



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490













**1** Briefly describe the organization's mission

WE ARE HERE TO SERVE PATIENTS

Form **990** (2009)

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	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4		No
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> 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 similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.			
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, 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 U S ? 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 U S ? If "Yes," complete Schedule F, Part III	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20		No

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable . . . . .	1a	199		
		1b	0		
b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable			1c	Yes	
2a	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .				
	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return . . . . .	2a	1,505		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			2b	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .			3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .			3b	Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .			4a	Yes	
b If "Yes," enter the name of the foreign country <input type="text" value="CJ"/> 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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .			5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? . . . . .			6a		No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .			6b		
7 Organizations that may receive deductible contributions under section 170(c).					
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .			7a		No
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 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .			8		
9 Sponsoring organizations maintaining donor advised funds.					
a Did the organization make any taxable distributions under section 4966? . . . . .			9a		
b Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .			9b		
10 Section 501(c)(7) organizations. Enter					
a Initiation fees and capital contributions included on Part VIII, line 12 . . . . .			10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b		
11 Section 501(c)(12) organizations. Enter					
a Gross income from members or shareholders . . . . .			11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . .			11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b		

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	17	
b	Enter the number of voting members that are independent . . .	1b	0	
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	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9		No

Section B. Policies

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates? . . . . .	10a		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? . . . . .	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
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	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions )			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a	Yes	
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	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶MN , WI
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ BARBARA JOHNSON CFO 407 EAST THIRD STREET DULUTH, MN 55805 (218) 786-1421

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

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

Form 990 (2009)



<b>1b</b>	<b>Total</b> . . . . .	15,731,070	3,631,454	2,070,305
-----------	------------------------	------------	-----------	-----------

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶508

		<b>Yes</b>	<b>No</b>
<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>3</b> Yes	
<b>4</b>	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>4</b> Yes	
<b>5</b>	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	<b>5</b>	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
AIM HEALTHCARE SERVICES INC 1021 WINDCROS COURT FRANKLIN, TN 37067	MEDICAL CLAIMS SERVI	900,869
A L PARTNERSHIP LLP 11 E SUPERIOR ST SUITE 500 DULUTH, MN 55802	PROP MANAGEMENT SCVS	321,033
HEALTH BILLING SYSTEMS INC 14700 28TH AVE N SUITE 200 PLYMOUTH, MN 55447	MEDICAL BILLING SVCS	305,618
BLACK RIVER MILLS INC 701 W ARROWHEAD RD DULUTH, MN 55812	LOCUM PHYSCIANS SVCS	213,416
FREDRIKSON BYRON PA PO BOX 1484 MINNEAPOLIS, MN 55480	LEGAL SERVICES	134,632

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶8

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c					
	d	Related organizations . . . .	1d	81,755				
	e	Government grants (contributions)	1e	1,671,439				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	178,255				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f . . . . .			1,931,449			
Program Service Revenue	2a	PATIENT REVENUE	Business Code	621,400	158,193,719	158,193,719		
	b	JOINT VENTURE REVENUE-INT'L FALLS		621,400	151,102	151,102		
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f . . . . .			158,344,821			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .			748,895		748,895
4		Income from investment of tax-exempt bond proceeds . . .			0			
5		Royalties . . . . .			0			
6a		Gross Rents	(i) Real	(ii) Personal				
			4,000					
		b	Less rental expenses					
		c	Rental income or (loss)	4,000				
d		Net rental income or (loss) . . . . .			4,000		4,000	
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) O ther				
		b	Less cost or other basis and sales expenses	1,881,644	2,324,350			
		c	Gain or (loss)	-1,881,644	-2,324,350			
d		Net gain or (loss) . . . . .			-4,205,994		-4,205,994	
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 . . . .						
		a						
b		Less direct expenses . . . . .		b				
c		Net income or (loss) from fundraising events . . .			0			
9a		Gross income from gaming activities See Part IV, line 19 . . . .						
		a						
b		Less direct expenses . . . . .		b				
c	Net income or (loss) from gaming activities . . .			0				
10a	Gross sales of inventory, less returns and allowances . . . .							
	a		199,493					
b	Less cost of goods sold . . . . .		b	123,844				
c	Net income or (loss) from sales of inventory . . .			75,649		75,649		
Miscellaneous Revenue		Business Code						
11a	PARKING REVENUE		812,930	170,294			170,294	
b	PROFESSIONAL SERVICE REVENUE - INT'L FALLS		541,900	2,798,303			2,798,303	
c	MANAGEMENT SERVICE REVENUE - INT'L FALLS		541,900	677,096			677,096	
d	All other revenue . . . . .			10,715			10,715	
e	Total. Add lines 11a-11d . . . . .			3,656,408				
12	Total revenue. See Instructions . . . . .			160,555,228	158,344,821	75,649	203,309	

