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Form **990****Return of Organization Exempt From Income Tax**

OMB No 1545-0047

2013**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- ▶ Do not enter Social Security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2013 calendar year, or tax year beginning , and ending**B Check if applicable**

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization HUMAN DEVELOPMENT CENTER

Doing Business As
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1401 EAST FIRST STREET
City or town State ZIP code
DULUTH MN 55805
Foreign country name Foreign province/state/county Foreign postal code

D Employer identification number

41-0777937

E Telephone number

(218) 728-4491

G Gross receipts \$ 14,375,329**F Name and address of principal officer**
JAMES GETCHELL 1401 EAST FIRST STREET, DULUTH, MN 55805**H(a) Is this a group return for subordinates?** ☐ Yes ☒ No**H(b) Are all subordinates included?** ☐ Yes ☐ No

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

I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no) ☐ 4947(a)(1) or ☐ 527**J Website:** WWW.HUMANDEVELOPMENTCENTER.ORG**H(c) Group exemption number** ▶**K Form of organization** ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L Year of formation** 1938 **M State of legal domicile** MN**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities	HDC'S MISSION IS TO LEAD OUR COMMUNITIES BY PROVIDING INTEGRATED, CULTURALLY RESPECTFUL, MENTAL HEALTH AND ADDICTION SERVICES THAT FOSTER HOPE, SELF-DETERMINATION, AND RECOVERY OUR FOCUS ON SERVING THOSE MOST IN NEED	
	2	Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	11
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	313
	6	Total number of volunteers (estimate if necessary)	6	
	Revenue	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a
b		Net unrelated business taxable income from Form 990-T, line 34	7b	7,664
8		Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9		Program service revenue (Part VIII, line 2g)	4,482,009	4,308,859
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,001,494	9,448,016
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-6,581	97,570
12		Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	440,064	520,884
13		Grants and similar amounts paid (Part IX, column (A), lines 1–3)	13,916,986	14,375,329
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)	0	0
16a		Professional fundraising fees (Part IX, column (A), line 11e)	11,180,324	11,555,603
b		Total fundraising expenses (Part IX, column (D), line 25) ▶	0	0
17		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	2,850,718	2,778,006
18		Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	14,031,042	14,333,609
19		Revenue less expenses. Subtract line 18 from line 12	-114,056	41,720
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	4,929,571	4,714,604
	22	Net assets or fund balances. Subtract line 21 from line 20	3,399,644	3,129,724

Part II Signature Block

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

Sign Here Signature of officer *James Getchell* Date 10/22/14
JAMES GETCHELL EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer Use Only Preparer's name _____ Preparer's signature _____ Date _____ Check ☐ if self-employed PTIN _____
Firm's name ▶ Firm's EIN ▶
Firm's address ▶ Phone no _____

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2013)

HTA

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Part III**Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

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

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code:) (Expenses \$ 11,574,850 including grants of \$) (Revenue \$ 10,004,165)
 MENTAL HEALTH OUTPATIENT SERVICE, CONSULTATION AND EDUCATION, AND EMERGENCY SERVICES

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses ▶ 11,574,850

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.	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.		X
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.		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
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.		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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? <i>If "Yes," complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
28a a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c 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? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
35b 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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
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	X	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V. ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a 28	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b 0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a 313	
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 X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCen Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter.		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter.		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? 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	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

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

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a 11		
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 11		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a The governing body?	8a	X	
b Each committee with authority to act on behalf of the governing body?	8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		X

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ 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. ▶
 SAMUEL KHOURY (218) 728-4491
 1401 E 1ST STREET, DULUTH, MN 55805

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

 Check if Schedule O contains a response or note to any line in this Part VII ☐
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

