UNUM PROVIDENT 1 FOUNTAIN SQ CHATTANOOGA, TN 37402	Insurance Services	3,167,481
MAX GRAY CONSTRUCTION INC 2501 FIFTH AVE W HIBBING, MN 55746	Construction & Remod	2,373,456
H T KLATZKY AND ASSOCIATES 1511 E SUPERIOR ST DULUTH, MN 55812	Advertising Services	1,893,536
WL GORE AND ASSOCIATES INC P O BOX 751331 CHARLOTTE, NC 28275	Medical Equip Svcs	1,745,880
LAKE SUPERIOR CLEANERS P O BOX 488 SUPERIOR, WI 54880	Laundry&Cleaning Svc	1,296,108

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 39

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)** ▶				
Program Service Revenue		Business Code				
	2a	Patient Revenue 621,400	354,504,910	354,504,910		
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total. Add lines 2a-2f** ▶ $ 354,504,910				
	3	Investment income (including dividends, interest other similar amounts) ▶	1,169,347			1,169,347
	4	Income from investment of tax-exempt bond proceeds ▶				
	5	Royalties ▶				
		(i) Real / (ii) Personal				
	6a	Gross Rents 61,271				
	b	Less rental expenses				
	c	Rental income or (loss) 61,271				
	d	Net rental income or (loss) ▶	61,271			61,271
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 15,144,609 / 1,500				
	b	Less cost or other basis and sales expenses 31,173,769 / 128,525				
	c	Gain or (loss) -16,029,160 / -127,025				
	d	Net gain or (loss) ▶	-16,156,185			-16,156,185
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b 5,267				
	c	Net income or (loss) from fundraising events ▶	-5,267			-5,267
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities ▶	0			
	10a	Gross sales of inventory, less returns and allowances a 953,326				
	b	Less cost of goods sold b 411,817				
	c	Net income or (loss) from sales of inventory ▶	541,509			541,509
		Miscellaneous Revenue / Business Code				
	11a	Cafeteria Revenue 900,099	1,652,773			1,652,773
	b	Parking Revenue 900,099	684,020			684,020
	c	Child Care Revenue 900,099	292,331			292,331
	d	All other revenue _____	3,630			3,630
	e	**Total. Add lines 11a-11d** ▶ $ 2,632,754				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	342,748,339	354,504,910		-11,756,571

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	769,361	769,361		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,244,171	2,244,171		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	127,602,353	100,028,233		498,852
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,323,545	3,742,179	5,549,309	32,057
9	Other employee benefits	27,149,355	21,148,164	5,923,105	78,086
10	Payroll taxes	9,070,316	7,346,971	1,690,831	32,514
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	240,717		240,717	
c	Accounting	164,321		164,321	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	12,110,602	12,097,712	12,890	
12	Advertising and promotion	534,640	11,106	507,812	15,722
13	Office expenses	71,706,262	65,454,512	6,125,520	126,230
14	Information technology	3,132,147	374,489	2,756,244	1,414
15	Royalties . .	0			
16	Occupancy	4,126,676	457,250	3,669,426	
17	Travel	1,240,539	839,239	392,289	9,011
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	807,321	199,223	573,459	34,639
20	Interest	3,178,178		3,178,178	
21	Payments to affiliates	1,573,735	1,573,735		
22	Depreciation, depletion, and amortization	16,733,987	7,157,648	9,569,262	7,077
23	Insurance	652,151	102,829	549,322	
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Bad Debt Expense	12,069,472	11,827,579	241,893	
b	Purchased Services	6,680,728	3,267,037	3,129,925	283,766
c	Minnesota Care Tax	3,502,204	3,431,256	70,948	
d	Medical Care Surcharge	2,784,472	2,728,571	55,901	
e	Equipment Repair	1,971,162	1,052,157	918,470	535
f	All other expenses	3,725,037	1,605,524	1,516,817	602,696
25	**Total functional expenses.** Add lines 1 through 24f	323,093,452	247,458,946	73,911,907	1,722,599
26	**Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	13,712,514	1	56,200,293
	2	Savings and temporary cash investments	2,196,242	2	4,350,192
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	42,873,670	4	49,598,577
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*		6	
	7	Notes and loans receivable, net	1,869,182,837	7	2,373,453,089
	8	Inventories for sale or use	8,059,774	8	7,868,280
	9	Prepaid expenses and deferred charges	842,294	9	867,874
	10a	Land, buildings, and equipment cost basis — 10a: 254,636,652			
	b	Less accumulated depreciation *Complete Part VI of Schedule D* — 10b: 183,055,691	77,788,362	10c	71,580,961
	11	Investments—publicly traded securities	115,541,367	11	109,653,423
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*		12	
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*		13	
	14	Intangible assets	15,837,432	14	5,027,577
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*	11,873,920	15	10,486,359
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*	2,157,908,412	16	2,689,086,625
Liabilities	17	Accounts payable and accrued expenses	1,641,742,730	17	40,732,494
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	29,060,000	20	25,304,999
	21	Escrow account liability *Complete Part IV of Schedule D*		21	
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	1,930,000
	24	Unsecured notes and loans payable		24	
	25	Other liabilities *Complete Part X of Schedule D*	44,341,052	25	2,196,170,722
	26	**Total liabilities.** *Add lines 17 through 25*	1,715,143,782	26	2,264,138,215
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	442,763,017	27	424,948,410
	28	Temporarily restricted net assets	1,613	28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	442,764,630	33	424,948,410
	34	Total liabilities and net assets/fund balances	2,157,908,412	34	2,689,086,625

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990 ☐ cash ☑ accrual ☐ other				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a			No
b	Were the organization's financial statements audited by an independent accountant?	2b			No
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a			No
b	If "Yes," did the organization undergo the required audit or audits?	3b			

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1 ☐ A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i).**

2 ☐ A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H)

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

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

6 ☐ A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v).**

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

8 ☐ A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **Section 509(a)(4).** (See instructions)

