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Form 990

Return of Organization Exempt From Income Tax

2011

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable

Address change

Name change

Initial return

Terminated

Amended return

Application pending

C Name of organization
The Duluth Clinic LTD

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
400 East Third StreetCity or town, state or country, and ZIP + 4
Duluth, MN 55805F Name and address of principal officer
DAN NIKCEVICH MD
502 E 2nd Street
DULUTH, MN 55805

D Employer identification number

41-0883623

E Telephone number

(218) 786-1421

G Gross receipts \$ 174,574,276

I Tax-exempt status 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527H(a) Is this a group return for
affiliates? Yes NoH(b) Are all affiliates included? Yes No
If "No," attach a list (see instructions)

H(c) Group exemption number ►

J Website: ► www.essentialhealth.org

K Form of organization Corporation Trust Association Other ► L Year of formation 1915 M State of legal domicile MN

Part I Summary

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

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

3 Number of voting members of the governing body (Part VI, line 1a)

3 12

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

4 0

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)

5 1,456

6 Total number of volunteers (estimate if necessary)

6 0

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

7a 2,416,799

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

7b 445,353

Activities & Governance

Revenue

Expenses

Net Assets or Fund Balances

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	1,368,978	370,273
9 Program service revenue (Part VIII, line 2g)	160,548,613	159,167,309
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-2,025,692	-454,156
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,172,260	7,135,688
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	164,064,159	166,219,114

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,627	4,769
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)	115,046,085	96,358,175
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ►0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	72,970,841	89,829,566
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	188,019,553	186,192,510
19 Revenue less expenses Subtract line 18 from line 12	-23,955,394	-19,973,396

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	189,558,307	429,325,840
21 Total liabilities (Part X, line 26)	481,258,481	746,184,004
22 Net assets or fund balances Subtract line 21 from line 20	-291,700,174	-316,858,164

Part II Signature Block

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

Sign Here

Signature of officer

2013-05-01

Date

BARBARA JOHNSON CFO
Type or print name and titlePaid
Preparer's
Use OnlyPreparer's
signature ►

Date

Check if
self-
employed ►Preparer's taxpayer identification number
(see instructions)Firm's name (or yours
if self-employed),
address, and ZIP + 4 ►

EIN ►

Phone no ►

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1** Briefly describe the organization's mission

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

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 \$ 149,358,685 including grants of \$ 4,769) (Revenue \$ 163,822,485)
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 \$ 149,358,685

Part IV Checklist of Required Schedules

- 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A
- 2 Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?
- 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I
- 4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II
- 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III
- 6 Did the organization maintain any donor advised funds or any similar funds or accounts 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
- 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II
- 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III
- 9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV
- 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V
- 11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable
- a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI
- b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII
- c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII
- d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX
- e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X
- f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X
- 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII
- b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional
- 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E
- 14a Did the organization maintain an office, employees, or agents outside of the United States?
- b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, 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
- 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
- 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
- 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
- 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II
- 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III
- 20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H
- b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements

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

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		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? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)	28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c		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? If "Yes," complete Schedule L, Part IV	29		No
30	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30		No
31	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31		No
32	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32		No
33	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	33		No
34	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	34	Yes	
35a	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	35a	Yes	
b	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35b	Yes	
36	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	37		No
38	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	38	Yes	
Note. All Form 990 filers are required to complete Schedule O				

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	1,456
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account 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).	7a	No
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?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	No
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
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?	9a	
9	Sponsoring organizations maintaining donor advised funds.	9b	
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter	10a	
a	Initiation fees and capital contributions included on Part VIII, line 12	10b	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter	11a	
a	Gross income from members or shareholders	11b	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	13a	
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	13b	
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	13c	
c	Enter the aggregate amount of reserves on hand		
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

- 1a Enter the number of voting members of the governing body at the end of the tax year
- 1b Enter the number of voting members included in line 1a, above, who are independent
- 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?
- 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?
- 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?
- 5 Did the organization become aware during the year of a significant diversion of the organization's assets?
- 6 Did the organization have members or stockholders?
- 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?
- b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?
- 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following
- a The governing body?
- b Each committee with authority to act on behalf of the governing body?
- 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O

	Yes	No
1a	12	
1b	0	
2		No
3		No
4		No
5		No
6	Yes	
7a	Yes	
7b	Yes	
8a	Yes	
8b	Yes	
9		No

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

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

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

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed MN
- 18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply
- Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization 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
- BARBARA JOHNSON CFO
523 EAST 1ST STREET
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.

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

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **514**

	Yes	No
3 Did the organization list any former 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.

Part VII Statement of Revenue

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	4,686			
e Government grants (contributions)	1e	136,237			
f All other contributions, gifts, grants, and similar amounts not included above	1f	229,350			
g Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f		370,273			
Program Service Revenue					
2a PATIENT REVENUE	Business Code				
	621400	158,867,529	158,816,062	51,467	
b JOINT VENTURE-INTERNATIONAL FALLS		621400	299,780	299,780	
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f		159,167,309			
3 Investment income (including dividends, interest and other similar amounts)		104,261			104,261
4 Income from investment of tax-exempt bond proceeds		0			
5 Royalties		0			
	(i) Real	(ii) Personal			
6a Gross rents	4,000				
b Less rental expenses					
c Rental income or (loss)	4,000				
d Net rental income or (loss)		4,000			4,000
	(i) Securities	(ii) Other			
7a Gross amount from sales of assets other than inventory	320,578	4,419			
b Less cost or other basis and sales expenses		883,414			
c Gain or (loss)	320,578	-878,995			
d Net gain or (loss)		-558,417			-558,417
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
b Less direct expenses	b		0		
c Net income or (loss) from fundraising events					
9a Gross income from gaming activities See Part IV, line 19					
b Less direct expenses	b		0		
c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances					
a	9,837,080				
b Less cost of goods sold	b 7,471,748				
c Net income or (loss) from sales of inventory		2,365,332			2,365,332
Miscellaneous Revenue	Business Code				
11a PROFESSIONAL SERVICE REVENUE - INT'L FALLS	541900	3,979,521	3,979,521		
b MANAGEMENT SERVICE REVENUE - INT'L FALLS	541900	486,026	486,026		
c PARKING REVENUE	812930	111,180			111,180
d All other revenue		189,629	189,629		
e Total. Add lines 11a-11d		4,766,356			
12 Total revenue. See Instructions		166,219,114	163,771,018	2,416,799	-338,976

