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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047
		2009
	Open to Public Inspection	

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

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010				
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization Avera Marshall		D Employer identification number 41-0919153
		Doing Business As Avera Marshall Regional Medical Cent		E Telephone number (507) 532-9661
		Number and street (or P O box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 48,784,858
		300 S Bruce St		
	City or town, state or country, and ZIP + 4 Marshall, MN 56258			
F Name and address of principal officer Mary Maertens 300 S Bruce St Marshall, MN 56258			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
			H(c) Group exemption number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ www.averamarshall.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 1944	M State of legal domicile MN

Part I	Summary
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Activities & Governance	1	Briefly describe the organization's mission or most significant activities Promotion of health		
	2	Check this box <input checked="" 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 10
	4	Number of independent voting members of the governing body (Part VI, line 1b)		4 9
	5	Total number of employees (Part V, line 2a)		5 643
	6	Total number of volunteers (estimate if necessary)		6 195
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12		7a 177,264
	b	Net unrelated business taxable income from Form 990-T, line 34		7b 37,608
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)		342,191
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		47,475,117
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		257,832
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		238,413
				48,313,553
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		55,410
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		23,814,055
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶83,466		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		23,102,003
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		46,971,468
	19	Revenue less expenses Subtract line 18 from line 12		1,342,085
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	66,130,674	61,305,296
	21	Total liabilities (Part X, line 26)	26,690,522	24,861,049
	22	Net assets or fund balances Subtract line 21 from line 20	39,440,152	36,444,247

Part II	Signature Block
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Sign Here	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			
	***** Signature of officer		2011-05-12 Date	
	Paul Puetz Board Chair Type or print name and title			
Paid Preparer's Use Only	Preparer's signature ▶ Kim Hunwardsen CPA	Date 2011-05-12	Check if self-employed ▶ <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	Eide Bailly LLP 5601 Green Valley Drive Suite 700 Minneapolis, MN 554371145		EIN ▶
				Phone no ▶ (952) 944-6166

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes

☐ No

1 Briefly describe the organization's mission

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 exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.










4a	(Code)	(Expenses \$ 39,014,574 including grants of \$ 55,410)	(Revenue \$ 47,297,853)
	<p>Avera Marshall Regional Medical Center operates a 25-bed critical access hospital, a 76-licensed bed skilled nursing facility, a 10-bed behavioral health unit, and an adult day-care center located in Marshall, Minnesota. In FY 2010, Avera Marshall had nearly 4,000 patient days in addition to 900 newborn patient days, 750 swing-bed days, and 1,750 behavioral-health bed days. On November 2, 2009, Avera Health, based in Sioux Falls, South Dakota, entered into a Membership Transfer Agreement with the City of Marshall, Minnesota. Under this agreement, Avera Health acquired from the City of Marshall the sole membership interest in the nonprofit corporation which owned and operated Weiner Memorial Medical Center (d/b/a Avera Marshall Regional Medical Center), in exchange for certain post-transaction commitments and cash transfers. The Membership Transfer Agreement also resulted in the Medical Center becoming the sole corporate member of the Weiner Memorial Foundation. Due to the Membership Transfer Agreement, Weiner Memorial Foundation legally changed its name to Avera Marshall Foundation. Effective November 2, 2009, the Medical Center began operating under the tenets of the Roman Catholic Church and in accordance with the philosophy and values established for Avera Health, a sponsored ministry of the Benedictine and Presentation Sisters.</p>		

[illegible][illegible]

4d Other program services (Describe in Schedule O)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e	Total program service expenses	\$ 39,014,574
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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? 	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4		No
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	• 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.			
	• 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.			
	• 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.			
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	• 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? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	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, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	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	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	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 11 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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	57	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	643	
	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 this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and 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, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, 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 For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .			7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			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	

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.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body	1a	10	
b	Enter the number of voting members that are independent	1b	9	
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 organizational documents since the prior Form 990 was filed?	4	Yes	
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

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

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 make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Sharon Williams 300 S Bruce St Marshall, MN 56258 (507) 537-9150

1b	Total	1,264,536	32,615	200,392
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **12**

