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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047 <div>2011</div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	<b>Open to Public Inspection</b>

<b>A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012</b>		<b>D Employer identification number</b> 41-0691275	
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization Polinsky Medical Rehabilitation Center		<b>E Telephone number</b> (218) 786-1421
	Doing Business As Essentia Health Polinsky Medical		<b>G</b> Gross receipts \$ 9,338,662
	Number and street (or P O box if mail is not delivered to street address) 530 East 2nd Street	Room/suite	
	City or town, state or country, and ZIP + 4 Duluth, MN 55805		
	<b>F</b> Name and address of principal officer DANIEL NIKCEVICH MD 502 E 2nd Street DULUTH, MN 55805		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	<b>H(c)</b> Group exemption number ▶ 0928
<b>J Website:</b> ▶ www.essentiahealth.org			
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1950	<b>M</b> State of legal domicile MN

## Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O		
	2 Check this box <input type="checkbox"/> 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	14
	4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4	8
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . .	5	0
	6 Total number of volunteers (estimate if necessary) . . . . .	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a	0
7b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g) . . . . .	0	8,259
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	8,588,455	9,062,246
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	400,129	128,056
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	106,240	126,026
		9,094,824	9,324,587
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . .	0	89
	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)	7,645,229	7,017,013
	16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	3,334,608	4,494,632
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	10,979,837	11,511,734
	19 Revenue less expenses Subtract line 18 from line 12 . . . . .	-1,885,013	-2,187,147
	Net Assets or Fund Balances		Beginning of Current Year
20 Total assets (Part X, line 16) . . . . .		11,920,370	11,237,171
21 Total liabilities (Part X, line 26) . . . . .		16,334,556	18,081,868
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .		-4,414,186	-6,844,697

## 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.

<b>Sign Here</b>	***** Signature of officer			2013-05-01 Date
	Barbara Johnson CFO Type or print name and title			
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN
				Phone no

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization’s mission

POLINSKY MEDICAL REHABILITATION CENTER EXISTS TO WITNESS THE LOVE OF GOD THROUGH COMPASSIONATE AND COMPETENT HEALTH SERVICES FOR ALL, ESPECIALLY THE POOR AND THE POWERLESS, IN A SPIRIT OF GENUINE HOSPITALITY, RESPECT, DIGNITY AND JUSTICE

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 \$ 8,405,803 including grants of \$ 89 ) (Revenue \$ 9,062,246 )

SEE SCHEDULE O

4b

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

4c

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

4d

Other program services (Describe in Schedule O )
















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

4e

Total program service expenses \$ 8,405,803







Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
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	No
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	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
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	Yes
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	Yes
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	No
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	No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e	Yes
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	Yes
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	No
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	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II and IV	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance				
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>				
			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	0	
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		
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	0	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)? .	4a	No	
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	No	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No	
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No	
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No	
g	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?			
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?			
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? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a		
b	Enter the aggregate 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 aggregate amount of reserves on hand.	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No	
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

Part VI

**Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
1a	14		
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	1b	8
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5	No
6	Did the organization have members or stockholders? . . . . .	6	Yes
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	Yes
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	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following . . . . .		
a	The governing body? . . . . .	8a	Yes
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates? . . . . .	10a	No
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	Yes
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes
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	Yes
13	Did the organization have a written whistleblower policy? . . . . .	13	Yes
14	Did the organization have a written document retention and destruction policy? . . . . .	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? . . . . .		
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes
b	Other officers or key employees of the organization . . . . .	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions) . . . . .		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a	No
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 <input checked="" type="checkbox"/> MN
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization <input checked="" type="checkbox"/> BARBARA JOHNSON CFO 532 EAST 1ST DULUTH, MN 55805 (218) 786-1421

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, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
  - List all of the organization's **current** key employees, 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, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

Check this box if neither the organization nor any related organizations compensated any current or former 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) SISTER KATHLEEN HOFER BOARD CHAIR	60 0	X		X				0	0	0
(2) SISTER SARAH SMEDMAN BOARD DIRECTOR	10 0	X						0	0	0
(3) JOSEPH BIANCO MD BOARD DIRECTOR	60 0	X						0	319,946	50,905
(4) LAURA BOEHLKE-BRAY MD BOARD DIRECTOR THRU 12/11	60 0	X						0	307,013	30,461
(5) DAVID GADDIE BOARD TREASURER	10 0	X		X				0	8,200	0
(6) NEAL HESSEN BOARD DIRECTOR	10 0	X						0	39,350	0
(7) ALAN HODNIK BOARD DIRECTOR	10 0	X						0	0	0
(8) SHERRY MATTSON BOARD DIRECTOR	10 0	X						0	10,400	0
(9) THOMAS PATNOE MD President & CMO THRU 4/12	60 0	X		X				0	712,273	104,333
(10) SISTER DONNA SHROEDER BOARD DIRECTOR	10 0	X						0	0	0
(11) SUSAN STREITZ MD BOARD DIRECTOR	60 0	X						0	335,242	26,416
(12) SISTER MARY JOSEPHINE TORBORG BOARD DIRECTOR	10 0	X						0	0	0
(13) MICHAEL VAN SCOY MD BOARD SECRETARY	60 0	X		X				0	358,379	50,778
(14) CHUCK WALT BOARD DIRECTOR	10 0	X						0	5,800	0
(15) MELISSA NAJARIAN MD BOARD DIRECTOR	60 0	X						0	565,796	50,847
(16) DANIEL NIKCEVICH MD PRESIDENT & CMO	60 0	X		X				0	687,465	50,198
(17) BARBARA JOHNSON CHIEF FINANCIAL OFFICER	60 0			X				0	422,890	60,505



