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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning , and ending

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

C Name of organization: HUMAN DEVELOPMENT CENTER

Doing Business As:

Number and street (or P O box if mail is not delivered to street address): 1401 EAST FIRST STREET

Room/suite:

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

D Employer identification number: 41-0777937

E Telephone number: (218) 728-4491

G Gross receipts $: 13,287,015

F Name and address of principal officer: JEFF HERMAN 1401 EAST FIRST STREET, DULUTH, MN 55805

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

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

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

Website: ▶ WWW HUMANDEVELOPMENTCENTER ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1938

M State of legal domicile: MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities: HDC'S MISSION IS TO LEAD OUR COMMUNITIES BY PROVIDING INTEGRATED, CULTURALLY RESPECTFUL, MENTAL HEALTH AND ADDICTION SERVICES THAT FOSTER HOPE, SELF-DETERMINATION, AND RECOVERY OUR FOCUS ON SERVING THOSE MOST IN NEED IMPROVES THE QUALITY OF LIFE FOR ALL

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	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	345
6	Total number of volunteers (estimate if necessary)	6	10
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	49,380
b	Net unrelated business taxable income from Form 990-T, line 34	7b	3,010

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	4,336,522	4,287,244
9	Program service revenue (Part VIII, line 2g)	9,263,655	8,617,092
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,565	-15,910
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	740,091	382,563
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	14,342,833	13,270,989
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	11,817,775	11,040,026
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	2,770,796	2,916,799
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	14,588,571	13,956,825
19	Revenue less expenses Subtract line 18 from line 12	-245,738	-685,836

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	5,785,771	4,794,078
21	Total liabilities (Part X, line 26)	3,469,102	3,156,670
22	Net assets or fund balances Subtract line 21 from line 20	2,316,669	1,637,408

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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: James Getchell — Date: 11/2/12

JAMES GETCHELL — CHIEF FINANCIAL OFFICER

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

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

For Paperwork Reduction Act Notice, see the separate instructions.

(HTA)

Form **990** (2011)

917

12nc

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Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . ☐

1 Briefly describe the organization's mission

HDC'S MISSION IS TO LEAD OUR COMMUNITIES BY PROVIDING INTEGRATED, CULTURALLY RESPECTFUL, MENTAL HEALTH AND ADDICTION SERVICES THAT FOSTER HOPE, SELF-DETERMINATION, AND RECOVERY OUR FOCUS ON SERVING THOSE MOST IN NEED IMPROVES THE QUALITY OF LIFE FOR ALL

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 $ 11,901,089 including grants of $ 0) (Revenue $ 8,921,138)

MENTAL HEALTH OUTPATIENT SERVICE, CONSULTATION AND EDUCATION, AND EMERGENCY SERVICES

4b (Code) (Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4c (Code) (Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4d Other program services (Describe in Schedule O)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ► 11,901,089

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
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*	4		X
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*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
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*	11a	X	
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*	11b		X
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*	11c		X
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*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		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*	11f	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*	12a		X
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*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
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)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
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		X
23	Did the organization answer "Yes" to Part VII, Section A, line 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	X	
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 through 24d and complete Schedule K If "No," go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
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		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
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		X
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	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	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*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
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		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	21		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	345		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country ► ---------- See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter.				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O				
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			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
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 line 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 [X]

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a 13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)	15b	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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

[ ] Own website [ ] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► SAMUEL KHOURY (218) 728-4491
1401 E 1ST STREET, DULUTH, MN 55805

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

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

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEVE WAGNER PRESIDENT	1 00	X						0	0	0
(2) BECKY SHEEHAN VICE PRESIDENT	1 00	X						0	0	0
(3) CHARLIE GLAZMAN TREASURER	1 00	X						0	0	0
(4) JODY FREIJ-TONDER SECRETARY	1 00	X						0	0	0
(5) NANCY CASHMAN DIRECTOR	1 00	X						0	0	0
(6) CANDICE HARSHNER DIRECTOR	1 00	X						0	0	0
(7) KATHY HELTZER DIRECTOR	1 00	X						0	0	0
(8) ROB MERRITT DIRECTOR	1 00	X						0	0	0
(9) MICHELE MILLER DIRECTOR	1 00	X						0	0	0
(10) JANNA STEVENS DIRECTOR	1 00	X						0	0	0
(11) LARRY SUMBS DIRECTOR	1 00	X						0	0	0
(12) DEBBIE WOODS DIRECTOR	1 00	X						0	0	0
(13) JEN WRIGHT DIRECTOR	1 00	X						0	0	0
(14) JEFFREY HERMAN CHIEF EXECUTIVE OFFICER	40 00			X				144,104	0	14,741

