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2010

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Inspection

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

## A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

B Check if applicable

Address change

Name change

Initial return

Terminated

Amended return

Application pending

C Name of organization

Essentia Health

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

502 E 2nd St

D Employer identification number

20-0360007

E Telephone number

(218) 786-8376

G Gross receipts \$ 23,843,515

F Name and address of principal officer

Peter Person MD

502 E 2nd St

Duluth, MN 55805

H(a) Is this a group return for affiliates?  Yes  NoH(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)  501(c) ( ) (insert no)  4947(a)(1) or  527

J Website: ► www.essentialhealth.org

K Form of organization  Corporation  Trust  Association  Other ►

L Year of formation 2003

M State of legal domicile  
MN

## Part I Summary

1 Briefly describe the organization's mission or most significant activities  
We are called to make a healthy difference in people's lives

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 18

4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .

4 12

5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .

5 0

6 Total number of volunteers (estimate if necessary) . . . . .

6 0

7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .

7a 4,680

b Net unrelated business taxable income from Form 990-T, line 34 . . . . .

7b -16,015

Activities &amp; Governance

Revenue

Expenses

Net Assets or  
Fund Balances

8 Contributions and grants (Part VIII, line 1h) . . . . .  
9 Program service revenue (Part VIII, line 2g) . . . . .  
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .  
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)  
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .

	Prior Year	Current Year
8	0	0
9	11,842,122	20,534,336
10	-311,067	2,840,532
11	23,636	468,647
12	11,554,691	23,843,515

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .  
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .  
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)  
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .  
b Total fundraising expenses (Part IX, column (D), line 25) ► 0  
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) . . . . .  
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)  
19 Revenue less expenses Subtract line 18 from line 12 . . . . .

	Prior Year	Current Year
13	1,000	13,850
14	0	0
15	247,500	314,600
16a	0	0
b		
17	23,888,348	22,364,718
18	24,136,848	22,693,168
19	-12,582,157	1,150,347

20 Total assets (Part X, line 16) . . . . .  
21 Total liabilities (Part X, line 26) . . . . .  
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .

	Beginning of Current Year	End of Year
20	90,981,545	100,741,801
21	25,156,925	56,417,384
22	65,824,620	44,324,417

## 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

2012-05-08

Date

ROBERT NORMAN CFO

Type or print name and title

Paid  
Preparer  
Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
Firm's name ► ERNST & YOUNG US LLP				Firm's EIN ►
Firm's address ► 55 IVAN ALLEN JR BLVD SUITE 1000 ATLANTA, GA 30308				Phone no ► (404) 874-8300

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

### **Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part II

Explain how the organization's mission

WE ARE CALLED TO MAKE A HEALTHY DIFFERENCE IN PEOPLE'S LIVES

the organization undertake any significant program services during the year which were not listed on prior Form 990 or 990-EZ?

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

Yes  No

**3** Did the organization cease conducting, or make significant changes in how it conducts, any programs or services?

If "Yes," describe these changes on Schedule C.

Yes  No

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 \$ 3,087,670 including grants of \$ 13,850 ) (Revenue \$ 20,534,336 )  
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**

3 087 670

**Part IV Checklist of Required Schedules**

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.

2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?

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.

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.

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.

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.

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.

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.

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.

11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

- a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.
- b 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.
- c 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.
- d 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.
- e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.
- f 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 (ASC 740)? If "Yes," complete Schedule D, Part X.

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.

- b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

- 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, Parts I and IV.

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, Parts II and IV.

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, Parts III and IV.

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 (see instructions)

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.

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.

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H.

- b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)

	Yes	No
1	Yes	
2		No
3		No
4	Yes	
5		
6		No
7		No
8		No
9		No
10		No
11a	Yes	
11b	Yes	
11c	Yes	
11d		No
11e	Yes	
11f	Yes	
12a		No
12b	Yes	
13		No
14a		No
14b	Yes	
15		No
16		No
17		No
18		No
19		No
20a		No
20b		

**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 lines 24b-24d and complete Schedule K. If "No," go to line 25	24a	Yes	
24b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
24c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
24d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
25b	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)	28a	Yes	
28b	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
28c	A family member of a current or former officer, director, trustee, or key employee? 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)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
36	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> All Form 990 filers are required to complete Schedule O	38	Yes	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V 

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	41
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	0
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	
<p><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	Yes
<b>b</b>	If "Yes," enter the name of the foreign country <u>►CJ</u> See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
<b>6a</b>	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>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a	No
<b>a</b>	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?	7b	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	7e	No
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b	
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter	10a	
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	10b	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	11a	
<b>a</b>	Gross income from members or shareholders	11b	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	13a	
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state?		
<p><b>Note.</b> See the instructions for additional information the organization must report on Schedule O</p>			
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b>	Enter the amount of reserves on hand	13c	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

**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.

Check if Schedule O contains a response to any question in this Part VI

### Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year . . . . . **1a** 18

b Enter the number of voting members included in line 1a, above, who are independent . . . . . **1b** 12

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? . . . . .

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? . . . . .

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .

5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .

6 Does the organization have members or stockholders? . . . . .

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .

b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body? . . . . .

b Each committee with authority to act on behalf of the governing body? . . . . .

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 . . . . .

	Yes	No
1a		
1b		
2		No
3		No
4	Yes	
5		No
6		No
7a		No
7b	Yes	
8a	Yes	
8b	Yes	
9		No

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

10a Does the organization have local chapters, branches, or affiliates? . . . . .

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? . . . . .

11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .

b Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .

12a Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .

b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .

c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .

13 Does the organization have a written whistleblower policy? . . . . .

14 Does the organization have a written document retention and destruction policy? . . . . .

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 . . . . .

b Other officers or key employees of the organization . . . . .

If "Yes" to line 15a or 15b, 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? . . . . .

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? . . . . .

	Yes	No
10a		No
10b		
11a	Yes	
12a	Yes	
12b	Yes	
12c	Yes	
13	Yes	
14	Yes	
15a	Yes	
15b	Yes	
16a		No
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

ROBERT NORMAN  
502 E 2ND ST  
Duluth, MN 55805  
(218) 786-3178



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

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 **1**

	Yes	No
3 Did the organization list any <b>former</b> 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 or individual 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
Ernst Young 3712 Solutions Center CHICAGO, IL 60677	Auditing/Consulting	824,364
Soft Computer Consultants Inc 5400 Tech Data Dr CLEARWATER, FL 33760	IT Services	735,699
Eclipsys Corporation PO Box 8538-0133 PHILADELPHIA, PA 191710133	IT Services	521,035
Russell Herder Inc 315 E River Rd BRAINERD, MN 56401	Advertising	382,924
eDocument Resources LLC 6101 Baker Rd Ste 207 MINNETONKA, MN 55345	IT Services	357,750
2. Total number of independent contractors (including but not limited to those listed above) who received more than		