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	4,769	4,769		
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	2,834,446	2,333,086	501,360	
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	75,654,128	72,753,354	2,900,774	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,616,085	4,524,396	91,689	
9 Other employee benefits	8,852,805	7,052,141	1,800,664	
10 Payroll taxes	4,400,711	4,110,957	289,754	
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	0			
g Other	7,640,261	7,347,523	292,738	
12 Advertising and promotion	4,075	3,012	1,063	
13 Office expenses	3,629,282	3,531,347	97,935	
14 Information technology	167,437	163,558	3,879	
15 Royalties	0			
16 Occupancy	5,400,764	1,745,959	3,654,805	
17 Travel	746,212	651,707	94,505	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	116,162	78,915	37,247	
20 Interest	9,223,508		9,223,508	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	7,070,363	472,839	6,597,524	
23 Insurance	1,418,838	1,418,838		
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 MEDICAL SUPPLIES	32,285,577	32,285,577		
b AFFILIATE SUPPORT FEES	11,354,242		11,354,242	
c BAD DEBT EXPENSE	5,641,401	5,641,401		
d AFFILIATE REV EXP ALLOCATION	2,992,605	2,952,192	40,413	
e				
f All other expenses	2,138,839	2,287,114	-148,275	
25 Total functional expenses. Add lines 1 through 24f	186,192,510	149,358,685	36,833,825	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) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	0	3,129,423
	2 Savings and temporary cash investments	2,210,969	2,225,641
	3 Pledges and grants receivable, net	0	73,160
	4 Accounts receivable, net	17,446,566	14,557,367
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	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	0
	7 Notes and loans receivable, net	9,417,812	4,613,430
	8 Inventories for sale or use	1,550,229	2,641,295
	9 Prepaid expenses and deferred charges	15,000	29,740
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	208,313,070	
	10b Less accumulated depreciation	10a 10b	127,950,561
	11 Investments—publicly traded securities	3,890,696	3,955,735
	12 Investments—other securities See Part IV, line 11	3,192,172	2,326,340
	13 Investments—program-related See Part IV, line 11	0	1,165,612
	14 Intangible assets	0	0
	15 Other assets See Part IV, line 11	23,884,302	273,661,358
	16 Total assets. Add lines 1 through 15 (must equal line 34)	189,558,307	429,325,840
Liabilities	17 Accounts payable and accrued expenses	21,977,014	17,244,626
	18 Grants payable	0	18
	19 Deferred revenue	0	19
	20 Tax-exempt bond liabilities	220,347,356	213,644,790
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21
	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
	23 Secured mortgages and notes payable to unrelated third parties	2,418,284	2,347,333
	24 Unsecured notes and loans payable to unrelated third parties	0	24
	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	236,515,827	512,771,562
	26 Total liabilities. Add lines 17 through 25	481,258,481	746,184,004
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	-291,700,174	27
	28 Temporarily restricted net assets	0	28
	29 Permanently restricted net assets	0	29
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	33 Total net assets or fund balances	-291,700,174	33
	34 Total liabilities and net assets/fund balances	189,558,307	34
		429,325,840	
		-316,858,164	
		0	

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	166,219,114
2	Total expenses (must equal Part IX, column (A), line 25)	2	186,192,510
3	Revenue less expenses Subtract line 2 from line 1	3	-19,973,396
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-291,700,174
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-5,184,594
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-316,858,164

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

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

2011

Open to Public
Inspection**SCHEDULE A**
(Form 990 or 990EZ)**Public Charity Status and Public Support**

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

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

Department of the Treasury
Internal Revenue Service
Name of the organization
The Duluth Clinic LTD

Employer identification number

41-0883623

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

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

- 1 A church, convention of churches, or association of churches **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
- 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 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).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)**Supplemental Financial Statements****2011****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization

The Duluth Clinic LTD

Employer identification number

41-0883623

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

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

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No
- 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

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

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

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

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

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

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

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

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

► \$ _____

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

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

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

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

b Assets included in Form 990, Part X ► \$ _____

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

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a Public exhibition d Loan or exchange programs
 b Scholarly research e Other
 c Preservation for future generations
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
- 5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table
- | | Amount |
|----|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV

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

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

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

a Board designated or quasi-endowment ►

b Permanent endowment ►

c Term endowment ►

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

	Yes	No
3a(i) unrelated organizations		
3a(ii) related organizations		

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

- 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.

	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,459,688		3,459,688
b Buildings		177,154,321	66,639,717	110,514,604
c Leasehold improvements		1,402,162	738,797	663,365
d Equipment		24,648,194	19,292,947	5,355,247
e Other		1,648,705	694,870	953,835
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				120,946,739

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12.) ►		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value

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

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE D PART X		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**Department of the Treasury
Internal Revenue Service

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

Name of the organization

The Duluth Clinic LTD

Employer identification number

41-0883623

Part I Questions Regarding Compensation

Yes

No

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

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

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

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

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

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

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

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

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

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

Note. The sum of columns (B)(i)-(III) 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.