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) JAMES GETCHELL CHIEF FINANCIAL OFFICER	40 00			X				26,343	0	1,574
(16) MERLE PETERSON CHIEF HUMAN RESOURCES OFFICER	40 00			X				92,385	0	2,758
(17) STEVEN BAUER, M D CHIEF MEDICAL OFFICER	40 00			X				209,005	0	20,429
(18) JAMES GRUBA EXECUTIVE DIRECTOR	40 00			X				103,410	0	3,137
(19) JAMES WORLOBAH CHIEF FINANCIAL OFFICER	40 00			X				48,643	0	8,060
(20) JOHN GLICK, M D PSYCHIATRIST	36 00					X		171,466	0	18,459
(21) MARGARET SUTHERLAND, M D PSYCHIATRIST	20 00					X		100,260	0	3,002
(22)										
(23)										
(24)										
(25)										
1b **Sub-total** ▶								895,616	0	72,160
c **Total from continuation sheets to Part VII, Section A** ▶								0	0	0
d **Total (add lines 1b and 1c)** ▶								895,616	0	72,160

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 5

			Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
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	X	
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		X

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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
		0
		0
		0
		0
		0

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a	0				
	b Membership dues	1b	0				
	c Fundraising events	1c	0				
	d Related organizations	1d	0				
	e Government grants (contributions)	1e	4,000,377				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	286,867				
	g Noncash contributions included in lines 1a-1f.	$	0				
	h **Total.** Add lines 1a–1f			4,287,244			
Program Service Revenue		Business Code					
	2a PATIENT REVENUE	624100		8,617,092	8,617,092		
	b			0			
	c			0			
	d			0			
	e			0			
	f All other program service revenue			0			
	g **Total.** Add lines 2a–2f			8,617,092			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			116			116
	4 Income from investment of tax-exempt bond proceeds			0			
	5 Royalties			0			
		(i) Real	(ii) Personal				
	6a Gross rents	304,046					
	b Less rental expenses						
	c Rental income or (loss)	304,046	0				
	d Net rental income or (loss)			304,046	254,666	49,380	
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	0	0				
	b Less. cost or other basis and sales expenses	0	16,026				
	c Gain or (loss)	0	-16,026				
	d Net gain or (loss)			-16,026	-16,026		
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c) See Part IV, line 18	a	0				
	b Less direct expenses	b	0				
	c Net income or (loss) from fundraising events			0			
	9a Gross income from gaming activities See Part IV, line 19	a	0				
	b Less direct expenses	b	0				
	c Net income or (loss) from gaming activities			0			
	10a Gross sales of inventory, less returns and allowances	a	0				
	b Less cost of goods sold	b	0				
	c Net income or (loss) from sales of inventory			0			
	Miscellaneous Revenue	Business Code					
	11a MISC OPERATING REVENUE	900099		78,517	78,517		
	b			0			
	c			0			
	d All other revenue			0			
	e **Total.** Add lines 11a–11d			78,517			
	12 **Total revenue.** See instructions.			13,270,989	8,934,249	49,380	116

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).