		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	No
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 for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	Yes

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

(A) Name and business address	(B) Description of services	(C) Compensation
Avera McKennan 1001 E 21st St Ste 401 Sioux Falls, SD 57105	Mgmt, Physician Services, Anc	4,031,195
Acute Care Inc PO Box 4130 Des Moines, IA 50333	ED Physicians	787,623
Susner Construction Inc 202 Oconnell St Marshall, MN 56258	Construction	489,484
Bisbee Plumbing & Heating 604 N Hwy 59 Marshall, MN 56258	Construction	457,439
Leonard Street & Deinard PA 150 South Fifth St Ste 2300 Minneapolis, MN 55402	Legal Services	429,863

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **20**

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	246,048				
	e	Government grants (contributions)	1e	8,719				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	87,424				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			342,191			
Program Service Revenue			Business Code					
	2a	Net Patient Service Re	622,110	46,315,324	46,315,324			
	b	Equity Earnings of Aff	900,099	439,201	406,998	32,203		
	c	Miscellaneous Revenue	900,099	422,987	324,391	98,596		
	d	Cafeteria Revenue	900,099	297,605	251,140	46,465		
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			47,475,117			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		725,297			725,297	
	4	Income from investment of tax-exempt bond proceeds . . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		227,337						
		227,337						
	d	Net rental income or (loss)		227,337			227,337	
	7a	(i) Securities		(ii) O ther				
				3,840				
		446,662		24,643				
		-446,662		-20,803				
	d	Net gain or (loss)		-467,465			-467,465	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
		Less direct expenses		b				
	c	Net income or (loss) from fundraising events . . .						
	9a	Gross income from gaming activities See Part IV, line 19		a				
		Less direct expenses		b				
c	Net income or (loss) from gaming activities . . .							
10a	Gross sales of inventory, less returns and allowances		a					
	Less cost of goods sold		b					
c	Net income or (loss) from sales of inventory . . .							
Miscellaneous Revenue		Business Code						
11a	A/R Interest Income		900,099	11,076			11,076	
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d			11,076				
12	Total revenue. See Instructions			48,313,553	47,297,853	177,264	496,245	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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 U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22	55,410	55,410		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	238,410	8,727	229,683	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	18,498,759	15,890,890	2,528,492	79,377
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	949,158	933,379	15,389	390
9	Other employee benefits	2,873,120	2,604,087	259,757	9,276
10	Payroll taxes	1,254,608	1,136,890	113,468	4,250
11	Fees for services (non-employees)				
a	Management	204,701		204,701	
b	Legal	214,118		214,118	
c	Accounting	90,675		90,675	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	6,593,330	5,573,494	1,018,606	1,230
12	Advertising and promotion	297,933		297,933	
13	Office expenses	712,130	601,319	108,005	2,806
14	Information technology	57,328	30,598	26,341	389
15	Royalties				
16	Occupancy	621,144	621,054	90	
17	Travel	181,410	137,158	42,989	1,263
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	941,724	941,724		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	3,445,676	3,136,016	308,833	827
23	Insurance	205,804	67,756	138,048	
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Unrelated Business Inco	14,754	14,754		
b	Medical Supplies	5,646,091	5,632,758	13,308	25
c	Fees, Taxes and Surchag	1,616,822		1,616,822	
d	Bad Debt Expense	1,081,670	1,081,670		
e	Miscellaneous	1,035,662	416,868	635,161	-16,367
f	All other expenses	141,031	130,022	11,009	
25	Total functional expenses. Add lines 1 through 24f	46,971,468	39,014,574	7,873,428	83,466
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

