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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

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

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

C Name of organization
SMDC Medical Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
502 EAST 2ND STREET

City or town, state or country, and ZIP + 4
DULUTH, MN 55805

D Employer identification number
41-1878730

E Telephone number
(218) 786-1421

G Gross receipts $ 365,485,223

F Name and address of principal officer
BARBARA JOHNSON CFO
407 EAST THIRD STREET
DULUTH, MN 55805

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

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

H(c) Group exemption number ▶

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

J Website: ▶ smdc org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1933

M State of legal domicile MN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
SMDC HEALTH SYSTEM BRINGS THE SOUL AND SCIENCE OF HEALING TO THE PEOPLE WE SERVE

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	1
5	Total number of employees (Part V, line 2a)	5	2,774
6	Total number of volunteers (estimate if necessary)	6	105
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	386,603
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	479,644	599,803
9	Program service revenue (Part VIII, line 2g)	216,718,796	360,413,188
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-4,404,293	1,696,281
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,636,864	2,485,465
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	214,431,011	365,194,737
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,144,408	1,053,738
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	153,518,548	243,329,297
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 138,320		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	73,161,772	108,316,779
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	227,824,728	352,699,814
19	Revenue less expenses Subtract line 18 from line 12	-13,393,717	12,494,923

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	133,237,205	141,467,647
21	Total liabilities (Part X, line 26)	67,420,689	63,869,303
22	Net assets or fund balances Subtract line 21 from line 20	65,816,516	77,598,344

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2011-05-10

BARBARA JOHNSON CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-empolyed ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4
ERNST & YOUNG US LLP
75 BEATTIE PLACE SUITE 800
GREENVILLE, SC 29601

EIN ▶

Phone no ▶ (864) 424-5740

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

SMDC HEALTH SYSTEM BRINGS THE SOUL AND SCIENCE OF HEALING TO THE PEOPLE WE SERVE

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 300,054,458 including grants of $ 1,053,738) (Revenue $ 360,413,188)

SEE SCHEDULE O

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 300,054,458

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	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any 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, line10? *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? *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
b	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	Yes	

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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
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**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**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? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**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, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	175		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	2,774		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (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			No
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to 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: 6		
b	Enter the number of voting members that are independent . .	1b: 1		
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		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

BARBARA JOHNSON CFO
407 EAST THIRD STREET
DULUTH, MN 55805
(218) 786-1421

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-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			
See add'l data										

1b Total . . . . . ▶	5,303,840	4,173,668	1,735,585

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 ▶ 61

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
H T KLATZKY ASSOCIATES 1511 E SUPERIOR STREET DULUTH, MN 55812	Marketing & Communic	1,419,237
AL PROPERTY MANAGEMENT 11 E SUPERIOR STREET SUITE 500 DULUTH, MN 55802	Property Manangement	950,177
PROSOURCE BILLING INC PO BOX 67 SAUK RAPIDS, MN 56379	Billing Services	773,756
SISU MEDICAL SYSTEMS 5 WEST 1ST STREET STE 200 DULUTH, MN 55802	Software Maint/Srvcs	927,338
EPIC SYSTEMS CORPORATION PO BOX 88314 MILWAUKEE, WI 53288	Software Maint/Srvcs	3,181,884
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 ▶ 28		

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				
	e	Government grants (contributions)	1e	599,803			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		599,803			
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE	621,400	360,026,585	360,026,585		
	b	AUDIOLOGY	621,990	2,609		2,609	
	c	OPTICAL SHOP	621,990	66,457		66,457	
	d	SKIN RENEWAL	621,990	317,537		317,537	
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		360,413,188			
	3	Investment income (including dividends, interest and other similar amounts)		1,550,013			1,550,013
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			

		(i) Real	(ii) Personal				
	6a	Gross Rents	1,447					
	b	Less rental expenses						
	c	Rental income or (loss)	1,447					
	d	Net rental income or (loss)			1,447			1,447

		(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	345,892	20,350				
	b	Less cost or other basis and sales expenses		219,973				
	c	Gain or (loss)	345,892	-199,623				
	d	Net gain or (loss)			146,268			146,268
Other Revenue	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	244,532				
	b	Less cost of goods sold	b	70,513				
	c	Net income or (loss) from sales of inventory			174,019			174,019
		Miscellaneous Revenue		Business Code				
	11a	CAFETERIA REVENUE		722,100	1,262,966			1,262,966
	b	PARKING REVENUE		812,930	598,188			598,188
	c	OTHER REVENUE		900,099	448,845			448,845
	d	All other revenue						
	e	**Total.** Add lines 11a–11d			2,309,999			
	12	**Total revenue.** See Instructions			365,194,737	360,026,585	386,603	4,181,746

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	1,053,738	1,053,738		
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	5,622,871	5,622,871		
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	194,835,671	179,044,671	15,791,000	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,203,073	9,219,967	1,983,106	
9	Other employee benefits	21,229,278	19,666,697	1,562,581	
10	Payroll taxes	10,438,404	9,417,472	1,020,932	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	171,929	8,375	163,554	
c	Accounting	241,522		241,522	
d	Lobbying	6,000		6,000	
e	Professional fundraising *See Part IV, line 17*	0			
f	Investment management fees	0			
g	Other	10,807,925	10,471,512	336,413	
12	Advertising and promotion	556,262	52,131	504,131	
13	Office expenses	35,160,188	32,469,302	2,690,886	
14	Information technology	5,358,652	2,171,931	3,186,721	
15	Royalties	0			
16	Occupancy	5,457,374	336,075	5,121,299	
17	Travel	494,055	233,820	260,235	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	758,812	370,633	388,179	
20	Interest	2,755,725		2,755,725	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	15,321,549	4,507,066	10,814,483	
23	Insurance	5,667,198	5,048,670	618,528	
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	12,263,646	12,196,281	67,365	
b	SERP CORRECTION	3,146,610		3,146,610	
c	MINNESOTA CARE TAX	4,473,773	4,449,313	24,460	
d	OTHER EXPENSES	5,675,559	3,713,933	1,823,306	138,320
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	352,699,814	300,054,458	52,507,036	138,320
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		6,452,364	1	4,407,241
	2	Savings and temporary cash investments		13,233,947	2	0
	3	Pledges and grants receivable, net			3	261,900
	4	Accounts receivable, net		37,485,477	4	43,140,800
	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		770,866	7	1,334,596
	8	Inventories for sale or use		2,978,885	8	2,687,870
	9	Prepaid expenses and deferred charges		1,952,591	9	3,253,041
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 206,140,122			
	b	Less accumulated depreciation	10b 151,147,542	53,081,161	10c	54,992,580
	11	Investments—publicly traded securities		16,647,205	11	0
	12	Investments—other securities See Part IV, line 11		0	12	31,244,359
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		634,709	15	145,260
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		133,237,205	16	141,467,647
Liabilities	17	Accounts payable and accrued expenses		17,710,549	17	30,073,749
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		49,710,140	25	33,795,554
	26	**Total liabilities.** Add lines 17 through 25		67,420,689	26	63,869,303
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		65,708,912	27	77,459,669
	28	Temporarily restricted net assets		73,604	28	104,675
	29	Permanently restricted net assets		34,000	29	34,000
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		65,816,516	33	77,598,344
	34	Total liabilities and net assets/fund balances		133,237,205	34	141,467,647

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	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	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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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
SMDC Medical Center

Employer identification number
41-1878730

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?