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

	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 United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States 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	674,589		674,589	
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	8,141,629	7,478,270	663,359	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits	1,346,623	1,149,628	196,995	
10	Payroll taxes	877,185	754,381	122,804	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	0			
12	Advertising and promotion	0			
13	Office expenses	203,091	163,113	39,978	
14	Information technology	0			
15	Royalties	0			
16	Occupancy	530,707	1,107,395	-576,688	
17	Travel	320,258	269,050	51,208	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	222,296	197,100	25,196	
20	Interest	63,022	63,022		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	419,454	299,940	119,514	0
23	Insurance	86,319	71,726	14,593	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	PROFESSIONAL FEES AND CONTRACT SERVICES	560,820	91,689	469,131	
b	COMMUNICATIONS AND POSTAGE	216,785	153,361	63,424	
c	MINOR FURNISHINGS AND EQUIPMENT	109,368	36,316	73,052	
d	PUBLICATIONS AND MEMBERSHIPS	60,127	18,997	41,130	
e	All other expenses MISCELLANEOUS	124,552	47,101	77,451	
25	**Total functional expenses.** Add lines 1 through 24e	13,956,825	11,901,089	2,055,736	0
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		388,808	2	116,007
	3	Pledges and grants receivable, net		595,679	3	403,364
	4	Accounts receivable, net		1,408,878	4	1,168,558
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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)			6	
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		73,239	9	48,208
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 7,525,976			
	b	Less accumulated depreciation	10b 4,483,670	3,298,274	10c	3,042,306
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		20,893	15	15,635
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		5,785,771	16	4,794,078
Liabilities	17	Accounts payable and accrued expenses		1,300,082	17	1,071,495
	18	Grants payable		35,531	18	76,890
	19	Deferred revenue		18,438	19	7,199
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		2,115,051	23	2,001,086
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		0	25	0
	26	**Total liabilities.** Add lines 17 through 25		3,469,102	26	3,156,670
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		2,316,669	27	1,637,408
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		2,316,669	33	1,637,408
	34	Total liabilities and net assets/fund balances		5,785,771	34	4,794,078

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . X

1	Total revenue (must equal Part VIII, column (A), line 12) .	1	13,270,989
2	Total expenses (must equal Part IX, column (A), line 25) .	2	13,956,825
3	Revenue less expenses Subtract line 2 from line 1 .	3	-685,836
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	2,316,669
5	Other changes in net assets or fund balances (explain in Schedule O)	5	6,575
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	1,637,408

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
HUMAN DEVELOPMENT CENTER	41-0777937

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

a ☐ Type I b ☐ Type II c ☐ Type III–Functionally integrated d ☐ Type III–Other

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(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	
(A)									0
(B)									0
(C)									0
(D)									0
(E)									0
Total									0

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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	5,455,558	8,464,791	4,588,626	4,336,522	4,287,244	27,132,741
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 **Total.** Add lines 1 through 3 .	5,455,558	8,464,791	4,588,626	4,336,522	4,287,244	27,132,741
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .						
6 **Public support.** Subtract line 5 from line 4						27,132,741

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	5,455,558	8,464,791	4,588,626	4,336,522	4,287,244	27,132,741
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .	214,919	232,645	214,718	237,574	304,162	1,204,018
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	600,075	246,519	142,883	503,282	78,517	1,571,276
11 **Total support.** Add lines 7 through 10						29,908,035
12 Gross receipts from related activities, etc (see instructions)					12	37,084,952

13 **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

14	Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	90 72%
15	Public support percentage from 2010 Schedule A, Part II, line 14	15	89 80%

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . ▶ ☒

b **33 1/3% support test—2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . ▶ ☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . ▶ ☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . . ▶ ☐

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

Part III Support Schedule for Organizations Described in 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						0
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						0
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 **Total.** Add lines 1 through 5	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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						0
c Add lines 7a and 7b	0	0	0	0	0	0
8 **Public support** (Subtract line 7c from line 6)						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						0
13 **Total support.** (Add lines 9, 10c, 11, and 12)	0	0	0	0	0	0

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 2011 (line 8, column (f) divided by line 13, column (f))	15	0 00%
16	Public support percentage from 2010 Schedule A, Part III, line 15	16	0.00%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	0.00%
18	Investment income percentage from **2010** Schedule A, Part III, line 17	18	0 00%

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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

Part IV **Supplemental Information.** Complete this part to provide the 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)

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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number

41-0777937

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 can 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 education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 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 Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

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

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

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

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

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

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f 0

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

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

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

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	0	0	0	0	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶ ____ %
- b Permanent endowment ▶ ____ %
- c Temporarily restricted endowment ▶ ____ %

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

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

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

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land	0	98,165		98,165
b	Buildings	0	6,091,304	3,475,824	2,615,480
c	Leasehold improvements	0	0	0	0
d	Equipment	0	1,336,507	1,007,846	328,661
e	Other	0	0	0	0
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)*				▶	3,042,306