						(A)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing					1	
	2	Savings and temporary cash investments				3,608,276	2	4,498,695
	3	Pledges and grants receivable, net					3	
	4	Accounts receivable, net				7,770,950	4	7,267,723
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L					5	7,778
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L					6	
	7	Notes and loans receivable, net					7	
	8	Inventories for sale or use				835,078	8	990,380
	9	Prepaid expenses and deferred charges				718,182	9	483,793
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	57,204,167				
	b	Less accumulated depreciation	10b	30,753,927	24,781,443	10c	26,450,240	
	11	Investments—publicly traded securities				27,107,796	11	483,225
	12	Investments—other securities See Part IV, line 11				674,405	12	19,610,155
	13	Investments—program-related See Part IV, line 11					13	972,291
	14	Intangible assets				138,750	14	250,500
	15	Other assets See Part IV, line 11				495,794	15	290,516
	16	Total assets. Add lines 1 through 15 (must equal line 34)				66,130,674	16	61,305,296
Liabilities	17	Accounts payable and accrued expenses				4,568,504	17	3,962,864
	18	Grants payable					18	
	19	Deferred revenue					19	
	20	Tax-exempt bond liabilities					20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D					21	12,388
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L					22	
	23	Secured mortgages and notes payable to unrelated third parties				19,397,271	23	18,300,000
	24	Unsecured notes and loans payable to unrelated third parties					24	
	25	Other liabilities Complete Part X of Schedule D				2,724,747	25	2,585,797
	26	Total liabilities. Add lines 17 through 25				26,690,522	26	24,861,049
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets				39,440,152	27	34,944,247
	28	Temporarily restricted net assets					28	1,500,000
	29	Permanently restricted net assets					29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds					30	
	31	Paid-in or capital surplus, or land, building or equipment fund					31	
	32	Retained earnings, endowment, accumulated income, or other funds					32	
	33	Total net assets or fund balances				39,440,152	33	36,444,247
	34	Total liabilities and net assets/fund balances				66,130,674	34	61,305,296

Part XI **Financial Statements and Reporting**

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

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera Marshall

Employer identification number
41-0919153

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. 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—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2009. 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—2008. 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 IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts 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						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						
14First 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

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. 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		
b33 1/3% support tests—2008. 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		
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Additional Data

Software ID:
Software Version:
EIN: 41-0919153
Name: Avera Marshall

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Dr Paul J Puetz Chair	1 30	X		X				0	0	0
James H Fuhrmann Vice Chair	1 30	X		X				0	0	0
Robert J Byrnes Director	1 30	X						0	0	0
Clifford G Carmody Director (thru 6-21-10)	1 30	X						0	0	0
William J Cole Director	1 30	X						0	0	0
Arthur M Olson Director	1 30	X						0	0	0
Michael K Rich Director	1 30	X						0	0	0
Randy Gaffney Director	1 30	X						0	0	0
Dr Steven Meister Director (thru 2-5-10)	1 30	X						0	0	0
Sr Mary J Reichelt Director	1 30	X						0	0	0
Sr JoAnn Sturzl Director	1 30	X						0	0	0
Sr Jodelle A Zimmerman Director	1 30	X						0	0	0
Roger Madison Director (thru 11-2-09)	1 30	X						0	0	0
Mary B Maertens President & CEO	40 00	X		X				133,739	32,615	25,567
Sharon Williams Sec/Treas & SrVP Finance	40 00			X				116,479	0	28,265
Richard Jueneman CRNA	40 00					X		272,953	0	35,979
Amber Boles CRNA	40 00					X		239,938	0	20,957
Jason Klein CRNA	40 00					X		232,652	0	35,780
Robert Purves Pharmacist	40 00					X		142,428	0	25,789
Marilee Kraft Pharmacist	40 00					X		126,347	0	28,055

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Unrelated Business Inco	14,754	14,754		
Medical Supplies	5,646,091	5,632,758	13,308	25
Fees, Taxes and Surchag	1,616,822		1,616,822	
Bad Debt Expense	1,081,670	1,081,670		
Miscellaneous	1,035,662	416,868	635,161	-16,367

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization Avera Marshall	Employer identification number 41-0919153
--	--

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>YesNo</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div>YesNo</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) <div><div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure)</div><div><input type="checkbox"/> Preservation of an historically importantly land area</div><div><input type="checkbox"/> Protection of natural habitat</div><div><input type="checkbox"/> Preservation of a certified historic structure</div><div><input type="checkbox"/> Preservation of open space</div></div>
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____
4	Number of states where property subject to conservation easement is located ▶ _____
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div>YesNo</div>
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? <div>YesNo</div>
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