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	1,043	1,043		
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 . . . . .	3,970,648	3,970,648		0
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	87,672,502	74,761,817	12,910,685	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	4,819,671	4,260,876	558,795	
9	Other employee benefits . . . . .	9,308,115	6,336,577	2,971,538	
10	Payroll taxes . . . . .	4,712,454	3,918,291	794,163	
11	Fees for services (non-employees)				
a	Management . . . . .	0			
b	Legal . . . . .	56,238		56,238	
c	Accounting . . . . .	119,759		119,759	
d	Lobbying . . . . .	0			
e	Professional fundraising See Part IV, line 17 . . . . .	0			
f	Investment management fees . . . . .	0			
g	Other . . . . .	7,649,289	5,017,842	2,631,447	
12	Advertising and promotion . . . . .	134,455	4,080	130,375	
13	Office expenses . . . . .	34,933,615	33,996,141	937,474	
14	Information technology . . . . .	1,942,209	119,652	1,822,557	
15	Royalties . . . . .	0			
16	Occupancy . . . . .	4,500,976	1,707,057	2,793,919	
17	Travel . . . . .	719,782	523,528	196,254	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	383,080	213,500	169,580	
20	Interest . . . . .	1,187,736	86,541	1,101,195	
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	3,704,052	401,565	3,302,487	
23	Insurance . . . . .	1,379,837	1,309,605	70,232	
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	6,093,999	6,092,402	1,597	
b	MINNESOTA CARE TAX	1,411,239	1,411,155	84	
c	MD ALLOWANCES	330,722	325,059	5,663	
d	UBI TAX	77,442		77,442	
e	OTHER EXPENSES	666,535	587,681	78,854	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	175,775,398	145,045,060	30,730,338	0
26	Joint costs. Check here <input type="checkbox"/> 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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			8,310,988	1	17,819,807
	2	Savings and temporary cash investments . . . . .			2,229,377	2	2,251,238
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			18,343,137	4	12,827,714
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .			11,163,399	7	8,712,224
	8	Inventories for sale or use . . . . .			1,970,538	8	1,981,284
	9	Prepaid expenses and deferred charges . . . . .			625,734	9	65,745
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	206,882,218	140,386,733	10c	130,905,150
	b	Less accumulated depreciation . . . . .	10b	75,977,068			
	11	Investments—publicly traded securities . . . . .			12,494,313	11	4,413,525
	12	Investments—other securities See Part IV, line 11 . . . . .			8,189,169	12	0
	13	Investments—program-related See Part IV, line 11 . . . . .			0	13	6,652,901
	14	Intangible assets . . . . .				14	
	15	Other assets See Part IV, line 11 . . . . .			5,082,591	15	21,484,663
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			208,795,979	16	207,114,251
Liabilities	17	Accounts payable and accrued expenses . . . . .			22,102,579	17	16,152,701
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .			209,866,893	20	227,411,687
	21	Escrow or custodial account liability Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			7,346,928	23	5,678,496
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities Complete Part X of Schedule D . . . . .			218,385,453	25	226,319,100
	26	Total liabilities. Add lines 17 through 25 . . . . .			457,701,853	26	475,561,984
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			-248,905,874	27	-268,447,733
	28	Temporarily restricted net assets . . . . .				28	
	29	Permanently restricted net assets . . . . .				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			-248,905,874	33	-268,447,733
	34	Total liabilities and net assets/fund balances . . . . .			208,795,979	34	207,114,251

**Part XI Financial Statements and Reporting**

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization The Duluth Clinic LTD	Employer identification number 41-0883623
---	--

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

(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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test—2008. 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—2009. 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—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part IIISupport 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6 )						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						

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

☐

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for <b>2009</b> (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from <b>2008</b> Schedule A, Part III, line 17	18	

19a**33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

☐

b**33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

☐

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

☐



**Part IV**

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

Additional Data

Software ID:

Software Version:

EIN: 41-0883623

Name: The Duluth Clinic LTD

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS G PATNOE MD SMDC PRESIDENT & CHIEF MEDICAL	60 0	X		X				0	622,250	88,719
JOSEPH A BIANCO MD TREASURER, DC BOARD	60 0	X						282,240	6,400	46,759
RAHUL AGGARWAL MD BOARD DIRECTOR DC	60 0	X						426,832	0	42,640
DAVID G ALEXANDER MD BOARD DIRECTOR DC	60 0	X						877,650	0	42,648
LAURA BOEHLKE-BRAY MD BOARD DIRECTOR DC	60 0	X						259,023	13,300	26,184
JANUS D BUTCHER MD BOARD DIRECTOR DC	60 0	X						335,188	0	48,983
ALBERT J DEIBELE MD BOARD DIRECTOR DC	60 0	X						700,741	0	51,251
THOMAS E ELLIOTT MD BOARD DIRECTOR DC	60 0	X						309,970	0	35,187
JEFFREY S ENGELSJERD MD BOARD DIRECTOR DC	60 0	X						425,695	0	49,387
JEFFREY S GARLAND MD BOARD DIRECTOR DC	60 0	X						309,802	0	46,372
KENNETH L IRONS MD BOARD DIRECTOR DC	60 0	X						378,449	0	45,377
SCOTT W JOHNSON MD BOARD DIRECTOR DC	60 0	X						553,841	0	53,118
THOMAS E KAISER MD BOARD DIRECTOR DC	60 0	X						1,077,515	0	45,313
DONALD A MUZZI MD BOARD DIRECTOR DC	60 0	X						693,165	0	50,078
DANIEL A NIKCEVICH MD BOARD DIRECTOR DC	60 0	X						615,820	0	47,377
ANNE C STEPHEN MD BOARD DIRECTOR DC	60 0	X						112,508	0	37,246
TIMOTHY D ZAGER MD BOARD DIRECTOR DC	60 0	X						275,367	0	41,527
MICHAEL C METCALF EXECUTIVE VP CLINICAL DIVISION	60 0			X				0	422,737	76,772
ROBERT NORMAN CHIEF FINANCIAL OFFICER	60 0			X				0	531,094	106,313
BARBARA JOHNSON CHIEF FINANCIAL OFFICER	60 0			X				0	82,570	12,252
MICHAEL G MOTLEY VICE PRESIDENT COMMUNITY CLINI	60 0				X			214,287	0	61,373
MICHAEL MCAVOY VICE PRESIDENT ACUTE CARE & DI	60 0				X			0	208,541	51,165
ANN WATKINS VICE PRESIDENT SURGICAL SERVIC	60 0				X			0	180,160	48,882
KIMBERLY A BODDICKER MD SECTION CHAIR	60 0				X			647,328	0	34,318
SCOTT A ESKURI MD SECTION CHAIR	60 0				X			663,395	0	51,576

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
WENDELL R SMITH MD SECTION CHAIR	60 0				X			525,643	0	48,130
MICHAEL F MARKS DIRECTOR OF ANESTHESIOLOGY	60 0				X			163,735	0	21,590
FREDERICK B HARRIS MD PHYSICIAN	60 0					X		1,367,727	0	49,917
TROY D ERICKSON MD PHYSICIAN	60 0					X		1,236,564	0	48,378
SUBBAREDDY KONDA MD PHYSICIAN	60 0					X		1,169,140	0	26,734
MICHAEL A GIBBONS MD PHYSICIAN	60 0					X		1,055,032	0	41,145
EDISON P MCDANIELS II MD PHYSICIAN	60 0					X		1,054,413	0	50,019
CYNTHIA G SORENSEN VP MEDICAL SPECIALTIES	60 0						X	0	189,265	57,047
DAVID H AMUNDSON SENIOR VICE PRESIDENT FINANCE	0 0						X	0	172,427	8,426
PETER E PERSON MD CHIEF EXECUTIVE OFFICER	60 0						X	0	1,202,710	478,102

**Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses**

<b><i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i></b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
BAD DEBT	6,093,999	6,092,402	1,597	
MINNESOTA CARE TAX	1,411,239	1,411,155	84	
MD ALLOWANCES	330,722	325,059	5,663	
UBI TAX	77,442		77,442	
OTHER EXPENSES	666,535	587,681	78,854	

SCHEDULE D

(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public  
Inspection

**Name of the organization**  
The Duluth Clinic LTD

**Employer identification number**  
  
41-0883623

Part I

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

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

Part II

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

1	Purpose(s) of conservation easements held by the organization (check all that apply) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure)<input type="checkbox"/> Preservation of an historically importantly land area <input type="checkbox"/> Protection of natural habitat<input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space</div>											
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											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

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

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items	
	(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
	(ii) Assets included in Form 990, Part X	▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items	
a	Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b	Assets included in Form 990, Part X	▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance . . . . .				
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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

3a(i)

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) Accumulated depreciation	(d) Book value
1a Land . . . . .		1,094,122		1,094,122
b Buildings . . . . .		195,351,064	67,468,906	127,882,158
c Leasehold improvements . . . . .				
d Equipment . . . . .		7,899,658	8,045,896	-146,238
e Other . . . . .		2,537,374	462,266	2,075,108
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				130,905,150



Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE D PART X	FIN 48 FOOTNOTE-	Essentia Health has adopted Accounting Standards Codification 740, Income Taxes (formerly known as FASB Interpretation No 48 (FIN 48), Accounting for Uncertainty in Income Tax - an interpretation of FASB Statement No 109, Accounting for Income Taxes) The adoption of this interpretation had no material impact on the consolidated financial statements and therefore, Essentia Health's consolidated financial statements for fiscal year ended June 30, 2010 no longer includes an ASC 740 footnote



Additional Data

Software ID:

Software Version:

EIN: 41-0883623

Name: The Duluth Clinic LTD

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Amount
	BOND SWAP	11,620,222
	FIN47 LIABILITY	975,367
	CAPITAL ACCUMULATION	1,816,133
	POST RETIREMENT BENEFITS-NON PENSION	5,797,673
	EXECUTIVE RETIREMENT PLAN	4,999,761
	BENEFIT PLAN LIABILITY-457 PLAN	11,182,900
	MISCELLANEOUS LIABILITIES	2,798,355
	NET DUE TO AFFILIATES	187,128,689

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization The Duluth Clinic LTD	Employer identification number  41-0883623
---	--

Part I

Questions Regarding Compensation

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

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

[illegible]

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
SCHEDULE J EXPLANATIONS		<p>SUPPLEMENTAL COMPENSATION INFORMATION. SCHEDULE J PART I LINE 3- SMDC HEALTH SYSTEM RELIED ON THE FOLLOWING METHODS FOR ESTABLISHING THE COMPENSATION FOR PRESIDENT TOM PATNOE: COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, WRITTEN EMPLOYMENT CONTRACT, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE. COMPENSATION FOR MIKE METCALF, EXECUTIVE VICE PRESIDENT, WAS ESTABLISHED USING THE FOLLOWING METHODS: COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE. SEVERANCE PAYMENT. PART I, LINE 4A- FORMER OFFICER, DAVID AMUNDSON, A FORMER EMPLOYEE OF RELATED ORGANIZATION, ST. MARY'S MEDICAL CENTER, RECEIVED PAYMENT TOTALING \$145,987 IN TAX YEAR 2009 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. All other individuals listed as Formers in Form 990, Part VII, Section A, Line 1a remain employed within Essentia Health and its subsidiaries and are not receiving a severance payment. NONQUALIFIED RETIREMENT PLAN. SCHEDULE J PART I LINE 4B- THE FOLLOWING INDIVIDUALS LISTED IN FORM 990, PART VII, SECTION A, LINE 1A RECEIVED FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DURING THE YEAR: CYNTHIA SORENSEN (ST. MARY'S DULUTH CLINIC HEALTH SYSTEM) \$ 5,220; PETER PERSON, MD (ST. MARY'S DULUTH CLINIC HEALTH SYSTEM) \$104,792; ROBERT NORMAN (ECHC) \$ 29,138. ST. MARY'S DULUTH CLINIC HEALTH SYSTEM'S NONQUALIFIED RETIREMENT PLAN IS OFFERED TO DESIGNATED ST. MARY'S DULUTH CLINIC HEALTH SYSTEM'S EXECUTIVES. THERE IS A MINIMUM TWO YEAR VESTING DATE, BENEFITS ARE SUBJECT TO INCOME TAXES UPON VESTING, AND BENEFITS ARE PAYABLE FROM ST. MARY'S DULUTH CLINIC HEALTH SYSTEM'S GENERAL ASSETS. ECHC'S 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 ECHC'S GENERAL ASSETS.</p>

Software ID:

Software Version:

EIN: 41-0883623

Name: The Duluth Clinic LTD

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				
DAVID H AMUNDSON	(i)	0	0	0	0	0	0	0
	(ii)	0	0	172,427	0	8,426	180,853	28,744
THOMAS G PATNOE MD	(i)	0	0	0	0	0	0	0
	(ii)	454,905	167,345	0	62,131	26,588	710,969	0
MICHAEL C METCALF	(i)	0	0	0	0	0	0	0
	(ii)	306,907	115,830	0	50,184	26,588	499,509	0
ROBERT NORMAN	(i)	0	0	0	0	0	0	0
	(ii)	377,302	123,763	30,029	60,196	46,117	637,407	29,138
JOSEPH A BIANCO MD	(i)	282,240	0	0	23,000	23,759	328,999	0
	(ii)	6,400	0	0	0	0	6,400	0
RAHUL AGGARWAL MD	(i)	426,832	0	0	23,000	19,640	469,472	0
	(ii)	0	0	0	0	0	0	0
DAVID G ALEXANDER MD	(i)	877,650	0	0	23,000	19,648	920,298	0
	(ii)	0	0	0	0	0	0	0
LAURA BOEHLKE-BRAY MD	(i)	259,023	0	0	23,000	3,184	285,207	0
	(ii)	13,300	0	0	0	0	13,300	0
JANUS D BUTCHER MD	(i)	335,188	0	0	23,000	25,983	384,171	0
	(ii)	0	0	0	0	0	0	0
ALBERT J DEIBELE MD	(i)	700,741	0	0	23,000	28,251	751,992	0
	(ii)	0	0	0	0	0	0	0
THOMAS E ELLIOTT MD	(i)	309,970	0	0	23,000	12,187	345,157	0
	(ii)	0	0	0	0	0	0	0
JEFFREY S ENGELSJERD MD	(i)	425,695	0	0	23,000	26,387	475,082	0
	(ii)	0	0	0	0	0	0	0
JEFFREY S GARLAND MD	(i)	309,802	0	0	23,000	23,372	356,174	0
	(ii)	0	0	0	0	0	0	0
KENNETH L IRONS MD	(i)	378,449	0	0	23,000	22,377	423,826	0
	(ii)	0	0	0	0	0	0	0
SCOTT W JOHNSON MD	(i)	553,841	0	0	23,000	30,118	606,959	0
	(ii)	0	0	0	0	0	0	0
THOMAS E KAISER MD	(i)	1,077,515	0	0	23,000	22,313	1,122,828	0
	(ii)	0	0	0	0	0	0	0
DONALD A MUZZI MD	(i)	693,165	0	0	23,000	27,078	743,243	0
	(ii)	0	0	0	0	0	0	0
DANIEL A NIKCEVICH MD	(i)	615,820	0	0	23,000	24,377	663,197	0
	(ii)	0	0	0	0	0	0	0
TIMOTHY D ZAGER MD	(i)	275,367	0	0	23,000	18,527	316,894	0
	(ii)	0	0	0	0	0	0	0
MICHAEL G MOTLEY	(i)	182,323	31,964	0	35,381	25,992	275,660	0
	(ii)	0	0	0	0	0	0	0
MICHAEL MCAVOY	(i)	0	0	0	0	0	0	0
	(ii)	176,545	31,996	0	31,908	19,257	259,706	0
ANN WATKINS	(i)	0	0	0	0	0	0	0
	(ii)	180,160	0	0	29,632	19,250	229,042	0
KIMBERLY A BODDICKER MD	(i)	647,328	0	0	23,000	11,318	681,646	0
	(ii)	0	0	0	0	0	0	0
SCOTT A ESKURI MD	(i)	663,395	0	0	23,000	28,576	714,971	0
	(ii)	0	0	0	0	0	0	0
WENDELL R SMITH MD	(i)	525,643	0	0	23,000	25,130	573,773	0
	(ii)	0	0	0	0	0	0	0
FREDERICK B HARRIS MD	(i)	1,367,727	0	0	23,000	26,917	1,417,644	0
	(ii)	0	0	0	0	0	0	0
TROY D ERICKSON MD	(i)	1,236,564	0	0	23,000	25,378	1,284,942	0
	(ii)	0	0	0	0	0	0	0
SUBBAREDDY KONDA MD	(i)	1,169,140	0	0	0	26,734	1,195,874	0
	(ii)	0	0	0	0	0	0	0
MICHAEL A GIBBONS MD	(i)	1,055,032	0	0	23,000	18,145	1,096,177	0
	(ii)	0	0	0	0	0	0	0
EDISON P MCDANIELS II MD	(i)	1,054,413	0	0	24,500	25,519	1,104,432	0
	(ii)	0	0	0	0	0	0	0
MICHAEL F MARKS	(i)	158,911	4,824	0	8,411	13,179	185,325	0
	(ii)	0	0	0	0	0	0	0
CYNTHIA G SORENSEN	(i)	0	0	0	0	0	0	0
	(ii)	155,952	28,093	5,220	27,650	29,397	246,312	5,220
PETER E PERSON MD	(i)	0	0	0	0	0	0	0
	(ii)	846,204	251,744	104,762	446,515	31,587	1,680,812	104,762

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
The Duluth Clinic LTD

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2009

Open to Public  
Inspection

Employer identification number  
41-0883623

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
						Yes	No	Yes	No
A Minnesota Agricultural and Economic Development Bd	41-6007162	604920Z43	05-02-2008	42,909,274	SERIES 2008E - SEE SCHEDULE O		X		X
B Cass County North Dakota	45-6002205	148047AU7	02-25-2010	59,573,111	SERIES 2008A - SEE SCHEDULE O		X		X
C Wisconsin Health & Education Facilities Authority	39-1337855	97710BSD5	02-25-2010	12,854,722	SERIES 2008B - SEE SCHEDULE O		X		X
D Minnesota Agricultural and Economic Development Bd	41-6007162	6049202H0	02-25-2010	165,717,405	SERIES 2008C - SEE SCHEDULE O		X		X
E Minnesota Agricultural and Economic Development Bd	41-6007162	6049202M9	06-25-2010	109,535,000	SERIES 2010 - SEE SCHEDULE O		X		X

Part II Proceeds

		A		B		C		D		E	
1	Total proceeds of issue	15,010,957		28,440,203		6,136,844		79,113,489		52,770,988	
2	Gross proceeds in reserve funds	0		0		0		0		0	
3	Proceeds in refunding or defeasance escrows	0		0		0		0		0	
4	Other unspent proceeds	0		0		0		1,742,302		0	
5	Issuance costs from proceeds	605,631		0		0		906,723		220,215	
6	Working capital expenditures from proceeds	0		0		0		0		0	
7	Capital expenditures from proceeds	0		0		0		0		0	
8	Year of substantial completion										
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?	X		X		X		X		X	
10	Were the bonds issued as part of an advance refunding issue?		X		X		X		X		X
11	Has the final allocation of proceeds been made?		X		X		X		X		X
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X		X	

Part III Private Business Use

		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?		X		X		X		X		X
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X		X		X		X

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?		X		X		X		X		X
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		X
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 section 501(c)(3) organization or a state or local government	0 %		0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X		X	

Part IV

Arbitrage

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

SCHEDULE O

(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization The Duluth Clinic LTD	Employer identification number 41-0883623
---	--