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			
(18) BARBARA WESSBERG CHIEF OPERATING OFFICER	60 0				X			0	150,031	14,689
(19) MICHAEL METCALF Chief Administrative Officer	60 0				X			0	526,817	88,755
(20) ANN WATKINS VP - SURGICAL SERVICES	60 0				X			0	232,271	49,107
(21) SCOTT JOHNSON MD Clinical Chief	60 0				X			0	650,431	51,066
(22) ROBERT NORMAN CHIEF FINANCIAL OFFICER	60 0						X	0	626,789	135,575
(23) ROCKLON CHAPIN EVP HOSPITAL DIVISION	0 0						X	0	444,640	59,943
(24) THOMAS KAISER MD CLINICAL CHIEF	60 0						X	0	865,263	47,440
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								0	7,268,996	871,018

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

0

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

Section B. Independent Contractors

1

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

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					
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c					
	d	Related organizations . . . .	1d	8,259				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f . . . . .			8,259			
Program Service Revenue			Business Code					
	2a	PATIENT REVENUE	621400	7,639,541	7,639,541			
	b	FITNESS & WELLNESS	713940	1,422,705	1,422,705			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f . . . . .			9,062,246			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .			116,740		116,740	
	4	Income from investment of tax-exempt bond proceeds . . .			0			
	5	Royalties . . . . .			0			
	6a	(i) Real		(ii) Personal				
		118,948						
		118,948						
	d	Net rental income or (loss) . . . . .			118,948		118,948	
	7a	(i) Securities		(ii) Other				
		14,223						
				2,907				
		14,223		-2,907				
	d	Net gain or (loss) . . . . .			11,316		11,316	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .		a				
	b	Less direct expenses . . . . .		b				
	c	Net income or (loss) from fundraising events . . .			0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .		a				
	b	Less direct expenses . . . . .		b				
	c	Net income or (loss) from gaming activities . . .			0			
	10a	Gross sales of inventory, less returns and allowances . . . . .		a				
					18,168			
	b	Less cost of goods sold . . . . .		b				
					11,168			
c	Net income or (loss) from sales of inventory . . .			7,000			7,000	
	Miscellaneous Revenue		Business Code					
11a	RELEASE OF INFORMATION		900099	78			78	
b								
c								
d	All other revenue . . . . .							
e	Total. Add lines 11a-11d . . . . .			78				
12	Total revenue. See Instructions . . . . .			9,324,587	9,062,246		254,082	

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	89	89		
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 . . . . .	0			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7	Other salaries and wages	5,422,552	5,394,239	28,313	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	233,123	232,920	203	
9	Other employee benefits . . . . .	962,186	927,361	34,825	
10	Payroll taxes . . . . .	399,152	385,342	13,810	
11	Fees for services (non-employees)				
a	Management . . . . .	0			
b	Legal . . . . .	0			
c	Accounting . . . . .	0			
d	Lobbying . . . . .	0			
e	Professional fundraising See Part IV, line 17 . . . . .	0			
f	Investment management fees . . . . .	44,905		44,905	
g	Other . . . . .	216,384	212,393	3,991	
12	Advertising and promotion . . . . .	924	924		
13	Office expenses . . . . .	331,382	331,341	41	
14	Information technology . . . . .	11,167	11,167		
15	Royalties . . . . .	0			
16	Occupancy . . . . .	390,049	96,187	293,862	
17	Travel . . . . .	90,329	90,329		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	3,555	3,555		
20	Interest . . . . .	1,164		1,164	
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	465,586	44,388	421,198	
23	Insurance . . . . .	0			
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a	AFFILIATE EXP & REV ALLOCATION	1,986,260	118,036	1,868,224	
b	AFFILIATE SUPPORT FEE	388,740		388,740	
c	BAD DEBT EXPENSE	311,316	311,316		
d	MN CARE TAX	111,956	111,956		
e					
f	All other expenses	140,915	134,260	6,655	
25	Total functional expenses. Add lines 1 through 24f	11,511,734	8,405,803	3,105,931	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			17,470	1	7,413
	2	Savings and temporary cash investments . . . . .			539,885	2	387,406
	3	Pledges and grants receivable, net . . . . .			0	3	0
	4	Accounts receivable, net . . . . .			1,603,913	4	1,502,665
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .			0	6	0
	7	Notes and loans receivable, net . . . . .			13,773	7	0
	8	Inventories for sale or use . . . . .			2,319	8	2,577
	9	Prepaid expenses and deferred charges . . . . .			0	9	0
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D . . . . .	10a	13,412,630			
	b	Less: accumulated depreciation . . . . .	10b	9,779,659	4,045,701	10c	3,632,971
	11	Investments—publicly traded securities . . . . .			0	11	0
	12	Investments—other securities. See Part IV, line 11 . . . . .			5,697,309	12	5,704,139
	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 . . . . .			0	15	0
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			11,920,370	16	11,237,171
Liabilities	17	Accounts payable and accrued expenses . . . . .			907,600	17	1,045,083
	18	Grants payable . . . . .			0	18	0
	19	Deferred revenue . . . . .			47,462	19	68,822
	20	Tax-exempt bond liabilities . . . . .			0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			0	23	0
	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 . . . . .			15,379,494	25	16,967,963
	26	Total liabilities. Add lines 17 through 25 . . . . .			16,334,556	26	18,081,868
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			-4,431,656	27	-6,850,874
	28	Temporarily restricted net assets . . . . .			17,470	28	6,177
	29	Permanently restricted net assets . . . . .			0	29	0
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			-4,414,186	33	-6,844,697
	34	Total liabilities and net assets/fund balances . . . . .			11,920,370	34	11,237,171