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

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
(i)	Revenues included in Form 990, Part VIII, line 1▶ \$ _____
(ii)	Assets included in Form 990, Part X▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items
a	Revenues included in Form 990, Part VIII, line 1▶ \$ _____
b	Assets included in Form 990, Part X▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

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 XIV

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☒ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☒ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions	1,500,000			
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance	1,500,000			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶ 100.000 %

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

☐

b

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

3b

☐ Yes

☐

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		441,822		441,822
b Buildings		34,243,871	18,304,176	15,939,695
c Leasehold improvements				
d Equipment		20,566,329	11,843,992	8,722,337
e Other		1,952,145	605,759	1,346,386
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				26,450,240

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	48,313,553
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	46,971,468
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,342,085
4	Net unrealized gains (losses) on investments	4	-501,017
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-3,836,973
9	Total adjustments (net) Add lines 4 - 8	9	-4,337,990
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-2,995,905

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	44,509,770
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-501,017
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-2,960,575
e	Add lines 2a through 2d	2e	-3,461,592
3	Subtract line 2e from line 1	3	47,971,362
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	342,191
c	Add lines 4a and 4b	4c	342,191
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	48,313,553

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	47,011,105
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	39,637
e	Add lines 2a through 2d	2e	39,637
3	Subtract line 2e from line 1	3	46,971,468
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	46,971,468

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
Part IV, Line 2b		The organization holds funds on behalf of its residents
Part V, Line 4	Description of Intended Use of Endowment Funds	The Medical Center's endowments consist of donor-restricted funds held at the Avera Health Foundation and board designated funds held at a local financial institution. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The board-designated endowment funds are classified as temporarily restricted net assets as the original funds have been assigned to a special committee for future grant-making under a contractual arrangement. All donor-restricted endowment funds of the Medical Center are held at the Avera Health Foundation.
Part X	Description of Uncertain Tax Positions Under FIN 48	The Medical Center undergoes an annual analysis of its various tax positions, assessing the likelihood of those positons being upheld upon examination with relevant tax authorities, as defined by accounting principles generally accepted in the United States of America. No liabilities are recorded as a result of this analysis.
Part XI, Line 8 - Other Adjustments		Net Assets Acquired Through Dissolution of Auxiliary 137385 Loss on Auxiliary Activity -4230 Equity Transfers from Related Parties 1500000 Net Transfers to Related Parties -2500000 Loss on Refinancing -2970128
Part XII, Line 2d - Other Adjustments		Loss on Refinancing Recorded in Revenue for Financial Statements -2970128 Loss on Auxiliary Activity Recorded in Revenue for Financial Statements -4230 Foundation Revenue Included in Consolidated Financial Statements 13783
Part XII, Line 4b - Other Adjustments		Contributions Recorded in Fund Balance on Financial Statements 342191
Part XIII, Line 2d - Other Adjustments		Foundation Expenses Included in Consolidated Financial Statements 39637

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.**
▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera Marshall

Employer identification number
41-0919153

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <div><input checked="" type="checkbox"/> 100%<input type="checkbox"/> 150%<input type="checkbox"/> 200%<input type="checkbox"/> Other _____</div> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input checked="" type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____</div> c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Does the organization's policy provide free or discounted care to the "medically indigent"?	3a	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b		No
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)		341	283,141		283,141	0 620 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			2,509,100	1,645,949	863,151	1 880 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs		341	2,792,241	1,645,949	1,146,292	2 500 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	9	1,702	95,138	1,700	93,438	0 200 %
f Health professions education (from Worksheet 5)	2	268	93,737	9,300	84,437	0 180 %
g Subsidized health services (from Worksheet 6)	5	64	1,789,455	1,057,984	731,471	1 590 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	3		24,181		24,181	0 050 %
j Total Other Benefits	19	2,034	2,002,511	1,068,984	933,527	2 020 %
k Total. Add lines 7d and 7j)	19	2,375	4,794,752	2,714,933	2,079,819	4 520 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support	2	25	27,437		27,437	0.060 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development	1		446		446	0 %
9Other						
10Total	3	25	27,883		27,883	0.060 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		No
2Enter the amount of the organization's bad debt expense (at cost)	2673,249		
3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	367,325		
4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	10,097,591
6	Enter Medicare allowable costs of care relating to payments on line 5	6	10,063,170
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	34,421
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

