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| | | |
|--|--|--|
| <div> <div>Form 990</div> <div>  </div> <div> Department of the Treasury Internal Revenue Service </div> </div> | <div> <div>Return of Organization Exempt From Income Tax</div> <div>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)</div> <div> <div>▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.</div> <div>▶ Information about Form 990 and its instructions is at www.irs.gov/form990</div> </div> </div> | <div>OMB No 1545-0047</div> <div>2013</div> <div>Open to Public Inspection</div> |
|--|--|--|

| | | | |
|--|---|---|--|
| A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014 | | | |
| B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization Polinsky Medical Rehabilitation Center | | D Employer identification number 41-0691275 |
| | Doing Business As Essentia Health Polinsky Medical | | |
| | Number and street (or P O box if mail is not delivered to street address) 530 East 2nd Street Suite | Room/suite | E Telephone number (218) 786-1421 |
| | City or town, state or province, country, and ZIP or foreign postal code Duluth, MN 55805 | | G Gross receipts \$ 9,582,733 |
| | F Name and address of principal officer DANIEL NIKCEVICH MD 502 E 2nd Street DULUTH, MN 55805 | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) |
| I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | H(c) Group exemption number ▶ 0928 | |
| J Website: ▶ www.essentiahealth.org | | | |
| K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | L Year of formation 1950 | M State of legal domicile MN |

| Part I | | Summary | |
|--|--|---|-----------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 14 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 7 |
| | 5 Total number of individuals employed in calendar year 2013 (Part V, line 2a) | 5 | 0 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 106 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0 |
| | 7b Net unrelated business taxable income from Form 990-T, line 34 | 7b | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year 539 | Current Year 4,042 |
| | 9 Program service revenue (Part VIII, line 2g) | 9,238,179 | 8,974,851 |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 363,130 | 463,703 |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 111,577 | 126,032 |
| | 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 9,713,425 | 9,568,628 |
| | Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) | 674 |
| 14 Benefits paid to or for members (Part IX, column (A), line 4) | | 0 | 0 |
| 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | | 7,264,538 | 7,327,042 |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) | | 0 | 0 |
| b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0 | | | |
| 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | | 3,982,760 | 4,229,920 |
| 18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | | 11,247,972 | 11,556,992 |
| 19 Revenue less expenses Subtract line 18 from line 12 | | -1,534,547 | -1,988,364 |
| Net Assets or Fund Balances | Beginning of Current Year | | End of Year |
| | 20 Total assets (Part X, line 16) | 11,507,652 | 11,966,014 |
| | 21 Total liabilities (Part X, line 26) | 19,728,579 | 21,744,719 |
| | 22 Net assets or fund balances Subtract line 21 from line 20 | -8,220,927 | -9,778,705 |

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 | ***** | | | 2015-04-30 | |
| | Signature of officer | | | Date | |
| | KEVIN BOREN CFO Type or print name and title | | | | |
| Paid Preparer Use Only | Print/Type preparer's name | | Preparer's signature | | Date |
| | Check <input type="checkbox"/> if self-employed | | | PTIN | |
| | Firm's name | | | Firm's EIN | |
| | Firm's address | | | Phone no | |

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

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☐ Yes☒ No

1

Briefly describe the organization's mission

SEE SCHEDULE O

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 \$ 8,910,104 including grants of \$ 30) (Revenue \$ 8,974,851)

SEE SCHEDULE O

4b

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

4c

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

4d

Other program services (Describe in Schedule O)















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

4e

Total program service expenses ▶ 8,910,104

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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 | | 0 | | |
| b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | | | | |
| 1b | | 0 | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | | 1c | |
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | | | | |
| 2a | | 0 | | |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). | | | 2b | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | | | 3a | No |
| b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O.</i> | | | 3b | |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | | 4a | No |
| b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | | 5a | No |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | 5b | No |
| c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | | | 5c | |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | | | 6a | No |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | | 6b | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | | 7a | No |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? | | | 7b | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | | 7c | No |
| d If "Yes," indicate the number of Forms 8282 filed during the year. | | | 7d | |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | 7e | No |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | | 7f | No |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | | | 7g | |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | | | 7h | |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | | 8 | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | | |
| a Did the organization make any taxable distributions under section 4966? | | | 9a | |
| b Did the organization make a distribution to a donor, donor advisor, or related person? | | | 9b | |
| 10 Section 501(c)(7) organizations. Enter | | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12. | | | 10a | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. | | | 10b | |
| 11 Section 501(c)(12) organizations. Enter | | | | |
| a Gross income from members or shareholders. | | | 11a | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). | | | 11b | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | | 12a | |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year. | | | 12b | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | | |
| a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. | | | 13a | |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. | | | 13b | |
| c Enter the amount of reserves on hand. | | | 13c | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | | | 14a | No |
| b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O.</i> | | | 14b | |

Part VI

Governance, Management, and Disclosure

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

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

| | | | |
|----|---|-----|-----|
| | | Yes | No |
| 1a | Enter the number of voting members of the governing body at the end of the tax year | 14 | |
| | 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 | | |
| 1b | Enter the number of voting members included in line 1a, above, who are independent | 7 | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | No |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3 | No |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | No |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | No |
| 6 | Did the organization have members or stockholders? | 6 | Yes |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a | Yes |
| 7b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b | Yes |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following | | |
| 8a | a The governing body? | 8a | Yes |
| 8b | b Each committee with authority to act on behalf of the governing body? | 8b | Yes |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | 9 | No |

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

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

Section C. Disclosure

| | | |
|----|--|----|
| 17 | List the States with which a copy of this Form 990 is required to be filed | MN |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O) | |
| 19 | Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year | |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization KEVIN BOREN 532 EAST 1ST ST DULUTH, MN 55805 (218) 786-1009 | |

Check if Schedule O contains a response or note to any line in this Part VII ☐

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

[illegible]

Part VII

| | | | | |
|-----------|--|---|-----------|-----------|
| 1b | Sub-Total | | | |
| c | Total from continuation sheets to Part VII, Section A | | | |
| d | Total (add lines 1b and 1c) | 0 | 8,322,942 | 1,090,040 |

2 Total number of individuals (including but not limited to those l
\$100,000 of reportable compensation from the organization 0

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

Section B. Independent Contractors

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

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

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

Part VIII

Statement of Revenue

Check if Schedule O contains a response 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 | | | |
| | b | Membership dues | 1b | | | |
| | c | Fundraising events | 1c | | | |
| | d | Related organizations | 1d | 4,042 | | |
| | e | Government grants (contributions) | 1e | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | | | |
| | g | Noncash contributions included in lines 1a-1f \$ | | | | |
| | h | Total. Add lines 1a-1f | | 4,042 | | |
| Program Service Revenue | 2a | PATIENT REVENUE | Business Code | | | |
| | | | 621400 | 7,667,113 | 7,667,113 | |
| | b | FITNESS & WELLNESS | 713940 | 1,307,738 | 1,307,738 | |
| | c | | | | | |
| | d | | | | | |
| | e | | | | | |
| | f | All other program service revenue | | | | |
| | g | Total. Add lines 2a-2f | | 8,974,851 | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | 129,724 | | 129,724 |
| | 4 | Income from investment of tax-exempt bond proceeds | | 0 | | |
| | 5 | Royalties | | 0 | | |
| | 6a | Gross rents | (i) Real | (ii) Personal | | |
| | | | 117,983 | | | |
| | b | Less rental expenses | | | | |
| | c | Rental income or (loss) | 117,983 | 0 | | |
| | d | Net rental income or (loss) | | 117,983 | | 117,983 |
| | 7a | Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | |
| | | | 333,979 | | | |
| | b | Less cost or other basis and sales expenses | | | | |
| | c | Gain or (loss) | 333,979 | | | |
| | d | Net gain or (loss) | | 333,979 | | 333,979 |
| | 8a | Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 | a | | | |
| | | | | | | |
| | b | Less direct expenses | b | | | |
| | c | Net income or (loss) from fundraising events | | 0 | | |
| | 9a | Gross income from gaming activities See Part IV, line 19 | a | | | |
| | | | | | | |
| | b | Less direct expenses | b | | | |
| | c | Net income or (loss) from gaming activities | | 0 | | |
| | 10a | Gross sales of inventory, less returns and allowances | a | | | |
| | | | 22,154 | | | |
| b | Less cost of goods sold | b | 14,105 | | | |
| c | Net income or (loss) from sales of inventory | | 8,049 | | 8,049 | |
| | Miscellaneous Revenue | Business Code | | | | |
| 11a | | | | | | |
| b | | | | | | |
| c | | | | | | |
| d | All other revenue | | | | | |
| e | Total. Add lines 11a-11d | | 0 | | | |
| 12 | Total revenue. See Instructions | | 9,568,628 | 8,974,851 | | 589,735 |