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

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

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

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

(A) Name and Title	(B) Average hours per week (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			
(1) MICHELE MILLER PRESIDENT	1 00 0 00	X								
(2) LARRY SUMBS VICE PRESIDENT/TREASURER	1 00 0 00	X								
(3) DEBBIE WOODS SECRETARY	1 00 0 00	X								
(4) AJ AXTELL DIRECTOR	1 00 0 00	X								
(5) ANGELA DOUGHERTY DIRECTOR	1 00 0 00	X								
(6) JODY FREIJ-TONDER DIRECTOR	1 00 0 00	X								
(7) CANDICE HARSHNER DIRECTOR	1 00 0 00	X								
(8) ROB MERRITT DIRECTOR	1 00 0 00	X								
(9) PETE RADOSEVICH DIRECTOR	1 00 0 00	X								
(10) BECKY SHEEHAN DIRECTOR	1 00 0 00	X								
(11) STEVE WAGNER DIRECTOR	1 00 0 00	X								
(12) JEFFREY A. HERMAN CHIEF EXECUTIVE OFFICER	40 00 1 00			X				112,631		14,927
(13) JAMES R. GETCHELL CHIEF FINANCIAL OFFICER/EXECUTIVE DIRECTOR	40 00 1 00			X				119,819		24,098
(14) MERLE A. PETERSON CHIEF HUMAN RESOURCES OFFICER	40 00 0 00			X				68,214		2,041

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			
(15) STEVEN J BAUER, M D CHIEF MEDICAL OFFICER/MEDICAL DIRECTOR	40.00 0.00			X				257,289		25,048
(16) JOHN W. GLICK, M D PSYCHIATRIST	36.00 0.00					X		189,991		24,979
(17) MARGARET S. SUTHERLAND, M D PSYCHIATRIST	20.00 0.00					X		119,210		3,572
(18) MELISSA A MAKI DIRECTOR OF NURSING	40.00 0.00					X		105,176		3,153
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total								972,330	0	97,818
c Total from continuation sheets to Part VII, Section A								0	0	0
d Total (add lines 1b and 1c)								972,330	0	97,818

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 **6**

- 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
- 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
- 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

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
		0
		0
		0
		0
		0
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization	0	+

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a	0			
	b	Membership dues	1b	0			
	c	Fundraising events	1c	0			
	d	Related organizations	1d	42,074			
	e	Government grants (contributions)	1e	4,089,100			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	177,685			
	g	Noncash contributions included in lines 1a-1f	\$	0			
	h	Total. Add lines 1a-1f		4,308,859			
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE	624100	9,448,016	9,448,016		
	b			0			
	c			0			
	d			0			
	e			0			
	f	All other program service revenue		0			
	g	Total. Add lines 2a-2f		9,448,016			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		385			385
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
	6a	Gross rents	(i) Real	324,980			
		b	Less rental expenses	(ii) Personal			
		c	Rental income or (loss)		324,980	0	
	d	Net rental income or (loss)		324,980	263,060	61,920	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	0			
		b	Less cost or other basis and sales expenses	(ii) Other	0	0	
		c	Gain or (loss)		0	97,185	
		d	Net gain or (loss)		97,185	97,185	
	8a	Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18	a	0			
		b	Less direct expenses	b	0		
		c	Net income or (loss) from fundraising events		0		
	9a	Gross income from gaming activities. See Part IV, line 19	a	0			
		b	Less direct expenses	b	0		
		c	Net income or (loss) from gaming activities		0		
	10a	Gross sales of inventory, less returns and allowances	a	0			
		b	Less cost of goods sold	b	0		
		c	Net income or (loss) from sales of inventory		0		
Miscellaneous Revenue		Business Code					
11a	EHR INCENTIVE PAYMENTS	900099	170,000	170,000			
b	WORK CREW	900099	11,543	11,543			
c	OTHER REVENUE	900099	14,361	14,361			
d	All other revenue		0				
e	Total. Add lines 11a-11d		195,904				
12	Total revenue. See instructions		14,375,329	10,004,165	61,920	385	

