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**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.

|           |  |  |                          |
|-----------|--|--|--------------------------|
| <b>4a</b> | (Code )  | (Expenses \$ 16,958,088 including grants of \$ ) | (Revenue \$ 21,838,856 ) |
|           | <p>Provide inpatient and outpatient medical services throughout the hospital and home health agency The hospital provided 2,832 inpatient bed days Avera Holy Family maintains records to identify and monitor the level of charity care it provides These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics The amount of charges foregone, based on established rates, were \$365,816 for the year ended June 30, 2010 The Hospital also provides community benefit health activities at less than or at no cost to support those in the area served These activities include community education programs, special programs for the elderly, handicapped, and medically underserved, and a variety of broad community support activities For the years ended June 30, 2010, specific activities included meals delivered to residential homes, meeting facilities, and programs for patients and families suffering from cancer, diabetes, breathing disorders, and others, assistance to health educators, emergency health care providers, and wellness programs</p> |  |                          |

[illegible][illegible]

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

|           |                                       |                      |
|-----------|---------------------------------------|----------------------|
| <b>4e</b> | <b>Total program service expenses</b> | <b>\$ 16,958,088</b> |
|-----------|---------------------------------------|----------------------|

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   | <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II  | 4   | No  |
| 5   | <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> 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  | No  |
| 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  | Yes |
| 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 | No  |
| 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  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <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 | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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  |     | No |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <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 | Yes |    |
| 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  | <b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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 . . . . .                                    | 1a47  | 1cYes |    |
|   | b   | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable |       |    |
| c   |   |   | 2bYes |    |
| Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .  |   |   |       |    |
| 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 . . . . . | 2a239   | 3aYes |    |
|   | b   |   |       |    |
| If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)                                     |   |   | 3bYes |    |
| 3a  |   |   |       |    |
| Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .  |   |   | 4a    | No |
| b   |   |   |       |    |
| If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .  |   |   |       |    |
| 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)? . . . . .                            |   |   |       |    |
| b   |   |   |       |    |
| If "Yes," enter the name of the foreign country: <input type="text"/><br>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts   |   |   | 5a    | No |
| 5a  |   |   |       |    |
| Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .   |   |   | 5b    | No |
| b   |   |   |       |    |
| Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?  |   |   | 5c    |    |
| 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? . . . . .   |   |   | 6a    | No |
| 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? . . . . .   |   |   | 6b    |    |
| b   |   |   |       |    |
| If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .   |   |   | 7a    | No |
| 7   |   |   |       |    |
| Organizations that may receive deductible contributions under section 170(c).   |   |   | 7b    |    |
| 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? . . . . .   |   |   | 7c    | No |
| b   |   |   |       |    |
| If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .   |   |   | 7d    |    |
| c   |   |   |       |    |
| Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .  |   |   | 7e    | No |
| d   |   |   |       |    |
| If "Yes," indicate the number of Forms 8282 filed during the year . . . . .   |   |   | 7f    | No |
| e   |   |   |       |    |
| Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .   |   |   | 7g    |    |
| f   |   |   |       |    |
| Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .  |   |   | 7h    |    |
| g   |   |   |       |    |
| For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . . .  |   |   | 8     |    |
| h   |   |   |       |    |
| For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .   |   |   | 9a    |    |
| 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? . . . . . |   |   | 9b    |    |
| 9   |   |   |       |    |
| Sponsoring organizations maintaining donor advised funds.   |   |   |       |    |
| a   |   |   |       |    |
| Did the organization make any taxable distributions under section 4966? . . . . .   |   |   |       |    |
| b   |   |   |       |    |
| Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .  |   |   |       |    |
| 10  |   |   |       |    |
| Section 501(c)(7) organizations. Enter  |   |   |       |    |
| a   |   |   |       |    |
| Initiation fees and capital contributions included on Part VIII, line 12 . . . . .  |   |   |       |    |
| b   |   |   |       |    |
| Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities   |   |   |       |    |
| 11  |   |   |       |    |
| Section 501(c)(12) organizations. Enter   |   |   |       |    |
| a   |   |   |       |    |
| Gross income from members or shareholders . . . . .   |   |   |       |    |
| b   |   |   |       |    |
| Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . .   |   |   |       |    |
| 12a   |   |   |       |    |
| Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?  |   |   |       |    |
| 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 | 13  |    |
| 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  | Yes |    |
| 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  | Yes |    |
| 4  | Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?   | 4  |     | No |
| 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 |     | No |
| 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▶IA  |
| 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.<br><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 ▶<br>Shannon Adams<br>826 N 8th Street<br>Estherville, IA 51334<br>(712) 362-6519   |

Part VII

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization’s tax year Use Schedule J-2 if additional space is needed

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

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

☒ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

| (A)<br>Name and Title                              | (B)<br>Average hours per week | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|-------------------------------|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |                               | Individual trustee or director         | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| Norma Beaver<br>Chair                              | 1 00                          | X                                      |                       | X       |              |                              |        | 0  | 0   | 0   |
| Sue Nelson<br>Vice Chair                           | 1 00                          | X                                      |                       | X       |              |                              |        | 0  | 0   | 0   |
| Connie Thackery<br>Board Member                    | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Sr Kathleen Crowley<br>Board Member                | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Dr Douglas Stangl<br>Board Member                  | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Dr Keith Probst<br>Board Member                    | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Sr Suzanne Cotter<br>Board Member                  | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Delaine Hiney<br>Board Member                      | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Mark Friesner<br>Board Member                      | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Sr Martin Mergen<br>Board Member                   | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Pastor Glenn Bohmer<br>Board Member                | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Dr Randy Asman<br>Chief of Staff                   | 1 00                          | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| Michael Hall<br>President & CEO                    | 45 00                         | X                                      |                       | X       |              |                              |        | 0  | 18,883  | 0   |
| Shannon Adams<br>Sec/Treas & SrVP Finance          | 45 00                         |  |                       | X       |              |                              |        | 0  | 14,980  | 2,601   |
| Cathi Scharnberg<br>VP of Patient Care/Interim CEO | 45 00                         |  |                       | X       |              |                              |        | 0  | 106,713   | 15,481  |
| Brenda Marks<br>Pharmacy Manager                   | 40 00                         |  |                       |         |              | X                            |        | 114,922  | 0   | 2,302   |
|  |                               |  |                       |         |              |                              |        |  |   |   |