9aDoes the organization have a written debt collection policy?	9a	Yes	
9bIf "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	Yes	

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

[illegible]

Part VI

Supplemental Information

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves

Part VI, Line 2 Avera Marshall completed a Community Needs Assessment when part of the City of Marshall They are in the process of developing an internal Community Needs Assessment

- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

Part VI, Line 3 Anyone who is uninsured receives a letter with their itemized bill which describes both the uninsured program and the charity care program Any uninsured patient is contacted by phone by our collections department at which time our programs are described Also, inpatient and same day surgery patients receive a brochure in their admissions packet Pre-collection letters also include information regarding our charity care and uninsured programs

- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

Part VI, Line 4 Avera Marshall's service area includes Lyon County and surrounding counties in Minnesota In 2009, the population for Lyon County was estimated to be 25,074 Approximately 14.3% of the population is age 65 or older The average per capita income is 23,560 and approximately 10.8% of individuals are below the federal poverty level The nearest hospital in the area is approximately 22 miles from Avera Marshall

- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

Part VI, Line 5 Avera Marshall is involved with numerous community organizations that promote health to school aged children as well as adults We work together with other health care providers and agencies such as Community Health and local Health and Human Services

- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)

See additional data

- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

Part VI, Line 7 The communities in which Avera operates all have unique health and community benefit needs and in keeping with the Catholic Healthcare Association guidelines each Hospital strives to meet its community's identified needs The Avera Central Office advocates for all on community benefit related matters of state, regional, and national importance

- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

MN

Additional Data

Software ID:
Software Version:
EIN: 41-0919153
Name: Avera Marshall

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 3c All patients are eligible for charity care The organization has a grid that looks at income, assets and previous medical bills to determine eligibility based upon a sliding scale It is possible to receive assistance from zero to 100%

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7 Charity care and Unreimbursed Medicaid was converted to cost using the cost-to-charge ratio derived from Worksheet 2
Lines 7e - i are gathered from expenses reported in the general ledger

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7g Amount includes a Psych Clinic where costs are \$883,135

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7f The amount of bad debt removed from the denominator of the calculation was \$1,081,670

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 4 Bad debt expense was converted to cost using the cost-to-charge ratio derived from Worksheet 2 The estimated amount of bad deb expense attributable to patients eligible under the organization's charity care policy is calculated by taking 10% of bad debt at cost The organization evaluates bad debt and identifies charity care as applicable However, based on review of the bad debt the organization estimates that 10% of bad debt at cost could be charity care as there are individuals who do not complete the paper work Bad debt expense is reported net of discounts and contractual allowances A payment on an account previously written off reduces bad debt expense in the current year Financial statement Note The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts Management considers historical write off and recovery information in determining the estimated bad debt provision Management also reviews accounts to determine if classification as charity care is appropriate

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 8 Medicare allowable costs of care are based on the Medicare cost report The Medicare cost report is completed based on the rules and regulations set forth by CMS

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part V The organization also operates the following that are not required to be separately licensed as a healthcare facility in Minnesota 1
behavioral health unit

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Part VI, Line 6 The organization's governing body is comprised of volunteer members who reside in the community Medical staff privileges are extended to all qualified physicians in the community Surplus funds are reinvested in facilites to improve patient care The hospital operates an emergency room that is available to all, regardless of ability to pay As a result of our mission statement, we do not look solely at our bottom line An example of this is the 10 bed behavorial health unit we added to the facility We also provide free meeting rooms for several organizations such as After Breast Cancer, grief support and Weight Watchers, etc We also offer classes such as childbirth and various other support groups

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Avera Marshall

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2009

Open to Public
Inspection

Employer identification number
41-0919153

Part I

General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations ▶

3 Enter total number of other organizations ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
medical student scholarships	8	48,000			
stipend assistance for SIM students	2	1,000			
LTC employee scholarships	17	6,410			