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	9,324,587
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	11,511,734
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	-2,187,147
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	-4,414,186
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	-243,364
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	-6,844,697

**Part XII Financial Statements and Reporting**

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization Polinsky Medical Rehabilitation Center	Employer identification number 41-0691275
--	--

Part I

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)  
(Complete only if you checked the box on line 5, 7, or 8 of Part I 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.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2010 Schedule A, Part II, line 14		15				
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 the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
17a 10%-facts-and-circumstances test—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 IIIPart III

Support Schedule for Organizations Described in IRC 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.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6 )						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15		
16 Public support percentage from 2010 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
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.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

<b>Facts And Circumstances Test</b>

<b>Explanation</b>

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 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  
Polinsky Medical Rehabilitation Center

Employer identification number  
41-0691275

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

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

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

► \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

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

a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations . . . . .

(ii) related organizations . . . . .

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
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 . . . . .		333,434		333,434
b Buildings . . . . .		11,481,922	8,500,063	2,981,859
c Leasehold improvements . . . . .				
d Equipment . . . . .		1,455,950	1,141,566	314,384
e Other . . . . .		141,324	138,030	3,294
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				3,632,971



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

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

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

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE D, PART X		ASC 740 footnote: Essentia Health has adopted Accounting Standards Codification 740, Income Taxes (formerly known as FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Tax - an interpretation of FASB Statement No. 109, Accounting for Income Taxes). The adoption of this interpretation had no material impact on the consolidated financial statements and therefore, Essentia Health's consolidated financial statements for fiscal year ended June 30, 2012 no longer includes an ASC 740 footnote.

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
Polinsky Medical Rehabilitation Center

Employer identification number  
41-0691275

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>1b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain</div></div>		
<div><div>2</div><div>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?</div></div>		
<div><div>3</div><div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply</div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>	Yes	
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>4c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>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</div></div>		No
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>		

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

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

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) 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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ROCKLON CHAPIN	(i)	0	0	0	0	0	0	0
	(ii)	35,986	0	408,654	41,008	18,935	504,583	0
(2) BARBARA WESSBERG	(i)	0	0	0	0	0	0	0
	(ii)	149,879	0	152	9,442	5,247	164,720	0
(3) ROBERT NORMAN	(i)	0	0	0	0	0	0	0
	(ii)	407,163	141,928	77,698	79,658	55,917	762,364	75,455
(4) BARBARA JOHNSON	(i)	0	0	0	0	0	0	0
	(ii)	294,391	119,283	9,216	54,040	6,465	483,395	8,532
(5) MICHAEL METCALF	(i)	0	0	0	0	0	0	0
	(ii)	393,711	128,521	4,585	60,619	28,136	615,572	0
(6) ANN WATKINS	(i)	0	0	0	0	0	0	0
	(ii)	171,551	34,894	25,826	29,019	20,088	281,378	17,584
(7) THOMAS KAISER MD	(i)	0	0	0	0	0	0	0
	(ii)	852,607	10,676	1,980	24,500	22,940	912,703	0
(8) JOSEPH BIANCO MD	(i)	0	0	0	0	0	0	0
	(ii)	317,035	2,304	607	24,500	26,405	370,851	0
(9) LAURA BOEHLKE-BRAY MD	(i)	0	0	0	0	0	0	0
	(ii)	303,806	2,600	607	24,500	5,961	337,474	0
(10) THOMAS PATNOE MD	(i)	0	0	0	0	0	0	0
	(ii)	536,822	174,761	690	72,023	32,310	816,606	0
(11) SUSAN STREITZ MD	(i)	0	0	0	0	0	0	0
	(ii)	329,944	4,008	1,290	24,500	1,916	361,658	0
(12) MICHAEL VAN SCOY MD	(i)	0	0	0	0	0	0	0
	(ii)	353,866	4,063	450	24,500	26,278	409,157	0
(13) SCOTT JOHNSON MD	(i)	0	0	0	0	0	0	0
	(ii)	643,243	6,498	690	24,500	26,566	701,497	0
(14) MELISSA NAJARIAN MD	(i)	0	0	0	0	0	0	0
	(ii)	558,664	6,652	480	24,500	26,347	616,643	0
(15) DANIEL NIKCEVICH MD	(i)	0	0	0	0	0	0	0
	(ii)	680,351	6,244	870	24,500	25,698	737,663	0