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

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

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

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

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

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(See Instructions)**)	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total Support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% Test - 2007.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10% Facts and Circumstances Test - 2008.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

b **10% Facts and Circumstances Test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

18 **Private Foundation.** If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶

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

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total Support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ☐

Computation of Public Support Percentage

15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16	Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17	Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17
18	Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18

19a **33 1/3% Tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ☐

Part IV **Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $

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

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

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

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XIV

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		1,586,106		1,586,106
b Buildings		154,285,641	107,446,035	46,839,606
c Leasehold improvements				
d Equipment		98,634,971	75,070,109	23,564,862
e Other		129,934	539,547	-409,613
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				71,580,961

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

(a) Description of security or cateory (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
DEFERRED FINANCIAL EXPENSE NET	304,287
WORK COMP CUSTODIAL ACCOUNT	4,974,525
SMMC EMPLOYEE PENSION PLAN	4,333,288
INTEREST SWAP	874,259
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Other current liabilities	1,490,620
Due to affiliates	2,114,149,454
Other non-current liabilities	77,911,464
INSURANCE	2,619,184
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	2,196,170,722

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

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

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

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

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
FIN 48 FOOTNOTE	SCHEDULE D - PART X	ST MARY'S MEDICAL CENTER'S FINANCIAL STATEMENTS WERE AUDITED BY AN INDEPENDENT ACCOUNTANT AS PART OF ESSENTIA HEALTH'S CONSOLIDATED FINANCIAL STATEMENTS DURING 2008, ESSENTIA ADOPTED FASB INTERPRETATION NO 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAX - AN INTERPRETATION OF FASB STATEMENT NO 109, ACCOUNTING FOR INCOME TAXES THE ADOPTING OF THIS INTERPRETATION HAD NO MATERIAL IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
6b	If "Yes," does the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *worksheets 1 and 2)*						
b Unreimbursed Medicaid (from *worksheet 3, column a)*						
c Unreimbursed costs—other means-tested government programs (from *worksheet 3, column b)*						
d **Total** Charity Care and Means-Tested Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from (worksheet 4)						
f Health professions education (from worksheet 5)						
g Subsidized health services (from worksheet 6)						
h Research (from worksheet 7)						
i Cash and in-kind contributions to community groups (from worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II Community Building Activities (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

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

Part III Bad Debt, Medicare, & Collection Practices *(Optional for 2008)*

Section A. Bad Debt Expense

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

Section B. Medicare

5	Enter total revenue received from Mecicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Enter line 5 less line 6—surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V **Facility Information** *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
ST MARY'S MEDICAL CENTER 407 EAST THIRD STREET DULUTH,MN 55805	X	X	X	X		X	X		

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 7, Part III, line 4, Part III, line 8, and Part III, line 9b

2 **Needs Assessment.** Describe how the organization assesses the health care needs of the communities it serves

3 **Patient Education of Eligibility for Assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

4 **Community Information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Community Building Activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 if additional space is needed . . . ▶ ☐

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 23

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

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

See Additional Data Table

Identifier	Return Reference	Explanation
DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS	SCHEDULE I	For grants over $5000, recipients are required to provide a written report to the grant committee

Additional Data Return to Form

Software ID:
Software Version:
EIN: 41-0695604
Name: ST MARY'S MEDICAL CENTER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MINNESOTA BALLET301 W FIRST ST STE 800 DULUTH,MN 558021616	41-6055588	501(C)(3)	25,000				PROGRAM SUPPORT
NORTHLAND FOUNDATION KIDS PLUS CONFERENCE 332 W SUPERIOR ST DULUTH,MN 55802	41-1554455	501(C)(3)	25,000				GRANTS TO KID/YOUTH/OLDER ADULTS
NORTHWOODS WOMEN INCPO BOX 88 ASHLAND,WI 54806	39-1364912	501(C)(3)	8,000				NEW DAY SHELTER
PROGRAM FOR AID TO VICTIMS OF SEXUAL ASSULT INC32 E 1ST ST STE 200 DULUTH,MN 55802	41-1350021	501(C)(3)	15,000				PROGRAM SUPPORT
RANGE RESPITE1309 20TH ST SOUTH VIRGINIA,MN 55792	41-1726790	501(C)(3)	6,000				SCHOLARSHIP FUND
SECOND HARVEST NORTHERN LAKESFOOD BANK 4503 AIRPARK BLVD DULUTH,MN 55811	36-3479964	501(C)(3)	20,000				PROGRAM SUPPORT
SMDC FOUNDATION407 EAST THIRD STREET DULUTH,MN 55805	41-2016979	501(C)(3)	103,950				CAPITAL CAMPAIGN
SMDC FOUNDATION407 EAST THIRD STREET DULUTH,MN 55805	41-2016979	501(C)(3)	35,000				EMPLOYEE EMERGENCY FUND
SOAR CAREER SOLUTIONS 205 W 2ND ST 101 DULUTH,MN 55802	41-1449179	501(C)(3)	20,000				PROGRAM SUPPORT
UNITED WAY OF GREATER DULUTH402 ORDEAN BLDG 424 W SUPERIOR ST DULUTH,MN 55802	41-0982434	501(C)(3)	5,500				PROGRAM SUPPORT/EXECUTIVE SPONSOR

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
UNITED WAY OF GREATER DULUTH402 ORDEAN BLDG 424 W SUPERIOR ST DULUTH,MN 55802	41-0982434	501(C)(3)	20,000				CORPORATE CAMPAIGN
UNITED WAY OF NORTHEASTERN MN229 W LAKE ST CHISHOLM,MN 55719	41-0982434	501(C)(3)	10,000				CORPORATE CAMPAIGN
UNIVERSITY OF MINNESOTADEPT OF INTERCOLLEGIATE ATHLETICE 1216 ORDEAN CT DULUTH,MN 55812	41-6007513	GOVERNMENT	20,000				ATHLETICS PROGRAM