**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 **14**

**Part VIII Statement of Revenue**

Contributions, gifts, grants and other similar amounts		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
<b>b</b> Membership dues . . . . .	<b>1b</b>				
<b>c</b> Fundraising events . . . . .	<b>1c</b>				
<b>d</b> Related organizations . . . . .	<b>1d</b>				
<b>e</b> Government grants (contributions)	<b>1e</b>				
<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
<b>g</b> Noncash contributions included in lines 1a-1f \$					
<b>h Total.</b> Add lines 1a-1f . . . . .		►		0	
<b>Program Service Revenue</b>		<b>Business Code</b>			
<b>2a</b> SUPPORT FEES		541610	20,528,983	20,529,656	-673
<b>b</b> CONSULTANT FEES		541610	5,353	5,353	
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>f</b> All other program service revenue					
<b>g Total.</b> Add lines 2a-2f . . . . .		►		20,534,336	
<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .		►			
			883,046		883,046
<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .		►		0	
<b>5</b> Royalties . . . . .		►		0	
	(I) Real	(II) Personal			
<b>6a</b> Gross Rents					
<b>b</b> Less rental expenses					
<b>c</b> Rental income or (loss)					
<b>d</b> Net rental income or (loss) . . . . .		►			
<b>7a</b> Gross amount from sales of assets other than inventory	(I) Securities	(II) Other			
	1,151,618	805,868			
<b>b</b> Less cost or other basis and sales expenses					
<b>c</b> Gain or (loss)	1,151,618	805,868			
<b>d</b> Net gain or (loss) . . . . .		►		1,957,486	1,957,486
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .					
<b>a</b>					
<b>b</b> Less direct expenses . . . . .	<b>b</b>			0	
<b>c</b> Net income or (loss) from fundraising events . . . . .		►			
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>				
<b>b</b> Less direct expenses . . . . .	<b>b</b>			0	
<b>c</b> Net income or (loss) from gaming activities . . . . .		►			
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .					
<b>a</b>					
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>			0	
<b>c</b> Net income or (loss) from sales of inventory . . . . .		►			
<b>Miscellaneous Revenue</b>		<b>Business Code</b>			
<b>11a</b> FORWARD DELIVERY AGREEMENT TERMINATION		900099	315,000		315,000
<b>b</b> COST RECOVERY		900099	123,647		123,647
<b>c</b> UBI TAXES		900099	30,000		30,000
<b>d</b> All other revenue . . . . .					
<b>e Total.</b> Add lines 11a-11d . . . . .		►		468,647	
<b>12 Total revenue.</b> See Instructions . . . . .		►		23,843,515	20,529,656
				4,680	3,309,179

**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	13,850	13,850		
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 . . . . .	314,600		314,600	
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	0	0		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	0			
9 Other employee benefits . . . . .	0			
10 Payroll taxes . . . . .	0			
a Fees for services (non-employees) Management . . . . .	0			
b Legal . . . . .	188,847		188,847	
c Accounting . . . . .	127,033		127,033	
d Lobbying . . . . .	6,000		6,000	
e Professional fundraising services See Part IV, line 17 . . . . .	0			
f Investment management fees . . . . .	70,326		70,326	
g Other . . . . .	1,037,729	379,214	658,515	
12 Advertising and promotion . . . . .	612,222	612,222		
13 Office expenses . . . . .	83,877	52,654	31,223	
14 Information technology . . . . .	27,489	19,513	7,976	
15 Royalties . . . . .	0			
16 Occupancy . . . . .	0			
17 Travel . . . . .	62,961	11,136	51,825	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	149,884	558	149,326	
20 Interest . . . . .	1,340,816		1,340,816	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	49,174		49,174	
23 Insurance . . . . .	0			
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a AFFILIATE EXPENSES ALLOCATION	15,051,865	1,991,063	13,060,802	
b PROVISIONS FOR DOUBTFUL ACCTS	3,477,750		3,477,750	
c UBI TAXES	21,330	3,280	18,050	
d DUES AND SUSSCRIPTIONS	8,610		8,610	
e ALL OTHER EXPENSES	48,805	4,180	44,625	
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	22,693,168	3,087,670	19,605,498	0
26 Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) 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**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	0	<b>1</b> 913,056
	<b>2</b> Savings and temporary cash investments . . . . .	8,935,398	<b>2</b> 6,172,989
	<b>3</b> Pledges and grants receivable, net . . . . .	3	
	<b>4</b> Accounts receivable, net . . . . .	938,312	<b>4</b> 3,254,977
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L . . . . .		
	<b>7</b> Notes and loans receivable, net . . . . .	500,000	<b>7</b> 0
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>
	<b>9</b> Prepaid expenses and deferred charges . . . . .	474,081	<b>9</b> 602,578
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 4,424	
	<b>b</b> Less accumulated depreciation . . . . .	10b 74	<b>10c</b> 4,350
	<b>11</b> Investments—publicly traded securities . . . . .	9,488,713	<b>11</b> 447,891
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	9,078,971	<b>12</b> 26,273,093
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	61,532,818	<b>13</b> 62,412,552
	<b>14</b> Intangible assets . . . . .		<b>14</b>
	<b>15</b> Other assets See Part IV, line 11 . . . . .	33,252	<b>15</b> 660,315
	<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	90,981,545	<b>16</b> 100,741,801
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	13,993,369	<b>17</b> 19,799,766
	<b>18</b> Grants payable . . . . .		<b>18</b>
	<b>19</b> Deferred revenue . . . . .		<b>19</b>
	<b>20</b> Tax-exempt bond liabilities . . . . .	5,767,616	<b>20</b> 31,264,154
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	5,139,506	<b>23</b> 5,235,000
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>
	<b>25</b> Other liabilities Complete Part X of Schedule D . . . . .	256,434	<b>25</b> 118,464
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	25,156,925	<b>26</b> 56,417,384
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	<b>27</b> Unrestricted net assets . . . . .	65,824,620	<b>27</b> 44,324,417
	<b>28</b> Temporarily restricted net assets . . . . .		<b>28</b>
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>
	<b>33</b> Total net assets or fund balances . . . . .	65,824,620	<b>33</b> 44,324,417
	<b>34</b> Total liabilities and net assets/fund balances . . . . .	90,981,545	<b>34</b> 100,741,801

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI 

1	Total revenue (must equal Part VIII, column (A), line 12)	1	23,843,515
2	Total expenses (must equal Part IX, column (A), line 25)	2	22,693,168
3	Revenue less expenses Subtract line 2 from line 1	3	1,150,347
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	65,824,620
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-22,650,550
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	44,324,417

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII 

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? <input type="checkbox"/>	2a	No
2b Were the organization's financial statements audited by an independent accountant? <input type="checkbox"/>	2b	Yes
2c 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 <input type="checkbox"/>	2c	Yes
2d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> 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? <input type="checkbox"/>	3a	No
3b 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 <input type="checkbox"/>	3b	

2010

Open to Public  
Inspection**SCHEDULE A**  
(Form 990 or 990EZ)**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.

Department of the Treasury  
Internal Revenue ServiceName of the organization  
Essentia Health

Employer identification number

20-0360007

**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 described in **section 170(b)(1)(A)(i)**.

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

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

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

e  a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other

f  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)

g  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

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

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

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

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

	Yes	No
11g(i)		No
11g(ii)		No
11g(iii)		No

i Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
See Additional Data Table									
<b>Total</b>									22,693,168

**Part II Support Schedule for Organizations Described in Sections 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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 <b>Total.</b> 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 <b>Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 <b>First Five Years</b> 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 <b>stop here</b>						►

**Section C. Computation of Public Support Percentage**

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a <b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
b <b>33 1/3% support test—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization		►
17a <b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b <b>10%-facts-and-circumstances test—2009.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 <b>Private Foundation</b> 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 Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (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 section 501(c)(3) organization, check this box and **stop here** ►**Section C. Computation of Public Support Percentage**

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15
16 Public support percentage from 2009 Schedule A, Part III, line 15	16

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18
19a <b>33 1/3% support tests—2010.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
<b>b</b> <b>33 1/3% support tests—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
20 <b>Private Foundation</b> 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 explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

### Facts And Circumstances Test

#### Explanation

The supported organizations listed in Part I Line 11h that have a "No" box checked are not specifically listed in Essentia's articles of incorporation Article XI. However, Essentia's articles state that Essentia is organized and shall be operated exclusively for charitable, educational, scientific and religious purposes exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the tax-exempt entities identified as supported organizations in their respective articles of incorporation Schedule A, Line 11h, Column (vii) The amount of support includes Essentia Health's functional expenses which are incurred for the benefit of Essentia Health's supported organizations

