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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

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 Street
Suite

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

D Employer identification number
41-0883623

E Telephone number
(218) 786-1421

G Gross receipts $ 151,905,526

F Name and address of principal officer
DANIEL NIKCEVICH MD
502 E 2nd Street
DULUTH, MN 55805

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www essentiahealth 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

Activities & Governance

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 2012 (Part V, line 2a)	**5**	1,411
6	Total number of volunteers (estimate if necessary)	**6**	108
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	868,101
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-60,913

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	370,273	184,983
9	Program service revenue (Part VIII, line 2g)	159,167,309	143,324,378
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-454,156	-548,987
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,135,688	4,733,213
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	166,219,114	147,693,587
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	4,769	1,875
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)	96,358,175	81,681,918
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)	89,829,566	94,110,588
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	186,192,510	175,794,381
19	Revenue less expenses Subtract line 18 from line 12	-19,973,396	-28,100,794

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	429,325,840	401,493,146
21	Total liabilities (Part X, line 26)	746,184,004	748,088,356
22	Net assets or fund balances Subtract line 21 from line 20	-316,858,164	-346,595,210

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

****** | 2014-04-21
Signature of officer | Date

KEVIN BOREN CFO
Type or print name and title

Paid Preparer Use Only

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

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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 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 $ 141,798,727 including grants of $ 1,875) (Revenue $ 147,086,179)

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** ▶ 141,798,727

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		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, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 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, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,411		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
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, securities account, or other financial 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 as charitable contributions? . . .		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		14b		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 12		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 0		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ 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 ☐ Other (explain in Schedule O)

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 during the tax year

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

▶ KEVIN BOREN 523 EAST 1ST STREET DULUTH, MN (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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								13,663,176	3,633,090	2,588,208

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 ▶ 523

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

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

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

Part VIII Statement of Revenue

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

				(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	132,416			
	e	Government grants (contributions)	1e	25,000			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	27,567			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f			184,983		
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE	621110		143,657,384	143,624,314	33,070
	b	JOINT VENTURE-INTERNATIONAL FALLS	621110		-333,006	-333,006	
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			143,324,378		
	3	Investment income (including dividends, interest, and other similar amounts)			170,262		170,262
	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	0			
	d	Net rental income or (loss)			4,000		4,000
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		18,856			
	b	Less cost or other basis and sales expenses		738,105			
	c	Gain or (loss)		-719,249			
	d	Net gain or (loss)			-719,249		-719,249
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events			0		
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities			0		
	10a	Gross sales of inventory, less returns and allowances	a	4,308,865			
	b	Less cost of goods sold	b	3,473,834			
	c	Net income or (loss) from sales of inventory			835,031		835,031
		Miscellaneous Revenue		Business Code			
	11a	PROFESSIONAL SERVICE REVENUE - INT'L FALLS		541900	3,286,926	3,286,926	
	b	MANAGEMENT SERVICE REVENUE - INT'L FALLS		541900	474,875	474,875	
	c	PARKING REVENUE		812930	132,381		132,381
	d	All other revenue					
	e	**Total.** Add lines 11a–11d			3,894,182		
	12	**Total revenue.** See Instructions			147,693,587	147,053,109	868,101 -412,606

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)