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 or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	557,953		557,953	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	8,703,141	7,899,467	803,674	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	1,482,669	1,378,388	104,281	
10 Payroll taxes	811,840	587,848	223,992	
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.)	514,789	160,502	354,287	
12 Advertising and promotion	0			
13 Office expenses	152,738	135,977	16,761	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	470,335	374,528	95,807	
17 Travel	396,818	378,401	18,417	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	50,364	30,760	19,604	
20 Interest	52,870	42,158	10,712	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	370,885	291,767	79,118	0
23 Insurance	186,046		186,046	
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 PUBLICATIONS AND MEMBERSHIPS	46,887	28,194	18,693	
b COMMUNICATIONS AND POSTAGE	231,761	105,722	126,039	
c MINOR FURNISHINGS AND EQUIPMENT	111,632	30,296	81,336	
d CLIENT DIRECT EXPENSES	114,887	113,950	937	
e All other expenses	77,994	16,892	61,102	
25 Total functional expenses. Add lines 1 through 24e	14,333,609	11,574,850	2,758,759	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 SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing		1	
	2 Savings and temporary cash investments	246,647	2	643,075
	3 Pledges and grants receivable, net	565,665	3	498,403
	4 Accounts receivable, net	1,102,990	4	1,022,037
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	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		6	
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	63,202	9	54,516
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 7,291,921		
	b Less accumulated depreciation	10b 4,811,376	10c	2,480,545
	11 Investments—publicly traded securities	0	11	0
	12 Investments—other securities. See Part IV, line 11	0	12	0
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	12,978	15	16,028
16 Total assets. Add lines 1 through 15 (must equal line 34)	4,929,571	16	4,714,604	
Liabilities	17 Accounts payable and accrued expenses	1,365,967	17	1,384,794
	18 Grants payable	15,436	18	3,717
	19 Deferred revenue	26,130	19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	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		22	
	23 Secured mortgages and notes payable to unrelated third parties	1,992,111	23	1,741,213
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0	25	0
	26 Total liabilities. Add lines 17 through 25	3,399,644	26	3,129,724
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	1,529,927	27	1,584,880
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	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	1,529,927	33	1,584,880	
34 Total liabilities and net assets/fund balances	4,929,571	34	4,714,604	

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI. ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	14,375,329
2	Total expenses (must equal Part IX, column (A), line 25)	2	14,333,609
3	Revenue less expenses Subtract line 2 from line 1	3	41,720
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,529,927
5	Net unrealized gains (losses) on investments	5	
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	13,233
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,584,880

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line 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? . 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		X
b Were the organization's financial statements audited by an independent accountant? 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	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
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?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

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

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.

Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number

41-0777937

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

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a ☐ Type I b ☐ Type II c ☐ Type III—Functionally integrated d ☐ Type III—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?
 - (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? ☐
 - (ii) A family member of a person described in (i) above? ☐
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐

	Yes	No
11g(i)		
11g(ii)		
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	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									0

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	4,588,626	4,336,522	4,287,244	4,482,009	4,308,859	22,003,260
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	4,588,626	4,336,522	4,287,244	4,482,009	4,308,859	22,003,260
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						22,003,260

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	4,588,626	4,336,522	4,287,244	4,482,009	4,308,859	22,003,260
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	214,718	237,574	304,162	321,621	324,980	1,403,055
9 Net income from unrelated business activities, whether or not the business is regularly carried on			4,010	11,937	8,664	24,611
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)	142,883	503,282	78,517	118,454	195,904	1,039,040
11 Total support. Add lines 7 through 10						24,469,966
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 section 501(c)(3) organization, check this box and stop here						► ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	89.92%
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	91.54%
16a 33 1/3% support test—2013. 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—2012. 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—2013. 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—2012. 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						0
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						0
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 5	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b	0	0	0	0	0	0
8 Public support (Subtract line 7c from line 6)						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
13 Total support. (Add lines 9, 10c, 11, and 12.)	0	0	0	0	0	0

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	0.00%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	0.00%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	0.00%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	0.00%

19a 33 1/3% support tests—2013. 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—2012. 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. 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).

Area with horizontal dashed lines for supplemental information.

**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.**

OMB No 1545-0047

2013

**Open to Public
Inspection**

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number

41-0777937

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

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

Part II Conservation Easements.