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 20-0360007  
**Name:** Essentia Health

**Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.**

<b>(i)</b> Name of Supported Organization	<b>(ii)</b> EIN	<b>(iii)</b> Type of organization (described on lines 1- 9 above or IRC section )	<b>(iv)</b> Is the organization in (i) listed in your governing document?		<b>(v)</b> Did you notify the organization in (i) of your support?		<b>(vi)</b> Is the organization in (i) organized in the U S ?		<b>(vii)</b> Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) BRAINERD LAKES INTEGRATED HEALTH SYSTEM	371532145	0		No	Yes		Yes		0
(B) BRAINERD MEDICAL CENTER INC	371532148	03		No	Yes		Yes		145716
(C) BRIDGES MEDICAL CENTER	200479568	03		No	Yes		Yes		96520
(D) CLEARWATER VALLEY HOSPITAL & CLINICS INC	820497771	03		No	Yes		Yes		271493
(E) CRITICAL ACCESS GROUP	261219624	0	Yes		Yes		Yes		393592
(F) ST BENEDICT'S FAMILY MEDICAL CENTER	820227163	03		No	Yes		Yes		271932
(G) ST JOSEPH'S MEDICAL CENTER	410695602	03		No	Yes		Yes		2145538
(H) ST MARY'S EMS	411805811	09		No	Yes		Yes		23164
(I) ST MARY'S HOSPITAL & CLINICS INC	820226453	03		No	Yes		Yes		264849
(J) ST MARY'S REGIONAL HEALTH CENTER	411620386	03		No	Yes		Yes		984361
(K) INNOVIS HEALTH LLC	261175213	03	Yes		Yes		Yes		3615706
(L) MIDWEST MEDICAL EQUIPMENT & SUPPLY INC	411674021	09		No	Yes		Yes		112959
(M) SMDC MEDICAL CENTER	411878730	03		No	Yes		Yes		5167965
(N) PINE MEDICAL CENTER	411884597	03		No	Yes		Yes		272311
(O) POLINSKY MEDICAL REHABILITATION CENTER	410691275	03		No	Yes		Yes		119163
(P) ST MARY'S DULUTH CLINIC FOUNDATION	412016979	07		No	Yes		Yes		0
(Q) ST MARY'S DULUTH CLINIC HEALTH SYSTEM	411836633	03	Yes		Yes		Yes		0
(R) ST MARY'S HOSPITAL OF SUPERIOR	411811073	03		No	Yes		Yes		607340
(S) ST MARY'S MEDICAL CENTER	410695604	03		No	Yes		Yes		5133163
(T) THE DULUTH CLINIC LTD	410883623	03		No	Yes		Yes		2318030

**Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.**

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section )	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(U) DIVINE MEDICAL SERVICES	202773717	03		No	Yes		Yes		0
(V) DL SURGERY CENTER	263837203	03		No	Yes		Yes		1060
(W) ECHC FOUNDATION	263359418	0		No	Yes		Yes		9046
(X) ST MARY'S INNOVIS HEALTH	262861321	03		No	Yes		Yes		51203
(Y) MINNESOTA VALLEY HEALTH CENTER INC	410837659	03		No	Yes		Yes		158262
(Z) FIRST CARE MEDICAL SERVICES	410706143	03		No	Yes		Yes		269837
(AA) ESSENTIA INSTITUTE OF RURAL HEALTH	271291124	04		No	Yes		Yes		17954
(AB) ESSENTIA HEALTH FOUNDATION	271984704	07		No	Yes		Yes		709
(AC) GRACEVILLE MISSIONARY BENEDICTINE SISTERS	410726173	03		No	Yes		Yes		91558
(AD) NORTHERN PINES MEDICAL CENTER	410841441	03		No	Yes		Yes		149737

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 20-0360007  
**Name:** Essentia Health

### 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	Official	Key employee	Highest compensated employee			
Richard Blair Board Chair	8 0	X		X			40,000	0	0
Laura Boehlke-Bray MD Board Director	60 0	X					25,000	267,204	30,454
Terrence Clark MD Board Director	60 0	X					0	192,332	41,666
Lori Collard Board Vice Chair	5 0	X		X			25,000	900	0
Sister Verda Clare Eichner Board Director thru 12/31/10	5 0	X					0	0	0
Joel Haugen MD Board Director	60 0	X					15,000	277,843	38,041
Neal Hessen Board Director	5 0	X					26,400	11,500	0
Sister Kathleen Hofer Board Secretary	60 0	X		X			0	0	0
Lauren Larsen Board Director	5 0	X					25,000	0	0
Walter Leino MD Board Director	3 0	X					15,000	0	0
Sister Beverly Raway Board Director	5 0	X					0	0	0
Thomas Russ MD Board Secretary thru 12/31/10	60 0	X		X			15,000	277,742	45,175
James Seitz Board Director	3 0	X					15,000	900	0
Sister Clare Marie Trettel Board Director	5 0	X					0	0	0
Sister Claudia Riehl Board Director	5 0	X					0	0	0
Dean Ager Board Director	3 0	X					2,800	0	0
James Anderson Board Director	3 0	X					0	3,000	0
Peter Dunphy MD Board Director	60 0	X					0	383,574	17,923
Theresa Gunnarson MD Board Director	60 0	X					0	462,824	53,320
Michael Sheldon MD Board Director	60 0	X					0	348,647	39,725
Peter Person MD Chief Executive Officer	60 0			X			0	1,119,337	698,079
Robert Norman Chief Financial Officer	60 0			X			0	556,955	131,077
Gregory Glasner MD President & CMO, West Region	60 0				X		0	682,078	101,232
Carl Heltne MD Chief Medical Officer	60 0				X		0	564,099	51,247
Daniel McGinty Senior VP, Development	60 0				X		0	499,207	131,505

**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	Office	Key employee	Highest compensated employee			
Kevin Pitzer CAO, West Region	60 0			X			0	504,331	79,032
John Smylie Chief Operating Officer	60 0			X			0	750,897	115,108
Michael Mahoney Vice President, Public Policy	60 0			X			0	234,679	50,428
Teresa O'Toole CAO & CLO	60 0			X			0	424,936	74,507
Thomas Prusak President, Central Region	60 0			X			0	432,592	111,251
David Boran MD CMO, Central Region	60 0			X			0	268,415	27,077
Thomas Patnoe MD President & CMO, East	60 0			X			0	692,487	102,267
Michael Metcalf CAO, East Region	60 0			X			0	414,002	80,222
Maribeth Olson SMMC COO	60 0				X		0	328,245	82,436
James Abelsen Former Executive Vice Pres	0 0				X		13,821	213,463	10,135
Daniel Zismer Former Executive Vice Pres	8 0				X		135,431	0	0
Rocklon Chapin SMDCMC COO	60 0				X		0	398,353	74,353

**SCHEDULE C**  
(Form 990 or 990-EZ)**Political Campaign and Lobbying Activities****2010****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.