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 THE DULUTH CLINIC, LTD relied on Essentia Health's, supporting organization of Essentia Health Duluth, methods for establishing THE DULUTH CLINIC, LTD'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 All individuals listed as Formers in Form 990, Part VII, Section A, Line 1a remain employed within Essentia Health and its subsidiaries and are not receiving a severance payment
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 Thomas Patnoe, MD (Essentia Heath East) \$0 Robert Norman (Critical Access Group) \$75,455 Ann Watkins (Essentia Heath East) \$17,584 Michael Metcalf (Essentia Heath East) \$0 Michael Mcavoy (Essentia Heath East) \$0 Barbara Johnson (Essentia Heath East) \$8,532 Michael Motley (Essentia Heath East) \$0 Peter Person, MD (Essentia Health East) \$231,933 Michael Motley (Essentia Health East) \$0 Critical Access Group's nonqualified retirement plan is offered to Critical Access Group executives There is a minimum two year vesting date, benefits are subject to income taxes upon vesting, and benefits are payable from Critical Access Group's general assets Essentia Health East's nonqualified retirement plan is offered to designated Essentia Health East's executives There is a minimum two year vesting date, benefits are subject to income taxes upon vesting, and benefits are payable from Essentia Health East's general assets

**Schedule K
(Form 990)****2011****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service**Supplemental Information on Tax Exempt Bonds**

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

Name of the organization
The Duluth Clinic LTDEmployer identification number
41-0883623**Part I Bond Issues**

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A MN AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD	41-6007162	604920Z43	05-02-2008	42,909,274	SERIES 2008E (SEE SCH O)		X		X		X
B CASS COUNTY NORTH DAKOTA	45-6002205	148047AU7	02-25-2010	59,573,111	SERIES 2008A REOFFERED (SEE SCH O)		X		X		X
C WI HEALTH AND EDUCATION FACILITIES AUTHORITY	39-1337855	97710BSD5	02-25-2010	12,854,722	SERIES 2008B REOFFERED (SEE SCH O)		X		X		X
D MN AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD	41-6007162	6049202H0	02-25-2010	165,717,405	SERIES 2008C REOFFERED (SEE SCH O)		X		X		X

Part II Proceeds

1	Amount of bonds retired	A		B		C		D	
		0	0	0	0	0	0	3,703,231	0
2	Amount of bonds defeased		0		0		0		0
3	Total proceeds of issue		15,010,957		28,440,203		6,136,844		79,113,489
4	Gross proceeds in reserve funds		0		0		0		0
5	Capitalized interest from proceeds		0		0		0		0
6	Proceeds in refunding escrow		0		0		0		0
7	Issuance costs from proceeds		327,722		0		0		906,723
8	Credit enhancement from proceeds		277,909		0		0		0
9	Working capital expenditures from proceeds		0		0		0		0
10	Capital expenditures from proceeds		0		0		0		0
11	Other spent proceeds		14,405,326		28,440,203		6,136,844		78,206,766
12	Other unspent proceeds		0		0		0		0
13	Year of substantial completion		2008		2010		2010		2010

14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X		X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III. Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X		X
3a Are there any management or service contracts that may result in private business use?		X		X		X		X
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►	0 %		0 %		0 %		0 %	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►	0 %		0 %		0 %		0 %	
6 Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	
Part IV Arbitrage	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X
2 Is the bond issue a variable rate issue?		X		X		X		X
3a Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		X
b Name of provider	0		0		0			
c Term of hedge								
d Was the hedge superintegrated?								
e Was a hedge terminated?								
4a Were gross proceeds invested in a GIC?		X		X		X		X
b Name of provider	0		0		0		0	
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6 Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations Yes No

Part VI **Supplemental Information**

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

Identifier	Return Reference	Explanation
SEE SCHEDULE O	0	

**Schedule K
(Form 990)****2011****Open to Public
Inspection****Supplemental Information on Tax Exempt Bonds**

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

► Attach to Form 990. ► See separate instructions.

Department of the Treasury
Internal Revenue ServiceName of the organization
The Duluth Clinic LTDEmployer identification number
41-0883623**Part I Bond Issues**

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MN AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD	41-6007162	6049202M9	06-25-2010	109,535,000	SERIES 2010 (SEE SCH O)		X		X		X

Part II Proceeds

							A		B		C		D															
							1	2,736,470	2	0	3	52,770,988	4	0	5	0	6	0	7	220,215	8	0	9	0	10	0	11	52,550,773
1	Amount of bonds retired																											
2	Amount of bonds defeased																											
3	Total proceeds of issue																											
4	Gross proceeds in reserve funds																											
5	Capitalized interest from proceeds																											
6	Proceeds in refunding escrow																											
7	Issuance costs from proceeds																											
8	Credit enhancement from proceeds																											
9	Working capital expenditures from proceeds																											
10	Capital expenditures from proceeds																											
11	Other spent proceeds																											
12	Other unspent proceeds																											
13	Year of substantial completion																											

							A		B		C		D	
							Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?						X							
15	Were the bonds issued as part of an advance refunding issue?							X						
16	Has the final allocation of proceeds been made?							X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?						X							

Part III Private Business Use

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

Part III. Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
			X						
3a	Are there any management or service contracts that may result in private business use?		X						
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							
Part IV Arbitrage									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
			X						
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations Yes No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
SEE SCHEDULE Q	0	

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.