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. | 30 | 30 | | |
| 2 | Grants and other assistance to individuals in the United States. See Part IV, line 22. | 0 | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16. | 0 | | | |
| 4 | Benefits paid to or for members. | 0 | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees. | 0 | | | |
| 6 | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). | 0 | | | |
| 7 | Other salaries and wages. | 5,714,497 | 5,672,964 | 41,533 | |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions). | 247,152 | 247,817 | -665 | |
| 9 | Other employee benefits. | 952,487 | 977,234 | -24,747 | |
| 10 | Payroll taxes. | 412,906 | 404,830 | 8,076 | |
| 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. | 51,973 | | 51,973 | |
| g | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). | 125,154 | 122,107 | 3,047 | |
| 12 | Advertising and promotion. | 1,115 | 1,115 | | |
| 13 | Office expenses. | 376,146 | 376,688 | -542 | |
| 14 | Information technology. | 6,668 | 6,668 | | |
| 15 | Royalties. | 0 | | | |
| 16 | Occupancy. | 363,664 | 93,909 | 269,755 | |
| 17 | Travel. | 87,699 | 87,640 | 59 | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials. | 0 | | | |
| 19 | Conferences, conventions, and meetings. | 16,061 | 16,061 | | |
| 20 | Interest. | 0 | | | |
| 21 | Payments to affiliates. | 0 | | | |
| 22 | Depreciation, depletion, and amortization. | 483,503 | 74,281 | 409,222 | |
| 23 | Insurance. | 100,389 | | 100,389 | |
| 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 | AFFILIATE EXP & REV ALLOCATION | 1,629,352 | 212,139 | 1,417,213 | |
| b | AFFILIATE SUPPORT FEE | 506,365 | 132,921 | 373,444 | |
| c | BAD DEBT EXPENSE | 234,648 | 234,648 | | |
| d | MN CARE TAX | 127,291 | 127,291 | | |
| e | All other expenses | 119,892 | 121,761 | -1,869 | |
| 25 | Total functional expenses. Add lines 1 through 24e. | 11,556,992 | 8,910,104 | 2,646,888 | 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). | | | | |

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

| | | | | (A) | | (B) |
|-----------------------------|---|--|---------------|-------------------|-----|-------------|
| | | | | Beginning of year | | End of year |
| Assets | 1 | Cash—non-interest-bearing | | 7,617 | 1 | 200 |
| | 2 | Savings and temporary cash investments | | 389,695 | 2 | 390,162 |
| | 3 | Pledges and grants receivable, net | | 0 | 3 | 0 |
| | 4 | Accounts receivable, net | | 1,212,598 | 4 | 1,012,203 |
| | 5 | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | 0 | 5 | 0 |
| | 6 | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L | | 0 | 6 | 0 |
| | 7 | Notes and loans receivable, net | | 0 | 7 | 0 |
| | 8 | Inventories for sale or use | | 2,365 | 8 | 3,176 |
| | 9 | Prepaid expenses and deferred charges | | 0 | 9 | 0 |
| | 10a | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a14,021,613 | | | |
| | b | Less accumulated depreciation | 10b10,542,824 | 3,686,864 | 10c | 3,478,789 |
| | 11 | Investments—publicly traded securities | | 0 | 11 | 0 |
| | 12 | Investments—other securities See Part IV, line 11 | | 6,208,513 | 12 | 7,081,484 |
| | 13 | Investments—program-related See Part IV, line 11 | | 0 | 13 | 0 |
| | 14 | Intangible assets | | 0 | 14 | 0 |
| | 15 | Other assets See Part IV, line 11 | | 0 | 15 | 0 |
| | 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | 11,507,652 | 16 | 11,966,014 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 1,270,705 | 17 | 855,077 |
| | 18 | Grants payable | | 0 | 18 | 0 |
| | 19 | Deferred revenue | | 66,653 | 19 | 65,927 |
| | 20 | Tax-exempt bond liabilities | | 0 | 20 | 0 |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedule D | | 0 | 21 | 0 |
| | 22 | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L | | 0 | 22 | 0 |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | 0 | 23 | 0 |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | 0 | 24 | 0 |
| | 25 | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D | | 18,391,221 | 25 | 20,823,715 |
| | 26 | Total liabilities. Add lines 17 through 25 | | 19,728,579 | 26 | 21,744,719 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | |
| | 27 | Unrestricted net assets | | -8,227,104 | 27 | -9,778,705 |
| | 28 | Temporarily restricted net assets | | 6,177 | 28 | 0 |
| | 29 | Permanently restricted net assets | | 0 | 29 | 0 |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | | |
| | 30 | Capital stock or trust principal, or current funds | | | 30 | |
| | 31 | Paid-in or capital surplus, or land, building or equipment fund | | | 31 | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| | 33 | Total net assets or fund balances | | -8,220,927 | 33 | -9,778,705 |
| | 34 | Total liabilities and net assets/fund balances | | 11,507,652 | 34 | 11,966,014 |

Part XI Reconciliation of Net Assets

Check 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 | 9,568,628 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 11,556,992 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | -1,988,364 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | -8,220,927 |
| 5 | Net unrealized gains (losses) on investments | 5 | 461,708 |
| 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 | -31,122 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | -9,778,705 |

Part XII Financial Statements and Reporting

Check 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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | No |
| 2b | 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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | Yes | |
| 2c | 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 | Yes | |
| 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? | | No |
| 3b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | | |

SCHEDULE A
(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

▶ Information about Schedule A (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 Polinsky Medical Rehabilitation Center | Employer identification number 41-0691275 |
|--|--|

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

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

1

☐

A church, convention of churches, or association of churches 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 33¹/₃% 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 33¹/₃% 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?

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

| Section A. Public Support | | | | | | |
|---|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶ | (a) 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.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4 | | | | | | |

| Section B. Total Support | | | | | | |
|--|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶ | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) | | | | | | |
| 11 Total support (Add lines 7 through 10) | | | | | | |
| 12 Gross receipts from related activities, etc (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶ | | | | | | |

| Section C. Computation of Public Support Percentage | | | |
|---|----|--|---|
| 14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) | 14 | | |
| 15 Public support percentage for 2012 Schedule A, Part II, line 14 | 15 | | |
| 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 IIIPart 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.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support (Subtract line 7c from line 6) | | | | | | |

| Section B. Total Support | | | | | | |
|--|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶ | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |
| 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶ | | | | | | |

| Section C. Computation of Public Support Percentage | | |
|---|----|--|
| 15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)) | 15 | |
| 16 Public support percentage from 2012 Schedule A, Part III, line 15 | 16 | |

| Section D. Computation of Investment Income Percentage | | |
|--|----|--|
| 17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)) | 17 | |
| 18 Investment income percentage from 2012 Schedule A, Part III, line 17 | 18 | |
| 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).

| |
|-------------------------------------|
| Facts And Circumstances Test |
| |

| Return Reference | Explanation | |
|------------------|-------------|--|
|------------------|-------------|--|

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

► Attach to Form 990. ► See separate instructions. ► Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

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

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

| | | |
|---|---|------------------------------|
| | (a) Donor advised funds | (b) Funds and other accounts |
| 1 | Total number at end of year | |
| 2 | Aggregate contributions to (during year) | |
| 3 | Aggregate grants from (during year) | |
| 4 | Aggregate value at end of year | |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div> | |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div> | |

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

1

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

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

► \$

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

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

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIII and complete the following table
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