**Open to Public  
Inspection**

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, 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, Part V, line 35a (Proxy Tax), then

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

Name of the organization Essentia Health	Employer identification number 20-0360007
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**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 function 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 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments 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)).**

<b>A</b> Check <input type="checkbox"/> if the filing organization belongs to an affiliated group	<b>B</b> Check <input type="checkbox"/> if the filing organization checked box A and "limited control" provisions apply		
<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		<b>(a) Filing Organization's Totals</b>	<b>(b) Affiliated Group Totals</b>
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)			
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)			
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)			
<b>d</b> Other exempt purpose expenditures			
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)			
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns			
<b>If the amount on line 1e, column (a) or (b) is:</b> Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000		<b>The lobbying nontaxable amount is:</b> 20% of the amount on line 1e \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000	
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)			
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-			
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-			
<b>j</b> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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**

<b>Calendar year (or fiscal year beginning in)</b>	<b>(a) 2007</b>	<b>(b) 2008</b>	<b>(c) 2009</b>	<b>(d) 2010</b>	<b>(e) Total</b>
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> 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)		(b)
	Yes	No	
			Amount
<b>1</b> 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			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		109,156
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		6,000
<b>j</b> Total lines 1c through 1i			115,156
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	1		
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
<b>3</b> 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".**

<b>1</b> Dues, assessments and similar amounts from members	1	
<b>2</b> Section 162(e) non-deductible lobbying and political expenditures ( <b>do not include amounts of political expenses for which the section 527(f) tax was paid</b> ).		
<b>a</b> Current year	2a	
<b>b</b> Carryover from last year	2b	
<b>c</b> Total	2c	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
<b>4</b> 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?		
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	4	
	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 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Schedule C, Part II-B		Lobbying Activity Explanation Essentia Health employs one full-time in-house public policy individual and during 2011 contracted with one consultant firm to monitor state legislative activities of interest dealing fully with Health and Human Services issues. Essentia Health's public policy activities occur on a multi state and national level. Essentia Health public policy activities included in person, telephonic, electronic communication and information relay with legislators and staff, administrative officials, government agencies and departments on both the state and federal levels. The primary issues of interest and concern include Critical Access Hospital designation, Physician and Hospital Services Reimbursement, Medicare and Medicaid Reimbursement Policies, Disproportionate Share Hospital Funding, Graduate Medical Education/Indirect Medical Education Funding, Health Information Technology Funding and Privacy Issues, State and Federal Health Care Reform, Medicare Reimbursement for Rehab Facilities, Medicare 340B Prescription Drug Discount Program, Nurse Staffing Ratios, Electronic Medical Record Interoperability, Medicare Recovery Audit Contractor Audits (RAC), Health Information Exchange, Medical Education and Research Costs (MERC), State Children's Health Insurance Program, Workforce Issues, Public Health Initiatives, Community Benefits.

2010

Open to Public  
Inspection**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.

**Name of the organization**  
Essentia Health**Employer identification number**

20-0360007

**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
2a	
2b	
2c	
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      d  Loan or exchange programs  
 b  Scholarly research      e  Other  
 c  Preservation for future generations

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
1c	
1d	
1e	
1f	

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

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

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

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

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

a Board designated or quasi-endowment ►

b Permanent endowment ►

c Term endowment ►

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

(i) unrelated organizations . . . . .  Yes  No

(ii) related organizations . . . . .  Yes  No

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

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 . . . . .				
1b Buildings . . . . .				
1c Leasehold improvements . . . . .				
1d Equipment . . . . .		4,424	74	4,350
1e Other . . . . .				
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ►				4,350

**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
(1) Financial derivatives	5,417,247	F
(2) Closely-held equity interests		
(3) Other		
(A) POOLED INVESTMENT FUND	20,855,846	F
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12.)	26,273,093	

**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
(1) TAX-EXEMPT RELATED ORG NOTE	3,879,734	F
(2) INVESTMENT IN TAX-EXEMPT ORG	58,532,818	F
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 13.)	62,412,552	

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

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

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	0
PAYABLES TO RELATED TAX-EXEMPT ORGS	118,464
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25.)	118,464

2. FIN 48 (ASC 740) 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 (ASC 740)

**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, 2011 no longer includes an ASC 740 footnote

**SCHEDULE F**  
**(Form 990)**

## **Statement of Activities Outside the United States**

OMB No 1545-0047

2010

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

Name of the organization:  
Essentia Health

**Employer identification number**

20-0360007

**Part I General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activities per Region. (Use Part V if additional space is needed.)

**3 Activities per Region. (Use Part V if additional space is needed.)**

**Part II Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000 . . . . . ►  Use Part V if additional space is needed.

**Part III Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Part V if additional space is needed.

**Part IV Foreign Forms**

1 Was the organization a U S transferor of property to a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)  Yes  No

2 Did the organization have an interest in a foreign trust during the tax year? If "Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)  Yes  No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)  Yes  No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)  Yes  No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)  Yes  No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).  Yes  No

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 20-0360007

**Name:** Essentia Health

**Part V**

**Supplemental Information**

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

---

**Schedule I  
(Form 990)**

## **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**

2010

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Essentia Health

**Employer identification number**  
20-0360007

## **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. Part II can be duplicated if additional space is needed.  

**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
Schedule I, Part I, Line 2		Procedures for monitoring grants. Essentia Health's management reviews the grant activity by reviewing and documenting each expenditure request and approving the expense.

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2010**Department of the Treasury  
Internal Revenue Service

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.**

**Open to Public Inspection****Name of the organization**  
Essentia Health**Employer identification number**

20-0360007

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input checked="" type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> 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 or provision of all the expenses described above? If "No," complete Part III to explain

**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?

**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

<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> 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 from the organization or a related organization?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

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?

**b** Any related organization?

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?

**b** Any related organization?

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

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>	Yes	
<b>2</b>	Yes	
<b>4a</b>	Yes	
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is 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							
( 2 )							
( 3 )							
( 4 )							
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							

**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, Part I, Line 1a		Benefits provided. During tax year 2010, charter travel was used on occasion by two board directors, one officer and five key employees for travel between Essentia Health's Corporate office in Duluth, MN and Essentia Health's supported organizations. Many of Essentia Health's supported organizations are located in rural areas which do not have direct commercial flights available. Charter travel ensures efficient use of Essentia Health's board directors' and employees' time. The use of charter travel is not treated as taxable compensation to these individuals as all travel was business related.
Schedule J, Part I, Line 4a		Severance payment. Former key employee, James Abelsen, a former employee of related organization The Duluth Clinic, Ltd., received payment totaling \$155,747 in tax year 2010 related to his termination. The termination terms are from June 30, 2008 until June 30, 2010. Mr. Abelsen will receive pay totaling \$883,406 & benefits totaling \$18,489 related to his termination. All other individuals listed as Formers in Form 990, Part VII, Section A, Line 1a were employed within Essentia Health and its subsidiaries and did not receive a severance payment during tax year 2010.
Schedule J, Part I, Line 4b		Supplemental nonqualified retirement plan. 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 (Essentia Health East) \$0; Robert Norman (Critical Access Group) \$47,861; Gregory Glasner, MD (Essentia Health West) \$0; Kevin Pitzer, (Essentia Health West) \$0; John Smylie (Essentia Health East) \$0; Michael Mahoney (Essentia Health East) \$18,819; Teresa O'Toole (Essentia Health East) \$30,519; Thomas Patnoe, MD (Essentia Health East) \$0; Michael Metcalf (Essentia Health East) \$0; James Abelsen (Essentia Health East) \$60,049; Maribeth Olson (Essentia Health East) \$30,330; Rocklon Chapin (Essentia Health East) \$0. Critical Access Group's nonqualified retirement plan is offered to Critical Access Group executives. There is a minimum two year vesting date, benefits are subject to income taxes upon vesting, and benefits are payable from Critical Access Group's general assets. Essentia Health East's nonqualified retirement plan is offered to designated Essentia Health East's executives. There is a minimum two year vesting date, benefits are subject to income taxes upon vesting, and benefits are payable from Essentia Health East's general assets. Essentia Health West's nonqualified retirement plan is offered to designated Essentia Health West's executives. There is a minimum two year vesting date, benefits are subject to income taxes upon vesting, and benefits are payable from Essentia Health West's general assets.