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	0	
(2) Closely-held equity interests	0	
(3) Other	0	
(A)	0	
(B)	0	
(C)	0	
(D)	0	
(E)	0	
(F)	0	
(G)	0	
(H)	0	
(I)	0	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	0	

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)	0	
(2)	0	
(3)	0	
(4)	0	
(5)	0	
(6)	0	
(7)	0	
(8)	0	
(9)	0	
(10)	0	
Total *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶	0	

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

	(a) Description	(b) Book value
(1)		0
(2)		0
(3)		0
(4)		0
(5)		0
(6)		0
(7)		0
(8)		0
(9)		0
(10)		0
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* . . . ▶		0

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	0
(2)	0
(3)	0
(4)	0
(5)	0
(6)	0
(7)	0
(8)	0
(9)	0
(10)	0
(11)	0
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	0

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 Audited 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	0
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 through 8	9	0
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	0

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	0
3	Subtract line **2e** from line **1**			3	0
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	0
5	Total revenue Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	0

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	0
3	Subtract line **2e** from line **1**			3	0
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	0
5	Total expenses Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18)*			5	0

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, line 2, 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

Part X Line 2 MANAGEMENT EVALUATED THE CENTER'S TAX POSITIONS AND CONCLUDED THAT THE CENTER TOOK NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENTS TO THE FINANCIAL STATEMENTS TO COMPLY WITH ACCOUNTING GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Part XIV Supplemental Information *(continued)*

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number

41-0777937

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director Explain in Part III			
	☒ Compensation committee	☒ Written employment contract		
	☐ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
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 Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

	(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 as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	JEFFREY HERMAN	(i)	140,033	4,071	0	4,512	10,229	158,845	0
		(ii)	0	0	0	0	0	0	0
2	STEVEN BAUER, M D	(i)	203,664	5,341	0	6,458	13,971	229,434	0
		(ii)	0	0	0	0	0	0	0
3	JOHN GLICK, M D.	(i)	170,533	933	0	5,331	13,127	189,924	0
		(ii)	0	0	0	0	0	0	0
4		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
5		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
6		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
7		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
8		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
9		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
10		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
11		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
12		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
13		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
14		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
15		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0
16		(i)	0	0	0	0	0	0	0
		(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II Also complete this part for any additional information

Part I Line 6a UNDER TERMS OF LABOR AGREEMENT, IN LIEU OF GUARANTEED RAISES, EMPLOYEES ARE PAID ADDITIONAL COMPENSATION IF DEFINED GOALS BASED ON NET EARNINGS ARE EXCEEDED

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number

41-0777937

Form 990 Part VI Section B Line 11 PRIOR TO FILING, FORM 990 IS REVIEWED BY THE CHIEF FINANCIAL OFFICER AND PROVIDED TO THE BOARD OF DIRECTORS

Form 990 Part VI Section B Line 12C EVERY BOARD MEMBER IS REMINDED ANNUALLY OF THE CONFLICT OF INTEREST POLICY. POTENTIAL CONFLICTS ARE DISCLOSED ON FORMS AT THE TIME OF HIRE AND ANNUALLY WITH RE-TRAINING ON COMPLIANCE PROGRAM OF WHICH CONFLICT OF INTEREST IS A COMPONENT

Form 990 Part VI Section B Line 15 COMPENSATION MUST BE APPROVED BY THE BOARD OF DIRECTORS AND RECOMMENDED BY THE PERSONNEL COMMITTEE OF THE BOARD.

Form 990 Part VI Section C Line 18 THE FORMS ARE AVAILABLE ON REQUEST

Form 990 Part VI Section C Line 19 THE INFORMATION IS AVAILABLE ON REQUEST

Form 990 Part XI Line 5 CHANGES IN NET ASSETS FORGIVENESS OF LONG-TERM DEBT $6,575

Form 990 Part XII Line 2C ALL FINANCIAL MATTERS GO THROUGH THE FINANCE COMMITTEE

Name of the organization	Employer identification number
HUMAN DEVELOPMENT CENTER	41-0777937