|           |                        |         |         |        |
|-----------|------------------------|---------|---------|--------|
| <b>1b</b> | <b>Total</b> . . . . . | 114,922 | 140,576 | 20,384 |
|-----------|------------------------|---------|---------|--------|

**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 **1**

|          |   |            |           |
|----------|---|------------|-----------|
|          |   | <b>Yes</b> | <b>No</b> |
| <b>3</b> | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .  | <b>3</b>   | No        |
| <b>4</b> | 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> . . . . . | <b>4</b>   | Yes       |
| <b>5</b> | 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> . . . . .                                     | <b>5</b>   | No        |

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

| (A)<br>Name and business address  | (B)<br>Description of services | (C)<br>Compensation |
|---|--------------------------------|---------------------|
| Estherville Medical Center PC<br>926 N 8th Street<br>Estherville, IA 51334        | Physician Services             | 1,330,572           |
| Acute Care Inc<br>1609 Ankeny Blvd Suite 200<br>Des Moines, IA 50023              | Physician Services             | 540,847             |
| Estherville Medical Center ER<br>926 N 8th Street<br>Estherville, IA 51334        | Physician Services             | 363,391             |
| Great Lakes Physical Therapy PC<br>2714 Center Lake Drive<br>Spint Lake, IA 51360 | Physical Therapy Services      | 266,309             |
| Woodward Anesthesia Services PC<br>203 N 8th St<br>Estherville, IA 51334          | Anesthesia Services            | 247,628             |

**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 **7**

Part VIII

Statement of Revenue

|   |   |   |               | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512, 513, or<br>514 |  |
|---|---|---|---------------|----------------------|--|---|---|--|
| Contributions, gifts, grants<br>and other similar amounts | 1a  | Federated campaigns . . .   | 1a            |                      |  |   |   |  |
|   | b   | Membership dues . . . . .   | 1b            |                      |  |   |   |  |
|   | c   | Fundraising events . . . . .  | 1c            |                      |  |   |   |  |
|   | d   | Related organizations . . . .   | 1d            |                      |  |   |   |  |
|   | e   | Government grants (contributions)   | 1e            | 43,288               |  |   |   |  |
|   | f   | All other contributions, gifts, grants, and<br>similar amounts not included above   | 1f            | 16,440               |  |   |   |  |
|   | g   | Noncash contributions included in<br>lines 1a-1f \$ _____   |               |                      |  |   |   |  |
|   | h   | Total. Add lines 1a-1f . . . . .  |               | 59,728               |  |   |   |  |
| Program Service Revenue                                   |   |   | Business Code |                      |  |   |   |  |
|   | 2a  | Patient Service Revenue   | 622,110       | 21,546,983           | 21,546,983   |   |   |  |
|   | b   | Change in Foundation  | 900,099       | 171,777              | 171,777  |   |   |  |
|   | c   | Other Revenue   | 900,099       | 116,547              | 93,844   | 22,703                                  |   |  |
|   | d   | Cafeteria   | 900,099       | 51,684               | 51,684   |   |   |  |
|   | e   | Investment in joint ve  | 900,099       | 31,106               | 31,106   |   |   |  |
|   | f   | All other program service revenue   |               | -56,538              | -56,538  |   |   |  |
|   | g   | Total. Add lines 2a-2f . . . . .  |               | 21,861,559           |  |   |   |  |
| Other Revenue   | 3   | Investment income (including dividends, interest<br>and other similar amounts) . . . . .  |               | 98,687               |  |   | 98,687  |  |
|   | 4   | Income from investment of tax-exempt bond proceeds . . .  |               |                      |  |   |   |  |
|   | 5   | Royalties . . . . .   |               |                      |  |   |   |  |
|   | 6a  | (i) Real  |               | (ii) Personal        |  |   |   |  |
|   |   | Gross Rents   | 31,626        |                      |  |   |   |  |
|   |   | b Less rental<br>expenses   |               |                      |  |   |   |  |
|   |   | c Rental income<br>or (loss)  | 31,626        |                      |  |   |   |  |
|   | d   | Net rental income or (loss) . . . . .   |               | 31,626               |  |   | 31,626  |  |
|   | 7a  | (i) Securities  |               | (ii) Other           |  |   |   |  |
|   |   | Gross amount<br>from sales of<br>assets other<br>than inventory   |               |                      |  |   |   |  |
|   |   | b Less cost or<br>other basis and<br>sales expenses   |               |                      |  |   |   |  |
|   |   | c Gain or (loss)  |               |                      |  |   |   |  |
|   | d   | Net gain or (loss) . . . . .  |               |                      |  |   |   |  |
|   | 8a  | Gross income from fundraising<br>events (not including<br>\$ _____<br>of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . |               | a                    |  |   |   |  |
|   |   | b Less direct expenses . . . . .  | b             |                      |  |   |   |  |
|   |   | c Net income or (loss) from fundraising events . . .  |               |                      |  |   |   |  |
|   | 9a  | Gross income from gaming activities<br>See Part IV, line 19 . . . . .   |               | a                    |  |   |   |  |
|   |   | b Less direct expenses . . . . .  | b             |                      |  |   |   |  |
|   |   | c Net income or (loss) from gaming activities . . .   |               |                      |  |   |   |  |
|   | 10a                                       | Gross sales of inventory, less<br>returns and allowances . . . . .  |               | a                    |  |   |   |  |
| b Less cost of goods sold . . . . .                       |   | b   |               |                      |  |   |   |  |
| c Net income or (loss) from sales of inventory . . .      |   |   |               |                      |  |   |   |  |
| Miscellaneous Revenue                                     |   | Business Code   |               |                      |  |   |   |  |
| 11a   |   |   |               |                      |  |   |   |  |
| b   |   |   |               |                      |  |   |   |  |
| c   |   |   |               |                      |  |   |   |  |
| d   | All other revenue . . . . .               |   |               |                      |  |   |   |  |
| e   | Total. Add lines 11a-11d . . . . .        |   |               |                      |  |   |   |  |
| 12  | Total revenue. See Instructions . . . . . |   |               | 22,051,600           | 21,838,856   | 22,703                                  | 130,313   |  |