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	1,875	1,875		
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	1,834,628	1,411,795	422,833	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	155,028	155,028		
7 Other salaries and wages	65,028,379	63,503,055	1,525,324	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,640,714	3,259,645	381,069	
9 Other employee benefits	7,499,173	6,257,034	1,242,139	
10 Payroll taxes	3,523,996	3,377,346	146,650	
11 Fees for services (non-employees)				
a Management	0			
b Legal	0			
c Accounting	0			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	11,020,441	10,788,174	232,267	
12 Advertising and promotion	9,026	8,326	700	
13 Office expenses	2,720,568	2,631,649	88,919	
14 Information technology	105,693	103,359	2,334	
15 Royalties . .	0			
16 Occupancy	5,144,657	1,718,350	3,426,307	
17 Travel	596,596	529,712	66,884	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	141,183	96,981	44,202	
20 Interest	8,908,868		8,908,868	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	7,331,915	423,567	6,908,348	
23 Insurance	1,495,031	1,495,031		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	31,672,593	31,672,593		
b AFFILIATE SUPPORT FEES	11,030,021	2,232,826	8,797,195	
c BAD DEBT EXPENSE	7,005,222	7,005,222		
d UBI TAX	404,724	404,724		
e All other expenses	6,524,050	4,722,435	1,801,615	
25 **Total functional expenses.** Add lines 1 through 24e	175,794,381	141,798,727	33,995,654	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		3,129,423	1	249,168
	2	Savings and temporary cash investments		2,225,641	2	2,236,897
	3	Pledges and grants receivable, net		73,160	3	0
	4	Accounts receivable, net		14,557,367	4	9,790,082
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		4,613,430	7	1,730,499
	8	Inventories for sale or use		2,641,295	8	3,887,429
	9	Prepaid expenses and deferred charges		29,740	9	28,105
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 214,777,069			
	b	Less accumulated depreciation	10b 91,937,294	120,946,739	10c	122,839,775
	11	Investments—publicly traded securities		3,955,735	11	2,767,093
	12	Investments—other securities See Part IV, line 11		2,326,340	12	0
	13	Investments—program-related See Part IV, line 11		1,165,612	13	832,606
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		273,661,358	15	257,131,492
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		429,325,840	16	401,493,146
Liabilities	17	Accounts payable and accrued expenses		17,244,626	17	17,870,471
	18	Grants payable		0	18	0
	19	Deferred revenue		175,693	19	42,806
	20	Tax-exempt bond liabilities		213,644,790	20	160,717,883
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		2,347,333	23	51,317,424
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		512,771,562	25	518,139,772
	26	**Total liabilities.** Add lines 17 through 25		746,184,004	26	748,088,356
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-316,858,164	27	-346,595,210
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		-316,858,164	33	-346,595,210
	34	Total liabilities and net assets/fund balances		429,325,840	34	401,493,146

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	147,693,587
2	Total expenses (must equal Part IX, column (A), line 25)	2	175,794,381
3	Revenue less expenses Subtract line 2 from line 1	3	-28,100,794
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-316,858,164
5	Net unrealized gains (losses) on investments	5	5,157,585
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-6,793,837
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-346,595,210

Part XII Financial Statements and Reporting

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

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

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOSEPH BIANCO MD BOARD TREASURER	50 2 9 8	X		X				271,980	7,800	43,532
RAHUL AGGARWAL MD BOARD DIRECTOR	1 4 58 6	X						437,998	0	45,538
DAVID ALEXANDER MD BOARD DIRECTOR	1 4 58 6	X						666,026	0	47,240
JEFFREY ENGELSJERD MD BOARD DIRECTOR	1 4 58 6	X						376,790	0	53,024
SCOTT JOHNSON MD BOARD DIRECTOR	1 4 58 6	X						620,507	0	56,828
ANNE STEPHEN MD BOARD DIRECTOR	1 4 58 6	X						258,005	0	52,298
TIMOTHY ZAGER MD BOARD President	1 4 58 6	X		X				367,094	0	75,536
THERESA GUNNARSON MD BOARD DIRECTOR	1 4 58 6	X						533,929	15,000	57,725
MATTHEW LUEDKE MD BOARD DIRECTOR	1 4 58 6	X						228,733	0	55,810
BRIAN KONOWALCHUK MD BOARD DIRECTOR	1 4 58 6	X						429,507	0	51,943
JEFFREY LYON MD BOARD DIRECTOR	1 4 58 6	X						295,831	0	43,856
VINCENT OHAJU MD BOARD DIRECTOR	1 4 58 6	X						664,210	0	52,947
BARBARA JOHNSON CHIEF FINANCIAL OFFICER	1 4 58 6			X				0	377,389	57,391
DANIEL NIKCEVICH MD PRESIDENT & CMO	1 4 58 6			X				0	591,992	75,433
MICHAEL METCALF EVP CLINICAL OPERATIONS	1 4 58 6				X			0	456,142	89,937
MICHAEL MOTLEY VP COMMUNITY CLINICS & REG OPS	1 4 58 6				X			209,112	0	50,505
MICHAEL MCAVOY VP HOSPITAL OPERATIONS	1 4 58 6				X			0	223,697	44,344
ANN WATKINS VP SURGICAL SERVICES	1 4 58 6				X			0	214,083	41,857
SCOTT ESKURI MD SECTION CHAIR	1 4 58 6				X			644,644	0	56,738
DANIEL MILBRIDGE REGIONAL ADMINISTRATOR	1 4 58 6				X			153,835	0	33,181
MICHELLE OMAN MD SECTION CHAIR	1 4 58 6				X			206,337	0	48,444
WILSON GINETE MD SECTION CHAIR	1 4 58 6				X			576,862	0	48,275
MELISSA LASPI DIRECTOR	60 0 0 0				X			152,857	0	32,486
FREDERICK HARRIS MD PHYSICIAN	0 0 60 0					X		920,825	0	53,129
BENJAMIN YOKEL MD PHYSICIAN	60 0 0 0					X		1,148,764	0	57,587