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

h Provide the following information about the 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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
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 III Support Schedule for Organizations Described in IRC 509(a)(2)

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 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 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public 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
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2008** 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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
SMDC Medical Center	41-1878730

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		6,000
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			6,000
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
SCHEDULE C, PART II-B	LOBBY ACTIVITY EXPLANATION-	SMDC Medical Center contracted with one legal firm to monitor state legislative activities of interest dealing fully with Health and Human Services issues during 2010

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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
SMDC Medical Center

Employer identification number
41-1878730

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

Part IV 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

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

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

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

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

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

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		519,579		519,579
b Buildings		40,800,387	28,019,353	12,781,034
c Leasehold improvements		737,022	246,354	490,668
d Equipment		162,520,906	121,514,511	41,006,395
e Other		1,562,228	1,367,324	194,904
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				54,992,580

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
DEPREC RESERVE-LONG TERM POOL	31,156,897	F
SISU INVESTMENT	87,462	C
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	31,244,359	

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
MINNESOTA CARE	1,630,893
SALES TAX	11,380
INTERCOMPANY PAYABLE	24,448,305
PENSION LIABILITY	6,303,432
MISC OTHER	1,401,544
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	33,795,554

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

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

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
SMDC Medical Center

Employer identification number
41-1878730

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			1,117,719		1,117,719	0 320 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			106,508,857	84,175,824	22,333,033	6 330 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			352,417		352,417	0 100 %
d **Total** Charity Care and Means-Tested Government Programs			107,978,993	84,175,824	23,803,169	6 750 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)						
f Health professions education (from Worksheet 5)	4		965,291		965,291	0 270 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	2		269,525		269,525	0 080 %
j **Total** Other Benefits	6		1,234,816		1,234,816	0 350 %
k **Total.** Add lines 7d and 7j	6		109,213,809	84,175,824	25,037,985	7 100 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	1		264,719		264,719	0 080 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**	1		264,719		264,719	0 080 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	6,616,237		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	43,722,813
6	Enter Medicare allowable costs of care relating to payments on line 5	6	50,803,849
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-7,081,036
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
SMDC Medical Center 502 East Second Street Duluth, MN 55805	X	X		X				X	ER-Burn Center
SMDC Medical Center - Lakeside 4621 East Superior Street Duluth, MN 55804									Clinic
SMDC Medical Center - West 4212 Grand Avenue Duluth, MN 55807									Clinic
SMDC Medical Center - Hermantown 4855 West Arrowhead Road Duluth, MN 55811									Clinic
SMDC Medical Center - 3rd Street 400 East Third Street Duluth, MN 55805									Clinic
SMDC Medical Center - 1st Street 420 East 1st Street Duluth, MN 55805									Clinic
SMDC Medical Center - 2nd Street 402 East 2nd Street Duluth, MN 55805									Clinic

Part VI Supplemental Information

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

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

See additional data

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

See additional data

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

See additional data

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

See additional data

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

See additional data

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

See additional data

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
SMDC Medical Center

Employer identification number
41-1878730

Part I General Information on Grants and Assistance

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

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

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

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

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

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 50

3 Enter total number of other organizations . . . ▶ 2

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

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

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

Identifier	Return Reference	Explanation
DESCRIPTION OF ORGANIZATION PROCEDURES FOR MONITORING THE USE OF GRANTS	FORM 990, SCHEDULE I, PART 1, LINE 2	For grants over $5,000 recipients are required to provide a written report to the grant committee

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
SMDC Medical Center

Employer identification number
41-1878730

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☑ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
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**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a 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 accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other 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 reportable compensation				
See Additional Data Table							

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		FIRST CLASS OR CHARTER TRAVEL SCHEDULE J, PART I LINE 1A- During tax year 2009, charter travel was used on occasion by two highest compensated employees, and one key employee for travel between SMDC Medical Center's hospital in Duluth, MN and other related organizations Many of SMDC Medical Center's related organization are clinics located in rural areas which do not have direct commercial flights available Charter travel ensures efficient use of SMDC Medical Center's employees' time The use of charter travel is not treated as taxable compensation to these individuals as all travel was business related COMPENSATION OF CEO/EXECUTIVE DIRECTOR SCHEDULE J, PART I, LINE 3- SMDC HEALTH SYSTEM RELIED ON THE FOLLOWING METHODS FOR ESTABLISHING THE COMPENSATION OF ROCKLON CHAPIN, COO AND EVP A 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 SUPPLEMENTAL NONQUALIFIED RETIRMENT PLAN SCHEDULE J, PART I, LINE 4B- THE FOLLOWING INDIVIDUALS LISTED IN FORM 990, PART VII, SECTION A, LINE 1A RECEIVED PAYMENT FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DURING THE YEAR PETER PERSON, MD (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $104,792 THOMAS PATNOE, MD (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 0 MARIBETH OLSON (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 11,830 TERESA O'TOOLE (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 13,480 JOHN SMYLIE (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 0 ROBERT NORMAN (ECHC) $ 29,138 ROCKLON CHAPIN (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 0 TERRI RUBERG (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 9,297 CYNTHIA SORENSEN (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 5,220 DAVID AMUNDSON (ST MARY'S DULUTH CLINIC HEALTH SYSTEM) $ 28,744 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 MINIUM 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