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

[illegible]

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization Avera Marshall	Employer identification number 41-0919153
--	--

Part I

Questions Regarding Compensation

	Yes	No
<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>1b</div> <div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain.</div>		
<div>2</div> <div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</div>		
<div>3</div> <div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.</div> <div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input 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>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>a Receive a severance payment or change-of-control payment?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c 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>		
<div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</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>a The organization?</div><div>b Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</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>a The organization?</div><div>b Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</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>		No
<div>8</div> <div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div>		No
<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>		

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Mary B Maertens	(i)	133,727	0	12	9,396	16,195	159,330	0
	(ii)	32,535	0	80	0	158	32,773	0
Richard Jueneman	(i)	272,747	0	206	15,420	20,831	309,204	0
	(ii)	0	0	0	0	0	0	0
Amber Boles	(i)	239,900	0	38	14,341	6,885	261,164	0
	(ii)	0	0	0	0	0	0	0
Jason Klein	(i)	232,609	0	43	14,222	21,827	268,701	0
	(ii)	0	0	0	0	0	0	0
Robert Purves	(i)	142,196	0	232	8,164	17,873	168,465	0
	(ii)	0	0	0	0	0	0	0
Marilee Kraft	(i)	126,294	0	53	7,774	20,497	154,618	0
	(ii)	0	0	0	0	0	0	0

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
Supplemental Information	Part III	Part I, Line 3. The President & CEO was compensated by Avera Marshall from July 1, 2009 through November 2, 2009. Avera Marshall used identified methods described in Part I, Line 3 for determining compensation. From November 2, 2009 through June 30, 2010, the President & CEO was compensated by Avera Health. Avera Marshall relied on the related organization for determining the compensation for the President & CEO using the methods described in Part I, Line 3.

Schedule L

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization Avera Marshall	Employer identification number 41-0919153
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Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Amber Boles CRNA Recruitment		X	20,000	7,778		No		No	Yes	
Total ▶ \$ 7,778										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Additional Data

Software ID:
Software Version:
EIN: 41-0919153
Name: Avera Marshall

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -	DLN: 93493133033061
SCHEDULE O (Form 990) Department of the Treasury Internal Revenue Service	Supplemental Information to Form 990 Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990.		OMB No 1545-0047
			2009
	Name of the organization Avera Marshall		Employer identification number 41-0919153

Identifier	Return Reference	Explanation
Form 990, Part III, line 2	New Program Services	Added outpatient psychiatry clinic 7/1/09 Added Optometry clinic in Redwood Falls in March 2010

Identifier	Return Reference	Explanation
Form 990, Part III, line 3	Changes in Program Services	Home Health Care was closed 4/30/10 On-site wellness closed about October 1, 2009

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 4		The organization's bylaws were amended to state that Avera Health is the Corporation's sole member

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The sole member of the organization is Avera Health, a nonprofit corporation organized and existing under the laws of the state of South Dakota and exempt under 501(c)(3) of the Internal Revenue Code of 1986, as amended

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Avera Health, as the sole member, has the power to appoint and remove, with or without cause, members of the board of directors

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Avera Health has the following rights as the Member 1) To approve the adoption, amendment or repeal of the statements of philosophy, mission and values of Corporation, 2) To initiate the adoption, amendment or repeal of any provision of the Articles of Incorporation or Bylaws of Corporation, and to give final approval of any such action with respect thereto, 3) To approve and act upon the alienation of real property and precious artifacts under the canonical stewardship of the Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota ("Presentation Sisters") or the Benedictine Sisters of Sacred Heart Monastery ("Benedictine Sisters"), pursuant to the policies established by the Member, 4) To approve any plan of merger, consolidation or dissolution of the Corporation, or the divestiture of a sponsored work or ministry associated with the Corporation, 5) To approve the creation of new sponsored works or ministries to be conducted by or under the authority of the Corporation, 6) To appoint and remove, with or without cause, the Board of Directors of the Corporation 7) To appoint and/or remove, with or without cause, the President and Chief Executive Officer of the Corporation 8) To approve operating/capital budgets and strategic plans of the Corporation 9) To approve expenditures outside of operating and capital budgets exceeding defined thresholds according to policy which may be adopted from time to time by the Member 10) To approve acquisitions, sales and leases, according to policy which may be adopted from time to time by the Member 11) To establish and maintain employee benefit programs 12) To establish and maintain insurance programs 13) To approve major community fund drives 14) To approve the appointment of auditors 15) To adopt policies designed to effectuate the reserved powers of the Member