2011**Open to Public
Inspection**Name of the organization
The Duluth Clinic LTD**Employer identification number**

41-0883623

Identifier	Return Reference	Explanation
FORM 990, PART III LINE 4		PROGRAM SERVICE ACCOMPLISHMENTS The Duluth Clinic, Ltd , is a nationally recognized multi-specialty group with more than 400 physicians who work in Essentia Health Systems' 5 hospitals and 12 regional clinics across northeastern Minnesota and northwestern Wisconsin Our physicians cover 55 medical specialties and subspecialties The clinic is organized and operated exclusively for charitable, scientific, and educational purposes The clinic offers a broad range of outpatient services for its patients, including family practice, obstetrics and gynecology, behavioral health, cancer, orthopedics, neuroscience, digestive health, family, pediatrics services, weight management and heart and vascular services In addition to the medical specialties the clinic also operates pharmacies, optical centers, infusion therapy centers, and a cancer center Beyond its clinical services, The Duluth Clinic also offers educational programs for the community, such as parenting classes and child safety programs such as bicycle helmet fitting, bicycle safety, and pedestrian safety The Duluth Clinic also participates in continuing education programs for health care professionals The Duluth Clinic employs over 740 full time equivalents The clinics had over 329,000 encounters during the same time period The Duluth Clinic provided over \$775,000 in charity care as well as an additional \$11,006,000 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 of over \$45,000, cash and in-kind donations over \$17,000, and education and workforce development over \$412,000

Identifier	Return Reference	Explanation
FORM 990, PART V, LINE 1A		1099 Reporting Beginning in 2011, vendor payments and Form 1099's were processed through Essentia Health on behalf of certain supported organizations

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 6		Members of Organization ESSENTIA HEALTH EAST may elect one or more members of the governing body as described in Schedule O Part VI Line 7a ESSENTIA HEALTH AND ESSENTIA HEALTH EAST HAVE reserved powers with respect to THE DULUTH CLINIC, LTD as described in Schedule O Part VI Line 7b

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 7A		Members with right to elect governing body According to its Bylaws, ESSENTIA HEALTH EAST shall appoint and remove THE DULUTH CLINIC, LTD's governing body

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

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 7B		<p>oint ventures and other alliances with third parties, including such transactions with the medical staffs, Election of members to serve on the boards of the subsidiaries, (consistent with, and as provided for, in the applicable subsidiary's bylaws) and removal of such members with or without cause, Evaluation of the performance of subsidiary senior officers and, Evaluation of patient, family and customer satisfaction with respect to the services provided within the System, Evaluation of job satisfaction and staff morale within the System, Administration of human resource policies and procedures, Execution of the approved corporate compliance, safety and risk management plans, and Authority to comment on proposed amendments of the Articles of Incorporation and Bylaws, before such amendments are acted upon by BSBA or Essential</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 East'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 East's Chief Financial Officer led the review of the form and schedules and any questions were discussed.

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12C		<p>Monitoring and enforcing Conflict of Interest policy Interested persons annually disclose relationships which might lead to a conflict of interest by completing a conflict of interest disclosure form Interested persons include any person in a position to exercise substantial influence over the organization It includes but is not limited to any director, officer, management, employee, or committee member of Essentia Health or any of its affiliates Essentia 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 with parties with whom a conflict of interest exists may be undertaken only if all of the following are observed the conflict of interest is fully disclosed, the interested person with the conflict of interest doesn't participate in the approval of such transactions, if practical or appropriate, a competitive bid or comparable valuation is obtained, and the board or committee of the board has determined that the transaction is in the best interest of the organization Disclosure by any interested person other than a board or committee member should be made to the Chief Executive Officer (or if she/he is the one with the conflict, then to the board chair), who will 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 with the conflict, then to the board vice chair), who will bring these matters to the board or an appropriate committee of the board The board or committee of the board will determine whether a conflict exists and if so, whether the contemplated transaction may be authorized as just, fair, and reasonable to Essentia or its affiliate(s) The decision of the board or a duly constituted committee of the board on these matters will be at its sole discretion, and its concern must be the welfare of Essentia and its affiliate(s) and the advancement of its purposes The decision of the board is final If the board determines a conflict does not exist, the interested person may proceed with the transaction, however, he/she will not be eligible to vote on related issues should they arise If the board determines a conflict does exist, the interested person will be notified of the decision regarding whether the contemplated transaction will be authorized as just, fair, and reasonable</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 15 A&B		<p>Process for determining compensation The Executive Compensation Committee of Essentia Health's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values and tax-exempt status, and the Executive Compensation Committee's Charter The Executive Compensation Committee meets at least twice annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing and modifying, as appropriate, reasonable compensation and benefits for Essentia's Chief Executive Officer and his direct reports which are paid by related organizations The Executive Compensation Committee engages qualified independent compensation advisors to provide objective and impartial comparative data and to express opinions on total compensation reasonableness The Executive Compensation Committee may request its independent advisors to monitor comparability data and marketplace trends, make appropriate recommendations regarding salary ranges, and periodically review the market competitiveness of Essentia executive compensation packages Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain and rely upon appropriate data as to comparability of the proposed compensation or adjustments The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations The Executive Compensation Committee minutes 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 The Duluth Clinic, Ltd's President/Chief Medical Officer and Chief Administrative officer 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 THE DULUTH CLINIC, LTD makes its governing documents, conflict of interest policy, and financial statements available to the public upon request THE DULUTH CLINIC, LTD 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 Thomas Patnoe, MD is employed by Essentia Health Duluth as Essentia Health's President and Chief Medical Officer 100% of his time is spent furthering the purpose of Essentia Health and 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 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 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 Timothy Zager, MD is employed by The Duluth Clinic, Ltd 100% of his time is spent furthering the purpose of Essentia Health East and related organizations Theresa Gunnarson, MD is employed by The Duluth Clinic, Ltd 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Barbara Johnson is employed by Essentia Health Duluth as Essentia Health East's Chief Financial Officer 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 Michael Motley is employed by The Duluth Clinic Ltd 100% of his time is spent furthering the purpose of Essentia Health East and related organizations Michael Mcavoy is employed by Essentia Health Duluth as Vice President Operation- Hospital Based Physician Services 100% of his 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 Michelle Oman, MD is employed by The Duluth Clinic, Ltd 100% of her time is spent furthering the purpose of Essentia Health East and related organizations Wilson Ginete, MD is employed by The Duluth Clinic, Ltd 100% of his 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 Peter Person, MD is employed by Essentia Health Duluth as Essentia Health's Chief Executive Officer 100% of his time is spent furthering the purpose of Essentia Health and related organizations Kimberly A Boddicker, MD is employed by The Duluth Clinic Ltd 100% of her time is spent furthering the purpose of Essentia Health East and related organizations</p>