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
SMDC Medical Center

Employer identification number
41-1878730

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATIONS		STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS PART III LINE 4- SMDC Medical Center is organized and operated exclusively for charitable, scientific, and educational purposes In furtherance of its purposes, SMDC Medical Center provides health care services in Minnesota through its 154 bed hospital and 6 clinics The hospital offers a broad range of inpatient and outpatient services for its patients, including medical surgical care, behavioral health, rehabilitation, orthopedics, neuroscience, digestive health, family and pediatrics services, and heart and vascular services In accordance with the Federal Emergency Medical Treatment and Active Labor Act, any person who presents at the hospital seeking treatment of an emergency medical condition is given a medical screening and necessary stabilizing treatment regardless of the person's ability to pay In addition to the hospital and clinics, SMDC Medical Center also operates pharmacies, optical centers, infusion therapy centers , outpatient surgery centers, and a cancer center Beyond its clinical services, SMDC Medical Center 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 SMDC Medical Center also participates in continuing education programs for health care professionals SMDC Medical Center employs over 2,500 full time equivalents The hospital provided for over 28,000 hospital patient days and over 40,000 outpatient visits during the fiscal year ended June 30, 2010 The clinics had over 485,000 encounters during the same time period SMDC Medical Center provided over $1,000,000 in charity care as well as an additional $16,800,000 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 $965,000 and cash & in-kind donations of over $490,000 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 SMDC Medical Center as described in Schedule O Part VI Line 7b 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 SMDC Medical Center's governing body FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 7B- SMDC Medical Center is a subsidiary of Essentia Health, whose Board of Directors has reserved powers with respect to this corporation and its subsidiaries, and all of the other direct and indirect subsidiaries of Essentia Health (collectively, the "System") Essentia Health's reserved powers are as follows Strategic and Business Plans Authority to create, and to approve, the System's strategic and business plans Mission Authority to create, and to approve, the mission, purpose and vision statements for all entities in the System by the affirmative vote of at least 67% of the Essentia Health board of directors Debt Approval of the incurrence of debt by, and the creation of all mortgages, liens, security interests, or other encumbrances on the assets of, all entities in the System in excess of the single or annual aggregate dollar limits prescribed in writing by the Essentia Health board of directors, and the authority to cause all entities in the System to participate in System borrowing Governing Instruments Authority to cause, and to approve, amendments of the articles of incorporation and bylaws of all entities in the System Mergers and Acquisitions Authority to cause, and to approve, all mergers, consolidations, and dissolutions of all entities in the System Affiliations and Joint Ventures Authority to cause, and to approve, all affiliations, joint ventures and other alliances with third parties of all entities in the System Transfer of Assets Within the System Authority to transfer assets, including cash, between and among entities within the System, provided, however, that Essentia Health shall not have authority to require any entity in the System to transfer assets (a) that would cause such entity to be in default of its covenants or obligations under any bond or other financing documents, (b) from the Catholic entities to the secular entities or from the secular entities to the Catholic entities in a manner or to an extent that would cause the Catholic entities to be in violation of the Ethical and Religious Directives for Catholic Health Care Services in the judgment of the local ordinary, or (c) such that money generated by services at secular facilities within the System by procedures that are contrary to the Ethical and Religious Directives for Catholic Health Care Services would be used at the Catholic entities or money generated by Catholic entities would be used in the pr

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATIONS		oviding of services contrary to the Ethical and Religious Directives for Catholic Health C are Services at secular facilities w ithin the System Transfer of Assets Outside the Syste m Authority to cause, and to approve, the sale, lease or other transfer of assets of all entities in the System to parties outside of the System w hen the asset's value exceeds the single or annual aggregate dollar limits prescribed in w riting by the Essentia Health boa rd of directors Services Authority to cause, and to approve, the addition of new service s and service locations and the discontinuance of services and service locations w ithin al l entities in the System Budgets Approval of capital and operating budgets of all entiti es in the System Professional Services Selection of the general legal counsel and extern al auditors of all entities in the System Acquisitions Authority to cause, and to approv e, all acquisitions by and formations of entities in the System Marketing, Authority to i mplement System-w ide marketing and promotional activities Compliance Plans Authority to create, and to approve, corporate compliance, safety and risk management plans for entitie s w ithin the System Quality Plan Authority to create, and to approve, the System's quali ty plan

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATIONS CONTINUED		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 FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 11A- The 2009 Form 990 including all schedules were reviewed by SMDC Medical Center's management and St Mary's Duluth Clinic 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 SMDC Medical Center's CFO led the review of the forms and schedules and any questions were discussed FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 12C- Interested persons shall annually disclose relationships which might lead to a conflict of interest by completing a conflict of interest disclosure form Interested persons include any person in a position to exercise substantial influence over the organization It includes but is not limited to any director, officer, management, employee, or committee member of Essentia Health or any of its affiliates Essentia shall be responsible for the annual distribution of conflict of interest forms and review of disclosures for the governing bodies of Essentia and Essentia Operating Members and for senior management employees of Essentia Transactions with parties with whom a conflict of interest exists may be undertaken only if all of the following are observed the conflict of interest is fully disclosed, the interested person with the conflict of interest doesn't participate in the approval of such transactions, if practical or appropriate, a competitive bid or comparable valuation is obtained, and the board or committee of the board has determined that the transaction is in the best interest of the organization Disclosure by any interested person other than a board or committee member should be made to the Chief Executive Officer (or if she/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/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 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 Essentia 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 Essentia 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/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 OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN FORM 990, PART VI, QUESTION 15A- The executive compensation committee of the board of directors of SMDC Health System fulfills the 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 2008

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATION CONTINUATION		OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN FORM 990, PART V I, QUESTION 15B- Essentia's Chief Financial Officer's compensation is determined by the Ex ecutive Compensation Committee of Essentia Health's Board of Directors The executive comp ensation committee of Essentia Health's Board of Directors is authorized to fulfill the Bo ard's responsibilities regarding executive compensation consistent w ith Essentia's mission , values, tax-exempt status, and the executive compensation committee's charter The execu tive compensation committee meets at least tw ice annually to carry out its responsibilitie s, w hich include, but are not limited to, establishing, review ing & modifying, as appropri ate, reasonable compensation & benefits for Essentia's Chief Executive Officer The execut ive compensation committee engages qualified independent compensation advisors to provide objective & impartial comparative data & to express opinions on total compensation reasona bleness The executive compensation committee may request its independent advisors to mon itor comparability data & marketplace trends, make appropriate recommendations regarding s alary ranges, & periodically review the market competitiveness of Essentia's executive com pensation packages Prior to establishing or adjusting executive compensation, the executi ve compensation committee w ill obtain & rely upon appropriate data as to comparability of the proposed compensation or adjustments The executive compensation committee w ill adequa tely document the basis for its determination concurrently w ith making those determination s The executive compensation committee minutes shall include the terms of the approved c ompensation & the date approved, the executive compensation committee members present duri ng the review , discussion & approval of the proposed compensation & those w ho voted on the proposed compensation, identification of the comparability data obtained & relied upon by the executive compensation committee & how the data w as obtained, any actions by a member of the executive compensation committee having a conflict of interest, & documentation of the basis for the determination - The year this process w as last undertaken for Essentia 's CFO w as 2008 FORM 990 GOVERNANCE, MANAGEMENT, AND DISCLOSURE PART VI LINE 19-AVAILABI LITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , & FINANCIAL STATEMENTS TO THE PU BLIC- SMDC Medical Center makes its governing documents, conflict of interest policy, and financial statements available to the public SMDC Medical Center's governing documents, c onflict of interest policy, and financial statements are available to the public upon requ est SMDC Medical Center is part of Essentia Health's consolidated financials statements w hich are included in Essentia Health's annual report posted on Essentia Health's w eb site HOURS DEVOTED TO RELATED ORGANIZATONS PART VII SECTION A LINE 1A COLUMN B- Robert Norman is employed by ECHC as Essenta Health's Chief Financial Officer 100% of his time is spen t furthering the purpose of Essentia Health and all related 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 Rocklo n Chapin, is employed by SMDC Medical Center as one of SMDC Health System's Executive Vice Presidents 100% of his time is spent furthering the purpose of SMDC Health System and it 's related organizations Matthew Eckman, MD is employed by The Duluth Clinic, Ltd 100% o f his time is spent furthering the purpose of SMDC Health System and it's related organiza tions Timothy Egan, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent f urthering the purpose of SMDC Health System and it's related organizations Barb Wessberg is employed by SMDC Medical Center as Chief Operating Officer of Polinsky Medical Rehabili tation Center 100% of her time is spent furthering the purpose of SMDC Health System and it's related organizations Tom Patnoe, MD, is employed by SMDC Medical Center as Presiden t and Chief Medical Officer 100% of his time is spent furthering the purpose of SMDC Heal th System and all of it's related organizations Michael Metcalf, is employed by SMDC Medi cal Center as one of SMDC Health System's Executive Vice Presidents 100% of his time is s pent furthering the purpose of SMDC Health System and it's related organizations Peder Sv ingen, 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