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Robert Norman	(i)	0	0	0	0	0	0	0
	(ii)	379,275	106,765	65,192	78,382	31,888	661,502	255,638
Maribeth Olson	(i)	240,760	27,634	19,814	50,520	23,928	362,656	176,392
	(ii)	0	0	0	0	0	0	0
George F Holliday MD	(i)	0	0	0	0	0	0	0
	(ii)	191,173	0	0	19,761	20,770	231,704	112,496
KEVIN T STEPHAN MD	(i)	715	0	0	0	0	715	220
	(ii)	224,682	0	0	22,500	23,712	270,894	130,620
ALBERT J DIEBELE MD	(i)	0	0	0	0	0	0	0
	(ii)	704,528	0	0	22,500	25,311	752,339	0
HUGH P RENIER MD	(i)	282,948	35,370	23,995	41,603	26,314	410,230	198,987
	(ii)	0	0	0	0	0	0	0
MICHAEL F MCAVOY	(i)	0	0	0	0	0	0	0
	(ii)	173,099	14,472	0	23,848	17,658	229,077	0
TERRI L RUBERG	(i)	151,804	14,731	14,280	31,593	22,002	234,410	113,233
	(ii)	0	0	0	0	0	0	0
ROCKLON B CHAPIN	(i)	310,800	50,305	0	51,221	12,704	425,030	208,919
	(ii)	0	0	0	0	0	0	0
DENNIS W DASSENKO	(i)	232,355	51,774	0	19,504	23,400	327,033	0
	(ii)	0	0	0	0	0	0	0
DIANE T DAVIDSON	(i)	173,820	29,362	0	24,593	19,419	247,194	0
	(ii)	0	0	0	0	0	0	0
MICHAEL J MAHONEY	(i)	182,229	0	0	35,066	9,981	227,276	111,404
	(ii)	0	0	0	0	0	0	0
JOANNE M PUFAHL	(i)	146,150	0	0	8,965	9,000	164,115	0
	(ii)	0	0	0	0	0	0	0
DAVID H AMUNDSON	(i)	7,725	8,032	412,715	0	13,288	441,760	218,885
	(ii)	0	0	0	0	0	0	0
SUSAN E MCCLERNON	(i)	0	0	149,232	0	11,117	160,349	78,670
	(ii)	0	0	0	0	0	0	0
	(ii)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
method for establishing the compensation of coo	SCHEDULE J, PART I, LINE 3	SMMC RELIED ON THE FOLLOWING METHOD FOR ESTABLISHING THE COMPENSATION OF MARIBETH OLSON, COO COMPENSATION COMMITTEE, COMPENSATION SURVEY OR STUDY, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
SEVERANCE PAYMENTS	SCHEDULE J, PART I, LINE 4A	FORMER OFFICER, DAVID AMUNDSON, RECEIVED PAYMENT TOTALING $274,498 IN TAX YEAR 2008 RELATED TO HIS TERMINATION THE TERMINATION TERMS ARE JANUARY 7, 2008 UNTIL JULY 7, 2009 MR AMUNDSON WILL RECEIVE PAY TOTALING $457,260 AND BENEFITS TOTALING $14,581 RELATED TO HIS TERMINATION FORMER OFFICER, SUSAN MCCLERNON, RECEIVED PAYMENT TOTALING $149,232 IN TAX YEAR 2008 RELATED TO HER TERMINATION THE TERMINATION TERMS ARE OCTOBER 5, 2007 UNTIL JULY 25, 2008 MS MCCLERNON WILL RECEIVE PAY TOTALING $202,786 AND BENEFITS TOTALING $9,987 RELATED TO HER TERMINATION
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	THE FOLLOWING INDIVIDUALS LISTED IN FORM 990, PART VII, SECTION A, LINE 1A RECEIVED PAYMENT FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DURING THE YEAR DAVID AMUNDSON (SMDC) $138,218 ROBERT NORMAN (ECHC) $64,496 MARIBETH OLSON (SMDC) $18,814 TERRI RUBERG (SMDC) $14,280 HUGH RENIER (SMDC) $23,995 ST MARYS DULUTH CLINIC HEALTH SYSTEMS NONQUALIFIED RETIREMENT PLAN IS OFFERED TO DESIGNATED ST MARYS DULTH CLINIC HEALTH SYSTEMS EXECUTIVES THERE IS A MINIMUM TWO YEAR VESTING DATE, BENEFITS ARE SUBJECT TO INCOME TAXES UPON VESTING AND BENEFITS ARE PAYABLE FROM SMDC HEALTH SYSTEMS GENERAL ASSETS ECHCS NONQUALIFIED RETIREMENT PLAN IS OFFERED TO ECHC EXECUTIVES THERE IS A MINIMUM TWO YEAR VESTING DATE, BENEFITS ARE SUBJECT TO INCOME TAXES UPON VESTING AND BENEFITS ARE PAYABLE FROM ECHCS GENERAL ASSETS

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 41-0695604
Name: ST MARY'S MEDICAL CENTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Robert Norman	(I)	0	0	0	0	0	0	0
	(II)	379,275	106,765	65,192	78,382	31,888	661,502	255,638
Maribeth Olson	(I)	240,760	27,634	19,814	50,520	23,928	362,656	176,392
	(II)	0	0	0	0	0	0	0
George F Holliday MD	(I)	0	0	0	0	0	0	0
	(II)	191,173	0	0	19,761	20,770	231,704	112,496
KEVIN T STEPHAN MD	(I)	715	0	0	0	0	715	220
	(II)	224,682	0	0	22,500	23,712	270,894	130,620
ALBERT J DIEBELE MD	(I)	0	0	0	0	0	0	0
	(II)	704,528	0	0	22,500	25,311	752,339	0
HUGH P RENIER MD	(I)	282,948	35,370	23,995	41,603	26,314	410,230	198,987
	(II)	0	0	0	0	0	0	0
MICHAEL F MCAVOY	(I)	0	0	0	0	0	0	0
	(II)	173,099	14,472	0	23,848	17,658	229,077	0
TERRI L RUBERG	(I)	151,804	14,731	14,280	31,593	22,002	234,410	113,233
	(II)	0	0	0	0	0	0	0
ROCKLON B CHAPIN	(I)	310,800	50,305	0	51,221	12,704	425,030	208,919
	(II)	0	0	0	0	0	0	0
DENNIS W DASSENKO	(I)	232,355	51,774	0	19,504	23,400	327,033	0
	(II)	0	0	0	0	0	0	0
DIANE T DAVIDSON	(I)	173,820	29,362	0	24,593	19,419	247,194	0
	(II)	0	0	0	0	0	0	0
MICHAEL J MAHONEY	(I)	182,229	0	0	35,066	9,981	227,276	111,404
	(II)	0	0	0	0	0	0	0
JOANNE M PUFAHL	(I)	146,150	0	0	8,965	9,000	164,115	0
	(II)	0	0	0	0	0	0	0
DAVID H AMUNDSON	(I)	7,725	8,032	412,715	0	13,288	441,760	218,885
	(II)	0	0	0	0	0	0	0
SUSAN E MCCLERNON	(I)	0	0	149,232	0	11,117	160,349	78,670
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