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUMAN DEVELOPMENT CENTER

Employer identification number
41-0777937

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)			0	0	
(2)			0	0	
(3)			0	0	
(4)			0	0	
(5)			0	0	
(6)			0	0	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) HDC FOUNDATION 26-1326172 1401 E FIRST STREET, DULUTH, MN 55805	SUPPORTING THE MI	MN	501(c)(3)	509(a)(3)	HUMAN DEVELOI	X	
(2) HRC MENTAL HEALTH CENTER 39-1308330 1401 E FIRST STREET, DULUTH, MN 55805	OWNERSHIP OF A BU	WI	501(c)(3)	170(b)(1)(a)	HUMAN DEVELOI	X	
(3)							
(4)							
(5)							
(6)							
(7)							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)					0	0			0			%
(2)					0	0			0			%
(3)					0	0			0			%
(4)					0	0			0			%
(5)					0	0			0			%
(6)					0	0			0			%
(7)					0	0			0			%

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1)					0	0	%
(2)					0	0	%
(3)					0	0	%
(4)					0	0	%
(5)					0	0	%
(6)					0	0	%
(7)					0	0	%

Part V **Transactions With Related Organizations** *(Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36)*

			Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule				
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 or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Sale of assets to related organization(s)	1f		X
g	Purchase of assets from related organization(s)	1g		X
h	Exchange of assets with related organization (s)	1h		X
i	Lease of facilities, equipment, or other assets to related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from related organization(s)	1j	X	
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations by related organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	X	
n	Sharing of paid employees with related organization(s)	1n	X	
o	Reimbursement paid to related organization(s) for expenses	1o		X
p	Reimbursement paid by related organization(s) for expenses	1p		X
q	Other transfer of cash or property to related organization(s)	1q		X
r	Other transfer of cash or property from related organization(s)	1r		X

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) HRC MENTAL HEALTH CENTER	J	36,000	FMV
(2)		0	
(3)		0	
(4)		0	
(5)		0	
(6)		0	

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)						0	0			0			%
(2)						0	0			0			%
(3)						0	0			0			%
(4)						0	0			0			%
(5)						0	0			0			%
(6)						0	0			0			%
(7)						0	0			0			%
(8)						0	0			0			%
(9)						0	0			0			%
(10)						0	0			0			%
(11)						0	0			0			%
(12)						0	0			0			%
(13)						0	0			0			%
(14)						0	0			0			%
(15)						0	0			0			%
(16)						0	0			0			%

Part VII Supplemental Information

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

Human Development Center and Subsidiaries

Consolidated Financial Report

December 31, 2011

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McGladrey

Independent Auditor's Report

To the Board of Directors
Human Development Center and Subsidiaries
Duluth, Minnesota

We have audited the accompanying consolidated balance sheets of Human Development Center and Subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended These financial statements are the responsibility of the Center's management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Human Development Center and Subsidiaries as December 31, 2011 and 2010, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

McGladrey LLP

Duluth, Minnesota
May 25, 2012

Human Development Center and Subsidiaries

Consolidated Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	**$ 290,468**	$ 481,133
Receivables		
Accounts receivable, less allowance for doubtful accounts of $139,000 in 2011 and $280,000 in 2010	**1,251,027**	1,459,534
Grants receivable	**403,363**	595,679
Net note receivable (Note 6)	**6,684**	-
Prepaid expenses	**48,211**	73,239
Total current assets	**1,999,753**	2,609,585
Other Assets		
Cash, restricted by mortgagee for property and equipment replacement	**-**	13,428
Debt issue costs, net of accumulated amortization	**15,635**	20,893
	15,635	34,321
Property and Equipment (Note 2)		
Land	**98,165**	105,165
Buildings and improvements	**6,091,304**	6,154,618
Furniture, fixtures and equipment	**1,336,507**	1,252,189
	7,525,976	7,511,972
Less accumulated depreciation	**4,483,670**	4,205,948
	3,042,306	3,306,024
	$ 5,057,694	$ 5,949,930
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt (Note 2)	**$ 99,119**	$ 111,134
Accounts payable	**173,931**	212,767
Grant payback	**76,891**	35,531
Accrued expenses	**897,565**	1,087,315
Deferred grant revenue	**7,199**	18,438
Total current liabilities	**1,254,705**	1,465,185
Long-Term Debt, less current maturities (Note 2)	**1,901,967**	2,024,741
Net Assets, unrestricted	**1,901,022**	2,460,004
	$ 5,057,694	$ 5,949,930