Identifier	Return Reference	Explanation
SCHEDULE O EXPLANATIONS CONTINUED		MariBeth Olson, is employed by St Mary's Medical Center as Chief Operating Officer 100% of her time is spent furthering the purpose of SMDC Health System and it's related organiz ations Ann Watkins, is employed by SMDC Medical Center as one of SMDC Health System's Vic e Presidents 100% of her time is spent furthering the purpose of SMDC Health System and i t's related organizations Cynthia Sorenson, is employed by SMDC Medical Center 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 Michael Mcavoy, is employed by SMDC Med ical Center as one of SMDC Health System's Vice Presidents 100% of his time is spent furt hering the purpose of SMDC Health System and it's related organizations Albert Deibele, M D 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 Thomas Kaiser, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of SMDC Health Syste m and it's related 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 o rganizations Dennis Dassenko is employed by SMDC Medical Center as Chief Information Offi cer 100% of his time is spent furthering the purpose of SMDC Health System and it's relat ed organizations Diane Davidson, is employed by SMDC Medical Center as one of SMDC Health System's Executive Vice Presidents 100% of her time is spent furthering the purpose of S MDC Health System and it's related organizations Harvey Anderson is employed by SMDC Medi cal Center as one of SMDC Health System's Vice-Presidents 100% of his time is spent furth ering the purpose of SMDC Health System and it's related organizations Peter Person, MD i s employed by SMDC Medical Center as Essentia Health's Chief Executive Officer 100% of hi s time is spent furthering the purpose of Essentia Health and all related organizations J ohn Smylie is employed by SMDC Medical Center as one of Essentia Health's Executive Vice P residents as w ell as Chief Administrative Officer of SMDC Health System 100% of his time is spent furthering the purpose of Essentia Health and all its related organizations Tere sa O'Toole is employed by SMDC Medical Center as one of Essentia Health's Executive Vice P residents as w ell as General Counsel for SMDC Health System 100% of her time is spent fur thering the purpose of Essentia Health organizations and all related organizations FORM 9 90 STATEMENT OF FUNCTIONAL EXPENSES PART IX LINE 24C COLUMN C- SMDC Medical Center record ed a onetime correction of unreported SERP for 2002 through 2008 totaling $3,146,610 SCHE DULE 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 w ere -Reimburse ment of actual costs -Fee based upon expected costs -Cash transferred based upon note agre ement -Interest based upon percentage of outstanding note

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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
SMDC Medical Center

Employer identification number
41-1878730

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) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No
PMC-Gateway Imaging LLC 109 Court Ave S Sandstone, MN55072 26-1634764	Imaging Services	MN	NA	NONE	0	0			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
ESSENTIA HLTH INS SERVICES SPC LTD BUCKINGHAM SQ 720W BAY RD PO BOX 69 GRAND CAYMAN, CAYMAN ISLANDS KY1 1102 CJ 000000000	INSURANCE	CJ	NA	FOREIGN CORP	0	0	0 %
East Range Clinics Ltd 910 6th Ave N Virginia, MN55792 41-0909915	Clinics	MN	NA	C 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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data Return to Form

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
BRAINERD LAKES INTEGRATED HEALTH SYSTEM 2024 S 6TH ST BRAINERD, MN56401 37-1532145	SUPPORT ORG	MN	501 C 3	11 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 HOSP	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	AMB SURG CENT	MN	501 C 3	3	ECHC
ECHC FOUNDATION 502 E 2NS ST DULUTH, MN55805 26-3359418	FOUNDATION	MN	501 C 3	11 I	ECHC
ECHC 503 E 3RD ST SUITE 400 DULUTH, MN55805 26-1219624	SUPPORT ORG	MN	501 C 3	11 II	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 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 HOSP	ID	501 C 3	3	ECHC
ST JOSEPHS MEDICAL CENTER 523 N 3RD ST BRAINDERD, MN56401 41-0695602	HOSPITAL	MN	501 C 3	3	BLIHS
ST MARYS EMS 1027 WASHINGTON AVE DETROIT LAKES, MN56501 41-1805811	EMERGENCY SER	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 26-2861321	CLINIC	MN	501 C 3	3	ECHC
ST MARYS REGIONAL HEALTH CENTER (SMRHC) 1027 WASHINGTON AVE DETROIT LAKES, MN56501 41-1620386	CLINIC HOSPT	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 DRIVE 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 AND SUPPLY INC 4418 HAINES ROAD DULUTH, MN55811 47-1674021	MED EQUIPMENT	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 REHABILITATION CENTER 530 E 2ND ST DULUTH, MN55805 41-0691275	CLINIC HOSPIT	MN	501 C 3	3	SMMC
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
THE DULUTH CLINIC LTD 400 E 3RD ST DULUTH, MN55805 41-0883623	CLINIC HOSPIT	MN	501 C 3	3	SMDC

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)
(1)	INNOVIS HEALTH LLC 26-1175213	P	159,923
(2)	MIDWEST MEDICAL EQUIP & SUPPLY INC 41-1674021	J	764,607
(3)	MIDWEST MEDICAL EQUIP & SUPPLY INC 41-1674021	G	1,650,000
(4)	ST MARYS MEDICAL CENTER 41-0695604	Q	69,000,000
(5)	THE DULUTH CLINIC LTD 41-0883623	R	4,000,000
(6)	THE DULUTH CLINIC LTD 41-0883623	P	147,787
(7)	ST MARY'S DULUTH CLINIC FOUNDATION 41-2016979	B	159,290
(8)	ST MARY'S DULUTH CLINIC FOUNDATION 41-2016979	P	135,109
(9)	ST MARYS MEDICAL CENTER 41-0695604	P	461,733
(10)	ESSENTIA HEALTH 20-0360007	O	6,374,061
(11)	ESSENTIA HEALTH 20-0360007	P	674,252
(12)	ESSENTIA HEALTH 20-0360007	F	108,122
(13)	ESSENTIA HEALTH 20-0360007	A	94,500
(14)	ESSENTIA HEALTH 20-0360007	L	5,006,568
(15)	ESSENTIA HEALTH 20-0360007	N	5,749,344
(16)	INNOVIS HEALTH LLC 26-1175213	K	50,546