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)	
☐ Preservation of land for public use (e g , recreation or education)	☐ Preservation of an historically important land area
☐ Protection of natural habitat	☐ Preservation of a certified historic structure
☐ Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year	
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 d ☐ Loan or exchange programs
 b ☐ Scholarly research e ☐ Other _____
 c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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
1c Beginning balance	0
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	0

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

b If "Yes," explain the arrangement in Part 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	0	0			
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	0	0	0	0	0

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

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

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

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

- (i) unrelated organizations _____
 (ii) related organizations _____

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

	Yes	No
3a(i)		
3a(ii)		
3b		

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	98,165		98,165
b Buildings	0	5,672,056	3,599,685	2,072,371
c Leasehold improvements	0	0	0	0
d Equipment	0	1,521,700	1,211,691	310,009
e Other	0	0	0	0
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				2,480,545

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	0	
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12.)	0	

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)	0	

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

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

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

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

2. Liability for uncertain tax positions 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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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	0
3	Subtract line 2e from line 1		3	0
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	0
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	0

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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	0
3	Subtract line 2e from line 1		3	0
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	0
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	0

Part XIII Supplemental Information

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.

Part X Line 2 MANAGEMENT EVALUATED THE CENTER'S TAX POSITIONS AND CONCLUDED THAT THE

CENTER TOOK NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENTS TO THE FINANCIAL

STATEMENTS TO COMPLY WITH ACCOUNTING GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME

TAXES. WITH FEW EXCEPTIONS, THE CENTER IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY

THE U.S. FEDERAL AND STATE TAX AUTHORITIES FOR YEARS BEFORE 2010

Part XIII Supplemental Information *(continued)*

Area for supplemental information with horizontal dashed lines.

SCHEDULE J
(Form 990)

Compensation Information

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

- Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
► Attach to Form 990. ► See separate instructions.

► Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number

41-0777937

Part I Questions Regarding Compensation

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

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

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

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

- 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?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.

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

- a** The organization?
b Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

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

- a** The organization?
b Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

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

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

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

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

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				
STEVEN J BAUER, M D 1 CHIEF MEDICAL OFFICER/MEDICAL	(i)	257,289			7,585	17,463	282,337	
	(ii)						0	
JOHN W GLICK, M D 2 PSYCHIATRIST	(i)	189,991			5,695	19,283	214,969	
	(ii)						0	
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

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.

Area with horizontal dashed lines for supplemental information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number

41-0777937

Form 990, Part XI, Line 9 FORGIVENESS OF LONG-TERM DEBT \$13,233

Form 990, Part VI, Section B, Line 11b: PRIOR TO FILING, FORM 990 IS REVIEWED BY THE EXECUTIVE

DIRECTOR AND IS PROVIDED TO THE BOARD OF DIRECTORS

Form 990, Part VI, Section B, Line 12c EVERY BOARD MEMBER IS REMINDED ANNUALLY OF THE

CONFLICT OF INTEREST POLICY POTENTIAL CONFLICTS ARE DISCLOSED ON FORMS AT THE TIME OF HIRE

AND ANNUALLY WITH RE-TRAINING ON COMPLIANCE PROGRAM OF WHICH CONFLICT OF INTEREST IS A

COMPONENT

Form 990, Part VI, Section B, Line 15: COMPENSATION OF OFFICERS MUST BE APPROVED BY THE BOARD

OF DIRECTORS AND RECOMMENDED BY THE PERSONNEL COMMITTEE OF THE BOARD

Form 990, Part VI, Section C, Line 18: THE FORMS ARE AVAILABLE UPON REQUEST

Form 990, Part VI, Section C, Line 19 THIS INFORMATION IS AVAILABLE UPON REQUEST.

Form 990, Part XII, Line 2c THE FINANCE COMMITTEE OVERSEES ALL FINANCIAL MATTERS

Employer identification number

41-0777937

[illegible]

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

HUMAN DEVELOPMENT CENTER

Employer identification number
41-0777937

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990. ▶ See separate instructions
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on 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
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) HDC FOUNDATION, INC 26-1326172 1401 E FIRST STREET DULUTH, MN 55805	SUPPORTING THE MISSION OF THE	MN	501(c)(3)	509(a)(3)	HUMAN DEVELOP		X
(2) HRC MENTAL HEALTH CENTER LIQUIDATION, INC 39-13083 1401 E FIRST STREET DULUTH, MN 55805	SUPPORTING THE MISSION OF THE	WI	501(c)(3)	170(b)(1)(a)	HUMAN DEVELOP		X
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2013

HTA

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1).....									
(2).....									
(3).....									
(4).....									
(5).....									
(6).....									
(7).....									