See Notes to Consolidated Financial Statements

Human Development Center and Subsidiaries

Consolidated Statements of Activities
Years Ended December 31, 2011 and 2010

	2011	2010
Net Patient Service Revenue	**$ 8,617,092**	$ 9,263,655
Other Operating Revenue		
Grants from governmental agencies	**4,000,377**	4,141,177
Private grants	**268,057**	184,121
Rent	**340,046**	289,809
Work crew	**33,242**	34,465
Other	**45,275**	342,619
Total support and revenue	**13,304,089**	14,255,846
Operating Expenses		
Salaries	**8,816,218**	9,427,369
Employee benefits	**2,223,808**	2,390,406
Conferences, meetings, and continuing education	**222,296**	203,846
Contract services	**561,187**	473,663
Supplies	**203,091**	198,706
Communications and postage	**216,785**	271,674
Occupancy and utilities	**541,740**	545,911
Publications and memberships	**60,127**	34,861
Transportation	**320,258**	330,542
Furnishings and equipment	**109,368**	110,959
Interest	**63,022**	72,968
Insurance	**86,319**	107,848
Miscellaneous	**125,807**	39,347
Depreciation and amortization	**420,166**	404,793
Total operating expenses	**13,970,192**	14,612,893
Loss from operations	**(666,103)**	(357,047)
Nonoperating Income		
Investment income	**2,151**	1,017
Contributions	**102,436**	70,858
Insurance recovery	**-**	126,198
Net (loss) gain on disposal of property and equipment	**(4,041)**	1,800
Total nonoperating income	**100,546**	199,873
Deficiency of revenues over expenses	**(565,557)**	(157,174)
Other Changes in Net Assets, forgiveness of long-term debt	**6,575**	6,575
Decrease in net assets	**(558,982)**	(150,599)
Net Assets		
Beginning	**2,460,004**	2,610,603
Ending	**$ 1,901,022**	$ 2,460,004

See Notes to Consolidated Financial Statements

Human Development Center and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Decrease in net assets	$ **(558,982)**	$ (150,599)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation and amortization	**420,166**	404,793
Forgiveness of long-term debt	**(6,575)**	(6,575)
Net loss (gain) on disposal of property and equipment	**4,041**	(1,800)
Changes in assets and liabilities		
Accounts receivable	**208,507**	10,579
Grants receivable	**192,316**	(37,450)
Prepaid expenses	**25,028**	115,740
Accounts payable	**(38,836)**	(13,256)
Grant payback	**41,360**	17,624
Accrued expenses	**(189,750)**	208,047
Deferred grant revenue	**(11,239)**	(77,520)
Net cash provided by operating activities	**86,036**	469,583
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	**10,000**	1,800
Purchase of property and equipment	**(174,255)**	(318,214)
Proceeds from payments on note receivable	**2,340**	-
(Increase) decrease in other assets	**13,428**	(2,250)
Net cash used in investing activities	**(148,487)**	(318,664)
Cash Flows from Financing Activities		
Principal payments on long-term debt	**(128,214)**	(98,808)
Net cash used in financing activities	**(128,214)**	(98,808)
Net increase (decrease) in cash and cash equivalents	**(190,665)**	52,111
Cash and Cash Equivalents		
Beginning	**481,133**	429,022
Ending	$ **290,468**	$ 481,133
Supplemental Disclosures		
Cash payments for interest	$ **63,764**	$ 68,883
Note receivable acquired in sale of property and equipment	$ **235,000**	$ -

See Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Human Development Center (HDC) is a Minnesota nonprofit corporation organized on October 1, 1938, with the express purpose of promoting and advancing mental health throughout the state of Minnesota by the study and treatment of emotional and personality problems, to educate the public in the problems of the mentally ill, to train individuals and groups in the study and treatment of mental health, to furnish, so far as possible, qualified personnel to study and treat persons with mental health problems, to provide consultations to persons and organizations desiring assistance in mental health, and, in general, in all ways to advance the mental health of the residents of Minnesota so far as possible HDC is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3)

HDC is the sole corporate member of HRC Mental Health Center, Inc (HRC) HRC is a nonprofit membership corporation organized under the laws of the state of Wisconsin and is exempt from federal income tax pursuant to the provisions of Section 501(c)(3) of the IRC