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JUSTIN CUMMINS MD PHYSICIAN	0 0 60 0					X		1,010,457	0	47,390
STEVEN BROADWAY MD PHYSICIAN	0 0 60 0					X		1,047,579	700	40,769
JEFFREY KLASSEN PHYSICIAN	0 0 40 0					X		827,819	0	52,442
THOMAS PATNOE MD PRESIDENT & CMO thru 4/12	0 0 60 0						X	540,808	0	92,577
ROBERT NORMAN CHIEF FINANCIAL OFFICER	0 0 60 0						X	0	545,825	103,540
Peter Person MD CHIEF EXECUTIVE OFFICER	0 0 60 0						X	0	1,200,462	790,450
KIMBERLY BODDICKER MD SECTION CHAIR	0 0 60 0						X	470,983	0	51,228
WENDELL SMITH MD SECTION CHAIR	0 0 60 0						X	402,318	0	52,550
MICHAEL MARKS DIRECTOR	60 0 0 0						X	199,366	0	31,678

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **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 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** 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—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** 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—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

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

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

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

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

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

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

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 XIII and complete the following table

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

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,340,907		3,340,907
b Buildings		180,132,017	71,588,625	108,543,392
c Leasehold improvements		4,202,253	801,475	3,400,778
d Equipment		22,991,850	18,873,786	4,118,064
e Other		4,110,042	673,408	3,436,634
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				122,839,775

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) must 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
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
(1) BOND DEBT ISSUE COSTS	4,100,394
(2) DEFERRED COMPENSATION 457F	2,265,328
(3) RECEIVABLES TO RELATED ORGS	250,765,770
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	257,131,492

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
BENEFIT PLAN LIABILITY 457F	2,265,328
PAYABLES TO RELATED TAX-EXEMPT ORGS	489,687,499
NON CURRENT SWAP LIABILITY	8,967,307
ASSET RETIREMENT OBLIGATION FIN 47	1,142,263
UNCLAIMED PROPERTY	209,051
POST RETIREMENT PLAN-NON PENSION	15,868,324
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	518,139,772

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI 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 XIII)	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 XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

Part XII 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 XIII)	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 XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
The Duluth Clinic LTD

Employer identification number
41-0883623

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
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 Essentia Health's nonqualified retirement plan is offered to designated Essentia Health executives There is a minimum two year vesting date or automatically upon reaching retirement age, death, disability or involuntary termination without cause Benefits are subject to income taxes upon vesting and payable from Essentia Health's general assets Reported as Other Reportable Compensation in Schedule J, Part II, Column B (iii), the following individuals listed in Form 990, Part VII, Section A, Line 1a received payment of the vested benefit from the supplemental nonqualified retirement plan during the year ROBERT NORMAN $54,041 ANN WATKINS $10,727 PETER PERSON, MD $109,663 MICHAEL MCAVOY $4,794 BARBARA JOHNSON $25,094 Reported as Retirement and Other Deferred Compensation in Schedule J, Part II, Column C, Essentia Health made contributions, subject to the vesting terms, during the year into the supplemental nonqualified retirement plan on behalf of the following individuals listed in Form 990, Part VII, Section A, Line 1a ROBERT NORMAN $45,627 ANN WATKINS $2,811 PETER PERSON, MD $152,338 MICHAEL MCAVOY $3,063 BARBARA JOHNSON $25,193 MICHAEL MOTLEY $1,957 TIMOTHY ZAGER, MD $31,000 THOMAS PATNOE, MD $40,270 DANIEL NIKCEVICH, MD $23,529