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

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

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

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		
s Other transfer of cash or property from related organization(s)		X
1a		
1b		
1c		
1d		
1e		
1f		
1g		
1h		
1i		
1j		
1k		
1l		
1m		
1n		
1o		
1p		
1q		
1r		
1s		

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 related organization	(b) Transaction type (a–s)	(c) Amount involved	(d) Method of determining amount involved
(1) HDC FOUNDATION, INC	c	42,074	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(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 sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1).....													
(2).....													
(3).....													
(4).....													
(5).....													
(6).....													
(7).....													
(8).....													
(9).....													
(10).....													
(11).....													
(12).....													
(13).....													
(14).....													
(15).....													
(16).....													

Part VII

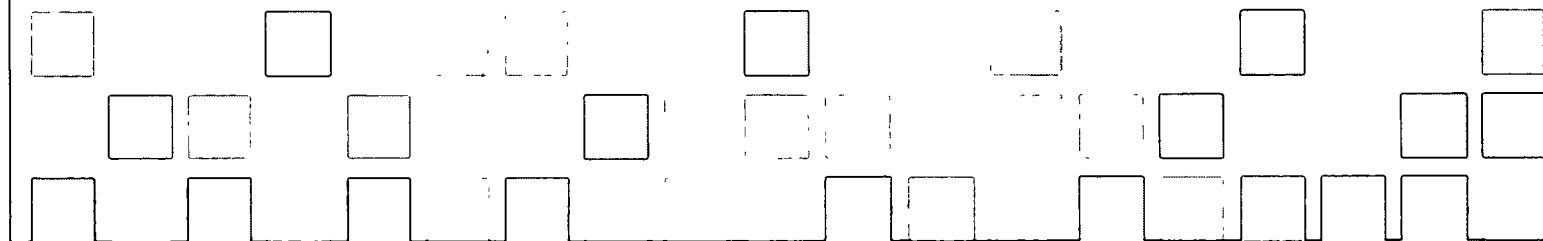
Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

Area for supplemental information with horizontal dashed lines.

Human Development Center and Subsidiaries

Consolidated Financial Report
December 31, 2013



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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Human Development Center and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Human Development Center and Subsidiaries as of December 31, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey LLP

Duluth, Minnesota
July 24, 2014

Human Development Center and Subsidiaries

Consolidated Balance Sheets December 31, 2013 and 2012

	2013	2012
Assets		
Current Assets		
Cash and cash equivalents	\$ 846,520	\$ 412,326
Receivables		
Accounts receivable, less allowance for doubtful accounts		
of \$296,000 in 2013 and \$179,000 in 2012	1,130,690	1,072,772
Grants and contract receivables	498,403	565,665
Net note receivable (Note 6)	5,839	6,305
Prepaid expenses	54,519	63,211
Total current assets	2,535,971	2,120,279
Other Assets		
Debt issue costs, net of accumulated amortization	10,531	12,978
	10,531	12,978
Property and Equipment (Note 2)		
Land	98,165	98,165
Buildings and improvements	5,677,553	6,303,452
Furniture, fixtures and equipment	1,521,700	1,397,934
	7,297,418	7,799,551
Less accumulated depreciation	4,811,376	4,861,462
	2,486,042	2,938,089
	\$ 5,032,544	\$ 5,071,346
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt (Note 2)	\$ 120,971	\$ 116,356
Accounts payable	286,175	303,575
Grant payback	3,717	15,436
Accrued expenses	1,098,619	939,452
Deferred grant revenue	-	17,647
Total current liabilities	1,509,482	1,392,466
Long-Term Debt, less current maturities (Note 2)	1,620,243	1,875,755
Net Assets		
Unrestricted	1,820,499	1,762,716
Temporarily restricted	82,320	40,409
Total net assets	1,902,819	1,803,125
	\$ 5,032,544	\$ 5,071,346

See Notes to Consolidated Financial Statements.