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

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part 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 | b (c)Two years back | (d)Three years back | (e)Four years back |
|----|--|---------------|---------------------|---------------------|--------------------|
| 1a | Beginning of year balance | | | | |
| b | Contributions | | | | |
| c | Net investment earnings, gains, and losses | | | | |
| d | Grants or scholarships | | | | |
| e | Other expenditures for facilities and programs | | | | |
| f | Administrative expenses | | | | |
| g | End of year balance | | | | |
- 2

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

Board designated or quasi-endowment
- b

Permanent endowment
- c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No
- 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 | | 333,432 | | 333,432 |
| b Buildings | | 11,984,470 | 9,312,700 | 2,671,770 |
| c Leasehold improvements | | | | |
| d Equipment | | 1,481,716 | 1,091,682 | 390,034 |
| e Other | | 221,995 | 138,442 | 83,553 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 3,478,789 |

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

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

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

Part XIII

Supplemental Information

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.

| Return Reference | Explanation |
|------------------|-------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |

[illegible]

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Polinsky Medical Rehabilitation Center

Employer identification number
41-0691275

Part I

Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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.

| Return Reference | Explanation |
|-----------------------------|--|
| Schedule J, Part I Line 3 | ESTABLISHING CEO'S COMPENSATION ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER RELIED ON ESSENTIA HEALTH'S, SUPPORTING ORGANIZATION OF ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER, METHODS FOR ESTABLISHING ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER'S PRESIDENT/CHIEF MEDICAL OFFICER COMPENSATION A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SURVEY OR STUDY, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE |
| Schedule J, Part I, Line 4b | Supplemental nonqualified retirement plan Essentia Health's nonqualified retirement plan is offered to designated Essentia Health executives. There is a minimum two year vesting date, or vesting is automatic upon reaching retirement age, death, disability or involuntary termination without cause. Benefits are subject to income taxes upon vesting and payable from Essentia Health's general assets. Reported as Other Reportable Compensation in Schedule J, Part II, Column B (iii), the following individuals listed in Form 990, Part VII, Section A, Line 1a received payment of the vested benefit from the supplemental nonqualified retirement plan during the year: Barbara Johnson \$34,120 Robert Norman \$60,185 Ann Watkins \$11,403. Reported as Retirement and Other Deferred Compensation in Schedule J, Part II, Column C, Essentia Health made contributions, subject to the vesting terms, during the year into the supplemental nonqualified retirement plan on behalf of the following individuals listed in Form 990, Part VII, Section A, Line 1a: Daniel Nikceovich, MD \$79,570 Barbara Johnson \$4,975 Robert Norman \$52,337 Sandra McCarthy \$29,197 Barbara Wessberg \$4,796 Ann Watkins \$5,911 James Garvey \$59,198 Timothy Zager, MD \$37,281 Michael Metcalf \$42,000. |

Additional Data

Software ID:
Software Version:
EIN: 41-0691275
Name: Polinsky Medical Rehabilitation Center

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

| (A) Name | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|---|------|--|-------------------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|--|
| | | (i) Base Compensation | (ii) Bonus & incentive compensation | (iii) Other compensation | | | | |
| BARBARA WESSBERG SMDCMC ADMINISTRATOR | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 185,947 | 25,394 | 1,523 | 15,562 | 5,937 | 234,363 | 0 |
| ROBERT NORMAN Interim CFO Thru 1/14 | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 435,704 | 122,489 | 218,898 | 67,637 | 23,637 | 868,365 | 60,185 |
| BARBARA JOHNSON CFO Thru 6/13 | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 197,655 | 88,700 | 35,681 | 29,333 | 3,852 | 355,221 | 34,120 |
| MICHAEL METCALF EVP CLINICAL OPERATIONS | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 383,432 | 111,150 | 5,856 | 67,500 | 27,797 | 595,735 | 0 |
| ANN WATKINS VP SURGICAL SERVICES | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 183,708 | 27,089 | 19,543 | 27,051 | 21,071 | 278,462 | 11,403 |
| THOMAS KAISER MD CLINICAL CHIEF | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 567,692 | 0 | 5,861 | 25,500 | 25,784 | 624,837 | 0 |
| JOSEPH BIANCO MD BOARD SECRETARY | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 305,279 | 0 | 635 | 25,500 | 30,774 | 362,188 | 0 |
| THOMAS PATNOE MD President & CMO THRU 4/12 | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 547,888 | 0 | 2,407 | 25,500 | 29,629 | 605,424 | 0 |
| SUSAN STREITZ MD BOARD DIRECTOR Thru 12/13 | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 321,282 | 0 | 1,361 | 25,500 | 1,886 | 350,029 | 0 |
| MICHAEL VAN SCOY MD BOARD SECRETARY Thru 11/13 | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 332,632 | 0 | 841 | 25,500 | 27,584 | 386,557 | 0 |
| SCOTT JOHNSON MD Clinical Chief | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 692,388 | 0 | 1,546 | 25,500 | 30,975 | 750,409 | 0 |
| DANIEL NIKCEVICH MD PRESIDENT & CMO | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 658,077 | 171,516 | 4,182 | 105,070 | 28,039 | 966,884 | 0 |
| SANDRA MCCARTHY CHIEF NURSING OFFICER | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 306,837 | 88,350 | 4,541 | 41,947 | 11,807 | 453,482 | 0 |
| VINCENT OHAJU MD CLINICAL CHIEF | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 716,271 | 0 | 1,766 | 25,500 | 28,605 | 772,142 | 0 |
| MICHAEL MADDY MD Board Director | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 297,943 | 0 | 1,443 | 25,051 | 21,372 | 345,809 | 0 |
| LAURA TROMBINO MD Board Director | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 383,996 | 0 | 2,148 | 25,500 | 29,754 | 441,398 | 0 |
| JAMES GARVEY EVP Hospital Ops & SMMC Admin | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 309,627 | 17,575 | 22,631 | 59,198 | 12,252 | 421,283 | 0 |
| TIMOTHY ZAGER MD Duluth Clinic President | (i) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (ii) | 345,725 | 99,750 | 5,483 | 62,781 | 24,155 | 537,894 | 0 |

2013

Open to Public Inspection

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on

Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at

www.irs.gov/form990.

Name of the organization

Polinsky Medical Rehabilitation Center

Employer identification number

41-0691275

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

| Return Reference | Explanation |
|--------------------------|--|
| Form 990, Part I, Line 1 | Organizations mission or most significant activities Throughout Essentia Health, we are called to make a healthy difference in people's lives As a member of the Essentia Health family, Essentia Health Polinsky Medical Rehabilitation Center's mission as a Catholic, Benedictine sponsored facility is to promote Christ's ministry of holistic healing for all human life with special concern for the poor and powerless |

| Return Reference | Explanation |
|----------------------------|---|
| Form 990, Part III, Line 1 | Organizations mission Throughout Essentia Health, we are called to make a healthy difference in people's lives. As a member of the Essentia Health family, Essentia Health Polinsky Medical Rehabilitation Center's mission as a Catholic, Benedictine sponsored facility is to promote Christ's ministry of holistic healing for all human life with special concern for the poor and powerless. |

| Return Reference | Explanation |
|----------------------------------|---|
| Form 990, Part III, Line 4 | <p>Program service accomplishments Polinsky Medical Rehabilitation Center dba Essentia Health Polinsky Medical Rehabilitation Center is organized to cooperate with and assist in the physical restoration, orientation, re-classification, re-education and placement of physically disabled individuals Polinsky Medical Rehabilitation Center provides comprehensive outpatient rehabilitation services to children and adults Polinsky care focuses on each individual's needs with the goal of maximizing independence within our community Polinsky Medical Rehabilitation Center offers a broad range of outpatient services for its patients, including comprehensive evaluation and treatment for brain injuries and neurological conditions and psychological and neuropsychological services The center also offers screenings and evaluations as well as physical therapy, occupational therapy and speech-language therapy Beyond its rehabilitation and therapy services, Polinsky Medical Rehabilitation Center also leads support groups, advocates for their patients and families, and coordinates with other agencies and community services to help connect the patient to additional resources During the fiscal year, the center provided almost 63,000 outpatient visits Polinsky Medical Rehabilitation Center also paid over \$127,000 in MNCare Tax and Medicaid Surplus and provided over \$29,000 in Education and Workforce Development during the fiscal year ended June 30, 2014</p> |