**Software ID:**  
**Software Version:**  
**EIN:** 20-0360007  
**Name:** Essentia Health

**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				
Gregory Glasner MD	(i) 0 (ii) 473,789	0 177,022	0 31,267	0 69,709	0 31,523	0 783,310	0 0
Carl Heltne MD	(i) 0 (ii) 562,119	0 0	0 1,980	0 24,500	0 26,747	0 615,346	0 0
Daniel McGinty	(i) 0 (ii) 367,024	0 131,062	0 1,121	0 91,206	0 40,299	0 630,712	0 0
Peter Person MD	(i) 0 (ii) 847,708	0 267,813	0 3,816	0 660,950	0 37,129	0 1,817,416	0 0
Robert Norman	(i) 0 (ii) 372,520	0 135,275	0 49,160	0 63,376	0 67,701	0 688,032	0 47,861
Kevin Pitzer	(i) 0 (ii) 350,133	0 123,113	0 31,085	0 68,575	0 10,457	0 583,363	0 0
John Smylie	(i) 0 (ii) 551,256	0 192,793	0 6,848	0 83,435	0 31,673	0 866,005	0 0
Laura Boehlke-Bray MD	(i) 25,000 (ii) 265,322	0 1,300	0 582	0 24,500	0 5,954	0 25,000 297,658	0 0
Terrence Clark MD	(i) 0 (ii) 191,007	0 0	0 1,325	0 20,002	0 21,664	0 233,998	0 0
Joel Haugen MD	(i) 15,000 (ii) 250,441	0 0	0 27,402	0 20,982	0 17,059	0 315,884	0 0
Thomas Russ MD	(i) 15,000 (ii) 275,431	0 1,128	0 1,183	0 24,500	0 20,675	0 322,917	0 0
Michael Mahoney	(i) 0 (ii) 179,321	0 35,685	0 19,673	0 40,124	0 10,304	0 285,107	0 18,819
Teresa O'Toole	(i) 0 (ii) 287,141	0 104,038	0 33,757	0 63,806	0 10,701	0 499,443	0 30,519
Thomas Prusak	(i) 0 (ii) 343,422	0 86,654	0 2,516	0 86,306	0 24,945	0 543,843	0 0
David Boran MD	(i) 0 (ii) 268,415	0 0	0 0	0 12,250	0 14,827	0 295,492	0 0
Maribeth Olson	(i) 0 (ii) 256,982	0 40,369	0 30,894	0 55,880	0 26,556	0 410,681	0 30,330
James Abelsen	(i) 13,821 (ii) 0	0 0	0 213,463	0 0	0 10,135	0 13,821 223,598	0 215,796
Daniel Zismer	(i) 135,431 (ii) 0	0 0	0 0	0 0	0 0	0 135,431	0 0
Thomas Patnoe MD	(i) 0 (ii) 514,522	0 177,296	0 669	0 69,931	0 32,336	0 794,754	0 0
Rocklon Chapin	(i) 0 (ii) 309,586	0 87,516	0 1,251	0 52,511	0 21,842	0 472,706	0 0
Peter Dunphy MD	(i) 0 (ii) 383,574	0 0	0 0	0 12,250	0 5,673	0 401,497	0 0
Theresa Gunnarson MD	(i) 0 (ii) 423,955	0 38,569	0 300	0 24,500	0 28,820	0 516,144	0 0
Michael Sheldon MD	(i) 0 (ii) 321,413	0 0	0 27,234	0 22,397	0 17,328	0 388,372	0 0
Michael Metcalf	(i) 0 (ii) 314,854	0 94,980	0 4,168	0 52,095	0 28,127	0 494,224	0 0

**Schedule K  
(Form 990)**

OMB No 1545-0047

**Supplemental Information on Tax Exempt Bonds****2010**

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

**Open to Public  
Inspection**Department of the Treasury  
Internal Revenue ServiceName of the organization  
Essentia HealthEmployer identification number  
20-0360007**Part I Bond Issues**

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Cass County North Dakota	45-6002205	148047AU7	02-25-2010	59,573,111	Srs 2008 A Reoffered (See Sch O)		X		X	X	
B	WI Health and Education Facilities Authority	39-1337855	97710BSD5	02-25-2010	12,854,722	Srs 2008 B Reoffered (See Sch O)		X		X	X	
C	MN Agricultural and Economic Development Board	41-6007162	6049202H0	02-25-2010	165,717,405	Srs 2008 C Reoffered (See Sch O)		X		X	X	
D	MN Agricultural and Economic Development Board	41-6007162	6049202M9	06-25-2010	109,535,000	Srs 2010 (See Sch O)		X		X	X	

**Part II Proceeds**

		A	B	C	D		
						Yes	No
1	Amount of bonds retired	0	0	97,500	473,220		
2	Amount of bonds legally defeased	0	0	0	0		
3	Total proceeds of issue	3,872,252	835,557	10,771,632	16,377,291		
4	Gross proceeds in reserve funds	0	0	0	0		
5	Capitalized interest from proceeds	0	0	0	0		
6	Proceeds in refunding escrow	0	0	0	0		
7	Issuance costs from proceeds	0	0	123,454	63,167		
8	Credit enhancement from proceeds	0	0	0	0		
9	Working capital expenditures from proceeds	0	0	0	0		
10	Capital expenditures from proceeds	0	0	0	5,747,832		
11	Other spent proceeds	3,872,252	835,557	10,648,178	10,566,292		
12	Other unspent proceeds	0	0	0	0		
13	Year of substantial completion	2010	2010	2010			
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No
15	Were the bonds issued as part of an advance refunding issue?		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X	

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X		X
<b>3a</b> Are there any management or service contracts that may result in private business use?		X		X		X		X
<b>b</b> Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►			0 %		0 %		0 %	0 %
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►			0 %		0 %		0 %	0 %
<b>6</b> Total of lines 4 and 5			0 %		0 %		0 %	0 %
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

**Part IV Arbitrage**

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

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
See Schedule O		

## Schedule L

## **Transactions with Interested Persons**

► Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.

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

OMB No 1545-0047

2010

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**Name of the organization**

Essentia Health

**Employer identification number**

20-0360007

**Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).**

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ► \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ► \$ \_\_\_\_\_

## **Part II      Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

### **Part III Grants or Assistance Benefitting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Daniel Zismer	Former Key Employee	135,431	Independent Contractor		No

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation

**SCHEDULE O**  
(Form 990 or 990-EZ)**Supplemental Information to Form 990 or 990-EZ****2010****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service**Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
► Attach to Form 990 or 990-EZ.****Name of the organization**

Essentia Health

**Employer identification number**

20-0360007

Identifier	Return Reference	Explanation
Form 990, Part III, Line 4		Program service accomplishments Essentia Health is organized and shall be operated exclusively for charitable, educational, scientific and religious purposes exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Critical Access Group, a Minnesota nonprofit corporation, St. Mary's Duluth Clinic dba Essentia Health East, a Minnesota nonprofit corporation, and Innovis Health dba Essentia Health West, a Delaware limited liability company and in support of Critical Access Group, Essentia Health East, and Essentia Health West and each of the tax-exempt entities identified as supported organizations in their articles of incorporation all of which are organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986. Essentia Health supports regional leaders in the development and advancement of business, clinical and financial models for the delivery of high-quality and cost-effective health care. The regional leaders provide integrated health care delivery through their physician group practices, ambulatory and outpatient centers, acute care hospitals and community, rural and critical access hospitals. The organizations Essentia Health supports (the "Supported Organizations") include 17 hospitals and more than 60 clinics in Minnesota, Wisconsin, North Dakota, and Idaho with several located in rural areas that have limited access to other healthcare options. These Supported organizations file separate Form 990's. At fiscal year ended June 30, 2011, Essentia Health's Supported Organizations' consolidated total unrestricted revenue was \$1,593,454,000 and consolidated income from operations was \$50,887,000. These hospitals and clinics employ approximately 10,100 full time equivalents. The hospitals have a total of 1,123 licensed beds which provided for over 184,000 hospital patient days and over 666,800 outpatient visits during the fiscal year ended June 30, 2011. The clinics had over 1.8 million encounters during the same time period. During the fiscal year ended June 30, 2011, Essentia Health's Supported Organizations provided total community benefits of over \$120.4 million which included costs of providing charity care, costs in excess of Medicaid payments, Medicaid surcharge, Minnesota Care tax, community services, subsidized health services, education, research, and cash and in-kind donations.