Human Development Center and Subsidiaries

Consolidated Statements of Activities Years Ended December 31, 2013 and 2012

	2013	2012
Net Patient Service Revenue	\$ 9,448,016	\$ 9,001,494
Other Operating Revenue		
Grants from governmental agencies	4,089,099	4,170,612
Private grants	170,564	165,873
Rent	324,980	321,610
Work crew	11,543	29,764
Electronic health record incentive payments	170,000	-
Other	14,361	58,690
Total support and revenue	14,228,563	13,748,043
Operating Expenses		
Salaries	9,261,094	9,003,413
Employee benefits	2,294,509	2,176,912
Client direct	115,019	114,422
Communications and postage	232,223	272,475
Conferences, meetings, and continuing education	50,364	66,753
Depreciation and amortization	370,885	432,271
Furnishings and equipment	113,140	90,381
Insurance	186,046	149,915
Interest	52,870	82,469
Miscellaneous	103,347	71,190
Gain on disposal of equipment	(18,970)	(6,197)
Occupancy and utilities	470,335	440,579
Professional fees	556,237	530,727
Publications and memberships	47,190	47,168
Supplies	153,014	152,580
Transportation and travel	402,055	404,540
Total operating expenses	14,389,358	14,029,598
Loss from operations	(160,795)	(281,555)

(Continued)

Human Development Center and Subsidiaries

Consolidated Statements of Activities (Continued) Years Ended December 31, 2013 and 2012

	2013	2012
Nonoperating Income		
Interest income	\$ 10,091	\$ 9,621
Contributions	82,299	97,053
Gain on sale of property	112,955	-
Insurance recovery	-	30,000
Total nonoperating income	205,345	136,674
Excess (deficiency) of revenues over expenses	44,550	(144,881)
Other Changes in Unrestricted Net Assets		
Forgiveness of long-term debt	13,233	6,575
Increase (decrease) in unrestricted net assets	57,783	(138,306)
Changes in Temporarily Restricted Net Assets		
Contributions	41,911	40,409
Increase in temporarily restricted net assets	41,911	40,409
Increase (decrease) in net assets	99,694	(97,897)
Net Assets		
Beginning	1,803,125	1,901,022
Ending	\$ 1,902,819	\$ 1,803,125

See Notes to Consolidated Financial Statements

Human Development Center and Subsidiaries

Consolidated Statements of Cash Flows Years Ended December 31, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 99,694	\$ (97,897)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	370,885	432,271
Forgiveness of long-term debt	(13,233)	(6,575)
Gain on sale and disposal of property and equipment	(131,925)	(6,197)
Changes in assets and liabilities		
Accounts receivable	(57,918)	(105,678)
Grants receivable	67,262	121,631
Prepaid expenses	8,692	(15,000)
Accounts payable	(17,400)	129,644
Grant payback	(11,719)	(61,455)
Accrued expenses	159,167	41,887
Deferred grant revenue	(17,647)	10,448
Net cash provided by operating activities	455,858	443,079
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	499,469	38,000
Purchase of property and equipment	(257,485)	(261,423)
Proceeds from payments on note receivable	16,236	13,170
Net cash provided by (used in) investing activities	258,220	(210,253)
Cash Flows from Financing Activities		
Principal payments on long-term debt	(279,884)	(110,968)
Net cash used in financing activities	(279,884)	(110,968)
Net increase in cash and cash equivalents	434,194	121,858
Cash and Cash Equivalents		
Beginning	412,326	290,468
Ending	<u>\$ 846,520</u>	<u>\$ 412,326</u>
Supplemental Disclosures		
Cash payments for interest	<u>\$ 53,496</u>	<u>\$ 82,045</u>
Capital lease obligations incurred for use of equipment	<u>\$ 42,220</u>	<u>\$ 108,568</u>

See Notes to Consolidated Financial Statements.