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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>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  |                       |                                 |  |                             |
| 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 . . . . .  |                       |                                 |  |                             |
| 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  | 6,720,984             | 5,768,867                       | 952,117                                |                             |
| 8  | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .   | 476,350               | 137,845                         | 338,505                                |                             |
| 9  | Other employee benefits . . . . .   | 1,104,317             | 904,824                         | 199,493                                |                             |
| 10   | Payroll taxes . . . . .   | 463,069               | 409,259                         | 53,810                                 |                             |
| 11   | Fees for services (non-employees)   |                       |                                 |  |                             |
| a  | Management . . . . .  | 314,186               | 30,000                          | 284,186                                |                             |
| b  | Legal . . . . .   | 773                   |                                 | 773                                    |                             |
| c  | Accounting . . . . .  | 36,355                |                                 | 36,355                                 |                             |
| d  | Lobbying . . . . .  |                       |                                 |  |                             |
| e  | Professional fundraising See Part IV, line 17 . . . . .   |                       |                                 |  |                             |
| f  | Investment management fees . . . . .  |                       |                                 |  |                             |
| g  | Other . . . . .   | 2,384,332             | 2,369,044                       | 15,288                                 |                             |
| 12   | Advertising and promotion . . . . .   | 52,156                | 5,046                           | 47,110                                 |                             |
| 13   | Office expenses . . . . .   | 214,900               | 73,744                          | 141,156                                |                             |
| 14   | Information technology . . . . .  | 37,245                | 32,727                          | 4,518                                  |                             |
| 15   | Royalties . . . . .   |                       |                                 |  |                             |
| 16   | Occupancy . . . . .   | 431,915               | 431,915                         |  |                             |
| 17   | Travel . . . . .  | 38,577                | 36,496                          | 2,081                                  |                             |
| 18   | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .  |                       |                                 |  |                             |
| 19   | Conferences, conventions, and meetings . . . . .  | 43,843                | 36,014                          | 7,829                                  |                             |
| 20   | Interest . . . . .  | 326,063               | 326,063                         |  |                             |
| 21   | Payments to affiliates . . . . .  |                       |                                 |  |                             |
| 22   | Depreciation, depletion, and amortization . . . . .   | 1,093,479             | 1,093,479                       |  |                             |
| 23   | Insurance . . . . .   | 241,662               | 13,000                          | 228,662                                |                             |
| 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  | Medical Supplies  | 3,519,773             | 3,519,773                       |  |                             |
| b  | Locum Fees  | 986,100               | 986,100                         |  |                             |
| c  | Bad Debt Expense  | 547,645               | 547,645                         |  |                             |
| d  | Miscellaneous   | 318,154               | 147,102                         | 171,052                                |                             |
| e  | Equipment Lease and Ren   | 107,051               | 89,145                          | 17,906                                 |                             |
| f  | All other expenses  |                       |                                 |  |                             |
| 25   | Total functional expenses. Add lines 1 through 24f  | 19,458,929            | 16,958,088                      | 2,500,841                              | 0                           |
| 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 . . . . .  |     |            | 2,161,784         | 2   | 3,806,140   |
|                             | 3   | Pledges and grants receivable, net . . . . .  |     |            |                   | 3   |             |
|                             | 4   | Accounts receivable, net . . . . .  |     |            | 3,360,738         | 4   | 2,966,834   |
|                             | 5   | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .                  |     |            |                   | 5   |             |
|                             | 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 . . . . .   |     |            | 80,029            | 7   | 40,197      |
|                             | 8   | Inventories for sale or use . . . . .   |     |            | 499,788           | 8   | 555,119     |
|                             | 9   | Prepaid expenses and deferred charges . . . . .   |     |            | 72,912            | 9   | 106,254     |
|                             | 10a   | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D   | 10a | 23,548,763 |                   |     |             |
|                             | b   | Less accumulated depreciation . . . . .   | 10b | 10,324,290 | 13,324,683        | 10c | 13,224,473  |
|                             | 11  | Investments—publicly traded securities . . . . .  |     |            | 468,990           | 11  | 802,691     |
|                             | 12  | Investments—other securities See Part IV, line 11 . . . . .   |     |            | 5,905,128         | 12  | 7,077,111   |
|                             | 13  | Investments—program-related See Part IV, line 11 . . . . .  |     |            |                   | 13  | 128,349     |
|                             | 14  | Intangible assets . . . . .   |     |            |                   | 14  |             |
|                             | 15  | Other assets See Part IV, line 11 . . . . .   |     |            | 368,213           | 15  | 416,565     |
|                             | 16  | Total assets. Add lines 1 through 15 (must equal line 34) . . . . .   |     |            | 26,242,265        | 16  | 29,123,733  |
| Liabilities                 | 17  | Accounts payable and accrued expenses . . . . .   |     |            | 2,167,745         | 17  | 1,743,103   |
|                             | 18  | Grants payable . . . . .  |     |            |                   | 18  |             |
|                             | 19  | Deferred revenue . . . . .  |     |            |                   | 19  |             |
|                             | 20  | Tax-exempt bond liabilities . . . . .   |     |            | 4,915,000         | 20  | 4,755,000   |
|                             | 21  | Escrow or custodial account liability Complete Part IV of Schedule D . . . . .  |     |            |                   | 21  |             |
|                             | 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 . . . . .  |     |            |                   | 23  |             |
|                             | 24  | Unsecured notes and loans payable to unrelated third parties . . . . .  |     |            |                   | 24  |             |
|                             | 25  | Other liabilities Complete Part X of Schedule D . . . . .   |     |            | 1,816,589         | 25  | 2,468,684   |
|                             | 26  | Total liabilities. Add lines 17 through 25 . . . . .  |     |            | 8,899,334         | 26  | 8,966,787   |
| 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 . . . . .   |     |            | 17,170,951        | 27  | 19,950,524  |
|                             | 28  | Temporarily restricted net assets . . . . .   |     |            | 171,980           | 28  | 206,422     |
|                             | 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 . . . . .   |     |            | 17,342,931        | 33  | 20,156,946  |
|                             | 34  | Total liabilities and net assets/fund balances . . . . .  |     |            | 26,242,265        | 34  | 29,123,733  |