Identifier	Return Reference	Explanation
FORM 990, Part IX, LINE 24D		<p>Affiliate expense and revenue allocation represents the portion of Essentia Health Duluth and Essentia Health St Mary's Medical Center revenue and expense related to The Duluth Clinic, Ltd , a related organization, which is allocated directly to The Duluth Clinic, Ltd Net affiliate (revenue) and expense allocation of \$2,992,605 includes the following Grants (\$2,872), Program Service Revenue (\$50,047), Investment Income (\$44,714), Realized Loss (\$413,665), Miscellaneous Revenue (\$131,200), Contributions \$176,185, Compensation \$9,653,086 Accounting Fees (6,834), Legal Fees \$10,705, Investment Management Fees \$54,482, Interest (\$7,718,408), Other Purchased Services \$1,619,288 Advertising \$179,154 Board Expenses \$6,001, Conferences \$87,720, Depreciation & Amortization (\$3,863,469), Information Technology \$1,361,110, Insurance \$149,115, Medical Supplies (\$86,023), Occupancy \$138,595, Office Expenses \$1,043,932, Travel \$278,657, Unrelated Business Income Taxes \$7,930, and Other Expenses \$543,877</p>

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 5		Other Changes in Net Assets Pension and Post Retirement Liability Adjustments (\$1,053,767) Payroll clearing - Other Net Asset adjustment \$1,353 Net Asset transfer with related organizations, reallocated Balance Sheet items to more appropriate companies (\$145,267) Unrealized Gain / (Loss) on Trading Securities (\$3,986,913)

Identifier	Return Reference	Explanation
FORM 990, PART XII, LINE 3		Consolidated A-133 THE DULUTH CLINIC, LTD , as part of Essentia Health's consolidated financial statements, was required and underwent a consolidated audit set forth in the Single Audit Act and OMB Circular A-133 The consolidated audit is reviewed by the Essentia Health Audit Committee

Identifier	Return Reference	Explanation
SCHEDULE K		<p>Additional information/comments relating to the reporting of liabilities by related organizations</p> <p>Essentia Health has an Obligated Group created under the Master Indenture which is composed of the following Members</p> <p>Essentia Health, Critical Access Group, Essentia Health East, Essentia Health St Joseph's Medical Center, Essentia Health St Mary's-Detroit Lakes, Essentia Health St Mary's Medical Center, Essentia Health Duluth, Essentia Health Polinsky Medical Rehabilitation Center, Essentia Health St Mary's Hospital-Superior, Essentia Health Brainerd Specialty Clinic, Essentia Health Central, St Mary's Innovis Health, The Duluth Clinic, Ltd and Essentia Health West (the "Obligated Group Members" or the "Members of the Obligated Group")</p> <p>The Members of the Obligated Group are jointly and severally obligated on all indebtedness evidenced or secured by Notes issued under the Master Indenture Series 2008E</p> <p>The Series 2008E bonds are secured by Notes issued under the Master Indenture</p> <p>The Obligated Group Members</p> <p>Essentia Health East, The Duluth Clinic, Ltd, Essentia Health, Essentia Health St Mary's Medical Center and Essentia Health Duluth are the conduit borrowers of the Series 2008E bonds</p> <p>The conduit borrower, The Duluth Clinic, Ltd, has recorded a portion of the bond liability on its balance sheet which is consolidated with Essentia Health</p> <p>The Obligated Group Member, Essentia Health West, is an indirect beneficiary of a portion of the Series 2008E borrowing and has recorded a portion of the bond liability on its balance sheet which is consolidated with Essentia Health Series 2008A Reoffered</p> <p>The Series 2008A reoffered bonds are secured by Notes issued under the Master Indenture</p> <p>Essentia Health is the conduit borrower of the Series 2008A reoffered bonds and has recorded a portion of the bond liability on its balance sheet</p> <p>The Obligated Group Members, Essentia Health West, The Duluth Clinic, Ltd, and Essentia Health St Mary's-Detroit Lakes, are indirect beneficiaries of the Series 2008A reoffered borrowing and have recorded the bond liability on their balance sheets which are consolidated with Essentia Health Series 2008B Reoffered</p> <p>The Series 2008B reoffered bonds are secured by Notes issued under the Master Indenture</p> <p>The Obligated Group Members</p> <p>The Duluth Clinic, Ltd, Essentia Health and Essentia Health St Mary's Hospital-Superior are the conduit borrowers of the Series 2008B reoffered bonds</p> <p>The conduit borrowers, The Duluth Clinic, Ltd and Essentia Health, have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health</p> <p>The Obligated Group Members, Essentia Health West and Essentia Health St Mary's-Detroit Lakes, are indirect beneficiaries of a portion of the Series 2008B reoffered borrowing and have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health Series 2008C Reoffered</p> <p>The Series 2008C reoffered bonds are secured by Notes issued under the Master Indenture</p> <p>The Obligated Group Members</p> <p>Essentia Health East, Essentia Health St Joseph's Medical Center, Essentia Health St Mary's-Detroit Lakes, The Duluth Clinic, Ltd, Essentia Health, and Essentia Health St Mary's Medical Center, Inc are the conduit borrowers of the Series 2008C reoffered bonds</p> <p>The conduit borrowers, Essentia Health St Mary's-Detroit Lakes, Essentia Health, and The Duluth Clinic, Ltd, have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health</p> <p>The Obligated Group Member, Essentia Health West is an indirect beneficiary of a portion of the Series 2008C reoffered borrowing and has recorded a portion of the bond liability on its balance sheet which is consolidated with Essentia Health Series 2010</p> <p>The Series 2010 bonds are secured by Notes issued under the Master Indenture</p> <p>The Obligated Group Members</p> <p>The Duluth Clinic, Ltd, Essentia Health, Essentia Health St Joseph's Medical Center, Essentia Health East, Essentia Health St Mary's Medical Center and Essentia Health St Mary's-Detroit Lakes are the conduit borrowers of the Series 2010 bonds</p> <p>The conduit borrowers, The Duluth Clinic, Ltd, Essentia Health, Essentia Health St Joseph's Medical Center, and Essentia Health St Mary's-Detroit Lakes, have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health</p> <p>The Obligated Group Member, Essentia Health West is an indirect beneficiary of a portion of the Series 2010 borrowing and has recorded a portion of the bond liability on its balance sheet which is consolidated with Essentia Health</p> <p>Part 1, Column (f) Description of purpose</p> <p>Series 2008E Refinance Series 1997 bonds is sued December 18, 1997 to finance equipment purchases in Duluth, MN</p> <p>Series 2008A Reoffered Reoffer Series 2008 A-1 and A-2 bonds issued March 4, 2008 to refinance a portion of the acquisition of certain assets of Essentia Health</p>