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493131030541

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2009

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
SMDC Medical Center	GENERAL DEPRECIATION	41-1878730

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	1	$ 125,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	$ 500,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			

7 Listed property Enter the amount from line 29	7		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9 Tentative deduction Enter the **smaller** of line 5 or line 8	9		
10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13 Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12 ▶	13		

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	45,784

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2009	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Non-Res Prop Type 1 count 0 Non-Res Prop Type 2 count 0 Non-Res Prop Totals count 0

Part IV **Summary** (see instructions)

22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	45,784
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

21 Listed proper

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☑ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☑ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions)					
43 Amortization of costs that began before your 2009 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	

Additional Data

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

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			
MATTHEW J ECKMAN MD SMDC MC BOARD DIRECTOR	60 0	X						0	134,894	37,500
TIMOTHY J EGAN MD SMDC MC BOARD DIRECTOR	60 0	X						0	504,545	41,820
PAT BURNS SMDC MC BOARD DIRECTOR	10 0	X						0	0	0
BARBARA WESSBERG SMDC MC BOARD DIRECTOR	60 0	X						120,389	0	10,861
THOMAS G PATNOE MD SMDC PREDIDENT & CHIEF MEDICAL	60 0	X						622,250	0	88,719
MICHAEL C METCALF EXECUTIVE VP CLINICAL DIVISION	60 0	X						422,737	0	76,772
PEDER H SVINGEN MD SMDC MC BOARD DIRECTOR	60 0	X						0	263,195	43,306
ROBERT NORMAN CHIEF FINANCIAL OFFICER	60 0			X				0	531,094	106,313
BARBARA JOHNSON CHIEF FINANCIAL OFFICER	60 0			X				82,570	0	12,252
ROCKLON CHAPIN EVP HOSPITAL DIVISION, COO	60 0			X				416,411	0	59,759
MARIBETH OLSON CHIEF OPERATING OFFICER	60 0				X			0	315,421	76,534
ANN WATKINS VICE PRESIDENT SURGICAL SERVIC	60 0				X			180,160	0	48,882
CYNTHIA G SORENSON VICE PRESIDENT MEDICAL SPECIAL	60 0				X			189,265	0	57,047
MICHAEL MCAVOY VICE PRESIDENT ACUTE CARE & DI	60 0				X			208,541	0	51,165
ALBERT J DEIBELE MD CLINICAL CHIEF	60 0				X			0	700,741	51,251
THOMAS E KAISER MD CLINICAL CHIEF	60 0				X			0	1,077,515	45,313
TIMOTHY ZAGER MD CLINICAL CHIEF	60 0				X			0	275,367	41,527
DENNIS W DASSENKO CHIEF INFORMATION OFFICER	60 0				X			324,185	0	72,089
PETER E PERSON MD CHIEF EXECUTIVE OFFICER	60 0					X		1,205,236	0	478,102
JOHN C SMYLIE CHIEF ADMINISTRATIVE OFFICER	60 0					X		648,810	0	101,390
TERESA M O'TOOLE GENERAL COUNSEL	60 0					X		370,360	0	70,319
DIANE T DAVIDSON SR VICE PRES HUMAN RESOURCES	60 0					X		285,092	0	60,122
HARVEY J ANDERSON VICE PRES FACILITIES & SUPPORT	60 0					X		227,834	0	37,545
DAVID H AMUNDSON SENIOR VICE PRESIDENT FINANCE	0 0						X	0	172,427	8,426
TERRI L RUBERG VP PATIENT CARE OPERATIONS	60 0						X	0	198,469	58,571

Additional Data

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The organization uses federal poverty guidelines

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

SMDC Medical Center's community benefit information is consolidated into the Essentia Health community benefit information which is included in the Essentia Health annual report The annual report is made available to the public via the website at www essentiahealth org Essentia Health, headquartered in Duluth, Minn , is an integrated health system serving patients in Minnesota, Wisconsin, North Dakota and Idaho and is SMDC Medical Center's parent corporation

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The cost to charge ratio derived from Worksheet 2, Ratio of Patient Care Cost-to-Charges was used to calculate cost for the following community benefits 1) Charity Care, 2) Unreimbursed Medicaid, 3) Unreimbursed cots - other means-tested government Programs Actual costs were used for the remainder of the community benefits reported

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Not Applicable

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Bad debt expense that was subtracted from total expense to obtain the % of community benefit to total expense amounted to $12,263,646

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Costing Methodology- The costing methodology used to report bad debt expense at cost was the cost to charge ratio from Worksheet 2, Ratio of Patient Care Cost-to-Charges The rationale for using the Cost-to-Charge ratio is that it is the most efficient way to calculate bad debt at cost We believe this method materially represents the cost of bad debt Discounts & Payments- Discounts and charity care are accounted for as reductions to revenue where bad debts are accounted for as operating expenses Bad debt expense on patient accounts would be identified as any balance on the account, less any previous payments and discounts, that has aged and is absent of any payments If, during the collection process, it becomes known that the patient qualifies for charity care, the amounts included within bad debt expense would be reclassified to charity care (reduction of revenue) Because this is our practice, we believe there is no known charity care within bad debt expense Footnote- (Excerpt from the parent company's audit) The provision for uncollectible accounts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category The results of this review are then used to make any modifications to the provision for uncollectible accounts After satisfaction of amounts due from insurance, Essentia Health follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Essentia

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Costing Metholodology- The costing methodology used in determining the Medicare Allowable Cost reported in the organization's Medicare Cost reported in the organization's Medicare Cost Report is to take total Medicare costs from the general ledger system and then follow the instructions provided by Centers for Medicare Services (CMS) to back off all costs not allowable From the Medicare allowable costs, any costs attributable to subsidized health services and costs attributable to GME were subtracted, if applicable Shortfall Treatment- SMDC Medical Center is a part of a larger organization, Essentia Health Essentia Health and its member organizations incorporate the full value of the Medicare shortfall as a community benefit The rationale for the organization's opinion is similar to the rationale used by the American Hospital Association Providing care for the elderly and serving Medicare patients is an essential part of the community benefit standard Medicare, like Medicaid, does not pay the full cost of care and it is likely to get worse Many Medicare beneficiaries are poor and are eligible for Medicaid in addition to Medicare Medicare underpayment must be shouldered by the hospital in order to continue treating the community's elderly and poor These underpayments represent a real cost of serving the community