Part I Bond Issues *(Required for 2008)*

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	Minnesota Agricultural and Economic Development Bo	41-6007162	604920X94	03-04-2008	179,125,000	BLDG REMODEL, EQUIP, REFINANCE		X		X
B	MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT GO	41-6007162	604920Z43	05-02-2008	42,909,274	REFINANCE 1997 BONDS		X		X

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total Proceeds of Issue					
2	Gross Proceeds in Reserve Funds					
3	Proceeds in Refunding or Defeasance Escrows					
4	Other Unspent Proceeds					
5	Issuance Costs from Proceeds					
6	Working Capital Expenditures from Proceeds					
7	Capital Expenditures from Proceeds					
8	Year of Substantial Completion					

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use *(Optional for 2008)*

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage *(Optional for 2008)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?										
6	Did the bond issue qualify for an exception to rebate?										

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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

Identifier	Return Reference	Explanation
Description of Classes of Persons and the Nature of Their Rights	Form 990, Part VI, Question 7a	St Mary's Medical Center is a subsidiary of Essentia Health, whose Board of Directors has reserved powers with respect to this corporation and its subsidiaries, and all of the other direct and indirect subsidiaries of Essentia Health (collectively, the System) The Benedictine Sisters Benevolent Association (BSBA) also has certain reserved powers over all Catholic facilities within Essentia Health Those extended powers reserve the right to to elect one or more members of SMDmC's governing body

Identifier	Return Reference	Explanation
Descr Classes of Persons, Decisions Requiring Appr & Type of Voting Rights	Form 990, Part VI, Question 7b	St Mary's Medical Center is a subsidiary of Essentia Health, whose Board of Directors has reserved powers with respect to this corporation and its subsidiaries, and all of the other direct and indirect subsidiaries of Essentia Health (collectively, the System) Essentia Healths reserved powers are as follows Strategic and Business Plans Authority to create, and to approve, the Systems strategic and business plans Mission Authority to create, and to approve, the mission, purpose and vision statements for all entities in the System by the affirmative vote of at least 67% of the Essentia Health board of directors Debt Approval of the incurrence of debt by, and the creation of all mortgages, liens, security interests, or other encumbrances on the assets of, all entities in the System in excess of the single or annual aggregate dollar limits prescribed in writing by the Essentia Health board of directors, and the authority to cause all entities in the System to participate in System borrowing Governing Instruments Authority to cause, and to approve, amendments of the articles of incorporation and bylaws of all entities in the System Mergers and Acquisitions Authority to cause, and to approve, all mergers, consolidations, and dissolutions of all entities in the System Affiliations and Joint Ventures Authority to cause, and to approve, all affiliations, joint ventures and other alliances with third parties of all entities in the System Transfer of Assets Within the System Authority to transfer assets, including cash, between and among entities within the System, provided, however, that Essentia Health shall not have authority to require any entity in the System to transfer assets (a) that would cause such entity to be in default of its covenants or obligations under any bond or other financing documents, (b) from the Catholic entities to the secular entities or from the secular entities to the Catholic entities in a manner or to an extent that would cause the Catholic entities to be in violation of the Ethical and Religious Directives for Catholic Health Care Services in the judgment of the local ordinary, or (c) such that money generated by services at secular facilities within the System by procedures that are contrary to the Ethical and Religious Directives for Catholic Health Care Services would be used at the Catholic entities or money generated by Catholic entities would be used in the providing of services contrary to the Ethical and Religious Directives for Catholic Health Care Services at secular facilities within the System Transfer of Assets Outside the System Authority to cause, and to approve, the sale, lease or other transfer of assets of all entities in the System to parties outside of the System when the assets value exceeds the single or annual aggregate dollar limits prescribed in writing by the Essentia Health board of directors Services Authority to cause, and to approve, the addition of new services and service locations and the discontinuance of services and service locations within all entities in the System Budgets Approval of capital and operating budgets of all entities in the System Professional Services Selection of the general legal counsel and external auditors of all entities in the System Acquisitions Authority to cause, and to approve, all acquisitions by and formations of entities in the System Marketing, Authority to implement System-wide marketing and promotional activities Compliance Plans Authority to create, and to approve, corporate compliance, safety and risk management plans for entities within the System Quality Plan Authority to create, and to approve, the Systems quality plan Non-Budgeted Purchases Approval of non-budgeted capital purchases and leases in excess of the single or annual aggregate dollar limits prescribed in writing by Essentia Health for entities within the System Human Resources Authority to create human resource policies and procedures within the System Reserved Powers Authority to create additional Essentia Health reserved powers by the affirmative vote of at least 80% of the Essentia Health board of directors (excluding the Essentia Health CEO), provided, however, that any additional Essentia Health reserved powers shall not contravene or hinder the reserved powers of Benedictine Sisters Benevolent Association The Benedictine Sisters Benevolent Association (BSBA) also has certain reserved powers over all Catholic facilities within Essentia Health BSBAs reserved powers are as follows Subject to any approvals that are required under applicable canon law and the prior written notice to ECHC required by Section 2 10 of the Amended and Restated Affiliation Agreement by and among Benedictine Sisters Benevolent Association, Essentia Health, ECHC, and St Marys Duluth Clinic Health System dated as of December 21, 2007 (the Affiliation Agreement), and to Essentia Health as required by Section 2 11 thereof, Benedictine Sisters Benevolent Association shall have the following powers which shall be exercised by action of the Benedictine Sisters Benevolent Association board of directors unless otherwise provided with respect to all ecclesiastical goods and Catholic facilities and entities within the System (as defined in the Affiliation Agreement, as amended) Mission Authority to approve the mission, purpose and vision statements for Catholic facilities and entities within the System Adherence to Ethical Religious Directives (ERDs) Authority to approve the methods, policies and procedures pertaining to the adherence of Catholic facilities and entities within the System to the ERDs, and to require the use of religious symbols, distinguishing elements and prayers Official Catholic Directory Authority to request the listing of qualified entities and facilities within the System in The Official Catholic Directory, subject to the approval of applicable Catholic authorities Catholic Health Association Authority to require Catholic facilities and entities within the System to join the membership of the Catholic Health Association of the United States Alienation of Stable Patrimony or Ecclesiastical Goods Authority to approve alienation of either stable patrimony or other ecclesiastical goods in the System if such goods involved in a specific transaction approved by Essentia Health pursuant to Section 2 8(g) or 2 8(h) of the Affiliation Agreement have a dollar value equal to or greater than 70% of the amount established from time to time that requires approval from the Holy See Amendments Authority to approve any amendments to the Articles of Incorporation or Bylaws of this corporation that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of this corporations board of directors, authority to approve any amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic SMDC Subsidiaries (as defined in the Affiliation Agreement), which could materially affect such entitys identity as a Catholic institution, including without limitation any amendment that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of such entitys board of directors, and authority to cause Essentia Health to make amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic SMDC Subsidiaries, which amendments Benedictine Sisters Benevolent Association in good faith are necessary to preserve such entitys identity as a Catholic institution Mission Effectiveness Authority to approve annual plans and evaluations relating to mission effectiveness and chaplaincy for the Catholic facilities and entities within the System Mergers and Dissolution Subject to the approval of the Benedictine Sisters of St Scholastica Monastery of Duluth, authority to approve a proposed merger, consolidation, liquidation, or dissolution of St Marys Medical Center or St Josephs Medical Center, or the disposition of all or substantially all the assets of St Marys Medical Center or St Josephs Medical Center