Identifier	Return Reference	Explanation
Form 990, Part V, Line 1c		No Gaming (Gambling) Winnings

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, Line 4		Form 990 Significant Changes During the fiscal year ended June 30, 2011, the Bylaws of Essentia Health were amended. The amendments modified the composition of Essentia Health's governing body to include three current or former members of the Duluth Clinic medical staff, up to three members of the Benedictine Sisters Benevolent Association, four additional physician members, up to three members who are chairs of the boards of directors of the organizations supported by Essentia Health, and six remaining independent members who subscribe to Essentia Health's mission, vision, and beliefs.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b		<p>Member with right to approve governing body decisions</p> <p>The Benedictine Sisters Benevolent Association ("BSBA") has certain reserved powers over all Catholic facilities within Essentia Health</p> <p>BSBA's reserved powers are as follows:</p> <ul style="list-style-type: none"> <li>Mission Authority to approve the mission, purpose and vision statements for Catholic facilities and entities within the System</li> <li>Adherence to Ethical Religious Directives (ERDs) Authority to approve the methods, policies and procedures pertaining to the adherence of Catholic facilities and entities within the System to the ERDs, and to require the use of religious symbols, distinguishing elements and prayers</li> <li>Official Catholic Directory Authority to request the listing of qualified entities and facilities within the System in The Official Catholic Directory, subject to the approval of applicable Catholic authorities</li> <li>Catholic Health Association Authority to require Catholic facilities and entities within the System to join the membership of the Catholic Health Association of the United States</li> <li>Alienation of Stable Patrimony or Ecclesiastical Goods Authority to approve alienation of either stable patrimony or other ecclesiastical goods in the System if such goods involved in a specific transaction approved by Essentia Health pursuant to Section 28(g) or 28(h) of the Affiliation Agreement have a dollar value equal to or greater than 70% of the amount established from time to time that requires approval from the Holy See</li> <li>Amendments Authority to approve any amendments to the Articles of Incorporation or Bylaws of this corporation that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of this corporation's board of directors, authority to approve any amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic ECHC and SMDC Subsidiaries (as defined in the Affiliation Agreement), which could materially affect such entity's identity as a Catholic institution, including without limitation any amendment that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of such entity's board of directors, and authority to cause Essentia Health to make amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic ECHC and SMDC Subsidiaries, which amendments Benedictine Sisters Benevolent Association in good faith are necessary to preserve such entity's identity as a Catholic institution</li> <li>Mission Effectiveness Authority to approve annual plans and evaluations relating to mission effectiveness and chaplaincy for the Catholic facilities and entities within the System</li> <li>Mergers and Dissolution Subject to the approval of the Benedictine Sisters of St Scholastica Monastery of Duluth, authority to approve a proposed merger, consolidation, liquidation, dissolution, or the disposition of all or substantially all the assets</li> </ul>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11a		Form 990 review process The 2010 Form 990 including all schedules was reviewed by Essentia Health's management and governing body on March 30th, 2012 prior to filing with the Internal Revenue Service. Each current director of the governing body received a copy of the 2010 Form 990. Essentia Health's Chief Financial Officer led the review of the form and schedules and any questions were discussed.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12c		<p>Monitoring and enforcing Conflict of Interest policy 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</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15 A&B		<p>Process for determining compensation. The Executive Compensation Committee of Essentia Health's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values and tax-exempt status, and the Executive Compensation Committee's Charter. The Executive Compensation Committee meets at least twice annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing and modifying, as appropriate, reasonable compensation and benefits for Essentia's Chief Executive Officer and his direct reports which are paid by related organizations. The Executive Compensation Committee engages qualified independent compensation advisors to provide objective and impartial comparative data and to express opinions on total compensation reasonableness. The Executive Compensation Committee may request its independent advisors to monitor comparability data and marketplace trends, make appropriate recommendations regarding salary ranges, and periodically review the market competitiveness of Essentia executive compensation packages. Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain and rely upon appropriate data as to comparability of the proposed compensation or adjustments. The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations. The Executive Compensation Committee minutes shall include the terms of the approved compensation and the date approved, the Executive Compensation Committee members present during the review, discussion and approval of the proposed compensation and those who voted on the proposed compensation, identification of the comparability data obtained and relied upon by the Executive Compensation Committee and how the data was obtained, any actions by a member of the Executive Compensation Committee having a conflict of interest, and documentation of the basis for the determination. The year this process was last undertaken for Essentia's Chief Executive Officer, Chief Financial Officer, Senior Vice President, Development, Chief Operating Officer, Vice President, Public Policy and Chief Administrative Officer/Chief Legal Officer, East Region's President/Chief Medical Officer and Chief Administrative Officer, West Region's President/Chief Medical Officer and Chief Administrative Officer, and Central Region's President and Chief Medical Officer was 2010.</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19		Availability of governing documents, conflict of interest policy, and financial statements to the public. Essentia Health makes its governing documents, conflict of interest policy, and financial statements available to the public. Essentia Health's governing documents, conflict of interest policy, and financial statements are available to the public upon request. Essentia Health is part of Essentia Health's consolidated financial statements which are included in Essentia Health's annual report posted on Essentia Health's web site.

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A, Line 1a, Column B		<p>Hours Devoted to related organizations The following individuals listed in Form 990, Part VII, Section A, Line 1a also devoted time each week to related organizations Lori Collard approximately 5 hours Neal Hessen approximately 16 hours James Seitz approximately 5 hours James Anderson approximately 8 hours Peter Person, MD is employed by Essentia Health Duluth as Essentia Health's Chief Executive Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Laura Boehlke-Bray, MD is employed by The Duluth Clinic, Ltd 100% of her time is spent furthering the purpose of Essentia Health East and its' related organizations Terrance Clark, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of Essentia Health East and its' related organizations Sister Verda Clare Eichner is employed by Essentia Health St Mary's Medical Center 100% of her time is spent furthering the purpose of Essentia Health East and its' related organizations Joel Haugen, MD is employed by Essentia Health West 100% of his time is spent furthering the purpose of Essentia Health West and its' related organizations Sister Kathleen Hofer is employed by Essentia Health St Mary's Medical Center as Essentia Health's Senior Vice President, Benedictine Sponsorship 100% of her time is spent furthering the purpose of Essentia Health and its' related organizations Thomas Russ, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of Essentia Health East and its' related organizations Peter Dunphy, MD is employed by Essentia Health Specialty Clinic 100% of his time is spent furthering the purpose of Essentia Health Central and its' related organizations Theresa Gunnarson, MD is employed by The Duluth Clinic, Ltd 100% of her time is spent furthering the purpose of Essentia Health East and its' related organizations Michael Sheldon, MD is employed by Essentia Health West 100% of his time is spent furthering the purpose of Essentia Health West and its' related organizations Robert Norman is employed by Critical Access Group as Essentia Health's Chief Financial Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Gregory Glasner, MD is employed by Essentia Health West as the West Region's President and Chief Medical Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Carl Heltna, MD is employed by The Duluth Clinic, Ltd as Essentia Health's Chief Medical Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Daniel McGinty is employed by Critical Access Group as Essentia Health's Senior Vice President, Development and Critical Access Group President 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Kevin Pitzer is employed by Essentia Health West as Essentia Health West's Chief Administrative Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations John Smylie is employed by Essentia Health Duluth as Essentia Health's Chief Operating Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Michael Mahoney is employed by Essentia Health Duluth as Essentia Health's Vice President, Public Policy 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Teresa O'Toole is employed by Essentia Health Duluth as Essentia Health's Chief Administrative Officer and Chief Legal Officer 100% of her time is spent furthering the purpose of Essentia Health and its' related organizations Thomas Patnoe, MD is employed by Essentia Health Duluth as Essentia Health's President and Chief Medical Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Thomas Prusak is employed by Critical Access Group as Essentia Health Central's President 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Michael Metcalf is employed by Essentia Health Duluth as Essentia Health East's Chief Administrative Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations David Boran, MD is employed by Essentia Health Brainerd Specialty Clinic as Essentia Health Central's Chief Medical Officer 100% of his time is spent furthering the purpose of Essentia Health and its' related organizations Maribeth Olson is employed by Essentia Health St Mary's Medical Center as Essentia Health St Mary's Medical Center's Chief Operating Officer 100% of her time is spent furthering the purpose of Essentia Health East and its' related organizations Rocklon Chapin is employed by Essentia Health Duluth as Essentia Health Duluth Executive Vice President, Hospital</p>