Identifier	Return Reference	Explanation
SCHEDULE K		<p>West in connection with the affiliation of Essentia Health with Essentia Health West Series 2008B Reoffered Reoffer Series 2008 B-1 bonds issued March 4, 2008 to refund Series 1999B bonds issued May 18, 1999 for construction projects and equipment purchases in Superior, WI and various Duluth Clinic locations in northwestern Wisconsin Series 2008C Reoffered Reoffer Series 2008 C-5 and 2008 C-4A bonds issued March 4, 2008 to refund Series 2004 bonds issued March 19, 2004 for various acquisitions, construction projects, capital improvements and equipment purchases in Duluth, Brainerd, and Detroit Lakes, MN and refund Series 1999A bonds issued May 18, 1999 for various acquisitions, construction projects, capital improvements and equipment purchases in Brainerd, Detroit Lakes and Duluth, MN and various Duluth Clinic sites in northern Minnesota Series 2010 Refund Series 1993C and 1993E bonds issued January 15, 1993 and refund Series 2008 C-3 and 2008 C-4B bonds issued March 4, 2008 to partially refund Series 2004 bonds issued March 19, 2004 for various acquisitions, construction projects, capital improvements and equipment purchases in Duluth, Brainerd, and Detroit Lakes, MN and various Duluth Clinic sites in northern Minnesota and finance various construction projects, capital improvements and equipment purchased in Brainerd, Detroit Lakes and Duluth, MN and various Duluth Clinic sites in northern Minnesota Part II, Line 3 Issue Price Series 2008E, Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2010 were issued by the Essentia Health Obligated Group The issue price listed in The Duluth Clinic Ltd's Schedule K Part I Column (e) represents the Essentia Health Obligated Group's total borrowing Part II Lines 3 through 12 Proceeds Series 2008E, Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2010 were issued by the Essentia Health Obligated Group A portion of the Series 2008E, Series 2008A Reoffered, Series 2008B Reoffered, Series 2008C Reoffered, and Series 2010 borrowing were allocated to The Duluth Clinic Ltd, an Essentia Health Obligated Group Member The proceeds listed in The Duluth Clinic Ltd's Schedule K Part II Lines 3 through 12 represent The Duluth Clinic Ltd's allocated portion of the proceeds Part V Procedure s to undertake corrective action Written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program have been subsequently adopted</p>

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

The Duluth Clinic LTD

Employer identification number

41-088362

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.)

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

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

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		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k	Yes	
1l	Yes	
1m		No
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	

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

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
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 Polinsky Medical Rehabilitation Center, Essentia Health Polinsky Medical Rehabilitation Center 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: 41-0883623
Name: The Duluth Clinic LTD

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization
BRAINERD LAKES INTEGRATED HEALTH SYSTEM 2024 S 6TH ST BRAINERD, MN 56401 37-1532145	SUPPORT ORG	MN	501(c) (3)	11 II	Essentia	Yes
BRAINERD MEDICAL CENTER INC 2024 S 6TH ST BRAINERD, MN 56401 37-1532148	CLINIC	MN	501(c) (3)	3	BLIHS	Yes
BRIDGES MEDICAL CENTER 201 9TH ST WEST ADA, MN 56510 20-0479568	CLINIC/HOSP	MN	501(c) (3)	3	Innovis	Yes
CLEARWATER VALLEY HOSPITAL & 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 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 AND 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 26-2863121	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 EQUIP & 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
POLINSKY MEDICAL REHABILITATION CENTER 530 E 2ND ST DULUTH, MN 55805 41-0691275	CLINIC	MN	501(c) (3)	3	SMMC	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
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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	Essentia Health Foundation	Q	576,748	ACTUAL COSTS
(2)	Essentia Institute of Rural Health	O	4,220,245	ACTUAL COSTS
(3)	Essentia Institute of Rural Health	P	3,552,442	ACTUAL COSTS
(4)	Essentia Institute of Rural Health	Q	3,610,570	ACTUAL COSTS
(5)	Essentia Health	L	7,743,672	ACTUAL COSTS
(6)	Essentia Health	N	393,432	ACTUAL COSTS
(7)	Essentia Health	O	621,629	ACTUAL COSTS
(8)	Essentia Health	P	351,892	ACTUAL COSTS
(9)	Essentia Health	R	91,364	ACTUAL COSTS
(10)	Innovis Health	N	411,790	ACTUAL COSTS
(11)	Innovis Health	P	53,405	ACTUAL COSTS
(12)	Polinsky Health Rehabilitation Center	P	3,486,196	ACTUAL COSTS
(13)	SMDC Medical Center	J	1,253,737	ACTUAL COSTS
(14)	SMDC Medical Center	O	30,872,918	ACTUAL COSTS
(15)	SMDC Medical Center	P	13,823,091	ACTUAL COSTS
(16)	St Mary's Hospital Superior	J	756,207	ACTUAL COSTS
(17)	St Mary's Hospital Superior	O	29,693,550	ACTUAL COSTS
(18)	St Mary's Hospital Superior	P	14,738,747	ACTUAL COSTS
(19)	St Mary's Medical Center	O	18,973,279	ACTUAL COSTS
(20)	St Mary's Medical Center	P	3,007,198	ACTUAL COSTS