Identifier	Return Reference	Explanation
PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990	FORM 990, PART VI, QUESTION 10	The Chief Financial Officer of SMDC presented a draft Form 990 of all SMDC entities to Senior Management and the SMDC Board members at the March 3, 2010 board meeting The organization's final Form 990's, including required schedules, will be provided in electronic format to Senior Management and each SMDC Board member prior to filing

Identifier	Return Reference	Explanation
PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART vi, QUESTION 12c	I INTERESTED PERSONS SHALL ANNUALLY DISCLOSE RELATIONSHIPS WHICH MIGHT LEAD TO A CONFLICT OF INTEREST BY COMPLETING A CONFLICT OF INTEREST DISCLOSURE FORM SUCH AS THAT ATTACHED AS APPENDIX B THE GENERAL COUNSEL MAY REVISE AND UPDATE THE FORM PERIODICALLY WITHIN HIS/HER PROFESSIONAL DISCRETION II ST MARY'S MEDICAL CENTER SHALL BE RESPONSIBLE FOR THE ANNUAL DISTRIBUTION OF CONFLICT OF INTEREST FORMS AND REVIEW OF DISCLOSURES FOR THE GOVERNING BODIES OF ST MARY'S MEDICAL CENTER AND EOMS AND FOR SENIOR MANAGEMENT EMPLOYEES OF ST MARY'S MEDICAL CENTER III SENIOR MANAGEMENT OF THE EOMS SHALL BE RESPONSIBLE FOR THE IMPLEMENTATION OF THIS POLICY AND PROCEDURE WITHIN THEIR RESPECTIVE DIRECT AND INDIRECT SUBSIDIARIES IV TRANSACTIONS WITH PARTIES WITH WHOM A CONFLICT OF INTEREST EXISTS MAY BE UNDERTAKEN ONLY IF ALL OF THE FOLLOWING ARE OBSERVED A THE CONFLICT OF INTEREST IS FULLY DISCLOSED, B THE INTERESTED PERSON WITH THE CONFLICT OF INTEREST DOES NOT PARTICIPATE IN THE APPROVAL OF SUCH TRANSACTIONS, C IF PRACTICAL OR APPROPRIATE, A COMPETITIVE BID OR COMPARABLE VALUATION IS OBTAINED, AND D THE BOARD OR COMMITTEE OF THE BOARD HAS DETERMINED THAT THE TRANSACTION IS IN THE BEST INTEREST OF THE ORGANIZATION V DISCLOSURE BY ANY INTERESTED PERSON OTHER THAN A BOARD OR COMMITTEE MEMBER SHOULD BE MADE TO THE CHIEF EXECUTIVE OFFICER (OR IF SHE OR HE IS THE ONE WITH THE CONFLICT, THEN TO THE BOARD CHAIR), WHO SHALL BRING THE MATTER TO THE ATTENTION OF THE BOARD OR AN APPROPRIATE COMMITTEE OF THE BOARD DISCLOSURE INVOLVING BOARD OR COMMITTEE MEMBERS SHALL BE MADE TO THE BOARD CHAIR (OR IF SHE OR HE IS THE ONE WITH THE CONFLICT, THEN TO THE BOARD VICE-CHAIR), WHO SHALL BRING THESE MATTERS TO THE BOARD OR AN APPROPRIATE COMMITTEE OF THE BOARD VI THE BOARD OR COMMITTEE OF THE BOARD SHALL DETERMINE WHETHER A CONFLICT EXISTS AND IF SO, WHETHER THE CONTEMPLATED TRANSACTION MAY BE AUTHORIZED AS JUST, FAIR, AND REASONABLE TO ST MARY'S MEDICAL CENTER OR ITS AFFILIATE(S) THE DECISION OF THE BOARD OR A DULY CONSTITUTED COMMITTEE OF THE BOARD ON THESE MATTERS WILL BE AT ITS SOLE DISCRETION, AND ITS CONCERN MUST BE THE WELFARE OF ST MARY'S MEDICAL CENTER AND ITS AFFILIATE(S) AND THE ADVANCEMENT OF ITS PURPOSES THE DECISION OF THE BOARD IS FINAL IF THE BOARD DETERMINES A CONFLICT DOES NOT EXIST, THE INTERESTED PERSON MAY PROCEED WITH THE TRANSACTION, HOWEVER, HE OR SHE WILL NOT BE ELIGIBLE TO VOTE ON RELATED ISSUES SHOULD THEY ARISE IF THE BOARD DETERMINES A CONFLICT DOES EXIST, THE INTERESTED PERSON WILL BE NOTIFIED OF THE DECISION REGARDING WHETHER THE CONTEMPLATED TRANSACTION WILL BE AUTHORIZED AS JUST, FAIR, AND REASONABLE