| Return Reference | Explanation |
|------------------------------|---|
| Form 990, Part V, Line 1a | 1099 REPORTING VENDOR PAYMENTS AND FORM 1099'S WERE PROCESSED THROUGH ESSENTIA HEALTH ON BEHALF OF CERTAIN LEGAL ENTITIES COMPRISING ESSENTIA HEALTH SYSTEM |

| Return Reference | Explanation |
|------------------------------|---|
| Form 990, Part VI, Line 6 | MEMBERS OF ORGANIZATION ESSENTIA HEALTH ST MARY'S MEDICAL CENTER IS THE SOLE MEMBER OF ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER AND MAY ELECT ONE OR MORE MEMBERS OF THE GOVERNING BODY AS DESCRIBED IN SCHEDULE O PART VI LINE 7A MEMBERS, ESSENTIA HEALTH, BENEDICTINE SISTERS BENEVOLENT ASSOCIATION, AND ESSENTIA HEALTH EAST, HAVE RESERVED POWERS WITH RESPECT TO ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER AS DESCRIBED IN SCHEDULE O PART VI LINE 7B |

| Return Reference | Explanation |
|-------------------------------|--|
| Form 990, Part VI, Line 7A | MEMBERS WITH RIGHT TO ELECT GOVERNING BODY ESSENTIA HEALTH ST MARY'S MEDICAL CENTER APPOINTS AND REMOVES ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER'S GOVERNING BODY |

| Return Reference | Explanation |
|----------------------------------|---|
| Form 990, Part VI, Line 7B | <p>GOVERNANCE, MANAGEMENT, AND DISCLOSURE ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER IS A SUBSIDIARY OF ESSENTIA HEALTH, WHOSE BOARD OF DIRECTORS HAS RESERVED POWERS WITH RESPECT TO THIS CORPORATION AND ITS SUBSIDIARIES, AND ALL OF THE OTHER DIRECT AND INDIRECT SUBSIDIARIES OF ESSENTIA HEALTH (COLLECTIVELY, THE "SYSTEM") ESSENTIA HEALTH'S RESERVED POWERS ARE AS FOLLOWS STRATEGIC AND BUSINESS PLANS AUTHORITY TO CREATE, AND TO APPROVE, THE SYSTEM'S STRATEGIC AND BUSINESS PLANS MISSION AUTHORITY TO CREATE, AND TO APPROVE, THE MISSION, PURPOSE AND VISION STATEMENTS FOR ALL ENTITIES IN THE SYSTEM BY THE AFFIRMATIVE VOTE OF AT LEAST 67% OF THE ESSENTIA HEALTH BOARD OF DIRECTORS DEBT APPROVAL OF THE INCURRENCE OF DEBT BY, AND THE CREATION OF ALL MORTGAGES, LIENS, SECURITY INTERESTS, OR OTHER ENCUMBRANCES ON THE ASSETS OF, ALL ENTITIES IN THE SYSTEM IN EXCESS OF THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY THE ESSENTIA HEALTH BOARD OF DIRECTORS, AND THE AUTHORITY TO CAUSE ALL ENTITIES IN THE SYSTEM TO PARTICIPATE IN SYSTEM BORROWING GOVERNING INSTRUMENTS AUTHORITY TO CAUSE, AND TO APPROVE, AMENDMENTS OF THE ARTICLES OF INCORPORATION AND BYLAWS OF ALL ENTITIES IN THE SYSTEM MERGERS AND ACQUISITIONS AUTHORITY TO CAUSE, AND TO APPROVE, ALL MERGERS, CONSOLIDATIONS, AND DISSOLUTIONS OF ALL ENTITIES IN THE SYSTEM AFFILIATIONS AND JOINT VENTURES AUTHORITY TO CAUSE, AND TO APPROVE, ALL AFFILIATIONS, JOINT VENTURES AND OTHER ALLIANCES WITH THIRD PARTIES OF ALL ENTITIES IN THE SYSTEM TRANSFER OF ASSETS WITHIN THE SYSTEM AUTHORITY TO TRANSFER ASSETS, INCLUDING CASH, BETWEEN AND AMONG ENTITIES WITHIN THE SYSTEM, PROVIDED, HOWEVER, THAT ESSENTIA HEALTH SHALL NOT HAVE AUTHORITY TO REQUIRE ANY ENTITY IN THE SYSTEM TO TRANSFER ASSETS (A) THAT WOULD CAUSE SUCH ENTITY TO BE IN DEFAULT OF ITS COVENANTS OR OBLIGATIONS UNDER ANY BOND OR OTHER FINANCING DOCUMENTS, (B) FROM THE CATHOLIC ENTITIES TO THE SECULAR ENTITIES OR FROM THE SECULAR ENTITIES TO THE CATHOLIC ENTITIES IN A MANNER OR TO AN EXTENT THAT WOULD CAUSE THE CATHOLIC ENTITIES TO BE IN VIOLATION OF THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES (ERDS) IN THE JUDGMENT OF THE LOCAL ORDINARY, OR (C) SUCH THAT MONEY GENERATED BY SERVICES AT SECULAR FACILITIES WITHIN THE SYSTEM BY PROCEDURES THAT ARE CONTRARY TO THE ERDS WOULD BE USED AT THE CATHOLIC ENTITIES OR MONEY GENERATED BY CATHOLIC ENTITIES WOULD BE USED IN THE PROVIDING OF SERVICES CONTRARY TO THE ERDS AT SECULAR FACILITIES WITHIN THE SYSTEM TRANSFER OF ASSETS OUTSIDE THE SYSTEM AUTHORITY TO CAUSE, AND TO APPROVE, THE SALE, LEASE OR OTHER TRANSFER OF ASSETS OF ALL ENTITIES IN THE SYSTEM TO PARTIES OUTSIDE OF THE SYSTEM WHEN THE ASSET'S VALUE EXCEEDS THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY THE ESSENTIA HEALTH BOARD OF DIRECTORS SERVICES AUTHORITY TO CAUSE, AND TO APPROVE, THE ADDITION OF NEW SERVICES AND SERVICE LOCATIONS AND THE DISCONTINUANCE OF SERVICES AND SERVICE LOCATIONS WITHIN ALL ENTITIES IN THE SYSTEM BUDGETS APPROVAL OF CAPITAL AND OPERATING BUDGETS OF ALL ENTITIES IN THE SYSTEM PROFESSIONAL SERVICES SELECTION OF THE GENERAL LEGAL COUNSEL AND EXTERNAL AUDITORS OF ALL ENTITIES IN THE SYSTEM ACQUISITIONS AUTHORITY TO CAUSE, AND TO APPROVE, ALL ACQUISITIONS BY AND FORMATIONS OF ENTITIES IN THE SYSTEM MARKETING AUTHORITY TO IMPLEMENT SYSTEM-WIDE MARKETING AND PROMOTIONAL ACTIVITIES COMPLIANCE PLANS AUTHORITY TO CREATE, AND TO APPROVE, CORPORATE COMPLIANCE, SAFETY AND RISK MANAGEMENT PLANS FOR ENTITIES WITHIN THE SYSTEM QUALITY PLAN AUTHORITY TO CREATE, AND TO APPROVE, THE SYSTEM'S QUALITY PLAN NON-BUDGETED PURCHASES APPROVAL OF NON-BUDGETED CAPITAL PURCHASES AND LEASES IN EXCESS OF THE SINGLE OR ANNUAL AGGREGATE DOLLAR LIMITS PRESCRIBED IN WRITING BY ESSENTIA HEALTH FOR ENTITIES WITHIN THE SYSTEM HUMAN RESOURCES AUTHORITY TO CREATE HUMAN RESOURCE POLICIES AND PROCEDURES WITHIN THE SYSTEM RESERVED POWERS AUTHORITY TO CREATE ADDITIONAL ESSENTIA HEALTH RESERVED POWERS BY THE AFFIRMATIVE VOTE OF AT LEAST 80% OF THE ESSENTIA HEALTH BOARD OF DIRECTORS (EXCLUDING THE ESSENTIA HEALTH CEO), PROVIDED, HOWEVER, THAT ANY ADDITIONAL ESSENTIA HEALTH RESERVED POWERS SHALL NOT CONTRAVENE OR HINDER THE RESERVED POWERS OF BENEDICTINE SISTERS BENEVOLENT ASSOCIATION</p> |