Human Development Center and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

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

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

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

A summary of the Center's significant accounting policies follows:

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

Net assets: Unrestricted net assets are those funds presently available for use by or on behalf of the Center including amounts available for general and administrative expenses. These unrestricted net assets may also include board-designated funds. Temporarily restricted net assets are contributions that have donor-imposed stipulations that can be fulfilled by certain actions of the Center. Permanently restricted net assets are contributions that have donor-imposed restrictions whereby the amount of the gift is to be held in perpetuity and only the income generated can be used as stipulated by the donor. The Center had temporarily restricted net assets of \$82,320 as of December 31, 2013 and \$40,409 as of December 31, 2012. There were no permanently restricted net assets as of December 31, 2013 or 2012.

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

Patient accounts receivable: Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Human Development Center and Subsidiaries

Notes to Consolidated Financial Statements

Changes in the Center's allowance for doubtful accounts for self-pay patients are detailed below.

	2013	2012
Accounts receivable, self-pay	\$ 312,610	\$ 192,726
Allowance for doubtful accounts, ending balance	\$ 296,000	\$ 179,000
Allowance for doubtful accounts as a percent of self-pay balances	94.7%	92.9%

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

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

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

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

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

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

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

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

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

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

Human Development Center and Subsidiaries

Notes to Consolidated Financial Statements

Management evaluated the Center's tax positions and concluded that the Center took no uncertain tax positions that require adjustments to the financial statements to comply with accounting guidance on accounting for uncertainty in income taxes. With few exceptions, the Center is no longer subject to income tax examinations by the U.S. federal and state tax authorities for years before 2010.

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

Reclassifications: Certain assets and liabilities as previously reported in 2012 have been reclassified to be consistent with classifications adopted for 2013, with no effect on the change in net assets.

Subsequent events: Management has evaluated subsequent events through July 24, 2014, the date the consolidated financial statements were available to be issued.

Human Development Center and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Long-Term Debt and Line of Credit

Long-term debt consists of the following:

	2013	2012
Forgivable notes and conditional grants	\$ 302,267	\$ 315,500
0% note payable, no payments due until November 2033 or until the project is sold, collateralized by land and buildings	245,592	245,592
0% note payable, no payments due until August 2034 or until the project is sold, collateralized by land and buildings	260,250	260,250
3.0% Revenue Note Series A, due in monthly installments of \$1,352 including interest to June 2021, collateralized by land and buildings	95,787	106,992
3.0% Revenue Note Series B, due in monthly installments of principal and interest of \$4,722 to June 2022, collateralized by land and buildings	319,416	351,880
3.0% Revenue Note Series C, due in monthly installments of principal and interest of \$1,158 to June 2022, collateralized by land and buildings	89,639	100,000
5 75% note payable, due in monthly installments of \$3,746 including interest to November 2017, when the remaining balance is due, collateralized by land and buildings	310,857	336,924
Capital lease obligation, vendor, due in monthly installments of \$1,617 to June 2017 discounted at a rate of 5.25%, collateralized by equipment	64,635	77,959
Capital lease obligation, vendor, due in monthly installments of \$363 to March 2017 discounted at a rate of 5.25%, collateralized by equipment	13,051	16,640
Capital lease obligation, vendor, due in monthly installments of \$715 to March 2014 discounted at a rate of 2.9%, collateralized by equipment	39,720	-
Debt paid in full during the year	-	180,374
	1,741,214	1,992,111
Less current maturities	120,971	116,356
	<u>\$ 1,620,243</u>	<u>\$ 1,875,755</u>

As of December 31, 2013, long-term debt matures as follows:

Year Ending December 31,	
2014	\$ 120,971
2015	126,984
2016	133,340
2017	314,959
2018	85,951
Later years	959,009
	<u>\$ 1,741,214</u>

Human Development Center and Subsidiaries

Notes to Consolidated Financial Statements

Forgivable notes and conditional grants: The Center obtained a \$199,750 conditional grant from the United States Department of Housing and Urban Development in 2003 to construct a five-unit rental housing project. If the Center ceases to use the project as supportive housing within 10 years after the project was placed in service, the Center agrees to pay the Department of Housing and Urban Development the entire grant. If the project is used as supportive housing for more than ten years, HUD shall reduce the amount required to be paid by 10 percent for each year in excess of 10 years. The amount due was \$193,092 at December 31, 2013, and \$199,750 at December 31, 2012.