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

At any stage of the patient experience, including collections, a determination may be made that the patient qualifies for Charity Care All collection efforts must be suspended while a patient's Charity Care application is being considered and until the patient is notified regarding the determination of eligibility The Charity Care Program policy will govern the handling of that patient's balance

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Not applicable

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

SMDC Medical Centers parent corporation, SMDC Health System, provides significant financial support for a health-care needs assessment survey, called "Bridge to Health," which collects and analyzes population-based health data on adults in northeastern Minnesota and northwestern Wisconsin (hospital's primary service area) The Bridge to Health survey is conducted by Duluth, Minnesota-based non-profit that supports programs and activities which improve the physical health and mental well-being of underserved populations We also provide financial support for the United Way of Greater Duluth's ongoing assessment of community needs, including (but not limited to) health-related issues in children and adults The findings of these assessments are the basis for determining community programs supported by our organization

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

SMDC Medical Center has financial assistance packets that contain information about their charity care program as well as contact information on other federal and state government programs These packets are distributed to patients once a financial need has been determined either through patient request or staff referrals The charity care policy and application is available on the SMDC website at www smdc org Because financial assistance packets are given to patients when a need is determined, they may be given to the patient at any point (admission, discharge, during the billing process) SMDC Medical Center has financial counselors on staff to assist patients in Medicaid, Medicare and other assistance programs (including the charity care program) that may be available to them Contact information for the Financial Counselors is available on the SMDC website and is also included on the back of the billing statements All hospital staff have been trained to refer patients to the financial counselor The financial counselors often assist patients with the application process, mailing and follow up

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

SMDC Medical Center is located in Duluth, MN SMDC Medical Center is a part of the larger Essentia Health System, which is defined in Part VI, Line 7 SMDC Medical Center consists of 1 hospital and 6 clinics that service the St Louis county area The overall community is classified as a combination of suburban and rural communities SMDC Medical Center and its related clinics cover a population of over 460,000 people The service region consists of 17 08% of the population over the age of 65, 20 21% of the population under the age of 18, 7 03% of the population is of a minority racial background, almost a 50/50 split between genders, 49 18% of the population have a high school diploma or less The average income of the service area is slightly below $53,000 Approximately 7 9% of the population falls below federal poverty guidelines SMDC Medical Center, along with the rest of Essentia Health, is committed to serve patients regardless of their ability to pay 2 3% of patients seen by SMDC Medical Center or their corresponding clinics were uninsured patients In addition, slightly more than 14% of their patients were Medicaid recipients As mentioned above, SMDC Medical Center is part of a larger system, Essentia Health Essentia Health staffs hospitals and clinics in federally-recognized underserved areas and supports the health of its communities through an active outreach program that brings specialists like oncologists, cardiologists, neurologists and others into its smaller communities This eliminates barriers to care for many patients, particularly those who are elderly, living on low incomes, or are faced with other challenges that make it difficult to travel long distances for care There are 13 other hospitals outside of the Essentia Health umbrella that service the community

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

SMDC Medical Center is located in a region with high unemployment rates and per capita incomes well below state averages The level of poverty, particularly in certain areas of our service region, is associated with higher-than-average risk of homelessness, hunger, child neglect, drug and alcohol abuse, and many other factors that have been shown to have negative impact on people and the communities where they live SMDC Medical Center supports a number of organizations that work to address these issues in many ways This support includes, but is not limited to -Promoting job growth through ongoing support for economic development efforts through organizations like the local chamber of commerce -Supporting housing programs that help low- and moderate-income families purchase homes they can afford -Support for local United Way agencies, which in turn provide much-needed financial support for programs designed to support people in poverty and help them achieve independent lives -Direct support for programs that provide food, shelter and other assistance to people who are homeless or on the verge of homelessness -Direct support for youth programs and activities, including supervised teen drop-in centers, that emphasize responsible behavior, school attendance, and drug and alcohol-free activities -Support for area domestic and sexual violence shelters -Support for programs that provide career-counseling and one-on-one assistance to people looking for work

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

SMDC Medical Center's board of directors is composed of volunteer representatives from the community it serves SMDC Medical Center has an open Medical Staff, so any qualified physician of the community is allowed to apply All applicants that apply must meet the credentialing standards and be approved by our governing board in order to come and provide services in our system SMDC Medical Center is a part of the SMDC Health System SMDC Health System's consolidated community benefits are summarized below Benefits for person living in poverty Charity care at cost $4,885,965 00 Cost-to-Charge Ratio Unreimbursed Medicaid $56,377,438 00 Cost-to-Charge Ratio Unreimbursed costs other means-tested government programs $1,066,229 00 Actual Costs Total Charity Care and Means-Tested Government Programs $62,329,632 00 Benefits for the broader community Community health improvement services and community benefit operations $2,618 00 Actual Costs Health professions education $5,839,665 00 Actual Costs Subsidized health services $72,953 00 Actual Costs Research $1,201,804 00 Actual Costs Financial & in-kind contributions $275,206 00 Actual Costs Total Other Benefits $7,392,246 00 Community building activities $242,045 00 Actual Costs Unpaid cost of public programs, Medicare $87,220,121 00 Cost-to-Charge Ratio Other care provided without compensation (bad debt) $18,044 106 00 Cost-to-Charge Ratio Discounts offered to uninsured patients $3,723,529 00 Actual Costs Taxes and fees $2,521,033 00 Actual Costs Total Community Benefit $181,472,712 00 SMDC Medical Center is a part of a larger system, Essentia Health As a non-profit organization, Essentia Health is focused on reinvesting surplus revenues into programs and technology that improve patient care One of the most significant investments has been in the area of electronic health records, which are being rolled out across the health system's network of hospitals and clinics The majority of Essentia hospitals and clinics will be linked via one central EHR by the end of 2011, thanks in part to significant investments made in 2010 We also continue to replace and upgrade technology, ranging from CT scanners to robotic surgery devices that ensure patients in our predominantly rural communities have access to these needed services in their home communities We are also investing in the development of medical homes, which are designed to improve health outcomes for patients, particularly those with chronic diseases Much of this work is currently not reimbursed by state or federal programs, so Essentia Health assumes responsibility for medical home costs Essentia also supports the health of our communities through active research and clinical trials through the Essentia Institute of Rural Health Various Essentia Health organizations contributed almost $1 5 million in support to the Institute over the past year The Institute conducts clinical, translational and health services research with a primary focus on the needs of rural Americans