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(21) St Mary's RegionAL Health Center	O	90,230	ACTUAL COSTS

Additional Data

Software ID:
Software Version:
EIN: 41-0883623
Name: The Duluth Clinic LTD

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or director	Individual trustee	Institutional Trustee	Officer	Key employee			
THOMAS PATNOE MD PRESIDENT & CMO thru 4/12	60 0	X		X			0	712,273	104,333
JOSEPH BIANCO MD BOARD TREASURER	60 0	X		X			312,046	7,900	50,905
RAHUL AGGARWAL MD BOARD DIRECTOR	60 0	X					420,843	0	43,742
DAVID ALEXANDER MD BOARD DIRECTOR	60 0	X					706,656	0	45,375
JANUS BUTCHER MD BOARD DIRECTOR thru 6/12	60 0	X					349,563	0	29,660
JEFFREY ENGELSJERD MD BOARD DIRECTOR	60 0	X					424,663	0	51,834
SCOTT JOHNSON MD BOARD DIRECTOR	60 0	X					650,431	0	51,066
DONALD MUZZI MD BOARD DIRECTOR thru 7/11	60 0	X					548,891	0	48,534
DANIEL NIKCEVICH MD PRESIDENT & CMO	60 0	X		X			686,865	600	50,198
ANNE STEPHEN MD BOARD DIRECTOR	60 0	X					157,245	0	38,743
TIMOTHY ZAGER MD BOARD President	60 0	X		X			318,307	0	42,792
THERESA GUNNARSON MD BOARD DIRECTOR	60 0	X					477,967	15,000	55,917
ROBERT ERICKSON MD BOARD DIRECTOR THRU 3/12	60 0	X					591,419	0	54,128
MATTHEW LUEDKE MD BOARD DIRECTOR	60 0	X					283,391	0	49,173
BRIAN KONOWALCHUK MD BOARD DIRECTOR	60 0	X					342,581	0	50,402
JEFFREY LYON MD BOARD DIRECTOR	60 0	X					249,590	0	42,613
VINCENT OHAJU MD BOARD DIRECTOR	60 0	X					684,453	0	54,131
BARBARA JOHNSON CHIEF FINANCIAL OFFICER	60 0			X			0	422,890	60,505
MICHAEL METCALF Chief Administrative Officer	60 0				X		0	526,817	88,755
MICHAEL MOTLEY VP COMMUNITY CLINIC	60 0				X		232,837	0	61,462
MICHAEL MCAVOY VP Operation Hospital	60 0				X		0	228,717	52,065
ANN WATKINS VP SURGICAL SERVICES	60 0				X		0	232,271	49,107
SCOTT ESKURI MD SECTION CHAIR	60 0				X		569,099	0	55,397
MICHAEL MARKS DIRECTOR	60 0				X		207,352	0	27,677
DANIEL MILBRIDGE REGIONAL ADMINISTRATOR	60 0				X		205,439	0	33,625

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee Or director	Institutional Trustee	Office	Key employee	Highest compensated employee			
MICHELLE OMAN MD SECTION CHAIR	60 0			X			196,786	0	45,859
WILSON GINETE MD SECTION CHAIR	60 0			X			614,178	0	47,124
FREDERICK HARRIS MD PHYSICIAN	60 0				X		1,312,192	0	51,011
TROY ERICKSON MD PHYSICIAN	60 0				X		1,124,732	0	50,784
BENJAMIN YOKEL MD PHYSICIAN	60 0				X		1,108,566	0	55,872
JUSTIN CUMMINS MD PHYSICIAN	60 0				X		1,017,665	662	50,520
JEFFERSON DAVIS MD PHYSICIAN	60 0				X		949,526	0	50,848
ROBERT NORMAN CHIEF FINANCIAL OFFICER	60 0					X	0	626,789	135,575
Peter Person MD Essentia Health CEO	60 0					X	0	1,439,889	751,215
KIMBERLY BODDICKER MD SECTION CHAIR	60 0					X	607,827	0	41,943
WENDELL SMITH MD SECTION CHAIR	60 0					X	491,767	0	50,877

Additional Data

Software ID:
Software Version:
EIN: 41-0883623
Name: The Duluth Clinic LTD

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

1	(a) Description of Liability	(b) Amount
	BENEFIT PLAN LIABILITY 457B	19,438,261
	PAYABLES TO RELATED TAX-EXEMPT ORGS	464,300,444
	NON CURRENT SWAP LIABILITY	13,918,175
	ASSET RETIREMENT OBLIGATION FIN 47	1,086,271
	UNCLAIMED PROPERTY	179,901
	OTHER LIABILITIES	3,273
	POST RETIREMENT PLAN-NON PENSION	10,996,118
	BENEFIT PLAN LIABILITY 457F	2,849,119