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The Form 990 is reviewed initially by the CEO and CFO, then the Finance Committee The return is made available to the Board of Directors for review prior to filing

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		The Conflict of Interest Policy covers Board members, officers and key employees At each board meeting, a request is made for all Board members to disclose any potential conflict of interest pertaining to any item listed on the agenda or pertaining to any potential item that could be discussed during the course of the meeting The Declaration of Conflict of Interest is recorded in the meeting minutes The Board makes a determination of whether there is a conflict of interest and if so, implements the procedure for evaluating the issue or transaction involved The board member or officer with the conflict must refrain from voting A statement of conflict of interest disclosure is made on an annual basis by officers and directors The information is maintained in a database and a report is provided to the Board

Identifier	Return Reference	Explanation
		Form 990, Part VI, Line 15 The President & CEO was compensated by Avera Health after November 2, 2009 Annually the Compensation Committee of Avera Health, which is comprised of six (6) System Members appointed by the Religious Orders, meets with an independent consultant regarding fair market value of officers and key employees The Compensation Committee approves all salaries based on comparable data and documents the basis for their decision in meeting minutes The compensation of the CFO is determined by Human Resources based on a market analysis of comparable positions The compensation is approved by the CEO

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		The organization's governing documents, conflict of interest policy, and financial statements are not made available to the general public

Identifier	Return Reference	Explanation
Form 990, Part VII	hours served at a related organization	William Cole, Michael Rich and Roger Madison serve Avera Marshall Foundation 20 hours per week Mary Maertens, CEO serves the Avera Marshall Foundation 12 hours per week and Sharon Williams, CFO serves the Avera Marshall Foundation 20 hours per week

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 16b		There is no written policy or procedure since in the event of any such proposed transaction the board or a committee with delegated authority reviews all materials, valuations and operational aspects for any proposed transaction Such transaction would be evaluated in accordance with the exempt status of the organization and its applicable purposes Any transaction also would be approved by the board and the member

Identifier	Return Reference	Explanation
Schedule R, Part V, Line 2		The method used to determine amount is based on books and records

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera Marshall

Employer identification number
41-0919153

Part I

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

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

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
See Additional Data Table					

Part III

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

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

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
Accounts Management Inc 5132 S Cliff Ave Suite 101 Sioux Falls, SD57108 46-0373021	Collection Agency	SD	N/A	C			
Avera Health Plans Inc 3900 West Avera Drive Suite 101 Sioux Falls, SD57108 46-0451539	Health Financing and Health Plan Admin	SD	N/A	C			
Avera Property Insurance Inc 610 W 23rd ST Ste 1 PO Box 38 Yankton, SD57078 46-0463155	Insurance	SD	N/A	C			
Valley Health Services 501 Summit Street Yankton, SD57078 46-0357149	Medical Equipment	SD	N/A	C			
Northern Dakota Health Company 305 S State Street Aberdeen, SD57401 46-0385179	Clinics	SD	N/A	C			

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

Yes

No

No

Yes

Yes

Yes

Yes

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) Avera Marshall Foundation	C	246,048
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

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]