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

SMDC Medical Center is part of Essentia Health, an integrated health system of 17 hospitals, over 60 clinics and several long-term care facilities in four states Minnesota, Wisconsin, North Dakota and Idaho The health system serves a predominantly rural population whose median incomes generally fall below averages of the states where they live The presence of our clinics and hospitals ensures that people with few economic resources don't have to drive an hour or more to receive basic (and in some cases live-saving) medical care In addition to staffing hospitals and clinics in federally-recognized underserved areas, we support the health of our communities through an active outreach program that brings specialists like oncologists, cardiologists, neurologists and others into our smaller communities This eliminates barriers to care for many patients, particularly those who are elderly, living on low incomes, or are faced with other challenges that make it difficult to travel long distances for care Our size and integrated structure allow us to offer patients services often found only in larger urban settings Services ranging from chemotherapy and cancer clinical trials to congestive heart failure management and hospice are available to patients in many of the rural communities we serve Essentia Health also supports the health of our communities through active research and clinical trials, through the Essentia Institute of Rural Health The Institute conducts clinical, translational and health services research with a primary focus on the needs of rural Americans Essentia Health is also serving patients through the aggressive implementation of the Epic electronic health record (EHR) Already in use in a number of Essentia Health's rural clinics and some hospitals, a fully-integrated EHR is scheduled to connect patients across the Essentia service region by 2012 A common electronic health record allows health professionals to share test results and consult with colleagues in real time across great distances Medical information is no longer lost in the shuffle of paper records - an important consideration in a region where patients must often be transferred to a larger Essentia facility for complex surgeries or medical care Essentia is also actively working with government agencies and insurers to develop innovative, cost-effective approaches to care that will improve health outcomes while reducing overall costs to patients and insurers This innovation can be found in our use of remote home monitors for patients with congestive heart failure to a focus on using a team-based approach to helping patients manage chronic diseases Essentia Health is committed to helping patients and their families lead active and fulfilling lives in the small and large communities where they live We hope to become a model of health care delivery, particularly in rural areas, in the years to come

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN CANCER SOCIETY DULUTH UNIT130 W SUPERIOR ST DULUTH,MN 55802	41-0724036	501(c)3	12,000				2010 SPONSORSHIP
AMERICAN RED CROSSP O BOX 73013 CHICAGO,IL 606737013	53-0196605	501(c)3	19,293				HAITI RELIEF
BENTLEYVILLEPO BOX 100 DULUTH,MN 55802	99-9999999	501(C)3	7,500				2009 RUDOLPH SPONSOR
BOYS & GIRLS CLUB OF DULUTH2623 W SECOND ST DULUTH,MN 55806	41-0969947	501(C)3	7,500				PROGRAM SUPPORT
CATHOLIC RELIEF SERVICES228 W LEXINGTON ST BALTIMORE,MD 21201	13-5563422	501(C)3	54,238				HAITI RELIEF
CENTER AGAINST SEXUAL & DOMESTIC ABUSE INC 2231 CAITLIN AVE SUPERIOR,WI 54880	39-1478768	501(C)3	40,000				PROGRAM SUPPORT
CENTRAL HILLSIDE PARISH2430 W 3RD ST DULUTH,MN 55806	99-9999999	501(C)3	18,100				PROGRAM SUPPORT
DULUTH CHAMBER OF COMMERCE5 W IST ST SUITE 101 DULUTH,MN 55802	41-0225910	501(C)3	10,400				PROGRAMS SUPPORT
CHESTER BOWL IMPROVEMENT CLUB1801 E SKYLINE PARKWAY DULUTH,MN 55807	99-9999999	501(C)3	20,000				YOUTH PROGRAMMING
CHURCHES UNITED IN MINISTRY102 W 2ND ST DULUTH,MN 55802	41-1227969	501(C)3	7,050				EMERGENCY FOOD SHELF

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
COLLEGE OF ST SCHOLASTICA1200 KENWOOD AVE DULUTH,MN 55811	41-0698301	501(C)3	10,000				SCIENCE INITIATIVE
DAMIANO CENTER204 W 4TH ST 209 DULUTH,MN 55806	41-1453251	501(C)3	23,550				SOCIAL SERVICE PROG & SOUP PROGRAM
DOCTORS WITHOUT BORDERS333 7TH AVE-2ND FLR NEW YORK,NY 10001	13-3433452	501(C)3	54,568				HAITI RELIEF
DULUTH LISC202 W SUPERIOR ST STE 401 DULUTH,MN 55802	13-3030229	501(C)3	46,000				ASSISTED HOME OWNERS & PROGRAM SUPPORT
DULUTH PLAYHOUSE506 W MICHIGAN ST DULUTH,MN 55802	41-0694692	501(C)3	10,000				2009 SPONSORSHIP
DULUTH SUPERIOR SYMPHONY ASSOC506 W MICHIGAN ST DULUTH,MN 55802	04-3437712	501(C)3	12,900				PROGRAM SUPPORT
FIRST WITNESS4 W 5TH ST DULUTH,MN 55805	41-0718322	501(C)3	12,000				PROGRAM SUPPORT
GRANDMAS525 LAKE AVE S DULUTH,MN 55802	41-1573627	501(C)3	11,000				2010 MARATON SPONSOR
GRANT COMMUNITY SCHOOL1027 8TH AVE E DULUTH,MN 55805	41-2002724	501(C)3	15,000				PACE PROGRAM
HEAD OF THE LAKES201 E 1ST ST DULUTH,MN 55802	36-2193619	501(C)3	7,500				ENCOUNTERS YOUTH CNTR

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
JUST KIDS DENTAL PROGRAM2454 HWY 2 TWO HARBORS,MN 55616	41-2064328	N/A	10,000				NE MINNESOTA PROGRAM
JUST KIDS DENTAL PROGRAM3025 TOWER AVE SUPERIOR,WI 54880	39-6004736	501(C)3	10,000				SUPERIOR PROGRAM
KIDS CLOSET727 Central Avenue DULUTH,MN 55811	20-1878745	N/A	60,000				OUTER WEAR 4 KIDS
LAKE SUPERIOR COMMUNITY HEALTH CENTER4325 GRAND AVE DULUTH,MN 55807	23-7167576	501(C)3	10,000				FORGIVNESS OF LOAN
ROTARY CLUB OF SUPERIOR1627 N 34TH ST SUPERIOR,WI 54880	39-0579300	501(C)4	7,500				DRAGON BOAT SPONSOR 09
LAKEVIEW MEMORIAL HOSPITAL INC325 11TH AVE TWO HARBORS,MN 55616	41-0786046	501(C)3	10,000				JUST KIDS DENTAL HLT
LIFEHOUSE102 W 1ST ST DULUTH,MN 55802	41-1704840	501(C)3	15,000				PROGRAM SUPPORT
LUTHERAN SOCIAL SERVICES424 W SUPERIOR ST DULUTH,MN 55802	41-0872993	501(C)3	25,000				WELLNESS CENTER
MEN AS PEACEMAKERS205 W 2ND ST DULUTH,MN 55802	41-1841689	501(C)3	10,000				MENTORING PROGRAM
MILLER DWAN FOUNDATION502 E 2ND ST DULUTH,MN 55805	23-7396466	501(C)3	15,000				UNDERWRITING 2009