The HDC Foundation is a Minnesota nonprofit corporation organized by HDC to raise funds for the benefit of Human Development Center and Subsidiaries (Center) and to own certain real estate and buildings. Exempt status from federal income tax under section 501(c)(3) of the IRC was received in 2007

A summary of the Center's significant accounting policies follows

Principles of consolidation: The accompanying consolidated financial statements include the accounts of the Center, HRC, and the Foundation All material intercompany balances and transactions have been eliminated in consolidation

Net assets: Unrestricted net assets are those funds presently available for use by or on behalf of the Center including amounts available for general and administrative expenses These unrestricted net assets may also include board-designated funds Temporarily restricted net assets are contributions that have donor-imposed stipulations that can be fulfilled by certain actions of the Center Permanently restricted net assets are contributions that have donor-imposed restrictions whereby the amount of the gift is to be held in perpetuity and only the income generated can be used as stipulated by the donor The Center had no temporarily or permanently restricted net assets as of December 31, 2011 or 2010

Cash and cash equivalents: For the purposes of reporting the statements of cash flows, the Center considered all cash accounts and money market funds to be cash and cash equivalents

Accounts receivable: Client receivables where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the services provided, less an estimate made for contractual adjustments or discounts provided to third-party payors

Receivables due directly from clients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for doubtful receivables Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to aging of accounts Client receivables are written off when deemed uncollectible Recoveries of receivables previously written off are recorded when received Bad debt expense is reported as an offset to revenue

Contributions: Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support

Program allocation of indirect costs: Allocation of indirect costs to individual programs is primarily based on personnel costs within each program for salary and benefits, square footage of facility charges, and each department's proportion of direct expenses for administrative and shared costs.

Net patient service revenue: Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered The Center has agreements with third-party payors which provide for reimbursement to the Center at amounts different from its established rates

Outpatient services related to Medicaid beneficiaries are paid based upon a predetermined fee schedule

The Center has also entered into reimbursement agreements with certain commercial insurance carriers and health maintenance organizations The basis for reimbursement under these agreements includes discounts from established charges and prospectively determined rates

Property and equipment: Property and equipment are stated at cost Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which are 25 years for the buildings and improvements, and five to 10 years for furniture, fixtures and equipment

Grant revenue recognition: Grants are recognized as revenue when the Center has complied with the grant provisions, generally when the grant funds are spent for the intended purpose A receivable is recorded for grant funds earned but not received A payable is recorded for grant funds received and not earned that are to be returned to the funding source Deferred revenue represents grant funds received but not yet earned

Debt issue costs: Debt issue costs are being amortized on a method that approximates the effective interest method over the life of the revenue notes

Deficiency of revenues over expenses: The statement of activities includes deficiency of revenues over expenses Changes in net assets which are excluded from deficit of revenues over expenses, consistent with industry practice, include contributions of long-lived assets, and forgiveness of long-term debt which was incurred to purchase long-lived assets

Income taxes: The Center is a not-for-profit corporation as described in Section 501(c)(3) of the IRC and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC and similar state statutes.

Management evaluated the Center's tax positions and concluded that the Center took no uncertain tax positions that require adjustments to the financial statements to comply with accounting guidance on accounting for uncertainty in income taxes With few exceptions, the Center is no longer subject to income tax examinations by the U S. federal and state tax authorities for years before 2007

Use of estimates in the preparation of financial statements: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates.

Subsequent events: Management has evaluated subsequent events through May 25, 2012, the date the financial statements were available to be issued