Additional Data Return to Form

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)	537,506	0	3,302	65,270	27,307	633,385	0
	(II)	0	0	0	0	0	0	0
MICHAEL METCALF	(I)	0	0	0	0	0	0	0
	(II)	387,434	61,425	7,283	62,400	27,537	546,079	0
ROBERT NORMAN	(I)	0	0	0	0	0	0	0
	(II)	421,115	66,529	58,181	71,277	32,263	649,365	54,041
BARBARA JOHNSON	(I)	0	0	0	0	0	0	0
	(II)	303,431	46,526	27,432	50,193	7,198	434,780	25,094
JOSEPH BIANCO MD	(I)	271,395	0	585	25,000	18,532	315,512	0
	(II)	7,800	0	0	0	0	7,800	0
RAHUL AGGARWAL MD	(I)	435,617	0	2,381	25,000	20,538	483,536	0
	(II)	0	0	0	0	0	0	0
DAVID ALEXANDER MD	(I)	663,292	0	2,734	25,000	22,240	713,266	0
	(II)	0	0	0	0	0	0	0
JEFFREY ENGELSJERD MD	(I)	375,832	0	958	25,000	28,024	429,814	0
	(II)	0	0	0	0	0	0	0
SCOTT JOHNSON MD	(I)	619,043	0	1,464	25,000	31,828	677,335	0
	(II)	0	0	0	0	0	0	0
DANIEL NIKCEVICH MD	(I)	0	0	0	0	0	0	0
	(II)	589,434	0	2,558	48,529	26,904	667,425	0
ANNE STEPHEN MD	(I)	257,766	0	239	25,000	27,298	310,303	0
	(II)	0	0	0	0	0	0	0
TIMOTHY ZAGER MD	(I)	362,148	0	4,946	56,000	19,536	442,630	0
	(II)	0	0	0	0	0	0	0
MICHAEL MOTLEY	(I)	187,793	15,412	5,907	23,177	27,328	259,617	0
	(II)	0	0	0	0	0	0	0
MICHAEL MCAVOY	(I)	0	0	0	0	0	0	0
	(II)	196,777	15,615	11,305	24,865	19,479	268,041	4,794
ANN WATKINS	(I)	0	0	0	0	0	0	0
	(II)	180,199	14,326	19,558	22,813	19,044	255,940	10,727
KIMBERLY BODDICKER MD	(I)	470,400	0	583	25,000	26,228	522,211	0
	(II)	0	0	0	0	0	0	0
SCOTT ESKURI MD	(I)	643,233	0	1,411	25,000	31,738	701,382	0
	(II)	0	0	0	0	0	0	0
WENDELL SMITH MD	(I)	401,121	0	1,197	25,000	27,550	454,868	0
	(II)	0	0	0	0	0	0	0
FREDERICK HARRIS MD	(I)	919,726	0	1,099	25,000	28,129	973,954	0
	(II)	0	0	0	0	0	0	0
MICHAEL MARKS	(I)	199,099	0	267	10,393	21,285	231,044	0
	(II)	0	0	0	0	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				
DANIEL MILBRIDGE	(I)	145,343	0	8,492	8,007	25,174	187,016	0
	(II)	0	0	0	0	0	0	0
BENJAMIN YOKEL MD	(I)	1,146,236	0	2,528	25,000	32,587	1,206,351	0
	(II)	0	0	0	0	0	0	0
THERESA GUNNARSON MD	(I)	533,286	0	643	25,000	32,725	591,654	0
	(II)	15,000	0	0	0	0	15,000	0
Peter Person MD	(I)	0	0	0	0	0	0	0
	(II)	935,299	143,325	121,838	759,825	30,625	1,990,912	109,663
MATTHEW LUEDKE MD	(I)	228,403	0	330	24,016	31,794	284,543	0
	(II)	0	0	0	0	0	0	0
BRIAN KONOWALCHUK MD	(I)	429,198	0	309	20,000	31,943	481,450	0
	(II)	0	0	0	0	0	0	0
JEFFREY LYON MD	(I)	294,903	0	928	25,000	18,856	339,687	0
	(II)	0	0	0	0	0	0	0
VINCENT OHAJU MD	(I)	662,587	0	1,623	25,000	27,947	717,157	0
	(II)	0	0	0	0	0	0	0
MICHELLE OMAN MD	(I)	206,152	0	185	21,331	27,113	254,781	0
	(II)	0	0	0	0	0	0	0
WILSON GINETE MD	(I)	575,879	0	983	25,000	23,275	625,137	0
	(II)	0	0	0	0	0	0	0
JUSTIN CUMMINS MD	(I)	1,009,288	0	1,169	25,000	22,390	1,057,847	0
	(II)	0	0	0	0	0	0	0
MELISSA LASPI	(I)	152,745	0	112	8,255	24,231	185,343	0
	(II)	0	0	0	0	0	0	0
STEVEN BROADWAY MD	(I)	1,046,977	0	602	20,000	20,769	1,088,348	0
	(II)	700	0	0	0	0	700	0
JEFFREY KLASSEN	(I)	826,216	0	1,603	25,000	27,442	880,261	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
The Duluth Clinic LTD

Employer 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	SRS 2008E (SEE PART VI)		X		X		X
B	CASS COUNTY NORTH DAKOTA	45-6002205	148047AU7	02-25-2010	59,573,111	SRS 2008A REOFFERED (SEE PART VI)		X		X		X
C	WI HEALTH AND EDUCATION FACILITIES AUTHORITY	39-1337855	97710BSD5	02-25-2010	12,854,722	SRS 2008B REOFFERED (SEE PART VI)		X		X		X
D	MN AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD	41-6007162	6049202H0	02-25-2010	165,717,405	SRS 2008C REOFFERED (SEE PART VI)		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	0	0	3,703,231
2	Amount of bonds legally 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 escrows	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
		Yes / No	Yes / No	Yes / No	Yes / No
14	Were the bonds issued as part of a current refunding issue?	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