| Return Reference | Explanation | |
|------------------|---------------------------------|--|
| | Form 990, Part VI, Line 7B Cont | <p>THE BENEDICTINE SISTERS BENEVOLENT ASSOCIATION ("BSBA") ALSO HAS CERTAIN RESERVED POWERS OVER ESSENTIA HEALTH'S CATHOLIC FACILITIES. BSBA'S RESERVED POWERS ARE AS FOLLOWS:</p> <p>MISSION AUTHORITY TO APPROVE THE MISSION, PURPOSE AND VISION STATEMENTS FOR CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM. ADHERENCE TO ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES (ERDS). AUTHORITY TO APPROVE THE METHODS, POLICIES AND PROCEDURES PERTAINING TO THE ADHERENCE OF CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM TO THE ERDS, AND TO REQUIRE THE USE OF RELIGIOUS SYMBOLS, DISTINGUISHING ELEMENTS AND PRAYERS. OFFICIAL CATHOLIC DIRECTORY. AUTHORITY TO REQUEST THE LISTING OF QUALIFIED ENTITIES AND FACILITIES WITHIN THE SYSTEM IN THE OFFICIAL CATHOLIC DIRECTORY, SUBJECT TO THE APPROVAL OF APPLICABLE CATHOLIC AUTHORITIES. CATHOLIC HEALTH ASSOCIATION. AUTHORITY TO REQUIRE CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM TO JOIN THE MEMBERSHIP OF THE CATHOLIC HEALTH ASSOCIATION OF THE UNITED STATES. ALIENATION OF STABLE PATRIMONY OR ECCLESIASTICAL GOODS. AUTHORITY TO APPROVE ALIENATION OF EITHER STABLE PATRIMONY OR OTHER ECCLESIASTICAL GOODS IN THE SYSTEM IF SUCH GOODS INVOLVED IN A SPECIFIC TRANSACTION APPROVED BY ESSENTIA HEALTH PURSUANT TO SECTION 2 8 (G) OR 2 8(H) OF THE AFFILIATION AGREEMENT HAVE A DOLLAR VALUE EQUAL TO OR GREATER THAN 70% OF THE AMOUNT ESTABLISHED FROM TIME TO TIME THAT REQUIRES APPROVAL FROM THE HOLY SEE, PROVIDED, HOWEVER, THAT IT IS THE INTENT OF THE PARTIES THAT THIS PROVISION NOT BE APPLIED TO RESTRICT OR TO IMPEDE ESSENTIA FROM ACTING AND MAKING DECISIONS ON BEHALF OF THE SYSTEM IN THE ORDINARY COURSE OF BUSINESS BUT BE APPLIED TO PREVENT THE TRANSFER OF SUBSTANTIAL ASSETS OF CATHOLIC ENTITIES WITHIN THE SYSTEM TO SUPPORT THE SECULAR ENTITIES WITHIN THE SYSTEM WITHOUT THE PRIOR APPROVAL OF BSBA. AMENDMENTS. AUTHORITY TO APPROVE ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION OR BYLAWS OF THIS CORPORATION THAT WOULD ALTER THE NUMBER OF BENEDICTINE SISTERS OF ST. SCHOLASTICA MONASTERY OF DULUTH OR BSBA BOARD OF DIRECTOR MEMBERS SERVING AS MEMBERS OF SUCH ENTITY'S BOARD OF DIRECTORS, AUTHORITY TO APPROVE ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION OR BYLAWS OF ESSENTIA'S CATHOLIC SUBSIDIARIES WHICH COULD MATERIALLY AFFECT SUCH ENTITY'S IDENTITY AS A CATHOLIC INSTITUTION, INCLUDING WITHOUT LIMITATION ANY AMENDMENT THAT WOULD ALTER THE NUMBER OF BENEDICTINE SISTERS OF ST. SCHOLASTICA MONASTERY OF DULUTH BSBA BOARD OF DIRECTOR MEMBERS SERVING AS MEMBERS OF SUCH ENTITY'S BOARD OF DIRECTORS, AND AUTHORITY TO CAUSE ESSENTIA HEALTH TO MAKE AMENDMENTS TO THE ARTICLES OF INCORPORATION OR BYLAWS OF ESSENTIA'S CATHOLIC SUBSIDIARIES, WHICH AMENDMENTS BSBA IN GOOD FAITH ARE NECESSARY TO PRESERVE SUCH ENTITY'S IDENTITY AS A CATHOLIC INSTITUTION. MISSION EFFECTIVENESS. AUTHORITY TO APPROVE ANNUAL PLANS AND EVALUATIONS RELATING TO MISSION EFFECTIVENESS AND CHAPLAINCY FOR THE CATHOLIC FACILITIES AND ENTITIES WITHIN THE SYSTEM. MERGERS AND DISSOLUTION. SUBJECT TO THE APPROVAL OF THE BENEDICTINE SISTERS OF ST. SCHOLASTICA MONASTERY OF DULUTH, AUTHORITY TO APPROVE A PROPOSED MERGER, CONSOLIDATION, LIQUIDATION, DISSOLUTION, OR THE DISPOSITION OF ALL OR SUBSTANTIALLY ALL THE ASSETS. ESSENTIA HEALTH EAST ALSO HAS CERTAIN RESERVED POWERS OVER ALL EAST FACILITIES WITHIN ESSENTIA HEALTH. ESSENTIA HEALTH EAST'S RESERVED POWERS ARE AS FOLLOWS: QUALITY, SAFETY AND SERVICE. AUTHORITY TO RECOMMEND QUALITY AND SAFETY INITIATIVES AND TO REVIEW AND EXECUTE APPROVED QUALITY AND SAFETY PLANS FOR THE EAST REGION. MISSION, VISION AND VALUES. AUTHORITY TO CREATE A MISSION AND A VISION THAT SUPPORT THE MISSION AND VISION OF ESSENTIA HEALTH, RESPONSIBILITY TO OVERSEE THE MISSION PERFORMANCE, INCLUDING CHARITY CARE, OF ALL FACILITIES WITHIN THE EAST REGION, RESPONSIBILITY TO ADOPT THE VALUES OF ESSENTIA HEALTH. OPERATING AND FINANCIAL PERFORMANCE. RESPONSIBILITY TO OVERSEE THE OPERATING AND FINANCIAL PERFORMANCE OF THE EAST REGION. DEVELOPMENT OF BUDGETS, STRATEGIC PLANS AND STRATEGY MAP. AUTHORITY TO DEVELOP AND RECOMMEND, BASED ON ESSENTIA HEALTH TARGETS, CAPITAL AND OPERATING BUDGETS FOR THE EAST REGION AND ITS FACILITIES, AUTHORITY TO RECOMMEND, WITHIN THE ESSENTIA HEALTH CONTEXT, REGIONAL AND LOCAL STRATEGIC PLANS FOR THE EAST REGION, AUTHORITY TO DEVELOP EAST REGION GOVERNANCE STRATEGY MAP AND BALANCED SCORECARD WITHIN ESSENTIA HEALTH'S SYSTEM STRATEGY TO MEET SYSTEM GOALS. EXECUTION OF APPROVED BUDGETS AND STRATEGIC PLANS. RESPONSIBILITY TO EXECUTE THE APPROVED CAPITAL AND OPERATING BUDGETS AND STRATEGIC AND BUSINESS PLANS FOR THE EAST REGION. NON-BUDGETED EXPENDITURES. AUTHORITY TO APPROVE NON-BUDGETED CAPITAL PURCHASES AND LEASES FOR EAST REGION FACILITIES WITHIN DOLLAR LIMITS DEFINED BY ESSENTIA HEALTH. ACCREDITATION AND LICENSURE. RESPONSIBILITY TO OVERSEE ACCREDITATION AND LICENSURE COMPLIANCE FOR THE FACILITIES OF THE EAST REGION. AFFILIATIONS, ACQUISITIONS AND JOINT VENTURES. AUTHORITY TO RECOMMEND PROP</p> |