**Part III**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
Schedule J, Part I Line 3		Establishing CEO's compensation. Essentia Health Polinsky Medical Rehabilitation Center relied on Essentia Health's, supporting organization of Essentia Health Polinsky Medical Rehabilitation Center, methods for establishing Essentia Health Polinsky Medical Rehabilitation Center's President/Chief Medical Officer compensation: a compensation committee, independent compensation consultant, written employment contract, compensation survey or study, and approval by the board or compensation committee.
Schedule J, Part I, Line 4a		Severance payment. Former key employee, Rocklon Chapin, a former employee of related organization Essentia Health Duluth, received payment totaling \$274,800 in tax year 2011 related to his termination. The termination terms are from January 31, 2011 until July 31, 2012. Mr. Chapin will receive pay totaling \$501,019 & benefits totaling \$10,009 related to his termination. All other individuals listed as Formers in Form 990, Part VII, Section A, Line 1a remain employed within Essentia Health and its subsidiaries and are not receiving a termination payment.
Schedule J, Part I, Line 4b		Supplemental nonqualified retirement plan. Amounts related to participating in a supplemental nonqualified retirement plan are reported in Schedule J, Part II, Column C, and amounts related to receiving payment from a supplemental nonqualified retirement plan are reported in Schedule J, Part II, Column B (iii). The following individuals listed in Form 990, Part VII, Section A, Line 1a received payment from a supplemental nonqualified retirement plan during the year: Barbara Johnson (Essentia Health East) \$8,532; Michael Metcalf (Essentia Health East) \$0; Robert Norman (Critical Access Group) \$75,455; Rocklon Chapin (Essentia Health East) \$0; Thomas Patnoe, MD (Essentia Health East) \$0; Ann Watkins (Essentia Health East) \$17,584. Critical Access Group's nonqualified retirement plan is offered to Critical Access Group executives. There is a minimum two-year vesting date, benefits are subject to income taxes upon vesting, and benefits are payable from Critical Access Group's general assets. Essentia Health East's nonqualified retirement plan is offered to designated Essentia Health East's executives. There is a minimum two-year vesting date, benefits are subject to income taxes upon vesting, and benefits are payable from Essentia Health East's general assets.



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 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	Employer identification number
Polinsky Medical Rehabilitation Center	41-0691275

Identifier	Return Reference	Explanation
Form 990, Part C		Essentia Health Polinsky Medical Rehabilitation Center

Identifier	Return Reference	Explanation
Form 990, Part I, Line 1		Organization's mission or most significant activities Polinsky Medical Rehabilitation Center exists to witness the love of God through compassionate and competent health services for all, especially the poor and the powerless, in a spirit of genuine hospitality, respect, dignity and justice

Identifier	Return Reference	Explanation
Form 990, Part III, Line 4		<p>Program service accomplishments Polinsky Medical Rehabilitation Center dba Essentia Health Polinsky Medical Rehabilitation Center provides comprehensive outpatient rehabilitation services to children and adults Polinsky care focuses on each individual's needs with the goal of maximizing independence within our community Polinsky Medical Rehabilitation Center offers a broad range of outpatient services for its patients, including comprehensive evaluation and treatment for brain injuries and neurological conditions and psychological and neuropsychological services The center also offers screenings and evaluations as well as physical therapy, occupational therapy and speech-language therapy Beyond its rehabilitation and therapy services, Polinsky Medical Rehabilitation Center also leads support groups, advocates for their patients and families, and coordinates with other agencies and community services to help connect the patient to additional resources During the fiscal year, the center provided almost 66,000 outpatient visits Polinsky Medical Rehabilitation Center also provided over \$28,000 in charity care as well as an additional \$1,346,000 of costs incurred in excess of Medicaid payments received during the fiscal year ended June 30, 2012 Further community benefits provided during the fiscal year include community services and continuing education programs for health care professionals of over \$12,000</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 6		Members of Organization Essentia Health ST MARY'S MEDICAL CENTER may elect one or more members of the governing body as described in Schedule O Part VI Line 7a Essentia Health and Benedictine Sisters Benevolent Association have reserved powers with respect to Essentia Health Polinsky Medical Rehabilitation Center as described in Schedule O Part VI Line 7b

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7a		Member with right to elect governing body According to its Bylaw s, Essentia Health ST MARY'S MEDICAL CENTER shall appoint and remove Essentia Health Polinsky Medical Rehabilitation Center's governing body