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(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MONACO AIR DULUTH LLC 4535 AIRPORT APPROACH RD DULUTH,MN 55811	20-3648812	N/A	10,000				PROGRAM CONTRIBUTION
NORTHERN COMMUNITIES LAND TRUST206 W 4TH ST 201 DULUTH,MN 55806	41-1678328	501(C)3	10,000				PROGRAM SUPPORT
NORTHLAND FOUNDATION 332 W SUPERIOR ST DULUTH,MN 55802	41-1554455	501(C)3	25,000				CORP CONTRIBUTION
NORTHWOODS WOMEN INC P O BOX 88 ASHLAND,WI 54806	39-1364912	501(C)3	8,000				NEW DAY SHELTER
PROGRAM FOR AID TO VICTIMS OF SEXUAL ASSAULT INC32 E 1ST ST STE 200 DULUTH,MN 55802	41-1350021	501(C)3	30,000				PROGRAM SUPPORT & SANE PROGRAM
PROJECT HAITI INC123 MINNESOTA AVE S AITKIN,MN 54631	65-0823881	501(C)3	8,260				HAITI RELIEF
SCHOOL DISTRICT OF SUPERIOR3025 TOWER AVE SUPERIOR,WI 54880	39-6004736	501(C)3	10,000				JUST KIDS DENTAL HLT
SECOND HARVEST NORTHERN LAKES FOOD BANK4503 AIRPARK BLVD DULUTH,MN 55811	36-3479964	501(C)3	20,000				FOOD RESCUE
SMDC FOUNDATION407 E 3RD ST DULUTH,MN 55805	41-2016979	501(C)3	15,000				READING PROGRAM FOR DULUTH CHILDREN'S HOSPITAL
SMDC FOUNDATION407 E 3RD ST DULUTH,MN 55805	41-2016979	501(C)3	35,000				EMPLOYEE EMERGENCY FUND GIFT

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(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SMDC FOUNDATION407 E 3RD ST DULUTH,MN 55805	41-2016979	501(C)3	108,290				CAMEROON PROGRAM FUNDING
SOAR CAREER SOLUTIONS 205 W 2ND ST 101 DULUTH,MN 55802	41-1449179	501(C)3	20,000				PROGRAM SUPPORT
ST MARYS INNOVIS HEALTH1027 WASHINGTON AVE DETROIT LAKES,MN 56501	41-1620386	501(C)3	9,861				HAITI RELIEF
UNION GOSPEL MISSION 219 1/2 E 1ST ST DULUTH,MN 55802	41-0724066	501(C)3	8,000				FOOD PROGRAM
UNITED WAY OF GREATER DULUTHUNITED WAY OF GREATER DULUTH DULUTH,MN 55802	41-0857077	501(C)3	20,000				CORP CAMPAIGN
UNITED WAY OF NORTHEASTERN MINNESOTA229 W LAKE ST CHISHOLM,MN 55719	41-0908454	501(C)3	40,000				ANNUAL SUPPORT
UNIVERSITY OF MINNESOTA PHYSICIANS PO BOX 459 MINNEAPOLIS,MN 55440	41-0982434	501(C)3	40,000				PROGRAM SUPPORT & WELLNESS ED PLAYS
DULUTH PUBLICITY BUREAU INC - VISIT DULUTH21 W SUPERIOR ST STE 100 DULUTH,MN 55802	41-0226515	501(C)3	10,000				PROGRAM SUPPORT

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 41-1878730
Name: SMDC Medical Center

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ROBERT NORMAN	(I)	0	0	0	0	0	0	0
	(II)	377,302	123,763	30,029	60,196	46,117	637,407	29,138
BARBARA JOHNSON	(I)	82,570	0	0	7,500	4,752	94,822	0
	(II)	0	0	0	0	0	0	0
ROCKLON CHAPIN	(I)	310,325	106,086	0	45,721	14,038	476,170	0
	(II)	0	0	0	0	0	0	0
MATTHEW J ECKMAN MD	(I)	0	0	0	0	0	0	0
	(II)	134,894	0	0	15,372	22,128	172,394	0
TIMOTHY J EGAN MD	(I)	0	0	0	0	0	0	0
	(II)	504,545	0	0	23,000	18,820	546,365	0
THOMAS G PATNOE MD	(I)	454,905	167,345	0	62,131	26,588	710,969	0
	(II)	0	0	0	0	0	0	0
MICHAEL C METCALF	(I)	306,907	115,830	0	50,184	26,588	499,509	0
	(II)	0	0	0	0	0	0	0
PEDER H SVINGEN MD	(I)	0	0	0	0	0	0	0
	(II)	263,195	0	0	23,000	20,306	306,501	0
MARIBETH OLSON	(I)	0	0	0	0	0	0	0
	(II)	257,201	46,390	11,830	49,320	27,214	391,955	11,830
ANN WATKINS	(I)	180,160	0	0	29,632	19,250	229,042	0
	(II)	0	0	0	0	0	0	0
CYNTHIA G SORENSON	(I)	155,952	28,093	5,220	27,650	29,397	246,312	5,220
	(II)	0	0	0	0	0	0	0
MICHAEL MCAVOY	(I)	176,545	31,996	0	31,908	19,257	259,706	0
	(II)	0	0	0	0	0	0	0
ALBERT J DEIBELE MD	(I)	0	0	0	0	0	0	0
	(II)	700,741	0	0	23,000	28,251	751,992	0
THOMAS E KAISER MD	(I)	0	0	0	0	0	0	0
	(II)	1,077,515	0	0	23,000	22,313	1,122,828	0
TIMOTHY ZAGER MD	(I)	0	0	0	0	0	0	0
	(II)	275,367	0	0	23,000	18,527	316,894	0
DENNIS W DASSENKO	(I)	232,906	91,279	0	48,134	23,955	396,274	0
	(II)	0	0	0	0	0	0	0
PETER E PERSON MD	(I)	846,204	251,744	107,288	446,515	31,587	1,683,338	104,762
	(II)	0	0	0	0	0	0	0
JOHN C SMYLIE	(I)	474,792	174,018	0	71,302	30,088	750,200	0
	(II)	0	0	0	0	0	0	0
TERESA M O'TOOLE	(I)	268,755	88,125	13,480	58,832	11,487	440,679	13,480
	(II)	0	0	0	0	0	0	0
DIANE T DAVIDSON	(I)	205,277	79,815	0	34,658	25,464	345,214	0
	(II)	0	0	0	0	0	0	0
HARVEY J ANDERSON	(I)	181,664	31,182	14,988	22,886	14,659	265,379	0
	(II)	0	0	0	0	0	0	0
DAVID H AMUNDSON	(I)	0	0	0	0	0	0	0
	(II)	0	0	172,427	0	8,426	180,853	28,744
TERRI L RUBERG	(I)	0	0	0	0	0	0	0
	(II)	161,588	27,584	9,297	33,899	24,672	257,040	9,297