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATIONS		<p>STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS PART III LINE 4- The Duluth Clinic, Ltd , is a nationally recognized multi-specialty group with more than 400 physicians who work throughout Essentia Health System's four hospitals and 12 regional clinics across northeastern Minnesota and northwestern Wisconsin. Our physicians cover 55 medical specialties and subspecialties. The clinic is organized and operated exclusively for charitable, scientific, and educational purposes. The clinic offers a broad range of outpatient services for its patients, including family practice, obstetrics and gynecology, behavioral health, cancer, orthopedics, neuroscience, digestive health, family, pediatrics services, weight management and heart and vascular services. In addition to the medical specialties the clinic also operates pharmacies, optical centers, infusion therapy centers, and a cancer center. Beyond its clinical services, The Duluth Clinic also offers educational programs for the community, such as parenting classes and child safety programs such as bicycle helmet fitting, bicycle safety, and pedestrian safety. The Duluth Clinic also participates in continuing education programs for health care professionals. The Duluth Clinic employs over 760 full time equivalents. The clinics had over 385,000 patient encounters during the fiscal year. The Duluth Clinic provided approximately \$1,000,000 in charity care as well as an additional \$11,300,000 of costs incurred in excess of Medicaid payments received during the fiscal year ended June 30, 2010. Further community benefits provided during the fiscal year include community services of over \$1,650,000.</p> <p>FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 6- St Mary's Duluth Clinic Health System may elect one or more members of the governing body as described in Schedule O Part VI 7a. Essentia Health has reserved powers with respect to The Duluth Clinic LTD as described in Schedule O Part VI Line 7b.</p> <p>FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 7A- According to its Bylaws, St Mary's Duluth Clinic Health System shall appoint and remove The Duluth Clinic LTD's governing body.</p> <p>FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 7B- The Duluth Clinic LTD 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 Health's reserved powers are as follows:</p> <p>Strategic and Business Plans. Authority to create, and to approve, the System's strategic and business plans.</p> <p>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.</p> <p>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.</p> <p>Governing Instruments. Authority to cause, and to approve, amendments of the articles of incorporation and bylaws of all entities in the System.</p> <p>Mergers and Acquisitions. Authority to cause, and to approve, all mergers, consolidations, and dissolutions of all entities in the System.</p> <p>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.</p> <p>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.</p> <p>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</p>



Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATIONS		<p>e System when the asset's 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 System's 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.</p>

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUED		<p>FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VII LINE 11A- The 2009 Form 990 including all schedules were reviewed by The Duluth Clinic LTD's management and SMDC Health System's governing body on May 4, 2011 prior to filing with the Internal Revenue Service. Each current director of the governing body received a copy of the 2009 Form 990. The Duluth Clinic LTD's CFO led the review of the forms and schedules and any questions were discussed. FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VII LINE 12C- I Interested Persons shall annually disclose relationships which might lead to a conflict of interest by completing a conflict of interest disclosure form. The General Counsel may revise and update the form periodically within his/her professional discretion. II Essentia Health shall be responsible for the annual distribution of conflict of interest forms and review of disclosures for the governing bodies of The Duluth Clinic, LTD and regional locations and for senior management employees of The Duluth Clinic, LTD. III Senior management of the regional locations 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 The Duluth Clinic, LTD 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 The Duluth Clinic, LTD 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.</p> <p>OFFICES &amp; POSITIONS FOR WHICH PROCESS WAS USED, &amp; 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 board's responsibility regarding compensation of SMDC Health System's (SMDC) executives consistent with SMDC's 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 2009.</p> <p>OFFICES &amp; POSITIONS FOR WHICH PROCESS WAS USED, &amp; YEAR PROCESS WAS BEGUN FORM 990, PART VI, QUESTION 15B- Essentia's Chief Financial Officer's 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, and 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 &amp; modifying, as appropriate, reasonable compensation &amp; benefits for Ess</p>

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUED		<p>entia's Chief Executive Officer. The executive compensation committee engages qualified independent compensation advisors to provide objective &amp; impartial comparative data &amp; to express opinions on total compensation reasonableness. The executive compensation committee may request its independent advisors to monitor comparability data &amp; marketplace trends, make appropriate recommendations regarding salary ranges, &amp; periodically review the market competitiveness of Essentia's executive compensation packages. Prior to establishing or adjusting executive compensation, the executive compensation committee will obtain &amp; 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 &amp; the date approved, the executive compensation committee members present during the review, discussion &amp; approval of the proposed compensation &amp; those who voted on the proposed compensation, identification of the comparability data obtained &amp; relied upon by the executive compensation committee &amp; how the data was obtained, any actions by a member of the executive compensation committee having a conflict of interest, &amp; documentation of the basis for the determination. - The year this process was last undertaken for Essentia's CFO was 2008.</p>