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		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 00000%		0 00000%		0 00000%		0 00000%
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 00000%		0 00000%		0 00000%		0 00000%
6	Total of lines 4 and 5		0 00000%		0 00000%		0 00000%		0 00000%
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		0 00000%		0 00000%		0 00000%		0 00000%
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		X
b	Exception to rebate?	X		X		X		X	
c	No rebate due?		X		X		X		X
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X		X		X		X
4a	Has the organization or the governmental issuer entered into a qualified 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?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (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?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has 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?	X		X		X		X	

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART VI	0	Additional information/comments relating to the reporting of liabilities by related organizations Essentia Health has an Obligated Group created under the Master Indenture which is composed of the following Members Essentia Health, Critical Access Group, Essentia Health East, Essentia Health St Joseph's Medical Center, Essentia Health St Mary's-Detroit Lakes, Essentia Health St Mary's Medical Center, Essentia Health Duluth, Essentia Health Polinsky Medical Rehabilitation Center, Essentia Health St Mary's Hospital-Superior, Essentia Health Brainerd Specialty Clinic, Essentia Health Central, St Mary's Innovis Health, The Duluth Clinic, Ltd and Essentia Health West (the "Obligated Group Members" or the "Members of the Obligated Group") The Members of the Obligated Group are jointly and severally obligated on all indebtedness evidenced or secured by Notes issued under the Master Indenture Series 2008E The Series 2008E bonds are secured by Notes issued under the Master Indenture The Obligated Group Members 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 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 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 The Series 2008A reoffered bonds are secured by Notes issued under the Master Indenture Essentia Health is the conduit borrower of the Series 2008A reoffered bonds and has recorded a portion of the bond liability on its balance sheet The Obligated Group Members, Essentia Health West, The Duluth Clinic, Ltd , and Essentia Health St Mary's-Detroit Lakes, are indirect beneficiaries of the Series 2008A reoffered borrowing and have recorded the bond liability on their balance sheets which are consolidated with Essentia Health Series 2008B Reoffered The Series 2008B reoffered bonds are secured by Notes issued under the Master Indenture The Obligated Group Members The Duluth Clinic, Ltd , Essentia Health and Essentia Health St Mary's Hospital-Superior are the conduit borrowers of the Series 2008B reoffered bonds The conduit borrowers, The Duluth Clinic, Ltd and Essentia Health, have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health The Obligated Group Members, Essentia Health West and Essentia Health St Mary's-Detroit Lakes, are indirect beneficiaries of a portion of the Series 2008B reoffered borrowing and have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health Series 2008C Reoffered The Series 2008C reoffered bonds are secured by Notes issued under the Master Indenture The Obligated Group Members Essentia Health East, Essentia Health St Joseph's Medical Center, Essentia Health St Mary's-Detroit Lakes, The Duluth Clinic, Ltd , Essentia Health, and Essentia Health St Mary's Medical Center, Inc are the conduit borrowers of the Series 2008C reoffered bonds The conduit borrowers, Essentia Health St Mary's-Detroit Lakes, Essentia Health, and The Duluth Clinic, Ltd , have recorded a portion of the bond liability on their balance sheets which are consolidated with Essentia Health The Obligated Group Member, Essentia Health West is an indirect beneficiary of a portion of the Series 2008C reoffered borrowing and has recorded a portion of the bond liability on its balance sheet which is consolidated with Essentia Health Part 1, Column (f) Description of purpose Series 2008E Refinance Series 1997 bonds issued December 18, 1997 to finance equipment purchases in Duluth, MN Series 2008A Reoffered Reoffer Series 2008 A-1 and A-2 bonds issued March 4, 2008 to refinance a portion of the acquisition of certain assets of Essentia Health West in connection with the affiliation of Essentia Health with Essentia Health West Series 2008B Reoffered Reoffer Series 2008 B-1 bonds issued March 4, 2008 to refund Series 1999B bonds issued May 18, 1999 for construction projects and equipment purchases in Superior, WI and various Duluth Clinic locations in northwestern Wisconsin Series 2008C Reoffered Reoffer Series 2008 C-5 and 2008 C-4A bonds issued March 4, 2008 to refund Series 2004 bonds issued March 19, 2004 for various acquisitions, construction projects, capital improvements and equipment purchases in Duluth, Brainerd, and Detroit Lakes, MN and refund Series 1999A bonds issued May 18, 1999 for various acquisitions, construction projects, capital improvements and equipment purchases in Brainerd, Detroit Lakes and Duluth, MN and various Duluth Clinic sites in northern Minnesota Part II, Line 3 Issue Price Series 2008E, Series 2008A Reoffered, Series 2008B Reoffered, and Series 2008C Reoffered 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, and Series 2008C Reoffered were issued by the Essentia Health Obligated Group A portion of the Series 2008E, Series 2008A Reoffered, Series 2008B Reoffered, and Series 2008C Reoffered 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