**Part XI**    **Financial Statements and Reporting**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O  |     |    |
| <b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . .   |     | No |
| <b>b</b> Were the organization's financial statements audited by an independent accountant? . . . . .   | Yes |    |
| <b>c</b> 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?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . . . | Yes |    |
| <b>d</b> 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<br><input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis                     |     |    |
| <b>3a</b> 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>b</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 Holy Family

Employer identification number  
42-0680370

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)<br>Name of supported organization | (ii)<br>EIN | (iii)<br>Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv)<br>Is the organization in col (i) listed in your governing document? |    | (v)<br>Did you notify the organization in col (i) of your support? |    | (vi)<br>Is the organization in col (i) organized in the U S ? |    | (vii)<br>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

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization  
Avera Holy Family

Employer identification number  
42-0680370

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)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

|   |  |
|---|--|
|   | Held at the End of the Year  |
| 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?

YesNo

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)?

YesNo

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

► \$

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2009

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

b

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

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

4

Describe in Part 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 . . . . .  |                                      | 309,824                        |                              | 309,824        |
| b Buildings . . . . .  |                                      | 16,435,475                     | 5,875,098                    | 10,560,377     |
| c Leasehold improvements . . . . .   |                                      |                                |                              |                |
| d Equipment . . . . .  |                                      | 6,531,353                      | 4,355,932                    | 2,175,421      |
| e Other . . . . .  |                                      | 272,111                        | 93,260                       | 178,851        |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶ |                                      |                                |                              | 13,224,473     |



Part XI

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

|    |   |    |            |
|----|---|----|------------|
| 1  | Total revenue (Form 990, Part VIII, column (A), line 12)                        | 1  | 22,051,600 |
| 2  | Total expenses (Form 990, Part IX, column (A), line 25)                         | 2  | 19,458,929 |
| 3  | Excess or (deficit) for the year Subtract line 2 from line 1                    | 3  | 2,592,671  |
| 4  | Net unrealized gains (losses) on investments                                    | 4  | 223,180    |
| 5  | Donated services and use of facilities  | 5  |            |
| 6  | Investment expenses   | 6  |            |
| 7  | Prior period adjustments  | 7  |            |
| 8  | Other (Describe in Part XIV)  | 8  | -1,836     |
| 9  | Total adjustments (net) Add lines 4 - 8   | 9  | 221,344    |
| 10 | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 10 | 2,814,015  |

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

|   |  |    |            |
|---|--|----|------------|
| 1 | Total revenue, gains, and other support per audited financial statements . . . . .         | 1  | 22,240,338 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12                         |    |            |
| a | Net unrealized gains on investments . . . . .  | 2a | 223,180    |
| b | Donated services and use of facilities . . . . .   | 2b |            |
| c | Recoveries of prior year grants . . . . .  | 2c |            |
| d | Other (Describe in Part XIV) . . . . .   | 2d |            |
| e | Add lines 2a through 2d . . . . .  | 2e | 223,180    |
| 3 | Subtract line 2e from line 1 . . . . .   | 3  | 22,017,158 |
| 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 | 34,442     |
| c | Add lines 4a and 4b . . . . .  | 4c | 34,442     |
| 5 | Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . . | 5  | 22,051,600 |

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

|   |   |    |            |
|---|---|----|------------|
| 1 | Total expenses and losses per audited financial statements . . . . .                        | 1  | 19,458,929 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25                            |    |            |
| a | Donated services and use of facilities . . . . .  | 2a |            |
| b | Prior year adjustments . . . . .  | 2b |            |
| c | Other losses . . . . .  | 2c |            |
| d | Other (Describe in Part XIV) . . . . .  | 2d |            |
| e | Add lines 2a through 2d . . . . .   | 2e | 0          |
| 3 | Subtract line 2e from line 1 . . . . .  | 3  | 19,458,929 |
| 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  | 19,458,929 |