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUED		<p>FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 19 AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, &amp; FINANCIAL STATEMENTS TO THE PUBLIC- The Duluth Clinic LTD makes its governing documents, conflict of interest policy, and financial state ments available to the public The Duluth Clinic LTD's governing documents, conflict of in terest policy, and financial statements are available to the public upon request The Dulu th Clinic is part of Essentia Health's consolidated financials statements w hich are includ ed in Essentia Health's annual report posted on Essentia Health's w eb site HOURS DEVOTED TO RELATED ORGANIZATIONS PART VII SECTION A LINE 1A COLUMN B- Tom Patnoe, MD, is employed by SMDC Medical Center as President and Chief Medical Officer 100% of his time is spent furthering the purpose of SMDC Health System and all of it's related organizations Michael Metcalf, is employed by SMDC Medical Center as one of SMDC Health System's Executive Vic e Presidents 100% of his time is spent furthering the purpose of SMDC Health System and i t's related organizations Robert Norman is employed by ECHC as Essentia Health's Chief Fi nancial Officer 100% of his time is spent furthering the purpose of Essentia Health and r elated organizations Barbara Johnson is employed by SMDC Medical Center as Chief Financial Officer 100% of her time is spent furthering the purpose of SMDC Health System and all of it's related organizations Joseph Bianco, MD is employed by The Duluth Clinic, Ltd 10 0% of his time is spent furthering the purpose of SMDC Health System and it's related orga nizations Rahul Aggarw al, MD is employed by The Duluth Clinic, Ltd 100% of his time is s pent furthering the purpose of SMDC Health System and it's related organizations David Al exander, MD is employed by The Duluth Clinic, Ltd 100% of her time is spent furthering th e purpose of SMDC Health System and it's related organizations Laura Boehlke-Bray, MD is employed by The Duluth Clinic, Ltd 100% of her time is spent furthering the purpose of SM DC Health System and it's related organizations Janus Butcher, MD is employed by The Dulu th Clinic, Ltd 100% of her time is spent furthering the purpose of SMDC Health System and it's related organizations Albert Debele, MD is employed by The Duluth Clinic, Ltd 100 % of his time is spent furthering the purpose of SMDC Health System and it's related organ izations Thomas Elliott, MD is employed by The Duluth Clinic, Ltd 100% of his time is sp ent furthering the purpose of SMDC Health System and it's related organizations Jeffrey Engelsjerd, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Jeffrey Garland, MD is e mployed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMD C Health System and it's related organizations Kenneth Irons, MD is employed by The Dulut h Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Scott Johnson, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organiz ations Thomas Kaiser, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Donald Muzzi , MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpo se of SMDC Health System and it's related organizations Daniel Nikcevich, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Anne C Stephen, MD is employed by The Duluth Clin ic, Ltd 100% of her time is spent furthering the purpose of SMDC Health System and it's r elated organizations Timothy Zager, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Mike Motley, is employed by The Duluth Clinic, Ltd as one of SMDC Health System's Vice Presidents 100% of his time is spent furthering the purpose of SMDC Health System and it' s related organizations Michael Mcavoy, is employed by SMDC Medical Center as one of SMDC Health System's Vice Presidents 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Ann Watkins, is employed by SMDC Medical Ce nter as one of SMDC Health System's Vice Presidents 100% of her time is spent furthering the purpose of SMDC Health System and it's related organizations Kimberly Boddicker, MD i s employed by The Duluth Clinic, Ltd 100% of her time is spent furthering the purpose of SMDC Health System and it's related organizations Scott Eskuri, MD is employed by The Dul uth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System an d it's related organizations Wendell Smith, MD is</p>

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUED		<p>employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of S MDC Health System and it's related organizations Frederick Harris, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Troy Erickson, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related or ganizations Subareddy Konda, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Micha el Gibbons, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Edison McDaniels II, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose o f SMDC Health System and it's related organizations Michael Marks, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health System and it's related organizations Peter Person, MD is employed by SMDC Medical Center as SM DC Health System's Chief Executive Officer 100% of his time is spent furthering the purpo se of SMDC Health System and it's related organizations PART XI LINE 3 CONSOLIDATED A-13 3- The Duluth Clinic LTD , as part of Essentia Health's consolidated financial statements, w as required and underw ent a consolidated audit set forth in the Single Audit Act and OMB Circular A-133 The consolidated audit is review ed by the Essentia Health Audit Committee</p>

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUED		<p>SCHEDULE K FURTHER INFORMATION- 1) Additional information/comments relating to the report ing of liabilities by related organizations Essentia Health has an Obligated Group create d under the Master Indenture w hich is composed of the follow ing Members Essentia Health, ECHC, St Mary's Duluth Clinic Health System, St Joseph's Medical Center, St Mary's Regi onal Health Center, St Mary's Medical Center, Inc , SMDC Medical Center, formerly know n a s 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, 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 th e Obligated Group are jointly and severally obligated on all indebtedness evidenced or sec ured by Notes issued under the Master Indenture 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 Medica l Center, Inc and SMDC Medical Center are the conduit borrow ers of the Series 2008E bonds The conduit borrow er, The Duluth Clinic, Ltd , has recorded a portion of the bond liabil ity on its balance sheet w hich is consolidated w ith Essentia Health The Obligated Group Member, Innovis Health, LLC, is an indirect beneficiary of a portion of the Series 2008E bo rrow ing and has recorded a portion of the bond liability on its balance sheet w hich is con solidated w ith Essentia Health Series 2008A Reoffered The Series 2008A reoffered bonds a re secured by Notes issued under the Master Indenture Essentia Health is the conduit borr ow er of the Series 2008A reoffered bonds The Obligated Group Members, ECHC, Innovis Healt h, LLC, The Duluth Clinic, Ltd , and St Mary's Regional Health Center, are indirect benef iciaries of the Series 2008A reoffered borrow ing and have recorded the bond liability on t heir balance sheets w hich are consolidated w ith Essentia Health Series 2008B Reoffered T he Series 2008B reoffered bonds are secured by Notes issued under the Master Indenture Th e Obligated Group Members The Duluth Clinic, Ltd , Essentia Health and St Mary's Hospita l of Superior are the conduit borrow ers of the Series 2008B reoffered bonds The conduit b orrow er, The Duluth Clinic, Ltd , has recorded a portion of the bond liability on its bala nce sheet w hich is consolidated w ith Essentia Health The Obligated Group Members, ECHC, I nnovis Health, LLC, and St Mary's Regional Health Center, are indirect beneficiaries of a portion of the Series 2008B reoffered borrow ing and have recorded a portion of the bond l iability on their balance sheets w hich are consolidated w ith Essentia Health Series 2008C Reoffered The Series 2008C reoffered 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 He alth, and St Mary's Medical Center, Inc are the conduit borrow ers of the Series 2008C re offered bonds The conduit borrow ers, St Mary's Regional Health Center and The Duluth Cli nic, Ltd , have recorded a portion of the bond liability on their balance sheets w hich are consolidated w ith Essentia Health The Obligated Group Members, ECHC and Innovis Health, LLC, are indirect beneficiaries of a portion of the Series 2008C reoffered borrow ing and h ave recorded a portion of the bond liability on their balance sheets w hich are consolidate d w ith Essentia Health Series 2010 The Series 2010 bonds are secured by Notes issued und er the Master Indenture The Obligated Group Members The Duluth Clinic, Ltd , Essentia He alth, St Joseph's Medical Center, St Mary's Duluth Clinic Health System, St Mary's Medi cal Center, Inc and St Mary's Regional Health Center are the conduit borrow ers of the Se ries 2010 bonds The conduit borrow ers, The Duluth Clinic, Ltd , Essentia Health, St Jose ph's Medical Center, and St Mary's Regional Health Center, have recorded a portion of the bond liability on their balance sheets w hich are consolidated w ith Essentia Health The O bligated Group Members, ECHC and Innovis Health, LLC, are indirect beneficiaries of a port ion of the Series 2010 borrow ing and have recorded a portion of the bond liability on thei r balance sheets w hich are consolidated w ith Essentia Health 2) Part I Column (e) - issue price listed on the filed Form 8038 Series 2008E were issued by the Essentia Health Obli gated Group The issue price listed in The Duluth CLinic LTD 's Schedule K Part I Column ( e) represents the Essentia Health Obligated Group's total borrow ing Series 2008A were iss ued by the Essentia Health Obligated Group The issue price listed in The Duluth CLinic LT D 's Schedule K Part I Column (e) represents the E</p>