Identifier	Return Reference	Explanation
Offices & Positions for Which Process was Used, & Year Process was Begun	Form 990, Part VI, Question 15a	The Executive Compensation Committee of the Board of Directors of SMDC Health System fulfills the Boards responsibilities regarding compensation of SMDC Health Systems (SMDC) executives consistent with SMDCs mission, values and tax exempt status The Committee reviews and makes decisions based on information presented by the SMDC President and Chief Administrative Officer concerning the performance of the system and senior executives of SMDC The Committee provides oversight for incentive compensation program(s) in a manner consistent with the executive compensation philosophy Annually they evaluate the performance of SMDC against approved corporate goals and objectives, including a review of system results and supporting documentation for all members covered by the SMDC incentive compensation program and report such findings to the Essentia Health Executive Compensation Committee - The year this process was last undertaken for SMDC was 2008

Identifier	Return Reference	Explanation
Offices & Positions for Which Process was Used, & Year Process was Begun	Form 990, Part VI, Question 15b	The Executive Compensation Committee of the Board of Directors of SMDC Health System fulfills the Boards responsibilities regarding compensation of SMDC Health Systems (SMDC) executives consistent with SMDCs mission, values and tax exempt status The Committee reviews and makes decisions based on information presented by the SMDC President and Chief Administrative Officer concerning the performance of the system and senior executives of SMDC The Committee provides oversight for incentive compensation program(s) in a manner consistent with the executive compensation philosophy Annually they evaluate the performance of SMDC against approved corporate goals and objectives, including a review of system results and supporting documentation for all members covered by the SMDC incentive compensation program and report such findings to the Essentia Health Executive Compensation Committee - The year this process was last undertaken for SMDC was 2008 Essentias Chief Financial Officers compensation is determined by the Executive Compensation Committee of Essentia Health's board of directors The Executive Compensation Committee of Essentia Health's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values & tax-exempt status, & the Executive Compensation Committee's Charter The Executive Compensation Committee meets at least twice annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing & modifying, as appropriate, reasonable compensation & benefits for Essentia's Chief Executive Officer The Executive Compensation Committee engages qualified independent compensation advisors to provide objective & impartial comparative data & to express opinions on total compensation reasonableness The Executive Compensation Committee may request its independent advisors to monitor comparability data & marketplace trends, make appropriate recommendations regarding salary ranges, & periodically review the market competitiveness of Essentia executive compensation packages Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain & rely upon appropriate data as to comparability of the proposed compensation or adjustments The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations The Executive Compensation Committee minutes shall include the terms of the approved compensation & the date approved, the Executive Compensation Committee members present during the review, discussion & approval of the proposed compensation & those who voted on the proposed compensation, identification of the comparability data obtained & relied upon by the Executive Compensation Committee & how the data was obtained, any actions by a member of the Executive Compensation Committee having a conflict of interest, & documentation of the basis for the determination - The year this process was last undertaken for Essentia's CFO was 2008

Identifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY & FIN STMTS TO GEN PUBLIC	FORM 990, PART vi, QUESTION 19	ST MARY'S MEDICAL CENTER MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC ST MARY'S MEDICAL CENTER'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST ST MARY'S MEDICAL CENTER IS PART OF ESSENTIA HEALTH'S CONSOLIDATED FINANCIAL STATEMENTS WHICH ARE INCLUDED IN ESSENTIA HEALTH'S ANNUAL REPORT WHICH IS POSTED ON ESSENTIA HEALTH'S WEB SITE

Identifier	Return Reference	Explanation
Consolidated audit	Part XI, Line 2	ST MARY'S MEDICAL CENTER'S financial statements were audited by an independent accountant as part of Essentia Healths consolidated financial statements only The consolidated audit is reviewed by the Essentia Health Finance Planning & Audit Committees

Identifier	Return Reference	Explanation
Consolidated A-133	Part XI, Line 3	ST MARY'S MEDICAL CENTER, as part of Essentia Healths consolidated financial statements, was required & underwent a consolidated audit set forth in the Single Audit Act & OMB Circular A-133 The consolidated audit is reviewed by the Essentia Health Audit Committees