Part XIV

Supplemental Information

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

| Identifier                            | Return Reference                                    | Explanation   |
|---------------------------------------|---|---|
| Part X                                | Description of Uncertain Tax Positions Under FIN 48 | The Organization has implemented Financial Interpretation No 48, Accounting for Uncertainty in Income Taxes, (FIN No 48). The Organization undergoes an annual analysis of its various tax positions, assessing the likelihood of those positions being upheld upon examination with relevant tax authorities, as defined by FIN No 48. No liabilities were recorded as a result of this analysis for the years ended June 30, 2010 and 2009. The Organization is no longer subject to federal tax examinations by tax authorities for years before 2007. |
| Part XI, Line 8 - Other Adjustments   |   | Capital Transfers -1836   |
| Part XII, Line 4b - Other Adjustments |   | Change in Int. in Net Assets of Avera Health Fdtn in fund balance for f/s 34442   |

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 Holy Family

**Employer identification number**  
42-0680370

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<br><div><input checked="" type="checkbox"/> Applied uniformly to all hospitals<br/><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<br><br>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<br><div><input type="checkbox"/> 100%<input checked="" type="checkbox"/> 150%<input type="checkbox"/> 200%<input type="checkbox"/> Other _____</div><br>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 . . . . .<br><div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input checked="" type="checkbox"/> 400%<input type="checkbox"/> Other _____</div><br>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<br><br>4 Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . . |     |     |    |
| 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  | Yes |    |
| 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) . . . .  |   |                               | 208,515                             |                               | 208,515                           | 1 100 %                      |
| b Unreimbursed Medicaid (from Worksheet 3, column a) . . . .  |   |                               | 998,759                             | 845,263                       | 153,496                           | 0 810 %                      |
| c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .    |   |                               |                                     |                               |                                   |                              |
| d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .                            |   |                               | 1,207,274                           | 845,263                       | 362,011                           | 1 910 %                      |
| <b>Other Benefits</b>   |   |                               |                                     |                               |                                   |                              |
| e Community health improvement services and community benefit operations (from Worksheet 4) . . . . . | 12  | 120                           | 68,621                              |                               | 68,621                            | 0 360 %                      |
| f Health professions education (from Worksheet 5) . . . .   | 2   | 25                            | 54,868                              |                               | 54,868                            | 0 290 %                      |
| g Subsidized health services (from Worksheet 6) . . . .   | 1   |                               | 18,870                              |                               | 18,870                            | 0 100 %                      |
| h Research (from Worksheet 7)   | 1   |                               | 238                                 |                               | 238                               | 0 %                          |
| i Cash and in-kind contributions to community groups (from Worksheet 8) . . . .                       | 7   |                               | 39,791                              |                               | 39,791                            | 0 210 %                      |
| j <b>Total</b> Other Benefits . . . .   | 23  | 145                           | 182,388                             |                               | 182,388                           | 0 960 %                      |
| k <b>Total.</b> Add lines 7d and 7j . . . .   | 23  | 145                           | 1,389,662                           | 845,263                       | 544,399                           | 2 870 %                      |

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                                      | 1   |                               | 353                                  |                               | 353                                | 0 %                          |
| 3Community support   | 1   |                               | 14,193                               |                               | 14,193                             | 0 080 %                      |
| 4Environmental improvements                                |   |                               |                                      |                               |                                    |                              |
| 5Leadership development and training for community members |   |                               |                                      |                               |                                    |                              |
| 6Coalition building  |   |                               |                                      |                               |                                    |                              |
| 7Community health improvement advocacy                     | 1   |                               | 44,360                               |                               | 44,360                             | 0 230 %                      |
| 8Workforce development                                     | 1   |                               | 586                                  |                               | 586                                | 0 %                          |
| 9Other   | 3   |                               | 1,993                                |                               | 1,993                              | 0 010 %                      |
| 10Total  | 7   |                               | 61,485                               |                               | 61,485                             | 0 320 %                      |

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

|  |   | Yes     | No |
|--|---|---------|----|
| 1Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?   | 1 |         | No |
| 2Enter the amount of the organization's bad debt expense (at cost)   | 2 | 331,034 |    |
| 3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy  | 3 | 0       |    |
| 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

|  |   |           |  |
|--|---|-----------|--|
| 5Enter total revenue received from Medicare (including DSH and IME)  | 5 | 9,905,019 |  |
| 6Enter Medicare allowable costs of care relating to payments on line 5   | 6 | 9,850,112 |  |
| 7Subtract line 6 from line 5. This is the surplus or (shortfall)   | 7 | 54,907    |  |
| 8Describe 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:<br><input type="checkbox"/> Cost accounting system<br><input type="checkbox"/> Cost to charge ratio<br><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 The organization collaborated with the department of public health on a needs assessment The assessment started in FYE 2010

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 Information regarding charity care is made available to patients via their billing statements The finance department also informs patients of the policy through their contact with patients Brochures regarding financial assistance are located in the lobby of the hospital and the clinic

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 Holy Family's service area includes Emmet County and surrounding counties in Iowa In 2009, the population for Emmet County was 10,241 Approximately 18.4% of the population is age 65 or older The average per capita income is \$22,985 and approximately 10.6% of the population is below the federal poverty level The nearest hospital in the area is approximately 15 miles from Avera Holy Family's main campus

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

See additional data

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

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<br>Avera Holy Family | Employer identification number<br>42-0680370 |
|---|--|

Part I

Questions Regarding Compensation

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

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

[illegible]

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         | Form 990, Schedule J, Part I, Line 3. Michael Hall, Cathi Scharnberg, and Shannon Adams are compensated by Avera McKennan, a related organization. Avera McKennan is a nonprofit 501(c)(3) corporation organized and operated in the State of South Dakota. Avera McKennan has a process in place for determining compensation of these individuals using processes identified in Schedule J, Question 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 Holy Family

Employer identification number  
42-0680370

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 |
|   |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
|   |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
|   |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
|   |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
|   |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
|   |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| Total . . . . . ▶ \$ _____                |                                       |      |                               |                 |                 |    |                                     |    |                        |    |

Part III Grants or Assistance Benefitting Interested Persons.