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUED		ssentia Health Obligated Group's total borrow ing Series 2008B were issued by the Essentia Health Obligated Group The issue price listed in The Duluth CLinic LTD 's Schedule K Par t I Column (e) represents the Essentia Health Obligated Group's total borrow ing Series 20 08C were issued by the Essentia Health Obligated Group The issue price listed in The Dulu th CLinic LTD 's Schedule K Part I Column (e) represents the Essentia Health Obligated Gro up's total borrow ing Series 2010 were issued by the Essentia Health Obligated Group The issue price listed in The Duluth CLinic LTD 's Schedule K Part I Column (e) represents the Essentia Health Obligated Group's total borrow ing

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUED		<p>3) Part II Lines 1 through 7 - proceeds Series 2008E were issued by the Essentia Health Obligated Group A portion of the Series 2008E borrowing was allocated to The Duluth Clinic LTD , an Essentia Health Obligated Group Member The proceeds listed in The Duluth Clinic LTD 's Schedule K Part II Lines 2 through 7 represent The Duluth Clinic LTD allocated portion of the proceeds Series 2008A were issued by the Essentia Health Obligated Group A portion of the Series 2008A borrowing was allocated to The Duluth Clinic LTD , an Essentia Health Obligated Group Member The proceeds listed in The Duluth Clinic LTD 's Schedule K Part II Lines 2 through 7 represent The Duluth Clinic LTD allocated portion of the proceeds Series 2008B were issued by the Essentia Health Obligated Group A portion of the Series 2008B borrowing was allocated to The Duluth Clinic LTD , an Essentia Health Obligated Group Member The proceeds listed in The Duluth Clinic LTD 's Schedule K Part II Lines 2 through 7 represent The Duluth Clinic LTD allocated portion of the proceeds Series 2008C were issued by the Essentia Health Obligated Group A portion of the Series 2008C borrowing was allocated to The Duluth Clinic LTD , an Essentia Health Obligated Group Member The proceeds listed in The Duluth Clinic LTD 's Schedule K Part II Lines 2 through 7 represent The Duluth Clinic LTD allocated portion of the proceeds Series 2010 were issued by the Essentia Health Obligated Group A portion of the Series 2010 borrowing was allocated to The Duluth Clinic LTD , an Essentia Health Obligated Group Member The proceeds listed in The Duluth Clinic LTD 's Schedule K Part II Lines 2 through 7 represent The Duluth Clinic LTD allocated portion of the proceeds 4) Part II Line 5 - Identify portions of the amount entered relating to issuance costs and credit enhancement fees Series 2008E Of the total amount reported in Part II Line 5, \$327,722 represents the amount of proceeds used to pay bond issuance costs and \$277,909 represents the amount used to pay fees for credit enhancement Series 2008C Reoffered The total amount reported in Part II Line 5 represents the amount of proceeds used to pay bond issuance costs Series 2010 The total amount reported in Part II Line 5 represents the amount of proceeds used to pay bond issuance costs SCHEDULE K PART I COLUMN (F) DESCRIPTION OF PURPOSE- Series 2008E Refinance Series 1997 bonds issued December 18, 1997 to finance equipment purchases in Duluth, MN Series 2008A Refund Series 2008 A-1 and A-2 bonds issued March 4, 2008 to refinance a portion of the acquisition of certain assets of Innovis Health in connection with the affiliation of Essentia Health with Innovis Health Series 2008B Refund Series 2008 B-1 bonds issued March 4, 2008 to refund Series 1999B bonds issued May 18, 1999 for construction projects and equipment purchases in Superior, WI and various Duluth Clinic locations in northwestern Wisconsin Series 2008C Refund Series 2008 C-5 and 2008 C-4A bonds issued March 4, 2008 to refund Series 2004 bonds issued March 19, 2004 for various acquisitions, construction projects, capital improvements and equipment purchases in Duluth, Brainerd, and Detroit Lakes, MN and refund Series 1999A bonds issued May 18, 1999 for various acquisitions, construction projects, capital improvements and equipment purchases in Brainerd, Detroit Lakes and Duluth, MN and various Duluth Clinic sites in northern Minnesota Series 2010 Refund Series 1993C and 1993E bonds issued January 15, 1993 and refund Series 2008 C-3 and 2008 C-4B bonds issued March 4, 2008 to refund Series 2004 bonds issued March 19, 2004 for various acquisitions, construction projects, capital improvements and equipment purchases in Duluth, Brainerd, and Detroit Lakes, MN and various Duluth Clinic sites in northern Minnesota and finance various construction projects, capital improvements and equipment purchased in Brainerd, Detroit Lakes and Duluth, MN and various Duluth Clinic sites in northern Minnesota SCHEDULE K PART II LINE 8 YEAR OF SUBSTANTIAL COMPLETION- N/A SCHEDULE K PART III LINE 3C ROUTINELY ENGAGE BOND COUNSEL TO REVIEW MANAGEMENT, SERVICE CONTRACTS, OR RESEARCH AGREEMENTS- None SCHEDULE R PART V COLUMN C METHOD USED TO DETERMINE VALUE OF SERVICES, CASH, AND OTHER ASSETS- The methods used to determine the amounts in Schedule R Part V Column C were -Reimbursement of actual costs -Fee based upon expected costs -Reimbursement of actual costs -Fee based upon expected costs</p>



SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
The Duluth Clinic LTD

Employer identification number  
41-0883623

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
See Additional Data Table					

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
PMC GATEWAY IMAGING LLC  109 COURT AVE S SANDSTONE, MN55072 26-1634764	IMAGING SERVICES	MN	NA	NONE	0	0		No	0		