Identifier	Return Reference	Explanation
EXPLANATION REGARDING BOND ISSUES IDENTIFIED ON SCHEDULE K FOR SERIES 2008	FORM 990 - SCHEDULE K	ESSENTIA HEALTH HAS AN OBLIGATED GROUP CREATED UNDER THE MASTER INDENTURE WHICH IS COMPOSED OF THE FOLLOWING MEMBERS ESSENTIA HEALTH, ECHC, ST MARY'S DULUTH CLINIC HEALTH SYSTEM, ST JOSEPH'S MEDICAL CENTER, ST MARY'S REGIONAL HEALTH CENTER, ST MARY'S MEDICAL CENTER, INC , SMDC MEDICAL CENTER, FORMERLY KNOWN AS MILLER-DWAN MEDICAL CENTER, INC , NAT G POLINSKY MEMORIAL REHABILITATION CENTER, INC , ST MARY'S HOSPITAL OF SUPERIOR, BRAINERD MEDICAL CENTER, INC , BRAINERD LAKES INTEGRATED HEALTH SYSTEM AND ST MARY'S INNOVIS HEALTH, THE DULUTH CLINIC, LTD AND INNOVIS HEALTH, LLC (THE "OBLIGATED GROUP MEMBERS" OR THE "MEMBERS OF THE OBLIGATED GROUP") THE MEMBERS OF THE OBLIGATED GROUP ARE JOINTLY AND SEVERALLY OBLIGATED ON ALL INDEBTEDNESS EVIDENCED OR SECURED BY NOTES ISSUED UNDER THE MASTER INDENTURE SERIES 2008C THE SERIES 2008C BONDS ARE SECURED BY NOTES ISSUED UNDER THE MASTER INDENTURE THE OBLIGATED GROUP MEMBERS ST MARY'S DULUTH CLINIC HEALTH SYSTEM, ST JOSEPH'S MEDICAL CENTER, ST MARY'S REGIONAL HEALTH CENTER, THE DULUTH CLINIC, LTD , ESSENTIA HEALTH, ST MARY'S HOSPITAL OF SUPERIOR AND ST MARY'S MEDICAL CENTER, INC ARE THE CONDUIT BORROWERS OF THE SERIES 2008C BONDS THE OBLIGATED GROUP MEMBER, ECHC, IS AN INDIRECT BENEFICIARY OF A PORTION OF THE SERIES 2008C BORROWING AND HAS RECORDED A PORTION OF THE BOND LIABILITY ON ITS BALANCE SHEET WHICH IS CONSOLIDATED WITH ESSENTIA HEALTH SERIES 2008E THE SERIES 2008E BONDS ARE SECURED BY NOTES ISSUED UNDER THE MASTER INDENTURE THE OBLIGATED GROUP MEMBERS ST MARY'S DULUTH CLINIC HEALTH SYSTEM, THE DULUTH CLINIC, LTD , ESSENTIA HEALTH, ST MARY'S MEDICAL CENTER, INC AND SMDC MEDICAL CENTER ARE THE CONDUIT BORROWERS OF THE SERIES 2008E BONDS THE OBLIGATED GROUP MEMBER, INNOVIS HEALTH, LLC, IS AN INDIRECT BENEFICIARY OF A PORTION OF THE SERIES 2008E BORROWING AND HAS RECORDED A PORTION OF THE BOND LIABILITY ON ITS BALANCE SHEET WHICH IS CONSOLIDATED WITH ESSENTIA HEALTH

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST MARY'S MEDICAL CENTER

Employer identification number
41-0695604

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
See Additional Data Table					

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
ESSENTIA HEALTH INSURANCE SVC SPCLTD BUCKINGHAM SQ720 W BAY RD GRAND CAYMAN, CAYMAN ISLANDS KY1-1102 CJ	INSURANCE	CJ	NA	FOREIGN CORP			

Part V Transactions with Related Organizations

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

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

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

(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1) **See Additional Data Table**		
(2)		
(3)		
(4)		
(5)		
(6)		

Part VI Unrelated Organizations Taxable as a Partnership

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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data Return to Form

Software ID:
Software Version:
EIN: 41-0695604
Name: ST MARY'S MEDICAL CENTER

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
Brainerd Lakes Integrated Health System 2024 S 6th St Brainerd, MN56401 37-1532145	Support org	MN	501(c)(3)	11 Type II	ECHC
Brainerd Medical Center Inc 2024 S 6th St Brainerd, MN56401 37-1532148	Clinic	MN	501(c)(3)	3	BLIHS
Bridges Medical Center 201 9th St W Ada, MN56510 20-0479568	Clinic/Hosp	MN	501(c)(3)	3	ECHC
Clearwater Valley Hospital and Clinics 301 Cedar Orofino, ID83544 82-0497771	Clinic/Hosp	ID	501(c)(3)	3	ECHC
Divine Medical Services 709 N Lincoln Jerome, ID83338 20-2773717	Emergency ser	ID	501(c)(3)	3	SBFMC
DL Surgery Center 1027 Washington Ave Detroit Lakes, MN56501 26-3837203	ASC	MN	501(c)(3)	3	ECHC
ECHC Foundation 502 E 2nd St Duluth, MN55805 26-3359418	Foundation	MN	501(c)(3)	11 Type I	ECHC
ECHC 503 E 3rd St Ste 400 Duluth, MN55805 26-1219624	Support org	MN	501(c)(3)	11 Type II	Essentia
St Benedict's Family Medical Center 709 N Lincoln Jerome, ID83338 82-0227163	Clinic/Hosp	ID	501(c)(3)	3	ECHC
St Joseph's Medical Center 523 N 3rd St Brainerd, MN56401 41-0695602	Hospital	MN	501(c)(3)	3	BLIHS
St Mary's EMS 1027 Washington Ave Detroit Lakes, MN56501 41-1805811	Emergency svc	MN	501(c)(3)	9	SMRHC
St Mary's Hospital & Clinics Inc PO Box 137 Cottonwood, ID83522 82-0226453	Clinic/Hosp	ID	501(c)(3)	3	ECHC
St Mary's Innovis Health 1027 Washington Ave Detroit Lakes, MN56501 26-2861321	Clinic	MN	501(c)(3)	3	ECHC
St Mary's Regional Health Center 1027 Washington Ave Detroit Lakes, MN56501 41-1620386	Clinic/Hosp	MN	501(c)(3)	3	ECHC
Essentia Health 502 E 2nd St Duluth, MN55805 20-0360007	Support org	MN	501(c)(3)	11 Type III	NA
Innovis Health LLC (7108 - 103108) 1702 S University Dr Fargo, ND58103 26-1175213	Clinic/Hosp	DE	501(c)(3)	3	Essentia
Midwest Medical Equipment & Supply Inc 4418 Haines Rd Duluth, MN55811 41-1674021	Medical Equip	MN	501(c)(3)	9	SMDC
SMDC Medical Center 502 E 2nd St Duluth, MN55805 41-1878730	Clinic/Hospit	MN	501(c)(3)	3	SMDC
Pine Medical Center 109 Court Ave S Sandstone, MN55072 41-1884597	Clinic/Hospit	MN	501(c)(3)	3	SMDC
Polinsky Medical Rehabilitation Center 530 E 2nd St Duluth, MN55805 41-0691275	Clinic/Hospit	MN	501(c)(3)	3	SMMC
St Mary's Duluth Clinic Foundation 400 E 3rd St Duluth, MN55805 41-2016979	Foundation	MN	501(c)(3)	7	SMDC
St Mary's Duluth Clinic Health System 407 E 3rd St Duluth, MN55805 41-1836633	Clinic/Hospit	MN	501(c)(3)	3	Essentia
St Mary's Hospital of Superior 3500 Tower Ave Superior, WI54880 41-1811073	Clinic/Hosp	WI	501(c)(3)	3	SMMC
The Duluth Clinic Ltd 400 E 3rd St Duluth, MN55805 41-0883623	Clinic/Hospit	MN	501(c)(3)	3	SMDC