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b		<p>Governance, Management, and Disclosure</p> <p>Essentia Health Polinsky Medical Rehabilitation Center is a subsidiary of Essentia Health, whose Board of Directors has reserved powers with respect to this corporation and its subsidiaries, and all of the other direct and indirect subsidiaries of Essentia Health (collectively, the "System")</p> <p>Essentia Health's reserved powers are as follows</p> <p>Strategic and Business Plans Authority to create, and to approve, the System's strategic and business plans</p> <p>Mission Authority to create, and to approve, the mission, purpose and vision statements for all entities in the System by the affirmative vote of at least 67% of the Essentia Health board of directors</p> <p>Debt Approval of the incurrence of debt by, and the creation of all mortgages, liens, security interests, or other encumbrances on the assets of, all entities in the System in excess of the single or annual aggregate dollar limits prescribed in writing by the Essentia Health board of directors, and the authority to cause all entities in the System to participate in System borrowing</p> <p>Governing Instruments Authority to cause, and to approve, amendments of the articles of incorporation and bylaws of all entities in the System</p> <p>Mergers and Acquisitions Authority to cause, and to approve, all mergers, consolidations, and dissolutions of all entities in the System</p> <p>Affiliations and Joint Ventures Authority to cause, and to approve, all affiliations, joint ventures and other alliances with third parties of all entities in the System</p> <p>Transfer of Assets Within the System Authority to transfer assets, including cash, between and among entities within the System, provided, however, that Essentia Health shall not have authority to require any entity in the System to transfer assets (a) that would cause such entity to be in default of its covenants or obligations under any bond or other financing documents, (b) from the Catholic entities to the secular entities or from the secular entities to the Catholic entities in a manner or to an extent that would cause the Catholic entities to be in violation of the Ethical and Religious Directives for Catholic Health Care Services in the judgment of the local ordinary, or (c) such that money generated by services at secular facilities within the System by procedures that are contrary to the Ethical and Religious Directives for Catholic Health Care Services would be used at the Catholic entities or money generated by Catholic entities would be used in the providing of services contrary to the Ethical and Religious Directives for Catholic Health Care Services at secular facilities within the System</p> <p>Transfer of Assets Outside the System Authority to cause, and to approve, the sale, lease or other transfer of assets of all entities in the System to parties outside of the System when the asset's value exceeds the single or annual aggregate dollar limits prescribed in writing by the Essentia Health board of directors</p> <p>Services Authority to cause, and to approve, the addition of new services and service locations and the discontinuance of services and service locations within all entities in the System</p> <p>Budgets Approval of capital and operating budgets of all entities in the System</p> <p>Professional Services Selection of the general legal counsel and external auditors of all entities in the System</p> <p>Acquisitions Authority to cause, and to approve, all acquisitions by and formations of entities in the System</p> <p>Marketing Authority to implement System-wide marketing and promotional activities</p> <p>Compliance Plans Authority to create, and to approve, corporate compliance, safety and risk management plans for entities within the System</p> <p>Quality Plan Authority to create, and to approve, the System's quality plan</p> <p>Non-Budgeted Purchases Approval of non-budgeted capital purchases and leases in excess of the single or annual aggregate dollar limits prescribed in writing by Essentia Health for entities within the System</p> <p>Human Resources Authority to create human resource policies and procedures within the System</p> <p>Reserved Powers Authority to create additional Essentia Health reserved powers by the affirmative vote of at least 80% of the Essentia Health board of directors (excluding the Essentia Health CEO), provided, however, that any additional Essentia Health reserved powers shall not contravene or hinder the reserved powers of Benedictine Sisters Benevolent Association</p> <p>The Benedictine Sisters Benevolent Association ("BSBA") also has certain reserved powers over all Catholic facilities within Essentia Health</p> <p>BSBA's reserved powers are as follows</p> <p>Mission Authority to approve the mission, purpose and vision statements for Catholic facilities and entities within the System</p> <p>Adherence to Ethical Religious Directives (ERDs) Authority to approve the methods, policies and procedures pertaining to the adherence of Catholic facilities and entities within the System to the ERDs, and to require the use of re</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b		<p>ligious symbols, distinguishing elements and prayers Official Catholic Directory Authority to request the listing of qualified entities and facilities within the System in The Official Catholic Directory, subject to the approval of applicable Catholic authorities Catholic Health Association Authority to require Catholic facilities and entities within the System to join the membership of the Catholic Health Association of the United States Alienation of Stable Patrimony or Ecclesiastical Goods Authority to approve alienation of either stable patrimony or other ecclesiastical goods in the System if such goods involved in a specific transaction approved by Essentia Health pursuant to Section 2 8(g) or 2 8(h) of the Affiliation Agreement have a dollar value equal to or greater than 70% of the amount established from time to time that requires approval from the Holy See Amendments Authority to approve any amendments to the Articles of Incorporation or Bylaws of this corporation that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of this corporation's board of directors, authority to approve any amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic Subsidiaries (as defined in the Affiliation Agreement), which could materially affect such entity's identity as a Catholic institution, including without limitation any amendment that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of such entity's board of directors, and authority to cause Essentia Health to make amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic Subsidiaries, which amendments Benedictine Sisters Benevolent Association in good faith are necessary to preserve such entity's identity as a Catholic institution Mission Effectiveness Authority to approve annual plans and evaluations relating to mission effectiveness and chaplaincy for the Catholic facilities and entities within the System Mergers and Dissolution Subject to the approval of the Benedictine Sisters of St Scholastica Monastery of Duluth, authority to approve a proposed merger, consolidation, liquidation, dissolution, or the disposition of all or substantially all the assets</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11a		Form 990 review process The 2011 Form 990 including all schedules was reviewed by Essentia Health Polinsky Medical Rehabilitation Center's management and governing body on March 6, 2013 prior to filing with the Internal Revenue Service Each current director of the governing body received a copy of the 2011 Form 990 Essentia Health Polinsky Medical Rehabilitation Center's Chief Financial Officer led the review of the form and schedules and any questions were discussed