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A, Line 1a, Column B		al Division 100% of his time is spent furthering the purpose of Essentia Health East and its' related organizations

Identifier	Return Reference	Explanation
Form 990, Part IX, Line 24a		Other Expenses Affiliate expenses allocation of \$15,051,865 represents the portion of Critical Access Group, Essentia Health West, and Essentia Health East compensation (\$14,551,621), supplies (\$6,768), depreciation and amortization (\$8,580), other purchased services (\$115,452), rent (\$94,500), miscellaneous operating expenses (\$271,704), repairs and maintenance (\$3,240) related to Essentia Health, a supporting organization of Critical Access Group, Essentia Health Central, Essentia Health West, and Essentia Health East, and allocated directly to Essentia

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 5		Other Changes in Net Assets The total amount of other changes in net assets includes Net Asset transfer with related organizations, reallocated Balance Sheet items to more appropriate companies (\$26,563,308) Unrealized gain on trading securities and swaps \$3,912,758

Identifier	Return Reference	Explanation
Schedule K		<p>Additional information/comments relating to the reporting of liabilities by related organizations. Essentia Health has an Obligated Group created under the Master Indenture which is composed of the following Members: Essentia Health, Critical Access Group, Essentia Health East, Essentia Health St. Joseph's Medical Center, Essentia Health St. Mary's-Detroit Lakes, Essentia Health St. Mary's Medical Center, Essentia Health Duluth, Essentia Health Polinsky Medical Rehabilitation Center, Essentia Health St. Mary's Hospital-Superior, Essentia Health Brainerd Specialty Clinic, Essentia Health Central, St. Mary's Innovis Health, The Duluth Clinic, Ltd. and Essentia Health West (the "Obligated Group Members" or the "Members of the Obligated Group"). The Members of the Obligated Group are jointly and severally obligated on all indebtedness evidenced or secured by Notes issued under the Master Indenture. The Series 2008A reoffered bonds are secured by Notes issued under the Master Indenture. Essentia Health is the conduit borrower of the Series 2008A reoffered bonds and has recorded a portion of the bond liability on its balance sheet. The Obligated Group Members, Essentia Health West, The Duluth Clinic, Ltd., and Essentia Health St. Mary's-Detroit Lakes, are indirect beneficiaries of the Series 2008A reoffered borrowing and have recorded the bond liability on their balance sheets which are consolidated with Essentia Health. The Series 2008B reoffered bonds are secured by Notes issued under the Master Indenture. The Obligated Group Members, The Duluth Clinic, Ltd., Essentia Health and Essentia Health St. Mary's Hospital-Superior are the conduit borrowers of the Series 2008B reoffered bonds. The conduit borrowers, The Duluth Clinic, Ltd. and Essentia Health, have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health. The Obligated Group Members, Essentia Health West and Essentia Health St. Mary's-Detroit Lakes, are indirect beneficiaries of a portion of the Series 2008B reoffered borrowing and have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health. The Series 2008C reoffered bonds are secured by Notes issued under the Master Indenture. The Obligated Group Members, Essentia Health East, Essentia Health St. Joseph's Medical Center, Essentia Health St. Mary's-Detroit Lakes, The Duluth Clinic, Ltd., Essentia Health, and Essentia Health St. Mary's Medical Center, Inc. are the conduit borrowers of the Series 2008C reoffered bonds. The conduit borrowers, Essentia Health St. Mary's-Detroit Lakes, Essentia Health, and The Duluth Clinic, Ltd., have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health. The Obligated Group Member, Essentia Health West is an indirect beneficiary of a portion of the Series 2008C reoffered borrowing and has recorded a portion of the bond liability on its balance sheet which is consolidated with Essentia Health. The Series 2010 bonds are secured by Notes issued under the Master Indenture. The Obligated Group Members, The Duluth Clinic, Ltd., Essentia Health, Essentia Health St. Joseph's Medical Center, Essentia Health East, Essentia Health St. Mary's Medical Center and Essentia Health St. Mary's-Detroit Lakes are the conduit borrowers of the Series 2010 bonds. The conduit borrowers, The Duluth Clinic, Ltd., Essentia Health, Essentia Health St. Joseph's Medical Center, and Essentia Health St. Mary's-Detroit Lakes, have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health. The Obligated Group Member, Essentia Health West is an indirect beneficiary of a portion of the Series 2010 borrowing and has recorded a portion of the bond liability on its balance sheet which is consolidated with Essentia Health. Part 1, Column (f) Description of purpose Series 2008A Reoffered Reoffer Series 2008 A-1 and A-2 bonds issued March 4, 2008 to refinance a portion of the acquisition of certain assets of Essentia Health West in connection with the affiliation of Essentia Health with Essentia Health West. Series 2008B Reoffered Reoffer Series 2008 B-1 bonds issued March 4, 2008 to refund Series 1999B bonds issued May 18, 1999 for construction projects and equipment purchases in Superior, WI and various Duluth Clinic locations in northwestern Wisconsin. Series 2008C Reoffered Reoffer Series 2008 C-5 and 2008 C-4A bonds issued March 4, 2008 to refund Series 2004 bonds issued March 19, 2004 for various acquisitions, construction projects, capital improvements and equipment purchases in Duluth, Brainerd, and Detroit Lakes, MN and refund Series 1999A bonds issued May 18, 1999 for various acquisitions, construction projects, capital improvements and equipment purchases in Brainerd, Detroit Lakes and Duluth, MN and various Duluth Clinic sites in northern Minnesota. Series 2010 Refund Series 1993C and</p>

Identifier	Return Reference	Explanation
Schedule K		<p>1993E bonds issued January 15, 1993 and refund Series 2008 C-3 and 2008 C-4B bonds issued March 4, 2008 to refund Series 2004 bonds issued March 19, 2004 for various acquisitions, construction projects, capital improvements and equipment purchases in Duluth, Brainerd, and Detroit Lakes, MN and various Duluth Clinic sites in northern Minnesota and finance various construction projects, capital improvements and equipment purchased in Brainerd, Detroit Lakes and Duluth, MN and various Duluth Clinic sites in northern Minnesota Part II, Line 3 Issue Price Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2010 were issued by the Essentia Health Obligated Group. The issue price listed in Essentia Health Schedule K Part I Column (e) represents the Essentia Health Obligated Group's total borrowing Part II, Lines 3 through 12. Proceeds Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2010 were issued by the Essentia Health Obligated Group. A portion of the Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2010 borrowing were allocated to Essentia Health, an Essentia Health Obligated Group Member. The proceeds listed in Essentia Health Schedule K Part II Lines 3 through 12 represent Essentia Health allocated portion of the proceeds.</p>

# **SCHEDULE R (Form 990)**

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

**Name of the organization**

Essentia Health

**Employer identification number**

20-036000

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

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

**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.)

**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.)

**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.)

<b>(a)</b> Name, address, and EIN of related organization	<b>(b)</b> Primary activity	<b>(c)</b> Legal domicile (state or foreign country)	<b>(d)</b> Direct controlling entity	<b>(e)</b> Type of entity (C corp, S corp, or trust)	<b>(f)</b> Share of total income	<b>(g)</b> Share of end-of-year assets	<b>(h)</b> Percentage ownership
(1) Essentia Health Insurance Services SPC							
Buckingham Sq 720 W Bay Rd PO 69							
Grand Cayman, Cayman Islands KY1-1102							
CJ							
000000000							
(2) East Range Clinics Ltd							
910 6th Ave N							
Virginia, MN55792							
41-0909915							

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a	Yes	
1b		No
1c		No
1d	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m		No
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
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	(d) Method of determining 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.