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
The Duluth Clinic LTD

Employer identification number
41-0883623

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) David Gordon	Related to Michael Motley	703,197	See Schedule L, Part V		No
(2) Christopher Bunch	See Schedule L, Part V	425,297	See Schedule L, Part V		No
(3) Elizabeth Marks	Related to Michael Marks	153,402	See Schedule L, Part V		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule L, Part IV, Line 1, Column D		Compensation of a family member of a key employee
Schedule L, Part IV, Line 2, Column B		Related to Kimberly Boddicker, MD
Schedule L, Part IV, Lines 2 & 3, Column D		Compensation of a family member of a former key employee

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

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' 7 hospitals and 16 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 630 full time equivalents The clinics had over 284,000 encounters during the same time period The Duluth Clinic paid over $892,000 in MNCare Tax and Medicaid Surplus, provided over $104,000 in community services and over $233,000 in education and workforce development during the fiscal year ended June 30, 2013

Identifier	Return Reference	Explanation
FORM 990, PART V, LINE 1A		1099 Reporting Vendor payments and Form 1099's were processed through Essentia Health on behalf of certain legal entities comprising Essentia Health system

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 6		Members of Organization ESSENTIA HEALTH EAST IS THE SOLE SHAREHOLDER OF THE DULUTH CLINIC, LTD AND may elect one or more members of the governing body as described in Schedule O Part VI Line 7a MEMBERS, 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 ESSENTIA HEALTH EAST appointS and removeS THE DULUTH CLINIC, LTD 's governing body Form 990, Part VI, Line 7B 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 (ERDs) 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 ERDs would be used at the Catholic entities or money generated by Catholic entities would be used in the providing of services contrary to the ERDs 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

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 7B continued		Essentia Health East also has certain reserved powers over all East facilities within Essentia Health Essentia Health East's reserved powers are as follows Quality, Safety and Service Authority to recommend quality and safety initiatives and to review and execute approved quality and safety plans for the East Region Mission, Vision and Values Authority to create a mission and a vision that support the mission and vision of Essentia Health, responsibility to oversee the mission performance, including charity care, of all facilities within the East Region, responsibility to adopt the values of Essentia Health Operating and Financial Performance Responsibility to oversee the operating and financial performance of the East Region Development of Budgets, Strategic Plans and Strategy Map Authority to develop and recommend, based on Essentia Health targets, capital and operating budgets for the East Region and its facilities, authority to recommend, within the Essentia Health context, regional and local strategic plans for the East Region, authority to develop East Region governance strategy map and balanced scorecard within Essentia Health's system strategy to meet system goals Execution of Approved Budgets and Strategic Plans Responsibility to execute the approved capital and operating budgets and strategic and business plans for the East Region Non-budgeted Expenditures Authority to approve non budgeted capital purchases and leases for East Region facilities within dollar limits defined by Essentia Health Accreditation and Licensure Responsibility to oversee accreditation and licensure compliance for the facilities of the East Region Affiliations, Acquisitions and Joint Ventures Authority to recommend proposed affiliations, acquisitions, joint ventures and other alliances, responsibility to oversee negotiation and implementation of approved acquisitions and operation of all approved affiliations, joint ventures and other alliances with third parties within the East Region Appointment of Directors Authority to appoint or elect directors of the Direct Subsidiaries, and to remove such directors, with or without cause President Authority to advise the CEO of Essentia Health regarding the appointment, removal and periodic evaluation of the President of SMDC Satisfaction Responsibility to execute, evaluate and oversee patient, family and customer satisfaction with respect to services provided within the East Region and to ensure established goals are met Job Satisfaction Responsibility to oversee job satisfaction and staff morale within the East Region facilities Human Resources Responsibility to oversee implementation of Essentia Health human resource policies and procedures throughout the East Region Compliance Responsibility to execute the approved Essentia Health corporate compliance and risk management plans for the East Region Credentialing Responsibility to perform medical staff credentialing for the East Region facilities Nominations Authority to nominate persons for appointment to the SMDC Board of Directors by Benedictine Sisters Benevolent Association and Essentia Health Amendments Authority to suggest proposed amendments to the Articles of Incorporation and Bylaws of this corporation, the Direct Subsidiaries, and any subsidiaries thereof Compensation Plans Responsibility to review and approve compensation of East Region executives and physicians for reasonableness and consistency with the law and Essentia Health's compensation philosophy President/Chief Medical Officer By action of the President of this corporation, authority to appoint and remove, with or without cause, the President/Chief Medical Officer of any of the Direct Subsidiaries Public Policy Responsibility to support Essentia Health public policy and advocacy plans Marketing Responsibility to coordinate regional marketing and promotional activities consistent with Essentia Health marketing plans Philanthropy Responsibility to coordinate philanthropy within the East Region consistent with Essentia Health foundation policies Professional Services Responsibility to oversee East Region management's cooperation with external auditors and general legal counsel selected by Essentia Health and coordination of legal services through the Essentia Health Office of General Counsel Catholic Facilities Responsibility to oversee implementation of BSBA-approved methods, policies and procedures pertaining to adherence by the East Region Catholic facilities with the Ethical and Religious Directives for Catholic Health Care Services and use of religious symbols, distinguishing elements and prayers Projects Involving Real Estate Authority to recommend facility development projects, subject to the approval of Essentia Health, responsibility to oversee execution of approved development projects according to Essentia Health policies