Identifier	Return Reference	Explanation
Form 99, Part VI, Line 12c		<p>Monitoring and enforcing Conflict of Interest policy Interested persons annually disclose relationships w hich might lead to a conflict of interest by completing a conflict of interest disclosure form Interested persons include any person in a position to exercise substantial influence over the organization It includes but is not limited to any director, officer, management, employee, or committee member of Essentia Health or any of its affiliates Essentia is responsible for the annual distribution of conflict of interest forms and review of disclosures for the governing bodies of Essentia and Essentia Operating Members and for senior management employees of Essentia Transactions w ith parties w ith w hom a conflict of interest exists may be undertaken only if all of the follow ing are observed the conflict of interest is fully disclosed, the interested person w ith the conflict of interest doesn't participate in the approval of such transactions, if practical or appropriate, a competitive bid or comparable valuation is obtained, and the board or committee of the board has determined that the transaction is in the best interest of the organization Disclosure by any interested person other than a board or committee member should be made to the Chief Executive Officer (or if she/he is the one w ith the conflict, then to the board chair), w ho w ill bring the matter to the attention of the board or an appropriate committee of the board Disclosure involving board or committee members should be made to the board chair (or if she/he is the one w ith the conflict, then to the board vice chair), w ho w ill bring these matters to the board or an appropriate committee of the board The board or committee of the board w ill determine w hether a conflict exists and if so, w hether the contemplated transaction may be authorized as just, fair, and reasonable to Essentia or its affiliate(s) The decision of the board or a duly constituted committee of the board on these matters w ill be at its sole discretion, and its concern must be the w elfare of Essentia and its affiliate(s) and the advancement of its purposes The decision of the board is final If the board determines a conflict does not exist, the interested person may proceed w ith the transaction, how ever, he/she w ill not be eligible to vote on related issues should they arise If the board determines a conflict does exist, the interested person w ill be notified of the decision regarding w hether the contemplated transaction w ill be authorized as just, fair, and reasonable</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15 A & B		<p>Process for determining compensation The Executive Compensation Committee of Essentia Health's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values and tax-exempt status, and the Executive Compensation Committee's Charter The Executive Compensation Committee meets at least twice annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing and modifying, as appropriate, reasonable compensation and benefits for Essentia's Chief Executive Officer and his direct reports which are paid by related organizations The Executive Compensation Committee engages qualified independent compensation advisors to provide objective and impartial comparative data and to express opinions on total compensation reasonableness The Executive Compensation Committee may request its independent advisors to monitor comparability data and marketplace trends, make appropriate recommendations regarding salary ranges, and periodically review the market competitiveness of Essentia executive compensation packages Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain and rely upon appropriate data as to comparability of the proposed compensation or adjustments The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations The Executive Compensation Committee minutes will include the terms of the approved compensation and the date approved, the Executive Compensation Committee members present during the review, discussion and approval of the proposed compensation and those who voted on the proposed compensation, identification of the comparability data obtained and relied upon by the Executive Compensation Committee and how the data was obtained, any actions by a member of the Executive Compensation Committee having a conflict of interest, and documentation of the basis for the determination The year this process was last undertaken for Essentia Health polinsky Medical Rehabilitation Center's President/CMO was 2010 The Essentia Health Executive Compensation committee determines policy (establishes peer group, determines competitive ranking and establishes positioning of total compensation dependent upon performance) for all executives at the Vice President level or above The Executive Compensation Committee of the Essentia Health East board of directors is authorized to fulfill the board's responsibility regarding executive compensation consistent with Essentia Health East's mission, values and tax-exempt status It is bound by and relies upon the policy set by the Executive Compensation Committee of Essentia's board of directors Annually, the Executive Compensation Committee of Essentia Health East's board of directors meets to review information presented by the Essentia Health East President and Chief Administrative Officer concerning the performance of the system and senior executives of Essentia Health East and to approve executive incentives based on system results and supporting documentation for all members covered by the Essentia Health East incentive compensation program and report such findings to the Executive Compensation Committee of Essentia's Board of Directors The year a total compensation review process was undertaken for all Essentia Health East executives at the Vice President and above was 2012</p>

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

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A, Line 1a, Column B		<p>Hours devoted to related organizations The following individual listed in Form 990, Part VII, Section A, Line 1a also devoted time each week to related organizations Neal Hessen approximately 8 hours The following individuals spent 100% of their time furthering the purpose of Essentia Health East as a board director of Essentia Health Medical Equipment &amp; Supplies, Essentia Health Sandstone, Essentia Health Polinsky Medical Rehabilitation Center, Essentia Health East, Essentia Health Duluth, Essentia Health St Mary's Hospital-Superior and Essentia Health St Mary's Medical Center Alan Hodnik Chuck Walt David Gaddie Neal Hessen Sherry Mattson Sister Donna Shroeder Sister Mary Josephine Torborg Sister Sarah Smedman Thomas Patnoe, MD is employed by Essentia Health Duluth as Essentia Health's East's President and Chief Medical Officer 100% of his time is spent furthering the purpose of Essentia Health and related organizations Daniel Nikcevich, MD is employed by Essentia Health Duluth as Essentia Health East's President and Chief Medical Officer 100% of his time is spent furthering the purpose of Essentia Health and related organizations Sister Kathleen Hofer is employed by Essentia Health St Mary's Medical Center as Essentia Health's Senior Vice President, Benedictine Sponsorship 100% of her time is spent furthering the purpose of Essentia Health and related organizations Joseph A Bianco, MD is employed by The Duluth Clinic Ltd 100% of his time is spent furthering the purpose of Essentia Health East and related organizations Laura Boehlke-Bray, MD is employed by The Duluth Clinic Ltd 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Susan Streitz, MD is employed by The Duluth Clinic Ltd 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Michael Van Scoy, MD is employed by The Duluth Clinic Ltd 100% of his time is spent furthering the purpose of Essentia Health East and related organizations Melissa Najarian, MD is employed by The Duluth Clinic Ltd 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Barbara Johnson is employed by Essentia Health Duluth as East's Chief Financial Officer 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Ann Watkins is employed by Essentia Health Duluth as Vice President - Surgical Services 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Michael Metcalf is employed by Essentia Health Duluth as Chief Administrative Officer 100% of his time is spent furthering the purpose of Essentia Health East and related organizations Scott Johnson, MD is employed by The Duluth Clinic Ltd 100% of his time is spent furthering the purpose of Essentia Health East and related organizations Barbara Wessberg is employed by Essentia Health Duluth as Chief Operating Officer 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Robert Norman is employed by Critical Access Group as Essentia Health's Chief Financial Officer 100% of his time is spent furthering the purpose of Essentia Health and related organizations Thomas Kaiser, MD is employed by The Duluth Clinic Ltd 100% of his time is spent furthering the purpose of Essentia Health East and related organizations</p>