**Part VII Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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**Software ID:**  
**Software Version:**  
**EIN:** 20-0360007  
**Name:** Essentia Health

## 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 section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
Brainerd Lakes Integrated Health System  2024 S 6th St Brainerd, MN56401 37-1532145	Supporting	MN	501(c)(3)	11 II	Essentia		
Brainerd Medical Center Inc  2024 S 6th St Brainerd, MN56401 37-1532148	Clinic	MN	501(c)(3)	3	BLIHS		
Bridges Medical Center  201 9th St W Ada, MN56510 20-0479568	Clinic/Hosp	MN	501(c)(3)	3	Innovis		
Clearwater Valley Hospital and Clinics  301 Cedar Orofino, ID83544 82-0497771	Clinic/Hosp	ID	501(c)(3)	3	CAG		
Divine Medical Services  709 N Lincoln Jerome, ID83338 20-2773717	Emergency Sr	ID	501(c)(3)	3	SBFMC		
DL Surgery Center  1027 Washington Ave Detroit Lakes, MN56501 26-3837203	ASC	MN	501(c)(3)	3	CAG		
ECHC Foundation  502 E 2nd St Duluth, MN55805 26-3359418	Foundation	MN	501(c)(3)	11 I	CAG		
Critical Access Group  503 E 3rd St Ste 400 Duluth, MN55805 26-1219624	Supporting	MN	501(c)(3)	11 II	Essentia		
St Benedict's Family Medical Center  709 N Lincoln Jerome, ID83338 82-0227163	Clinic/Hosp	MN	501(c)(3)	3	CAG		
St Joseph's Medical Center  523 N 3rd St Brainerd, MN56401 41-0965602	Hospital	MN	501(c)(3)	3	BLIHS		
St Mary's EMS  1027 Washington Ave Detroit Lakes, MN56501 41-1805811	Emergency Srv	MN	501(c)(3)	9	SMRHC		
St Mary's Hospital & Clinics Inc  PO Box 137 Cottonwood, ID83522 82-0226453	Clinic/Hosp	ID	501(c)(3)	3	CAG		

## 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 section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
St Mary's Innovis Health  1027 Washington Ave Detroit Lakes, MN56501 26-2861321	Clinic	MN	501(c)(3)	3	Innovis		
St Mary's Regional Health Center  1027 Washington Ave Detroit Lakes, MN56501 41-1620386	Clinic/Hosp	MN	501(c)(3)	3	Innovis		
Innovis Health LLC  1702 S University Dr Fargo, ND58103 26-1175213	Clinic/Hosp	DE	501(c)(3)	3	Essentia		
Midwest Medical Equipment & Supply Inc  4418 Haines Rd Duluth, MN55811 41-1674021	Medical Equip	MN	501(c)(3)	9	SMDC		
SMDC Medical Center  502 E 2nd St Duluth, MN55805 41-1878730	Clinic/Hosp	MN	501(c)(3)	3	SMDC		
Pine Medical Center  109 Court Ave S Sandstone, MN55072 41-1884597	Hospital/Nurs	MN	501(c)(3)	3	SMDC		
Polinsky Medical Rehabilitation Center  530 E 2nd St Duluth, MN55805 41-0691275	Clinic	MN	501(c)(3)	3	SMMC		
St Mary's Duluth Clinic Foundation  400 E 3rd St Duluth, MN55805 41-2016979	Foundation	MN	501(c)(3)	7	SMDC		
St Mary's Duluth Clinic Health System  407 E 3rd St Duluth, MN55805 41-1836633	Supporting	MN	501(c)(3)	11 II	Essentia		
St Mary's Hospital of Superior  3500 Tower Ave Superior, WI54880 41-1811073	Clinic/Hosp	WI	501(c)(3)	3	SMMC		
St Mary's Medical Center  407 E 3rd St Duluth, MN55805 41-0695604	Hospital	MN	501(c)(3)	3	SMDC		
The Duluth Clinic Ltd  400 E 3rd St Duluth, MN55805 41-0883623	Clinic	MN	501(c)(3)	3	SMDC		

## 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 section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
First Care Medical Services  900 Hillgross Blvd SE Fosston, MN56542 41-0706143	Clinic/Hospit	MN	501(c)(3)	3	Innovis		
Minnesota Valley Health Center  621 S 4th St LeSueur, MN56058 41-0837659	Hospital/Nurs	MN	501(c)(3)	3	CAG		
Essentia Institute of Rural Health  502 E 2nd St Duluth, MN55805 27-1291124	Research	MN	501(c)(3)	4	Essentia		
Essentia Health Foundation  502 E 2nd St Duluth, MN55805 27-1984704	Foundation	MN	501(c)(3)	7	Innovis		
Northern Pines Medical Center  5211 Hwy 110 Aurora, MN55705 41-0841441	Hospital/Nurs	MN	501(c)(3)	3	SMDC		
Graceville Health Center  115 West Second St Graceville, MN56240 41-0726173	Clinic/Hospit	MN	501(c)(3)	3	Innovis		

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	Critical Access Group	k	3,900,000	
(2)	Critical Access Group	n	1,657,548	
(3)	Critical Access Group	o	27,980,728	
(4)	Critical Access Group	r	933,735	
(5)	Brainerd Medical Center Inc	p	711,753	
(6)	St Joseph's Medical Center	p	4,967,395	
(7)	St Joseph's Medical Center	q	985,801	
(8)	Bridges Medical Center	p	78,330	
(9)	Clearwater Valley Hospital and Clinics Inc	p	398,025	
(10)	St Mary's Hospital & Clinics Inc	p	410,221	
(11)	Minnesota Valley Health Center	p	122,815	
(12)	St Benedict's Family Medical Center	d	650,000	
(13)	St Benedict's Family Medical Center	p	360,641	
(14)	St Mary's Regional Health Center	p	4,307,060	
(15)	St Mary's Regional Health Center	q	61,487	
(16)	Innovis Health LLC	k	3,200,004	
(17)	Innovis Health LLC	n	364,273	
(18)	Innovis Health LLC	p	15,698,929	
(19)	Innovis Health LLC	q	1,250,527	
(20)	Innovis Health LLC	r	554,631	
(21)	Northern Pines Medical Center	a	123,781	
(22)	SMDC Medical Center	k	11,724,996	
(23)	SMDC Medical Center	n	10,578,721	
(24)	SMDC Medical Center	o	6,864,842	
(25)	SMDC Medical Center	p	7,615,432	
(26)	SMDC Medical Center	q	953,265	
(27)	St Mary's Hospital of Superior	p	283,023	
(28)	The Duluth Clinic Ltd	o	6,150,038	
(29)	The Duluth Clinic Ltd	p	12,419,760	
(30)	The Duluth Clinic Ltd	r	5,585,762	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(31) Essentia Health Insurance Services SPC Ltd	p	4,110,405	
(32) Essentia Health Insurance Services SPC Ltd	q	9,030,275	