| Return Reference | Explanation | |
|---------------------------------------|-------------|---|
| Form 990, Part VI, Line 7B Cont | | <p>USED AFFILIATIONS, ACQUISITIONS, JOINT VENTURES AND OTHER ALLIANCES, RESPONSIBILITY TO OVERSEE NEGOTIATION AND IMPLEMENTATION OF APPROVED ACQUISITIONS AND OPERATION OF ALL APPROVED AFFILIATIONS, JOINT VENTURES AND OTHER ALLIANCES WITH THIRD PARTIES WITHIN THE EAST REGION</p> <p>APPOINTMENT OF DIRECTORS AUTHORITY TO APPOINT OR ELECT DIRECTORS OF THE DIRECT SUBSIDIARIES, AND TO REMOVE SUCH DIRECTORS, WITH OR WITHOUT CAUSE</p> <p>PRESIDENT AUTHORITY TO ADVISE THE CEO OF ESSENTIA HEALTH REGARDING THE APPOINTMENT, REMOVAL AND PERIODIC EVALUATION OF THE PRESIDENT OF SMDC</p> <p>SATISFACTION RESPONSIBILITY TO EXECUTE, EVALUATE AND OVERSEE PATIENT, FAMILY AND CUSTOMER SATISFACTION WITH RESPECT TO SERVICES PROVIDED WITHIN THE EAST REGION AND TO ENSURE ESTABLISHED GOALS ARE MET</p> <p>JOB SATISFACTION RESPONSIBILITY TO OVERSEE JOB SATISFACTION AND STAFF MORALE WITHIN THE EAST REGION FACILITIES</p> <p>HUMAN RESOURCES RESPONSIBILITY TO OVERSEE IMPLEMENTATION OF ESSENTIA HEALTH HUMAN RESOURCE POLICIES AND PROCEDURES THROUGHOUT THE EAST REGION</p> <p>COMPLIANCE RESPONSIBILITY TO EXECUTE THE APPROVED ESSENTIA HEALTH CORPORATE COMPLIANCE AND RISK MANAGEMENT PLANS FOR THE EAST REGION</p> <p>CREDENTIALING RESPONSIBILITY TO PERFORM MEDICAL STAFF CREDENTIALING FOR THE EAST REGION FACILITIES</p> <p>NOMINATIONS AUTHORITY TO NOMINATE PERSONS FOR APPOINTMENT TO THE SMDC BOARD OF DIRECTORS BY BENELECTIVE SISTERS BENEVOLENT ASSOCIATION AND ESSENTIA HEALTH</p> <p>AMENDMENTS AUTHORITY TO SUGGEST PROPOSED AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BYLAWS OF THIS CORPORATION, THE DIRECT SUBSIDIARIES, AND ANY SUBSIDIARIES THEREOF</p> <p>COMPENSATION PLANS RESPONSIBILITY TO REVIEW AND APPROVE COMPENSATION OF EAST REGION EXECUTIVES AND PHYSICIANS FOR REASONABLENESS AND CONSISTENCY WITH THE LAW AND ESSENTIA HEALTH'S COMPENSATION PHILOSOPHY</p> <p>PRESIDENT/CHIEF MEDICAL OFFICER BY ACTION OF THE PRESIDENT OF THIS CORPORATION, AUTHORITY TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE PRESIDENT/CHIEF MEDICAL OFFICER OF ANY OF THE DIRECT SUBSIDIARIES</p> <p>PUBLIC POLICY RESPONSIBILITY TO SUPPORT ESSENTIA HEALTH PUBLIC POLICY AND ADVOCACY PLANS</p> <p>MARKETING RESPONSIBILITY TO COORDINATE REGIONAL MARKETING AND PROMOTIONAL ACTIVITIES CONSISTENT WITH ESSENTIA HEALTH MARKETING PLANS</p> <p>PHILANTHROPY RESPONSIBILITY TO COORDINATE PHILANTHROPY WITHIN THE EAST REGION CONSISTENT WITH ESSENTIA HEALTH FOUNDATION POLICIES</p> <p>PROFESSIONAL SERVICES RESPONSIBILITY TO OVERSEE EAST REGION MANAGEMENT'S COOPERATION WITH EXTERNAL AUDITORS AND GENERAL LEGAL COUNSEL SELECTED BY ESSENTIA HEALTH AND COORDINATION OF LEGAL SERVICES THROUGH THE ESSENTIA HEALTH OFFICE OF GENERAL COUNSEL</p> <p>CATHOLIC FACILITIES RESPONSIBILITY TO OVERSEE IMPLEMENTATION OF BSBA-APPROVED METHODS, POLICIES AND PROCEDURES PERTAINING TO ADHERENCE BY THE EAST REGION CATHOLIC FACILITIES WITH THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES AND USE OF RELIGIOUS SYMBOLS, DISTINGUISHING ELEMENTS AND PRAYERS</p> <p>PROJECTS INVOLVING REAL ESTATE AUTHORITY TO RECOMMEND FACILITY DEVELOPMENT PROJECTS, SUBJECT TO THE APPROVAL OF ESSENTIA HEALTH, RESPONSIBILITY TO OVERSEE EXECUTION OF APPROVED DEVELOPMENT PROJECTS ACCORDING TO ESSENTIA HEALTH POLICIES</p> |

| Return Reference | Explanation |
|-----------------------------|--|
| Form 990, Part VI, Line 11A | FORM 990 REVIEW PROCESS THE 2013 FORM 990, INCLUDING ALL SCHEDULES, WAS REVIEWED BY ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER'S MANAGEMENT AND GOVERNING BODY ON MARCH 4TH, 2015 PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE. EACH CURRENT DIRECTOR OF THE GOVERNING BODY RECEIVED A COPY OF THE 2013 FORM 990. ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER'S CHIEF FINANCIAL OFFICER LED THE REVIEW OF THE FORM AND SCHEDULES AND ANY QUESTIONS WERE DISCUSSED. |

| Return Reference | Explanation |
|-----------------------------------|--|
| Form 990, Part VI, Line 12C | <p>Monitoring and enforcing Conflict of Interest policy Essentia Health's comprehensive conflict of interest program prevents, detects and resolves actual conflicts of interests or the actual or potential appearance of such Fiduciaries, defined as an Essentia Health board member/trustee, officer, board committee member, senior management employee, or any others considered to be in a position of influence, are covered under Essentia's conflict of interest program Upon initial appointment, each fiduciary must complete an initial conflict of interest statement and disclosure questionnaire At the conclusion of each fiscal year, each fiduciary must complete an annual conflict of interest statement and disclosure questionnaire As needed, a fiduciary will update his/her most recently completed questionnaire each time the fiduciary becomes aware of a financial interest, a potential conflict, or change to any information that the fiduciary previously reported Essentia Health's Chief Compliance Officer will collect the questionnaires and evaluate the disclosures If a fiduciary has a potential conflict of interest, the Chief Compliance Officer or designee may request additional information from the fiduciary, the management team, and others During the evaluation process, the Chief Compliance Officer may also consult with Essentia Health's Board and Audit Committee Chairs, senior management, legal department, or appropriate representatives from Essentia Health The Chief Compliance Officer reports to the Essentia Health Audit Committee and the Essentia Health Board of Directors any actual or potential conflicts of interest disclosed by the fiduciary, along with recommended actions The Essentia Health Board of Directors (or designee) will then determine whether to approve the situation or to implement special controls to manage the potential conflict of interest The Chief Compliance Officer will then officially notify the fiduciary in writing of the board's decision The decision of whether or not the disclosure constitutes a conflict will be at the Essentia Health Board of Director's (or designee) sole discretion, and its concern must be the welfare of Essentia Health and its affiliate(s) and the advancement of its purposes When the Essentia Health Board of Directors (or designee) considers a Fiduciary's disclosure as a Conflict of Interest, special controls will be identified to manage, eliminate or reduce the likelihood and/or appearance of a conflict arising Controls may include, but are not limited to A If the conflict involves an on-going matter or relationship, the Fiduciary must not participate in Board, Board committee or management discussions related to the conflict and must recuse themselves and if appropriate, withdraw, from any Board meeting or portion thereof where the matter is being discussed and during the vote on the potential Conflict of Interest The Fiduciary may answer questions at the Board's or the Board Committee's request B If the conflict involves a specific transaction or decision, the Fiduciary will fully disclose their interest and all related material facts The Board or committee of the Board will determine whether the contemplated transaction may be authorized as just, fair, and reasonable to Essentia Health or its affiliate (s) If the Board determines a conflict does not exist, the Fiduciary may proceed with the transaction, however, he or she will not be eligible to vote on related issues should they arise If the Board determines a conflict does exist, the Fiduciary will be notified of the decision regarding whether the contemplated transaction will be authorized as just, fair, and reasonable</p> |