Note 2. Long-Term Debt and Line of Credit

Long-term debt consists of the following

	2011	2010
Forgivable notes and conditional grants	$ 322,075	$ 328,650
0% note payable, no payments due until November 2033 or until the project is sold, collateralized by land and buildings	245,592	245,592
0% note payable, no payments due until August 2034 or until the project is sold, collateralized by land and buildings	260,250	260,250
3 0% Revenue Note Series A, due in monthly installments of $1,352 including interest to June 2021, collateralized by land and buildings	117,816	127,807
3 0% Revenue Note Series B, due in monthly installments of principal and interest of $4,722 to June 2022, collateralized by land and buildings	383,219	412,033
3 0% Revenue Note Series C, due in monthly installments of principal and interest of $1,158 to June 2022, collateralized by land and buildings	110,008	118,777
6 5% note payable, due in monthly installments of $2,396 including interest to January 2021, collateralized by land and building	195,482	210,972
6 5% note payable, due in monthly installments of $1,830 including interest to April 2012, collateralized by land and buildings	5,433	26,303
5 75% note payable, due in monthly installments of $3,746 including interest to November 2017, when the remaining balance is due, collateralized by land and buildings	361,211	384,667
2% mortgage note payable, Wisconsin Housing and Economic Development Authority, paid in full in 2011	-	20,824
	2,001,086	2,135,875
Less current maturities	99,119	111,134
	$ 1,901,967	$ 2,024,741

As of December 31, 2011, long-term debt matures as follows

Year Ending December 31,	
2012	$ 99,119
2013	98,936
2014	104,502
2015	110,405
2016	116,665
Later years	1,471,459
	$ 2,001,086

Forgivable notes and conditional grants: The Center obtained a $199,750 conditional grant from the United States Department of Housing and Urban Development in 2003 and 2004 to construct a five-unit rental housing project If the Center ceases to use the project as supportive housing within 10 years after the project was placed in service, the Center agrees to pay the Department of Housing and Urban Development the entire grant If the project is used as supportive housing for more than ten years, HUD shall reduce the amount required to be paid by 10 percent for each year in excess of 10 years.

During 2003, the Center was awarded $50,000 by the Federal Home Loan Bank of Des Moines to construct a five-unit rental housing project If the project is sold or refinanced prior to the end of a 15-year retention period (2017) from the date of completion, the Center agrees to pay the Federal Home Loan Bank of Des Moines the amount awarded.

The Center obtained a $131,500 loan from the City of Duluth to acquire a building The amount to be paid to the City is forgiven ratably through 2022 The amount due was $72,325 at December 31, 2011, and $78,900 at December 31, 2010

Revenue notes: In June 2016, the interest rate on the three revenue notes will be adjusted to a rate based on a Treasury index with a floor of 3 percent and a ceiling of 8 percent

Line of credit: The Center has a line of credit with maximum borrowing of $750,000 that expires March 31, 2012 The interest rate was 6 0 percent at December 31, 2011 The line is collateralized by a security agreement There was no balance outstanding at December 31, 2011 or 2010

Note 3. Pension Plan

The Center has union and nonunion defined contribution pension plans covering all employees who meet the eligibility requirements of the plan Contributions are 3 percent annually for the union plan and 3 percent plus a discretionary amount determined by the Board of Directors for the nonunion plan Total pension expense was $199,967 and $238,742 for 2011 and 2010, respectively

Note 4. Concentration of Credit Risk

The Center serves Duluth, Minnesota, Superior, Wisconsin, and the surrounding area The Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of receivables at December 31, 2011 or 2010, was as follows

	2011	2010
Medicaid	27%	24%
Medicare	5	2
Other	68	74
	100%	100%

Note 5. Classification of Expenses

Expenses reported by their functional classification are as follows

	2011	2010
Program activities	$ 11,901,089	$ 12,127,380
General and administrative	2,069,103	2,485,513
	$ 13,970,192	$ 14,612,893

Note 6. Net Note Receivable and Deferred Gain

The Center entered into a $235,000, 4.25 percent long-term note receivable in connection with the sale of real estate The balance was $232,660 at December 31, 2011 Monthly installment payments are $2,000, including interest, with the final payment due November 2021 As of December 31, 2011, the note receivable maturities are as follows

Year Ending December 31,	
2012	$ 14,390
2013	15,014
2014	15,664
2015	16,343
2016	17,052
Later years	154,197
	$ 232,660

The sale of the real estate resulted in a gain calculated as follows

	Amount
Sale price	$ 245,000
Net book value of building and land	7,038
Gain	$ 237,962

The gain is recognized on the installment method in accordance with Accounting Standards Codification 360-20-55, as payments are received Gain recognized in 2011 was $11,986 and is included in net loss on disposal of property and equipment The net note receivable is calculated as follows

	Amount
Note receivable	$ 232,660
Less deferred gain	(225,976)
	$ 6,684