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

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of 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 |
| Estherville Medical Clinic PC | 2 Board Members and Chief of Staff are each more than 5% owner  | 1,216,504                 | Payment for physician services |   | No |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |

Additional Data

Software ID:  
Software Version:  
EIN: 42-0680370  
Name: Avera Holy Family

|  |  |                 |  |
|--|--|-----------------|--|
| efile GRAPHIC print - DO NOT PROCESS   |  | As Filed Data - | DLN: 93493131010341                          |
| SCHEDULE O<br>(Form 990)<br><br>Department of the Treasury<br>Internal Revenue Service | Supplemental Information to Form 990<br><br>Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.<br>▶ Attach to Form 990. |                 | OMB No 1545-0047                             |
|  |  |                 | 2009   |
|  |  |                 | Open to Public Inspection                    |
| Name of the organization<br>Avera Holy Family  |  |                 | Employer identification number<br>42-0680370 |

| Identifier                           | Return Reference | Explanation  |
|--------------------------------------|------------------|--|
| Form 990, Part VI, Section A, line 2 |                  | Doctors Stangl, Probst, and Asman have a business relationship |

| Identifier                           | Return Reference | Explanation   |
|--------------------------------------|------------------|---|
| Form 990, Part VI, Section A, line 3 |                  | The organization utilizes the management services of Avera McKennan for day-to-day operations of the facility The CEO, CFO and VP of Patient Care are employees of Avera McKennan |

| 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 law s 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 pow er to appoint and remove, w ith or w ithout cause, members of the board of directors |

| Identifier                            | Return Reference | Explanation  |
|---------------------------------------|------------------|--|
| Form 990, Part VI, Section A, line 7b |                  | Avera Health has the follow ing 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, am endment or repeal of any provision of the articles of incorporation or bylaw s of corporation, and to give final approval of any such action w ith respect thereto 3) To approve and act upon the alienation of real property and precious artifacts under the canonical stew ardship of the sisters of the presentation of the Blessed Virgin Mary of Aberdeen, SD ("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 w ork or ministry associated w ith the corporation 5) To approve the creation of new sponsored w orks or ministries to be conducted by or under the authority of the corporation 6) To appoint and remove, w ith or w ithout cause, the board of directors of the corporation 7) To appoint and/or remove, w ith or w ithout cause, the President and CEO of the corporation 8) To approve the 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 w hich may be adopted from time to time by the member 10) To approve acquisitions, sales and leases, according to policy w hich 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 pow ers of the member |

| Identifier                            | Return Reference | Explanation   |
|---------------------------------------|------------------|---|
| Form 990, Part VI, Section A, line 8b |                  | There is no committee w ith authority to act on behalf of the board |

| Identifier                            | Return Reference | Explanation  |
|---------------------------------------|------------------|--|
| Form 990, Part VI, Section B, line 11 |                  | The CEO review s the 990 in detail After the CEO's review , the 990 is provided to each board member |

| 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 w hether there is a conflict of interest and if so, implements the procedure for evaluating the issue or transaction involved The board member or officer w ith 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 CEO and officers are compensated by Avera McKennan Avera McKennan has a process in place for determining compensation for these individuals |

| Identifier                            | Return Reference | Explanation  |
|---------------------------------------|------------------|--|
| Form 990, Part VI, Section C, line 19 |                  | The organization does not make its governing documents, conflict of interest policy and financial statements available to the public |

| Identifier                             | Return Reference | Explanation  |
|--|------------------|--|
| Form 990, Part VI, Section B, Line 16b |                  | There is no w ritten policy or procedure since in the event of any such proposed transaction the board or a committee w ith delegated authority review s all materials, valuations and operational aspects for any proposed transaction Such transaction w ould be evaluated in accordance w ith the exempt status of the organization and its applicable purposes Any transaction also w ould be approved by the board and the member |

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 Holy Family

Employer identification number  
42-0680370

Part I

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

| (a)<br>Name, address, and EIN of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>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)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>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)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax<br>under sections 512-<br>514) | (f)<br>Share of total income | (g)<br>Share of end-of-year<br>assets | (h)<br>Disproporionate<br>allocations? |    | (i)<br>Code V—UBI<br>amount in box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>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)<br>Name, address, and EIN of related organization   | (b)<br>Primary activity                      | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership |
|---|--|---|-------------------------------------|--|------------------------------|--|--------------------------------|
| Accounts Management Inc<br>5132 S Cliff Avenue Suite 101<br>Sioux Falls, SD57108<br>46-0373021  | Collection Agency                            | SD  | N/A                                 | C  |                              |  |                                |
| Avera Health Plans Inc<br>3816 S Elmwood Avenue Suite 101<br>Sioux Falls, SD57105<br>46-0451539 | Health Financing<br>and Health Plan<br>Admin | SD  | N/A                                 | C  |                              |  |                                |
| Avera Property Insurance Inc<br>510 W 23rd Street PO Box 38<br>Yankton, SD57078<br>46-0463155   | Insurance                                    | SD  | N/A                                 | C  |                              |  |                                |
| Avera Pace<br>3900 West Avera Drive<br>Sioux Falls, SD57108<br>46-0341869                       | Healthcare Services                          | SD  | N/A                                 | C  |                              |  |                                |
| Valley Health Services<br>501 Summit Street<br>Yankton, SD57078<br>46-0357149                   | Medical Equipment                            | SD  | N/A                                 | C  |                              |  |                                |
| Northern Dakota Health Company<br>305 S State Street<br>Aberdeen, SD57401<br>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