Software ID:
Software Version:
EIN: 41-0919153
Name: Avera Marshall

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Avera Health 3900 West Avera Drive Suite 300 Sioux Falls, SD57108 46-0422673	Healthcare Services	SD	501(c)(3)	7	N/A
Avera Marshall Foundation 300 South Bruce Street Marshall, MN56258 41-1784801	Fundraising	MN	501(c)(3)	9	N/A
Avera Health Foundation 3900 West Avera Drive Suite 300 Sioux Falls, SD57108 46-0367530	grant making	SD	501(c)(3)	7	N/A
Avera St Anthony's Hospital 300 N 2nd St ONeill, NE68763 47-0463911	Healthcare Services	NE	501(c)(3)	3	N/A
Avera Holy Family 826 North 8th Street Estherville, IA51334 42-0680370	Fundraising	IA	501(c)(3)	9	N/A
St Benedict Hospital Inc 401 West Glynn Drive Parkston, SD57366 46-0226738	Healthcare Services	SD	501(c)(3)	3	N/A
St Benedict Health Center Foundation West Glynn Drive PO Box B Parkston, SD57366 46-0458725	Support Health Related Services	SD	501(c)(3)	11 a	N/A
Avera McKennan 1325 S Cliff Avenue PO Box 5045 Sioux Falls, SD57117 46-0224743	Healthcare Services	SD	501(c)(3)	3	N/A
Avera Queen of Peace Fifth and Foster Mitchell, SD57301 46-0224604	Healthcare Services	SD	501(c)(3)	3	N/A
Sacred Heart Health Services 501 Summit Street Yankton, SD57078 46-0225483	Healthcare Services	SD	501(c)(3)	3	N/A
Sacred Heart Rural Health Clinics Inc 501 Summit Street Yankton, SD57078 46-0423930	Clinic Services	SD	501(c)(3)	3	N/A
Health Management Services 501 Summit Yankton, SD57078 46-0399291	Adult Daycare and Homemaking Services	SD	501(c)(3)	9	N/A
Lewis and Clark Health Ed and Services Agency 1000 W 4th Street Suite 9 Yankton, SD57078 46-0337013	Healthcare Education	SD	501(c)(3)	9	N/A
Benedictine Health Foundation 1017 West Fifth Street Suite 14 Yankton, SD57078 41-0370373	Support for Organizations Providing Healthcare Services	SD	501(c)(3)	11 b	N/A
Avera St Luke's 305 South State Street Aberdeen, SD57401 46-0224598	Healthcare Services	SD	501(c)(3)	3	N/A
Avera Workers' Compensation Trust 3900 West Avera Drive Sioux Falls, SD57108 46-0407148	economical coverage of workers' compensation claims	SD	501(c)(3)	11 b	

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?	
							Yes	No		Yes	No
Avera Home Medical Equipment of Marshall LLC 1104 East College Drive Marshall, MN56258 20-5271924	medical services - home medical equipment	MN	N/A								
Marshall Medical Services LLC 300 South Bruce Street Marshall, MN56258 20-8874448	medical services	MN		related	92,895			No		Yes	
Avera Home Medical Equipment LLC 1325 S Cliff Ave PO Box 5045 Sioux Falls, SD57117 46-0488198	Medical Services - home medical equipment	SD	N/A								
Midwest Regional Imaging Services LLC 1325 S Cliff Ave PO Box 5045 Sioux Falls, SD57117 47-0874983	Health Care - Medical Imaging	SD	N/A								
Mersco Medical of Pierre LLC 329 E Dakota Pierre, SD57501 46-0444002	Medical Services - home medical equipment	SD	N/A								
Avera Home Medical Equipment of Floyd Valley Hospital LLC 714 Lincoln St NE Lemars, IA 51031 82-0582350	Medical Services - home medical equipment	IA	N/A								
Avera Home Medical Equipment of Estherville LLC PO Box 5045 Sioux Falls, SD57117 20-1686097	Medical Services - home medical equipment	IA	N/A								
Avera Home Medical Equipment of Sioux Center LLC 38 19th St SW Sioux Center, IA 51250 75-3203100	Medical Services - home medical equipment	IA	N/A								
Q&M Properties LLC 525 North Foster Mitchell, SD57301 73-1652049	Medical Clinic Building	SD	N/A								
Surgical Associates Endoscopy Clinic LLC 310 S Pennsylvania St Aberdeen, SD57401 46-0461429	Surgical Associates	SD	N/A								
Avera Home Medical Equipment of Spencer Hospital LLC 2400 S Minnesota Ave 102 Sioux Falls, SD57117 80-0619999	Medical Services - home medical equipment	SD	N/A								