| Return Reference | Explanation |
|--|--|
| Form 990, Part VI, Line 15 A & B | <p>PROCESS FOR DETERMINING COMPENSATION The Executive Compensation Committee of Essentia Health's board of directors is authorized to fulfill the board's responsibilities regarding executive compensation consistent with Essentia's mission, values and tax-exempt status, and the Executive Compensation Committee's Charter The Executive Compensation Committee meets at least twice annually to carry out its responsibilities, which include, but are not limited to, establishing, reviewing and modifying, as appropriate, reasonable compensation and benefits for designated Essentia executives who are officers or key employees of Essentia or any of its affiliates which may be paid by related organizations The Executive Compensation Committee engages qualified independent compensation advisors to provide objective and impartial comparative data and to express opinions on total compensation reasonableness The Executive Compensation Committee may request its independent advisors to monitor comparability data and marketplace trends, make appropriate recommendations regarding salary ranges, and periodically review the market competitiveness of Essentia executive compensation packages Prior to establishing or adjusting executive compensation, the Executive Compensation Committee will obtain and rely upon appropriate data as to comparability of the proposed compensation or adjustments The Executive Compensation Committee will adequately document the basis for its determination concurrently with making those determinations The Executive Compensation Committee minutes will include the terms of the approved compensation and the date approved, the Executive Compensation Committee members present during the review, discussion and approval of the proposed compensation and those who voted on the proposed compensation, identification of the comparability data obtained and relied upon by the Executive Compensation Committee and how the data was obtained, any actions by a member of the Executive Compensation Committee having a conflict of interest, and documentation of the basis for the determination The year this process was last undertaken for Essentia Health Polinsky Medical Rehabilitation Center's President & Chief Medical Officer, Interim Chief Financial Officer, Executive Vice President Hospital Operations, Duluth Clinic President, and Executive Vice President Clinical Operations was 2014 The year this process was last undertaken for Essentia Health Polinsky Medical Rehabilitation Center's Chief Financial Officer, Vice President Surgical Services, and SMDCMC Administrator was 2013</p> |

| Return Reference | Explanation |
|----------------------------|---|
| Form 990, Part VI, Line 19 | Availability of governing documents, conflict of interest policy, & financial statements to the public. Governing documents, conflict of interest policy, and financial statements are made available to the public upon request. The organization is part of Essentia Health's consolidated financial statements which are included in Essentia Health's annual report posted on Essentia Health's web site. |

| Return Reference | Explanation |
|-----------------------------------|--|
| Form 990, Part IX, Line 24A | Affiliate expense and Revenue allocation AFFILIATE EXPENSE AND REVENUE ALLOCATION REPRESENTS THE PORTION OF ESSENTIA HEALTH DULUTH, ESSENTIA HEALTH ST MARY'S MEDICAL CENTER, AND THE DULUTH CLINIC, LTD REVENUE AND EXPENSE RELATED TO ESSENTIA HEALTH POLINKSY MEDICAL REHABILITATION CENTER, A RELATED ORGANIZATION, WHICH IS ALLOCATED DIRECTLY TO ESSENTIA HEALTH POLINSKY MEDICAL REHABILITATION CENTER NET AFFILIATE (REVENUE) AND EXPENSE ALLOCATION OF \$1,629,352 INCLUDES THE FOLLOWING Grants \$(423) Program Service Revenue \$(105) Investment Income \$(4,646) Misc Revenue \$(17,644) Contributions \$15,232 Compensation \$429,513 Payroll Taxes \$29,758 Pension Plan Contributions \$20,915 Accounting Fees \$1,020 Legal Fees \$5,104 Interest \$294,649 Other Purchased Services \$90,312 Advertising \$7,669 Conferences/Conventions/Meetings \$6,095 Depreciation & Amortization \$100,700 Information Technology \$95,751 Insurance \$84,373 Medical Supplies \$14,374 Occupancy \$217,185 Office Expenses \$72,504 Travel \$9,391 Unrelated Business Tax \$329 Other Expenses \$69,533 Other Employee Benefits \$87,763 Grand Total \$1,629,352 |

| Return Reference | Explanation |
|------------------------------|--|
| Form 990, Part XI, Line 9 | Other Changes in Net Assets The total amount of other changes in net assets includes Net Asset transfer with related organization, reallocated Income Statement item transferred to align with organizational structure (31,122) |

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
▶ **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.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Polinsky Medical Rehabilitation Center

Employer identification number
41-0691275

| Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33. | | | | | |
|--|-------------------------|--|---------------------|---------------------------|----------------------------------|
| (a) Name, address, and EIN (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 |
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| 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 |
| See Additional Data Table | | | | | | | |
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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) Disproprtionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|-------------------------|--|--|--|---------------------------------|--|--|----|--|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| (1) PMC-GATEWAY IMAGING LLC 109 COURT AVE S SANDSTONE, MN 55072 26-1634764 | IMAGING SERVICES | MN | NA | N/A | 0 | 0 | | | 0 | | | |
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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) ESSENTIA HEALTH INSURANCE SERVICES SPC 94 Solaris Ave PO Box 69 GRAND CAYMAN CJ 000000000 | Self Indemnity | CJ | NA | FOREIGN CORP | 0 | 0 | | Yes | |
| (2) EAST RANGE CLINICS LTD 910 6TH AVE N VIRGINIA, MN 55792 41-0909915 | CLINICS | MN | NA | C CORP | 0 | 0 | | Yes | |
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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?

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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)

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

No

1m

Yes

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

No

1s

No

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

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|-------------------------------|------------------------|--|
| (1) The Duluth Clinic Ltd | P | 124,899 | Actual Costs |
| (2) ESSENTIA HEALTH | M | 506,365 | ACTUAL COSTS |
| (3) ESSENTIA HEALTH | P | 68,560 | ACTUAL COSTS |
| (4) SMDC MEDICAL CENTER | P | 2,821,992 | ACTUAL COSTS |
| (5) SMDC Medical Center | Q | 118,249 | Actual Costs |
| (6) ST MARY'S MEDICAL CENTER | P | 379,823 | ACTUAL COSTS |

Schedule R (Form 990) 2013

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

[illegible]

Part VII **Supplemental Information**

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

| Return Reference | Explanation |
|--|---|
| SCHEDULE R, PART II, COLUMN (A), Name | The following Essentia Health entities have a doing business as name Legal Name, Doing Business As Name Brainerd Lakes Integrated Health System, Essentia Health Central Brainerd Medical Center, Inc , Essentia Health Brainerd Specialty Clinic Bridges Medical Center, Essentia Health Ada Deer River Healthcare Center, Inc , Essentia Health Deer River First Care Medical Services, Essentia Health Fosston Graceville Health Center, Essentia Health Holy Trinity Hospital Innovis Health, LLC , Essentia Health West Midwest Medical Equipment and Supplies, Inc , Essentia Health Medical Equipment and Supplies Northern Pines Medical Center, Essentia Health Northern Pines Pine Medical Center, Essentia Health Sandstone Polinsky Medical Rehabilitation Center, Essentia Health Polinsky Medical Rehabilitation Center SMDC Medical Center, Essentia Health Duluth St Joseph's Medical Center, Essentia Health St Joseph's Medical Center St Mary's Duluth Clinic Health System, Essentia Health East St Mary's EMS, Essentia Health St Mary's Emergency Medical Services-Detroit Lakes St Mary's Hospital of Superior, Essentia Health St Mary's Hospital-Superior St Mary's Medical Center, Essentia Health St Mary's Medical Center St Mary's Regional Health Center, Essentia Health St Mary's-Detroit Lakes |

Additional Data

Software ID:

Software Version:

EIN: 41-0691275

Name: Polinsky Medical Rehabilitation Center

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512 (b)(13) controlled entity? | |
|---|-------------------------|--|----------------------------|---|----------------------------------|---|----|
| | | | | | | Yes | No |
| (1) BRAINERD LAKES INTEGRATED HEALTH SYSTEM 2024 S 6TH ST BRAINERD, MN 56401 37-1532145 | SUPPORT ORG | MN | 501(c)(3) | 11 TYPE II | Essentia | Yes | |
| (1) BRAINERD MEDICAL CENTER INC 2024 S 6TH ST BRAINERD, MN 56401 37-1532148 | CLINIC | MN | 501(c)(3) | 3 | BLIHS | Yes | |
| (2) BRIDGES MEDICAL CENTER 503 E 3rd ST Suite 400 Duluth, MN 55805 20-0479568 | Clinic/Hosp | MN | 501(c)(3) | 3 | Innovis | Yes | |
| (3) CLEARWATER VALLEY HOSPITAL & CLINICS INC 301 CEDAR AVE OROFINO, ID 83544 82-0497771 | Clinic/Hosp | ID | 501(c)(3) | 3 | CAG | Yes | |
| (4) Critical Access Group 503 E 3RD ST SUITE 400 DULUTH, MN 55805 26-1219624 | SUPPORT ORG | MN | 501(c)(3) | 11 Type II | ESSENTIA | Yes | |
| (5) FIRST CARE MEDICAL SERVICES 900 HILLIGOSS BLVD SE FOSSTON, MN 56542 41-0706143 | Clinic/Hosp | MN | 501(c)(3) | 3 | Innovis | Yes | |
| (6) MINNESOTA VALLEY HEALTH CENTER INC 621 S 4TH ST LE SUEUR, MN 56058 41-0837659 | HOSPITAL/Nurs | MN | 501(c)(3) | 3 | CAG | Yes | |
| (7) ST JOSEPH'S MEDICAL CENTER 523 N 3RD ST BRAINERD, MN 56401 41-0695602 | Clinic/Hosp | MN | 501(c)(3) | 3 | BLIHS | Yes | |
| (8) ST MARY'S EMS 1027 WASHINGTON AVE DETROIT LAKES, MN 56501 41-1805811 | EMERG SVCS | MN | 501(c)(3) | 9 | SMRHC | Yes | |
| (9) ST MARY'S HOSPITAL INC PO BOX 137 COTTONWOOD, ID 83522 82-0226453 | Clinic/Hosp | ID | 501(c)(3) | 3 | CAG | Yes | |
| (10) ST MARY'S INNOVIS HEALTH 1027 WASHINGTON AVE DETROIT LAKES, MN 56501 26-2861321 | Pharmacy | MN | 501(c)(3) | 3 | Innovis | Yes | |
| (11) ST MARY'S REGIONAL HEALTH CENTER 1027 WASHINGTON AVE DETROIT LAKES, MN 56501 41-1620386 | Clinic/Hosp | MN | 501(c)(3) | 3 | Innovis | Yes | |
| (12) ESSENTIA HEALTH 502 E 2ND ST DULUTH, MN 55805 20-0360007 | SUPPORT ORG | MN | 501(c)(3) | 11TypeIIIFI | NA | | No |
| (13) ESSENTIA INSTITUTE OF RURAL HEALTH 502 E 2ND ST DULUTH, MN 55805 27-1291124 | RESEARCH | MN | 501(c)(3) | 4 | ESSENTIA | Yes | |
| (14) INNOVIS HEALTH LLC 3000 32nd Avenue S FARGO, ND 58103 26-1175213 | Clinic/Hosp | DE | 501(c)(3) | 3 | ESSENTIA | Yes | |
| (15) Essentia HEALTH FOUNDATION 502 E 2ND ST DULUTH, MN 55805 27-1984704 | FOUNDATION | MN | 501(c)(3) | 7 | Essentia | Yes | |
| (16) MIDWEST MEDICAL EQUIP AND SUPPLIES INC 4418 HAINES RD DULUTH, MN 55811 41-1674021 | MEDICAL EQUIP | MN | 501(c)(3) | 9 | SMMC | Yes | |
| (17) PINE MEDICAL CENTER 109 COURT AVE S SANDSTONE, MN 55072 41-1884597 | Hospital/Nurs | MN | 501(c)(3) | 3 | SMDCHS | Yes | |
| (18) SMDC MEDICAL CENTER 502 E 2ND ST DULUTH, MN 55805 41-1878730 | Clinic/Hosp | MN | 501(c)(3) | 3 | SMDCHS | Yes | |
| (19) ST MARY'S DULUTH CLINIC HEALTH SYSTEM 407 E 3RD ST DULUTH, MN 55805 41-1836633 | Support Org | MN | 501(c)(3) | 11 Type II | ESSENTIA | Yes | |

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c) (3)) | (f) Direct controlling entity | (g) Section 512 (b)(13) controlled entity? | |
|---|-------------------------|--|-------------------------------|---|-------------------------------------|--|----|
| | | | | | | Yes | No |
| (21) ST MARY'S HOSPITAL OF SUPERIOR 3500 TOWER AVE SUPERIOR, WI 54880 41-1811073 | Clinic/Hosp | MN | 501(c)(3) | 3 | SMMC | Yes | |
| (1) ST MARY'S MEDICAL CENTER 407 E 3RD ST DULUTH, MN 55805 41-0695604 | Hospital | MN | 501(c)(3) | 3 | SMDCHS | Yes | |
| (2) THE DULUTH CLINIC LTD 400 E 3RD ST DULUTH, MN 55805 41-0883623 | Clinic | MN | 501(c)(3) | 3 | SMDCHS | Yes | |
| (3) Northern Pines Medical Center 5211 Hwy 110 Aurora, MN 55705 41-0841441 | Hospital/Nurs | MN | 501(c)(3) | 3 | SMDCHS | Yes | |
| (4) Graceville Health Center 115 West Second St Graceville, MN 56240 41-0726173 | Clinic/Hosp | MN | 501(c)(3) | 3 | Innovis | Yes | |
| (5) DEER RIVER HEALTHCARE CENTER INC 115 10TH AVE NE DEER RIVER, MN 56636 41-0844574 | HOSP/CLIN/NH | MN | 501(c)(3) | 3 | SMDCHS | Yes | |

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

| (a) Name of other organization | (b) Transaction type(a-s) | (c) Amount Involved | (d) Method of determining amount involved |
|-----------------------------------|---------------------------------|------------------------|---|
| The Duluth Clinic Ltd | P | 124,899 | Actual Costs |
| ESSENTIA HEALTH | M | 506,365 | ACTUAL COSTS |
| ESSENTIA HEALTH | P | 68,560 | ACTUAL COSTS |
| SMDC MEDICAL CENTER | P | 2,821,992 | ACTUAL COSTS |
| SMDC Medical Center | Q | 118,249 | Actual Costs |
| ST MARY'S MEDICAL CENTER | P | 379,823 | ACTUAL COSTS |

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|-------------------------------|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| VINCENT OHAJU MD | 1 4 | | | | X | | | 0 | 718,037 | 54,105 |
| CLINICAL CHIEF | 58 6 | | | | X | | | 0 | 349,833 | 71,450 |
| JAMES GARVEY | 1 4 | | | | X | | | 0 | 450,958 | 86,936 |
| EVP Hospital Ops & SMMC Admin | 58 6 | | | | X | | | 0 | 322,036 | 33,185 |
| TIMOTHY ZAGER MD | 1 4 | | | | X | | | 0 | 550,295 | 51,284 |
| Duluth Clinic President | 58 6 | | | | | | X | 0 | 573,553 | 53,754 |
| BARBARA JOHNSON | 0 0 | | | | | | | 0 | 399,728 | |
| CFO Thru 6/13 | 2 | | | | | | X | 0 | | |
| THOMAS PATNOE MD | 0 0 | | | | | | X | 0 | | |
| President & CMO THRU 4/12 | 60 0 | | | | | | X | 0 | | |
| THOMAS KAISER MD | 0 0 | | | | | | X | 0 | | |
| CLINICAL CHIEF | 60 0 | | | | | | X | 0 | | |
| SANDRA MCCARTHY | 0 0 | | | | | | X | 0 | | |
| CHIEF NURSING OFFICER | 60 0 | | | | | | X | 0 | | |