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

The Center obtained a \$131,500 loan from the City of Duluth to acquire a building. The amount to be paid to the City is forgiven ratably through 2022. The amount due was \$59,175 at December 31, 2013, and \$65,750 at December 31, 2012.

Revenue notes: In June 2010, the interest rate on the three revenue notes will be adjusted to a rate based on a Treasury index with a floor of 3 percent and a ceiling of 8 percent.

Line of credit: The Center has a line of credit with maximum borrowing of \$750,000 that expires June 30, 2014. The interest rate was 5.75 percent at December 31, 2013. The line is collateralized by a security agreement. Financial covenants on the line of credit include submission of certain reports to the lender and maintaining a debt service coverage ratio of 1.0 to 1. There was no balance outstanding at December 31, 2013 or 2012.

Note 3. Pension Plan

The Center has union and nonunion defined contribution pension plans covering all employees who meet the eligibility requirements of the plan. Contributions are 3 percent annually for the union plan and 3 percent plus a discretionary amount determined by the Board of Directors for the nonunion plan. Total pension expense was \$198,855 and \$197,467 for 2013 and 2012, respectively.

Note 4. Concentration of Credit Risk

The Center serves Duluth, Minnesota, Superior, Wisconsin, and the surrounding area. The Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables at December 31, 2013 and 2012, was as follows:

	2013	2012
Medicaid	39%	18%
Medicare	4	2
Other	57	80
	<u>100%</u>	<u>100%</u>

Note 5. Classification of Expenses

Expenses reported by their functional classification are as follows:

	2013	2012
Program activities	\$ 11,832,283	\$ 11,242,499
General and administrative	2,557,075	2,787,099
	<u>\$ 14,389,358</u>	<u>\$ 14,029,598</u>

Human Development Center and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Net Note Receivable and Deferred Gain

The Center entered into a \$235,000, 4.25 percent long-term note receivable in connection with the sale of real estate. The balance was \$203,257 and \$219,493 at December 31, 2013 and 2012, respectively. Monthly installment payments are \$2,000, including interest, with the final payment due November 2021. As of December 31, 2013, the note receivable maturities are as follows:

Year Ending December 31,	
2014	\$ 15,664
2015	16,343
2016	17,052
2017	17,790
2018	18,562
Later years	117,846
	<u>\$ 203,257</u>

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

	Amount
Sale price	\$ 245,000
Net book value of building and land	7,038
Gain	<u>\$ 237,962</u>

The gain is recognized on the installment method in accordance with Accounting Standards Codification 360-20-55, as payments are received. The gain recognized in 2013 was \$15,770 and is included in net (gain) loss on disposal of property and equipment. The net note receivable is calculated as follows:

	Amount
Note receivable	\$ 203,257
Less deferred gain	(197,418)
	<u>\$ 5,839</u>

Note 7. Note 7. Electronic Health Records Incentive

The electronic health records incentive programs, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for incentive payments under both the Medicare and Medicaid programs to eligible healthcare providers that demonstrate meaningful use of certified electronic health records (EHR) technology. Medicare payments are made in one lump-sum payment. Payments under the Medicaid program are generally made for three years based on a statutory formula. The Medicaid incentive program is approved by the Centers for Medicare and Medicaid Services. Payments under the program are contingent on the Center initially attesting to being a meaning user of EHR technology and then continuing to meet escalating criteria, including other specific requirements that are applicable. Events could occur that would cause the final amounts to differ materially from the initial payments under the program. As of December 31, 2013, the Center has achieved the meaningful use objectives and has recognized revenues of \$170,000 related to the Medicaid electronic health records incentive program.

Note 8. Risk Management

The Center has various claims and pending legal proceedings. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the Center. In the opinion of management, the ultimate disposition of such proceedings is not expected to have a material adverse effect on the Center's financial position, statement of activities or cash flows.