No

No

No

Yes

No

No

No

Yes

Yes

No

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

| (a)<br>Name of other organization | (b)<br>Transaction<br>type(a-r) | (c)<br>Amount involved |
|-----------------------------------|---------------------------------|------------------------|
| (1) Avera Holy Family Foundation  |                                 | 0                      |
| (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: 42-0680370

Name: Avera Holy Family

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

| (a)<br>Name, address, and EIN of related organization  | (b)<br>Primary Activity                                  | (c)<br>Legal Domicile<br>(State or Foreign Country) | (d)<br>Exempt Code section | (e)<br>Public charity status<br>(if 501(c)(3)) | (f)<br>Direct Controlling Entity |
|--|--|---|----------------------------|--|----------------------------------|
| Avera Health<br><br>3900 W Avera Drive Suite 300<br>Sioux Falls, SD57108<br>46-0422673                       | Promotion of Health                                      | SD  | 501(c)(3)                  | 9  | N/A                              |
| Avera Holy Family Foundation<br><br>826 N 8th Street<br>Estherville, IA51334<br>42-1317452                   | Support of Holy Family Hospital and Home Health Agency   | IA  | 501(c)(3)                  | 9  | N/A                              |
| Avera Workers' Compensation Trust<br><br>3900 W Avera Drive<br>Sioux Falls, SD57108<br>46-0407148            | Economical Coverage of Workers' Compensation Claims      | SD  | 501(c)(3)                  | 11b  | N/A                              |
| Avera Health Foundation<br><br>3900 W Avera Drive Suite 300<br>Sioux Falls, SD57108<br>46-0367530            | Grant Making   | SD  | 501(c)(3)                  | 7  | N/A                              |
| Avera St Anthony's Hospital<br><br>300 N 2nd Street<br>ONeil, NE68763<br>47-0463911                          | Healthcare Services                                      | NE  | 501(c)(3)                  | 3  | N/A                              |
| St Benedict Hospital Inc<br><br>401 West Glynn Drive<br>Parkston, SD57366<br>46-0226738                      | Healthcare Services                                      | SD  | 501(c)(3)                  | 3  | N/A                              |
| St Benedict Health Center Foundation<br><br>401 West Glynn Drive PO Box B<br>Parkston, SD57366<br>46-0458725 | Support Health Related Services                          | SD  | 501(c)(3)                  | 11a  | N/A                              |
| Avera McKennan<br><br>1325 S Cliff Ave PO BOX 5045<br>Sioux Falls, SD57117<br>46-0224743                     | Healthcare Services                                      | SD  | 501(c)(3)                  | 3  | N/A                              |
| Avera Queen of Peace<br><br>Fifth and Foster<br>Mitchell, SD57301<br>46-0224604                              | Healthcare Services                                      | SD  | 501(c)(3)                  | 3  | N/A                              |
| Sacred Heart Health Services<br><br>501 Summit Street<br>Yankton, SD57078<br>46-0225483                      | Healthcare Services                                      | SD  | 501(c)(3)                  | 3  | N/A                              |
| Sacred Heart Rural Health Clinics<br><br>501 Summit Street<br>Yankton, SD57078<br>46-0423930                 | Clinic Services  | SD  | 501(c)(3)                  | 3  | N/A                              |
| Health Management Services<br><br>501 Summit Street<br>Yankton, SD57078<br>46-0399291                        | Adult Daycare and Homemaking Services                    | SD  | 501(c)(3)                  | 9  | N/A                              |
| Avera Education and Staffing Solutions<br><br>1000 W 4th Street Suite 9<br>Yankton, SD57078<br>46-0337013    | Healthcare Education                                     | SD  | 501(c)(3)                  | 9  | N/A                              |
| Benedictine Health Foundation<br><br>1017 West Fifth Street<br>Yankton, SD57078<br>41-0370373                | Support for Organizations Providing Health Care Services | SD  | 501(c)(3)                  | 11b  | N/A                              |
| Avera St Luke's<br><br>305 South State Street<br>Aberdeen, SD57401<br>46-0224598                             | Healthcare Services                                      | SD  | 501(c)(3)                  | 3  | N/A                              |
| Avera Marshall<br><br>300 S Bruce St<br>Marshall, MN56258<br>41-0919153                                      | Healthcare Services                                      | MN  | 501(c)(3)                  | 3  | N/A                              |
| Avera Marshall Foundation<br><br>300 S Bruce St<br>Marshall, MN56258<br>41-1784801                           | Fundraising  | MN  | 501(c)(3)                  | 7  | N/A                              |