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
EAST RANGE CLINICS LTD 910 6TH AVE N VIRGINIA, MN55792 41-0909915	CLINICS	MN	DULUTH CLINIC	C	-97,720	1,752,607	100 000 %
ESSENTIA HEALTH INS SERVICES SPC LTD BUCKINGHAM SQ 720 W BAY RD PO BX69 GRAND CAYMAN, CAYMAN ISLANDS KY1-1102 CJ 000000000	INSURANCE	CJ	NA	FOREIGN CORP	0	0	0 %

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

Yes

No

No

Yes

Yes

Yes

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

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

[illegible]

Software ID:

Software Version:

EIN: 41-0883623

Name: The Duluth Clinic LTD

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 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 WEST ADA, MN56510 20-0479568	CLINIC HOSPIT	MN	501 C 3	3	ECHC
CLEARWATER VALLEY HOSPITAL & CLINICS INC  301 CEDAR OROFINO, ID83544 82-0497771	CLINIC HOSPIT	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 I	ECHC
ECHC  503 E 3RD ST DULUTH, MN55805 26-1219624	SUPPORT ORG	MN	501 C 3	11 I	ESSENTIA
FIRST CARE MEDICAL SERVICES  900 HILLIGROSS BLVD SE FOSSTON, MN56542 41-0706143	CLINIC HOSPIT	MN	501 C 3	3	ECHC
MINNESOTA VALLEY HEALTH CENTER INC  621 S 4TH ST LE SUEUR, MN56058 41-0837659	HOSPITAL NURS	MN	501 C 3	3	ECHC
ST BENEDICTS FAMILY MEDICAL CENTER  709 N LINCOLN JEROME, ID83338 82-0227163	CLINIC HOSPIT	ID	501 C 3	3	ECHC
ST JOSEPHS MEDICAL CENTER  523 N 3RD ST BRAINERD, MN56401 41-0695602	HOSPITAL	MN	501 C 3	3	BLIHS
ST MARYS EMS  1027 WASHINGTON AVE DETROIT LAKES, MN56501 41-1805811	EMERGENY SERV	MN	501 C 3	9	SMRHC
ST MARYS HOSPITAL AND CLINICS INC  P O BOX 137 COTTONWOOD, ID83522 82-0226453	CLINIC HOSPIT	ID	501 C 3	3	ECHC
ST MARYS INNOVIS HEALTH  1027 WASHINGTON AVE DETROIT LAKES, MN56501 26-2863121	CLINIC	MN	501 C 3	3	ECHC
ST MARYS REGIONAL HEALTH CENTER (SMRHC)  1027 WASHINGTON AVE DETROIT LAKES, MN56501 41-1620386	CLINIC HOSPIT	MN	501 C 3	3	ECHC
ESSENTIA HEALTH  502 E 2ND ST DULUTH, MN55805 20-0360007	SUPPORT ORG	MN	501 C 3	11 III FI	NA
ESSENTIA INSTITUTE OF RURAL HEALTH  502 E 2ND ST DULUTH, MN55805 27-1291124	RESEARCH	MN	501 C 3	4	ESSENTIA
INNOVIS HEALTH LLC  1702 S UNIVERSITY DR FARGO, ND58103 26-1175213	CLINIC HOSPIT	DE	501 C 3	3	ESSENTIA
INNOVIS HEALTH FOUNDATION  502 E 2ND ST DULUTH, MN55805 27-1984704	FOUNDATION	MN	501 C 3	7	INNOVIS
MIDWEST MEDICAL EQUIP & SUPPLY INC  4418 HAINES RD DULUTH, MN55811 41-1674021	MEDICAL EQUIP	MN	501 C 3	9	SMDC
PINE MEDICAL CENTER  109 COURT AVE S SANDSTONE, MN55072 41-1884597	CLINIC HOSPIT	MN	501 C 3	3	SMDC
POLINSKY MEDICAL REHAB CENTER  530 E 2ND ST DULUTH, MN55805 41-0691275	CLINIC HOSPIT	MN	501 C 3	3	SMMC
SMDC MEDICAL CENTER  502 E 2ND ST DULUTH, MN55805 41-1878730	CLINIC HOSPIT	MN	501 C 3	3	SMDC
ST MARYS DULUTH CLINIC FOUNDATION  400 E 3RD ST DULUTH, MN55805 41-2016979	FOUNDATION	MN	501 C 3	7	SMDC
ST MARYS DULUTH CLINIC HEALTH SYS (SMDC)  407 E 3RD ST DULUTH, MN55805 41-1836633	CLINIC HOSPIT	MN	501 C 3	3	ESSENTIA
ST MARYS HOSPITAL OF SUPERIOR  3500 TOWER AVE SUPERIOR, WI54880 41-1811073	CLINIC HOSPIT	WI	501 C 3	3	SMMC
ST MARYS MEDICAL CENTER (SMMC)  407 E 3RD ST DULUTH, MN55805 41-0695604	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)	ESSENTIA INST OF RURAL HLTH 27-1291124	F	325,178
(2)	ESSENTIA INST OF RURAL HLTH 27-1291124	Q	2,211,604
(3)	ESSENTIA INST OF RURAL HLTH 27-1291124	P	467,894
(4)	ESSENTIA INST OF RURAL HLTH 27-1291124	O	336,897
(5)	ST MARYS MEDICAL CENTER 41-0695604	Q	322,000,000
(6)	ST MARYS MEDICAL CENTER 41-0695604	O	85,092
(7)	ST MARYS DULUTH CLINIC FOUND 41-2016979	B	71,332
(8)	ST MARYS DULUTH CLINIC FOUND 41-2016979	P	103,296
(9)	SMDC MEDICAL CENTER 41-01878730	Q	4,000,000
(10)	SMDC MEDICAL CENTER 41-01878730	O	147,787
(11)	ST MARYS MEDICAL CENTER 41-0695604	P	86,639
(12)	ECHC 26-1219624	O	7,217,542
(13)	ESSENTIA HEALTH 20-0360007	O	4,240,732
(14)	ESSENTIA HEALTH 20-0360007	Q	1,203,885