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 11A		FORM 990 REVIEW PROCESS The 2012 Form 990 including all schedules was reviewed by Essenita Health East's management and governing body on March 5, 2014 prior to filing with the Internal Revenue Service Each current director of the governing body received a copy of the 2012 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		Monitoring and enforcing Conflict of Interest policy Essentia Health's comprehensive conflict of interest program prevents, detects and resolves actual conflicts of interests or the actual or potential appearance of such Fiduciaries, defined as an Essentia Health board member/trustee, officer, board committee member, senior management employee, or any others considered to be in a position of influence, are covered under Essentia's conflict of interest program Upon initial appointment, each fiduciary must complete an initial conflict of interest statement and disclosure questionnaire At the conclusion of each fiscal year, each fiduciary must complete an annual conflict of interest statement and disclosure questionnaire As needed, a fiduciary will update his/her most recently completed questionnaire each time the fiduciary becomes aware of a financial interest, a potential conflict, or change to any information that the fiduciary previously reported Essentia Health's Chief Compliance Officer will collect the questionnaires and evaluate the disclosures If a fiduciary has a potential conflict of interest, the Chief Compliance Officer or designee may request additional information from the fiduciary, the management team, and others During the evaluation process, the Chief Compliance Officer may also consult with Essentia Health's Board and Audit Committee Chairs, senior management, legal department, or appropriate representatives from Essentia Health The Chief Compliance Officer reports to the Essentia Health Audit Committee and the Essentia Health Board of Directors any actual or potential conflicts of interest disclosed by the fiduciary, along with recommended actions The Essentia Health Board of Directors (or designee) will then determine whether to approve the situation or to implement special controls to manage the potential conflict of interest The Chief Compliance Officer will then officially notify the fiduciary in writing of the board's decision The decision of whether or not the disclosure constitutes a conflict or not will be at the Essentia Health Board of Director's (or designee) sole discretion, and its concern must be the welfare of Essentia Health and its affiliate(s) and the advancement of its purposes When the Essentia Health Board of Directors (or designee) considers a Fiduciary's disclosure as a Conflict of Interest, special controls will be identified to manage, eliminate or reduce the likelihood and/or appearance of a conflict arising Controls may include but are not limited to A If the conflict involves an on-going matter or relationship, the Fiduciary must not participate in Board, Board committee or management discussions related to the conflict and must recuse themselves and if appropriate, withdraw, from any Board meeting or portion thereof where the matter is being discussed and during the vote on the potential Conflict of Interest The Fiduciary may answer questions at the Board's or the Board Committee's request B If the conflict involves a specific transaction or decision, the Fiduciary will fully disclose their interest and all related material facts The Board or committee of the Board will determine whether the contemplated transaction may be authorized as just, fair, and reasonable to Essentia Health or its affiliate(s) If the Board determines a conflict does not exist, the Fiduciary may proceed with the transaction, however, he or she will not be eligible to vote on related issues should they arise If the Board determines a conflict does exist, the Fiduciary will be notified of the decision regarding whether the contemplated transaction will be authorized as just, fair, and reasonable

Identifier	Return Reference	Explanation
FORM 990, PART VI LINE 15 A&B		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 designated Essentia executives who are officers or key employees of Essentia or any of its affiliates which may be 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, Chief FINANCIAL officer, Executive Vice President clinical operations, Vice President Community Clinics, Vice President Hospital Operations, and Vice President Surgical Services was 2012