Software ID:
Software Version:
EIN: 41-0883623
Name: The Duluth Clinic LTD

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
THOMAS PATNOE MD	(i) 0 (ii) 536,822	0 174,761	690	0 72,023	0 32,310	0 816,606	0 0
MICHAEL METCALF	(i) 0 (ii) 393,711	0 128,521	4,585	0 60,619	0 28,136	0 615,572	0 0
ROBERT NORMAN	(i) 0 (ii) 407,163	0 141,928	77,698	0 79,658	0 55,917	0 762,364	0 75,455
BARBARA JOHNSON	(i) 0 (ii) 294,391	0 119,283	9,216	0 54,040	0 6,465	0 483,395	0 8,532
JOSEPH BIANCO MD	(i) 309,135 (ii) 7,900	2,304 0	607 0	24,500 0	26,405 0	362,951 7,900	0 0
RAHUL AGGARWAL MD	(i) 415,263 (ii) 0	3,750 0	1,830 0	24,500 0	19,242 0	464,585 0	0 0
DAVID ALEXANDER MD	(i) 695,814 (ii) 0	8,765 0	2,077 0	24,500 0	20,875 0	752,031 0	0 0
JANUS BUTCHER MD	(i) 344,705 (ii) 0	4,168 0	690 0	24,500 0	5,160 0	379,223 0	0 0
JEFFREY ENGELSGJERD MD	(i) 419,509 (ii) 0	4,464 0	690 0	24,500 0	27,334 0	476,497 0	0 0
SCOTT JOHNSON MD	(i) 643,243 (ii) 0	6,498 0	690 0	24,500 0	26,566 0	701,497 0	0 0
DONALD MUZZI MD	(i) 540,742 (ii) 0	6,679 0	1,470 0	24,500 0	24,034 0	597,425 0	0 0
DANIEL NIKCEVICH MD	(i) 679,751 (ii) 600	6,244 0	870 0	24,500 0	25,698 0	737,063 600	0 0
ANNE STEPHEN MD	(i) 155,670 (ii) 0	1,327 0	248 0	12,642 0	26,101 0	195,988 0	0 0
TIMOTHY ZAGER MD	(i) 314,439 (ii) 0	2,501 0	1,367 0	24,500 0	18,292 0	361,099 0	0 0
MICHAEL MOTLEY	(i) 191,905 (ii) 0	36,108 0	4,824 0	33,923 0	27,539 0	294,299 0	0 0
MICHAEL MCAVOY	(i) 0 (ii) 192,348	0 33,461	0 2,908	0 31,978	0 20,087	0 280,782	0 0
ANN WATKINS	(i) 0 (ii) 171,551	0 34,894	0 25,826	0 29,019	0 20,088	0 281,378	0 17,584
KIMBERLY BODDICKER MD	(i) 600,056 (ii) 0	7,501 0	270 0	24,500 0	17,443 0	649,770 0	0 0

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
SCOTT ESKURI MD	(i) 561,730 (ii) 0	6,679 0	690 0	24,500 0	30,897 0	624,496 0	0 0
WENDELL SMITH MD	(i) 485,413 (ii) 0	5,664 0	690 0	24,500 0	26,377 0	542,644 0	0 0
FREDERICK HARRIS MD	(i) 1,297,322 (ii) 0	14,570 0	300 0	24,500 0	26,511 0	1,363,203 0	0 0
TROY ERICKSON MD	(i) 1,111,364 (ii) 0	13,068 0	300 0	24,500 0	26,284 0	1,175,516 0	0 0
MICHAEL MARKS	(i) 207,202 (ii) 0	0 0	150 0	10,488 0	17,189 0	235,029 0	0 0
DANIEL MILBRIDGE	(i) 197,029 (ii) 0	0 0	8,410 0	9,092 0	24,533 0	239,064 0	0 0
BENJAMIN YOKEL MD	(i) 1,093,415 (ii) 0	14,461 0	690 0	24,500 0	31,372 0	1,164,438 0	0 0
THERESA GUNNARSON MD	(i) 471,894 (ii) 15,000	5,713 0	360 0	24,500 0	31,417 0	533,884 15,000	0 0
Peter Person MD	(i) 0 (ii) 898,669	0 305,760	0 235,460	0 714,204	0 37,011	0 2,191,104	0 231,933
ROBERT ERICKSON MD	(i) 584,403 (ii) 0	6,326 0	690 0	24,500 0	29,628 0	645,547 0	0 0
MATTHEW LUEDKE MD	(i) 280,826 (ii) 0	2,313 0	252 0	22,822 0	26,351 0	332,564 0	0 0
BRIAN KONOWALCHUK MD	(i) 339,075 (ii) 0	3,242 0	264 0	24,500 0	25,902 0	392,983 0	0 0
JEFFREY LYON MD	(i) 246,485 (ii) 0	2,581 0	524 0	24,500 0	18,113 0	292,203 0	0 0
VINCENT OHAJU MD	(i) 675,990 (ii) 0	7,773 0	690 0	24,500 0	29,631 0	738,584 0	0 0
MICHELLE OMAN MD	(i) 194,154 (ii) 0	2,500 0	132 0	19,888 0	25,971 0	242,645 0	0 0
WILSON GINETE MD	(i) 606,280 (ii) 0	7,598 0	300 0	24,500 0	22,624 0	661,302 0	0 0
JUSTIN CUMMINS MD	(i) 1,017,215 (ii) 662	0 0	450 0	24,484 16	26,015 5	1,068,164 683	0 0
JEFFERSON DAVIS MD	(i) 939,039 (ii) 0	10,172 0	315 0	24,500 0	26,348 0	1,000,374 0	0 0