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

| (a)<br>Name, address, and EIN of<br>related organization  | (b)<br>Primary activity                         | (c)<br>Legal<br>Domicile<br>(State<br>or<br>Foreign<br>Country) | (d)<br>Direct<br>Controlling<br>Entity | (e)<br>Predominant<br>income(related,<br>unrelated,<br>excluded from<br>tax under<br>sections<br>512-514) | (f)<br>Share of total income<br>(\$) | (g)<br>Share of end-of-year<br>assets<br>(\$) | (h)<br>Disproprtionate<br>allocations? |    | (i)<br>Code V-UBI amount<br>on<br>Box 20 of K-1<br>(\$) | (j)<br>General or<br>Managing<br>Partner? |    |
|---|---|---|--|---|--------------------------------------|---|--|----|---|---|----|
|   |   |   |  |   |                                      |   | Yes                                    | No |   | Yes                                       | No |
| Avera Home Medical<br>Equipment of Estherville LLC<br><br>602 Central Avenue<br>Estherville, IA51334<br>20-1686097              | Medical services -<br>home medical<br>equipment | IA  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Avera Home Medical<br>Equipment LLC<br><br>1325 S Cliff Ave PO BOX<br>5045<br>Sioux Falls, SD57117<br>46-0488198                | Medical services -<br>home medical<br>equipment | SD  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Midwest Regional Imaging<br>Services LLC<br><br>1325 S Cliff Ave PO BOX<br>5045<br>Sioux Falls, SD57117<br>47-0874983           | Health care - medical<br>imaging                | SD  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Mersco Medical of Pierre LLC<br><br>329 E Dakota<br>Pierre, SD57501<br>46-0444002   | Medical services -<br>home medical<br>equipment | SD  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Avera Home Medical<br>Equipment of Floyd Valley<br>Hospital LLC<br><br>714 Lincoln ST NE<br>Lemars, IA51031<br>82-0582350       | Medical services -<br>home medical<br>equipment | IA  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Avera Home Medical<br>Equipment of Sioux Center<br>LLC<br><br>38 19th ST SW<br>Sioux Center, IA51250<br>75-3203100              | Medical services -<br>home medical<br>equipment | IA  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Avera Home Medical<br>Equipment of Marshall LLC<br><br>1104 East College Drive<br>Marshall, MN56258<br>20-5271924               | Medical services -<br>home medical<br>equipment | MN  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Avera Home Medical<br>Equipment of Spencer Hospital<br>LLC<br><br>2400 S Minnesota Av 102<br>Sioux Falls, SD57117<br>80-0619999 | Medical Services -<br>home medical<br>equipment | SD  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Q&M Properties LLC<br><br>525 North Foster<br>Mitchell, SD57301<br>73-1652049   | Medical clinic<br>building                      | SD  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Surgical Associates<br>Endoscopy Clinic LLC<br><br>310 S Penn<br>Aberdeen, SD57401<br>46-0461429                                | Surgical associates                             | SD  | N/A                                    |   |                                      |   |  |    |   |   |    |
| Marshall Medical Services<br>LLC<br><br>300 S Bruce St<br>Marshall, MN56258<br>20-8874448                                       | medical services                                | MN  | N/A                                    |   |                                      |   |  |    |   |   |    |

Additional Data

Software ID:  
Software Version:  
EIN: 42-0680370  
Name: Avera Holy Family

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

|                        | Business Code | (A)<br>Total Revenue | (B)<br>Related or<br>Exempt<br>Function<br>Revenue | (C)<br>Unrelated<br>Business<br>Revenue | (D)<br>Revenue<br>Excluded from<br>Tax under IRC<br>512, 513, or 514 |
|------------------------|---------------|----------------------|--|---|--|
| Patient Service Revenu | 622,110       | 21,546,983           | 21,546,983   |   |  |
| Change in Foundation   | 900,099       | 171,777              | 171,777  |   |  |
| Other Revenue          | 900,099       | 116,547              | 93,844   | 22,703                                  |  |
| Cafeteria              | 900,099       | 51,684               | 51,684   |   |  |
| Investment in joint ve | 900,099       | 31,106               | 31,106   |   |  |

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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| Medical Supplies   | 3,519,773             | 3,519,773                       |  |                             |
| Locum Fees   | 986,100               | 986,100                         |  |                             |
| Bad Debt Expense   | 547,645               | 547,645                         |  |                             |
| Miscellaneous  | 318,154               | 147,102                         | 171,052                                |                             |
| Equipment Lease and Ren  | 107,051               | 89,145                          | 17,906                                 |                             |

Additional Data

Software ID:  
Software Version:  
EIN: 42-0680370  
Name: Avera Holy Family

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

Part I, Line 3c A combination of the Federal Poverty Guidelines (FPG) and a debt and asset table is used to determine a patient's eligibility for free or discounted care

**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  
Community health improvement services, health professions education, subsidized health services, research and cash and in-kind  
contributions are reported based on actual expenses recorded to the general ledger



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 \$547,645

**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 organization did not estimate the amount of bad debt expense attributable to patients eligible under the organization's charity care policy as the organization works hard at encouraging people to apply and makes adjustments to bad debt expense based on recommendations of the collection agency or reviews of bad debt for those who qualify under charity care 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 Note from financial statements 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 set forth by CMS

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

Part III, Line 9b Avera Holy Family's Credit and Collections policy states that their collection efforts will begin by obtaining adequate insurance information during admission registration or during/while/after services are rendered Where cases of extreme hardship are noted, eligibility for charity care is determined and documented The Charity Care policy states that the collections staff will screen all private pay admissions and those accounts referred to them by the insurance/registration clerks as having minimal or no insurance benefits applicable If it appears that eligibility exists, the credit/collections clerk will interview the patient or guarantor to discuss the possibility of charity care allowance

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

Part V 1 - Clinic (joint venture with Avera McKennan)

**Form 990 Schedule H, Part VI - Supplemental Information, Line 5**

Part VI, Line 5 In FY2010, over \$44,000 was spent in the area of Community Health Improvement Advocacy Avera Holy Family provided the eICU program to patients staying in our facility This program allows our nurses and physicians to communicate with Avera specialists to improve quality of care Avera Holy Family also invested over \$14,000 in community disaster preparedness The facility provided education, had readiness drills and held meetings to ensure that the facility was prepared for disaster Holy Family also volunteered and donated to Excel Estherville, held mock interviews for students, attended job fairs, and gave presentations to school children Avera Holy Family also provides donations, pays dues and other notary services to community organizations to help further develop and support the community

**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 fundsare reinvested in facilities to improve patient care The organization supports the free clinic in the community, conducts public health screenings, participates in community health fairs, provides health education to community and schools, conducts a lifestyle challenge for the community, donates to various community organizations and health care scholarships, provides tours for school children, utilizes telecare, and provides meals on wheels