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 IX, LINE 24E		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 $4,552,691 includes the following Grants $8, Program Service Revenue ($11,106), Investment Income ($36,199), Realized Loss ($320,661), Miscellaneous Revenue ($132,349), Contributions $273,870, Compensation $7,671,665, PAYROLL TAXES $483,250, PENSION PLAN CONTRIBUTIONS $422,736, Accounting Fees $461, Legal Fees $92,050, Investment Management Fees $50,045, Interest ($7,366,843), Other Purchased Services $1,338,122, Advertising $141,374, Conferences/CONVENTIONS/MEETINGS $92,899, Depreciation & Amortization ($3,629,499), Information Technology $1,703,078, Medical Supplies $73,772, Occupancy $522,967, Office Expenses $1,032,020, Travel $144,089, Unrelated Business Income Taxes $47,612, GAIN/LOSS ON REFINANCING ($151,193), Other Expenses $548,739, AND OTHER EMPLOYEE BENEFITS $1,561,785

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 9		Other Changes in Net Assets The total amount of other changes in net assets includes Net Asset transfer with related organization, reallocated Income Statement items transferred to align with organizational structure ($720,675) Release Investment in SMDC MC ($2,300,000) Defined Benefit Pension Plan Liability Adjustment ($3,871,192) Gain on sale of parking lot transferred to East Range Clinics 98,030 Total ($6,793,837)

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
The Duluth Clinic LTD

Employer identification number
41-0883623

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

(a) Name, address, and EIN (if applicable) 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" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) PMC GATEWAY IMAGING LLC 109 COURT AVE S SANDSTONE, MN 55072 26-1634764	IMAGING SERVI	MN	NA	N/A	0	0			0			0 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) EAST RANGE CLINICS LTD 910 6TH AVE N VIRGINIA, MN 55792 41-0909915	CLINICS	MN	duluth clinic	C Corp	31,213	1,533,569	100 000 %	Yes	
(2) ESSENTIA HEALTH INS SERVICES SPC LTD 94 Solaris Ave PO Box 69 GRAND CAYMAN, CAYMAN ISLANDS KY1-1102 CJ 000000000	INSURANCE	CJ	NA	FOREIGN CORP	0	0	0 %	Yes	

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

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

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

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

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

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

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 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 Deer River Healthcare Center, Inc , Essentia Health Deer River 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 Joseph's Medical Center, Essentia Health St Joseph's Medical Center 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

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Essentia Health	C	100,000	ACTUAL COSTS
Essentia Health	M	7,909,409	ACTUAL COSTS
Essentia Health	P	1,092,807	ACTUAL COSTS
Essentia Health	Q	1,197,059	ACTUAL COSTS
DEER RIVER HEALTHCARE CENTER	P	266,597	ACTUAL COSTS
DEER RIVER HEALTHCARE CENTER	Q	66,198	ACTUAL COSTS
Essentia INSTITUTE OF RURAL HEALTH	P	175,101	ACTUAL COSTS
Essentia INSTITUTE OF RURAL HEALTH	Q	255,010	ACTUAL COSTS
Essentia INSTITUTE OF RURAL HEALTH	R	3,120,612	ACTUAL COSTS
Essentia HEALTH FOUNDATION	R	54,155	ACTUAL COSTS
INNOVIS HEALTH LLC	O	142,920	ACTUAL COSTS
NORTHERN PINES MEDICAL CENTER	Q	93,084	ACTUAL COSTS
SMDC Medical Center	J	139,465	ACTUAL COSTS
SMDC Medical Center	K	1,123,494	ACTUAL COSTS
SMDC Medical Center	P	25,495,381	ACTUAL COSTS
SMDC Medical Center	Q	4,463,661	ACTUAL COSTS
SMDC Medical Center	S	54,668	ACTUAL COSTS
St Mary's Hospital Superior	J	756,207	ACTUAL COSTS
St Mary's Medical Center	O	57,500	ACTUAL COSTS
St Mary's Medical Center	P	13,645,437	ACTUAL COSTS
St Mary's Medical Center	Q	1,295,687	ACTUAL COSTS

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Form **4562**
Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

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

OMB No 1545-0172

2012

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
The Duluth Clinic LTD	GENERAL DEPRECIATION	41-0883623

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

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

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

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

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12 ▶	13	

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	48,220

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

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

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

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

Part IV **Summary** (see instructions)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	48,220
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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

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

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

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

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

Section B—Information on Use of Vehicles

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

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

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

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

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions)					
43 Amortization of costs that began before your 2012 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	