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	St Mary's Hospital Superior	P	24,653,556
(2)	St Mary's Hospital Superior	Q	28,837,043
(3)	The Duluth Clinic	R	364,500,000
(4)	SMDC Medical Center	R	28,000,000
(5)	SMDC Medical Center	P	3,553,585
(6)	ECHC	O	754,699
(7)	ECHC	r	600,000
(8)	SMDC FOUNDATION	p	303,659
(9)	Polinsky Medical Rehabilitation Center	Q	3,275,000
(10)	Polinsky Medical Rehabilitation Center	R	7,106,327
(11)	SMDC FOUNDATION	b	138,950
(12)	midwest medical equipment & supplies inc	p	2,033,027
(13)	midwest medical equipment & supplies inc	o	555,219

Additional Data

Software ID:
Software Version:
EIN: 41-0695604
Name: ST MARY'S MEDICAL CENTER

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
S Kathleen Hofer , Chairperson,President,SMMC BD	40 0	X		X				0	0	0
Frank Jewell , Vice-President, SMMC Board	10 0	X		X				1,320	0	0
Thomas C Stender , Secretary, SMMC Board	10 0	X		X				770	0	0
Ed J Crawford , SMMC Board Director	10 0	X						0	0	0
Carol Farchmin MD , SMMC Board Director	10 0	X						0	0	0
S Melanie Gagne , SMMC Board Director	10 0	X						0	0	0
S Mary Rae Higgins , SMMC Board Director	10 0	X						0	0	0
George F Holliday MD , SMMC Board Director	40 0	X						0	191,173	40,531
KORESH LAKHAN , SMMC BOARD DIRECTOR	10 0	X						770	0	0
ANDRW LISAK , SMMC BOARD DIRECTOR	10 0	X						0	0	0
JOSEPH J MIHALEK , SMMC BOARD DIRECTOR	10 0	X						825	0	0
S SARAH SMEDMAN , SMMC BOARD DIRECTOR	10 0	X						0	0	0
KEVIN T STEPHAN MD , SMMC BOARD DIRECTOR	40 0	X						715	224,682	46,212
S LINDA WIGGINS , SMMC BOARD DIRECTOR	10 0	X						0	0	0
Robert Norman , Chief Financial Officer	60 0			X				0	551,232	110,270
Maribeth Olson , Chief Operating Officer - SMMC	60 0			X				288,208	0	74,448
ALBERT J DIEBELE MD , CLINICAL CHIEF	60 0				X			0	704,528	47,811
HUGH P RENIER MD , VP MEDICAL AFFAIRS SMMC	60 0				X			342,313	0	67,917
MICHAEL F MCAVOY , VP ACUTE CARE & DIAGNOSTICS	60 0				X			0	187,571	41,506
TERRI L RUBERG , VP PATIENT CARE OPERATIONS	60 0				X			180,815	0	53,595
ROCKLON B CHAPIN , EVP HOSPITAL DIVISION	60 0					X		361,105	0	63,925
DENNIS W DASSENKO , CHIEF INFORMATION OFFICER	60 0					X		284,129	0	42,904
DIANE T DAVIDSON , SVP HUMAN RESOURCES	60 0					X		203,182	0	44,012
MICHAEL J MAHONEY , VP GOVERNMENT AFFAIRS	60 0					X		182,229	0	45,047
JOANNE M PUFAHL , HEAD NURSE LIFEFLIGHT	40 0					X		146,150	0	17,965
DAVID H AMUNDSON , SVP FINANCE							X	428,472	0	13,288
SUSAN E MCCLERNON , CHIEF OPERATING OFFICER							X	149,232	0	11,117

Form 990, Part III, Line 1 - Briefly describe the organization's mission:

ST. MARY'S MEDICAL CENTER EXISTS TO WITNESS TO THE LOVE OF GOD THROUGH COMPASSIONATE AND COMPETENT HEALTH SERVICES FOR ALL, ESPECIALLY THE POOR AND POWERLESS. AS A BENEDICTINE-SPONSORED CATHOLIC ORGANIZATION, WE PROMOTE THE HIGHEST LEVEL OF PHYSICAL, EMOTIONAL, AND SPIRITUAL HEALTH AND WELL-BEING FOR ALL PERSONS, FROM THE MOMENT OF CONCEPTION UNTIL THEIR PROVIDENTIAL END. AS A MEMBER OF THE SMDC HEALTH SYSTEM, WE HELP BRING THE SOUL AND SCIENCE OF HEALING TO THE PEOPLE WE SERVE.