Identifier	Return Reference	Explanation
Form 990, PART IX, LINE 24A		Affiliate expense and revenue allocation represents the portion of Essentia Health Duluth, Essentia Health St Mary's Medical Center, and The Duluth Clinic, Ltd revenue and expense related to Essentia Health Polinsky Medical Rehabilitation Center, a related organization, which is allocated directly to Essentia Health Polinsky Medical Rehabilitation Center Net affiliate (revenue) and expense allocation of \$1,986,260 includes the following Grants (\$450), Program Service Revenue (\$1,781), Investment Income (\$11,171), Realized gain \$17,605, Miscellaneous Revenue (\$17,001), Contributions \$7,444, Compensation \$837,630 Accounting Fees (\$289), Legal Fees \$873, Investment Management Fees \$2,302, Interest (\$359,382), Other Purchased Services \$91,060 Advertising \$7,102 Board Expenses \$253, Conferences \$10,240, Depreciation & Amortization \$89,835 Information Technology \$125,284, Insurance \$45,631, Medical Supplies (\$9,196), Occupancy \$210,074, Office Expenses \$91,747, Travel \$19,079, Unrelated Business Income Taxes \$1,442, and Other Expenses \$109,165

Identifier	Return Reference	Explanation
Form 990, PART XI, LINE 5		OTHER CHANGES IN NET ASSETS Unrealized loss on trading securities (\$243,719) Payroll clearing - Other Net Asset Adjustments \$355

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  
Polinsky Medical Rehabilitation Center

Employer identification number  
41-0691275

Part I

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

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

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) PMC GATEWAY IMAGING LLC  109 COURT AVE S SANDSTONE, MN 55072 26-1634764	IMAGING SERVICES	MN	NA	NONE	0	0			0			0 %

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ESSENTIA HEALTH INSURANCE SRVS SPC LTD BUCKINGHAM SQ 720W BAY RD PO BOX 69 GRAND CAYMAN, CAYMAN ISLANDS KY1 1102 CJ 0000000000	INSURANCE	CJ	NA	FOREIGN CORP	0	0	0 %
(2) EAST RANGE CLINICS LTD 910 6TH AVE N VIRGINIA, MN 55792 41-0909915	CLINICS	MN	NA	C CORP	0	0	0 %



Part V

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

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

1

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

a

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

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

No

1l

Yes

1m

No

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ESSENTIA HEALTH	L	388,740	ACTUAL COSTS
(2) SMDC MEDICAL CENTER	O	3,378,215	ACTUAL COSTS
(3) SMDC MEDICAL CENTER	P	2,655,617	ACTUAL COSTS
(4) STJOSEPH'S MEDICAL CENTER	Q	96,978	ACTUAL COSTS
(5) ST MARY'S MEDICAL CENTER	O	9,208,889	ACTUAL COSTS
(6) THE DULUTH CLINIC LTD	O	3,486,196	ACTUAL COSTS

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE R, PART II, COLUMN (A)		Name In 2011, many Essentia entities adopted a doing business as name as part of a system-wide rebranding strategy using the Essentia brand Legal Name, Doing Business As Name Brainerd Lakes Integrated Health System, Essentia Health Central Brainerd Medical Center, Inc , Essentia Health Brainerd Specialty Clinic Bridges Medical Center, Essentia Health Ada First Care Medical Services, Essentia Health Fosston Graceville Health Center, Essentia Health Holy Trinity Hospital Innovis Health, LLC, Essentia Health West Midwest Medical Equipment & Supply Inc , Essentia Health Medical Equipment and Supplies Northern Pines Medical Center, Essentia Health Northern Pines Pine Medical Center, Essentia Health Sandstone SMDC Medical Center, Essentia Health Duluth St Mary's Duluth Clinic Health System, Essentia Health East St Mary's Hospital of Superior, Essentia Health St Mary's Hospital-Superior St Mary's Medical Center, Essentia Health St Mary's Medical Center St Mary's Regional Health Center, Essentia Health St Mary's-Detroit Lakes

Software ID:

Software Version:

EIN: 41-0691275

Name: Polinsky Medical Rehabilitation Center

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
BRAINERD LAKES INTEGRATED HEALTH SYSTEM  2024 S 6TH ST BRAINERD, MN 56401 37-1532145	SUPPORT ORG	MN	503(c)(3)	11 II	Essentia	Yes	
BRAINERD MEDICAL CENTER INC  2024 S 6TH ST BRAINERD, MN 56401 37-1532148	CLINIC	MN	503(c)(3)	3	BLIHS	Yes	
BRIDGES MEDICAL CENTER  201 9th ST W ADA, MN 56510 20-0479568	Clinic/Hosp	MN	501(c)(3)	3	Innovis	Yes	
CLEARWATER VALLEY HOSP & CLINICS INC  301 CEDAR OROFINO, ID 83544 82-0497771	Clinic/Hosp	ID	501(c)(3)	3	CAG	Yes	
DIVINE MEDICAL SERVICES thru 10111  709 N LINCOLN JEROME, ID 83338 20-2773717	EMERG Srvcs	ID	501(c)(3)	3	SBFMC	Yes	
DL SURGERY CENTER  1027 WASHINGTON AVE DETROIT LAKES, MN 56501 26-3837203	ASC	MN	501(c)(3)	3	CAG	Yes	
Critical Access Group  503 E 3RD ST SUITE 400 DULUTH, MN 55805 26-1219624	SUPPORT ORG	MN	501(c)(3)	11 II	ESSENTIA	Yes	
FIRST CARE MEDICAL SERVICES  900 HILLIGROSS BLVD SE FOSSTON, MN 56542 41-0706143	Clinic/Hosp	MN	501(c)(3)	3	Innovis	Yes	
MINNESOTA VALLEY HEALTH CENTER INC  621 S 4TH ST LE SUEUR, MN 56058 41-0837659	HOSPITAL/Nurs	MN	501(c)(3)	3	CAG	Yes	
ST BENEDICTS FAM MED CTR thru 10111  709 N LINCOLN JEROME, ID 83338 82-0227163	Clinic/Hosp	ID	501(c)(3)	3	CAG	Yes	
ST JOSEPHS MEDICAL CENTER  523 N 3RD ST BRAINERD, MN 56401 41-0695602	Clinic/Hosp	MN	501(c)(3)	3	BLIHS	Yes	
ST MARYS EMS  1027 WASHINGTON AVE DETROIT LAKES, MN 56501 41-1805811	EMERG SrvCs	MN	501(c)(3)	9	SMRHC	Yes	
ST MARYS HOSPITAL & CLINICS INC  PO BOX 137 COTTONWOOD, ID 83522 82-0226453	Clinic/Hosp	ID	501(c)(3)	3	CAG	Yes	
ST MARYS INNOVIS HEALTH  1027 WASHINGTON AVE DETROIT LAKES, MN 56501 26-2861321	CLINIC	MN	501(c)(3)	3	Innovis	Yes	
ST MARYS REGIONAL HEALTH CENTER  1027 WASHINGTON AVE DETROIT LAKES, MN 56501 41-1620386	Clinic/Hosp	MN	501(c)(3)	3	Innovis	Yes	
ESSENTIA HEALTH  502 E 2ND ST DULUTH, MN 55805 20-0360007	SUPPORT ORG	MN	501(c)(3)	11 III-FI	NA		No
ESSENTIA INSTITUTE OF RURAL HEALTH  502 E 2ND ST DULUTH, MN 55805 27-1291124	RESEARCH	MN	501(c)(3)	4	ESSENTIA	Yes	
INNOVIS HEALTH LLC  3000 32nd Avenue FARGO, ND 58103 26-1175213	Clinic/Hosp	DE	501(c)(3)	3	ESSENTIA	Yes	
Essentia HEALTH FOUNDATION  502 E 2ND ST DULUTH, MN 55805 27-1984704	FOUNDATION	MN	501(c)(3)	7	Essentia	Yes	
MIDWEST MEDICAL EQUIPMENT & SUPPLY INC  4418 HAINES RD DULUTH, MN 55811 41-1674021	MEDICAL EQUIP	MN	501(c)(3)	9	SMMC	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
PINE MEDICAL CENTER  109 COURT AVE S SANDSTONE, MN 55072 41-1884597	Hospital/Nurs	MN	501(c)(3)	3	SMDCHS	Yes	
SMDC MEDICAL CENTER  502 E 2ND ST DULUTH, MN 55805 41-1878730	Clinic/Hosp	MN	501(c)(3)	3	SMDCHS	Yes	
ST MARYS DULUTH CLINIC HEALTH SYSTEM  407 E 3RD ST DULUTH, MN 55805 41-1836633	Support Org	MN	501(c)(3)	11 II	ESSENTIA	Yes	
ST MARYS HOSPITAL OF SUPERIOR  3500 TOWER AVE SUPERIOR, WI 54880 41-1811073	Clinic/Hosp	WI	501(c)(3)	3	SMMC	Yes	
ST MARYS MEDICAL CENTER  407 E 3RD ST DULUTH, MN 55805 41-0695604	Hospital	MN	501(c)(3)	3	SMDCHS	Yes	
THE DULUTH CLINIC LTD  400 E 3RD ST DULUTH, MN 55805 41-0883623	Clinic	MN	501(c)(3)	3	SMDCHS	Yes	
Northern Pines Medical Center  5211 Hwy 110 Aurora, MN 55705 41-0841441	Hospital/Nurs	MN	501(c)(3)	3	SMDCHS	Yes	
Graceville Health Center  115 West Second St Graceville, MN 56240 41-0726173	Clinic/Hosp	MN	501(c)(3)	3	Innovis	Yes	

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

<b>(a)</b> Name of other organization		<b>(b)</b> Transaction type(a-r)	<b>(c)</b> Amount Involved (\$)	<b>(d)</b> Method of determining amount involved
<b>(1)</b>	ESSENTIA HEALTH	L	388,740	ACTUAL COSTS
<b>(2)</b>	SMDC MEDICAL CENTER	O	3,378,215	ACTUAL COSTS
<b>(3)</b>	SMDC MEDICAL CENTER	P	2,655,617	ACTUAL COSTS
<b>(4)</b>	STJOSEPH'S MEDICAL CENTER	Q	96,978	ACTUAL COSTS
<b>(5)</b>	ST MARY'S MEDICAL CENTER	O	9,208,889	ACTUAL COSTS
<b>(6)</b>	THE DULUTH CLINIC LTD	O	3,486,196	ACTUAL COSTS