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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
Avera St Luke's

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
305 South State Street

City or town, state or country, and ZIP + 4
Aberdeen, SD 57401

D Employer identification number
46-0224598

E Telephone number
(605) 622-5230

G Gross receipts $ 144,870,110

F Name and address of principal officer
Ron Jacobson
305 South State Street
Aberdeen, SD 57401

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

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

H(c) Group exemption number ▶ 0928

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

J **Website:** ▶ www averastlukes org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1901

M State of legal domicile SD

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
Promotion of Health

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of employees (Part V, line 2a)	5	1,718
6	Total number of volunteers (estimate if necessary)	6	200
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	271,877	400,264
	9	Program service revenue (Part VIII, line 2g)	127,468,297	142,820,178
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,016,459	1,135,973
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	135,962	-208,446
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	128,892,595	144,147,969
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	298,674	300,664
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	75,778,862	84,604,047
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶215,341		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	52,238,247	54,941,850
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	128,315,783	139,846,561
	19	Revenue less expenses Subtract line 18 from line 12	576,812	4,301,408

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	178,011,554	184,646,524
	21	Total liabilities (Part X, line 26)	66,667,420	67,950,177
	22	Net assets or fund balances Subtract line 21 from line 20	111,344,134	116,696,347

Part II Signature Block

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

Sign Here

****** | 2011-05-10
Signature of officer | Date

Geoff Durst Vice President of Finance
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Kim Hunwardsen CPA	Date 2011-05-10	Check if self-employed ▶ ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Eide Bailly LLP, 5601 Green Valley Drive Ste 700, Minneapolis, MN 554371145			EIN ▶ Phone no ▶ (952) 944-6166

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

Avera is a health ministry rooted in the Gospel Our mission is to make a positive impact in the lives and health of persons and communities by providing quality services guided by Christian values

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 118,624,106 including grants of $ 93,321) (Revenue $ 142,820,178)

Avera St Luke's mission is to provide acute care and long-term healthcare services including skilled nursing, congregate living and assisted living (Medicaid certified), of which there were 22,151 acute patient days, 1,390 nursery patient days, 48,678 nursing home resident days, 96,173 clinic visits and 213,306 outpatient visits Avera St Luke's 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, was $4,674,886 for the year ended June 30, 2010 Avera St Luke's 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, support for rural clinics, nursing staff for health centers serving minority populations, and a variety of broad community support activities During the year ended June 30, 2010, specific activities included meals delivered to residential homes, senior resource programs for billing assistance, meeting facilities, programs for patients and families suffering from cancer, diabetes, breathing disorders, multiple sclerosis, and others, assistance to health educators, emergency healthcare providers, wellness programs, and housing families of hospitalized patients As a member of the Avera Health System, Avera St Luke's upholds the vision of the Presentation and Benedictine Sisters to work through collaboration to provide a quality, effective health ministry and to improve the health care of individuals and our communities through a regionally integrated network of persons and institutions Avera St Luke's engages in activities designed to improve the health of individuals and communities in response to a calling to heal the sick, the elderly, and the oppressed

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

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

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

4e **Total program service expenses** ▶$ 118,624,106

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	Yes	
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — 12A: Yes			
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		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? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable*	1a	127			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,718			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body . .	**1a** 16			
b	Enter the number of voting members that are independent . .	**1b** 14			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		**3**		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		**4**		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**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		**9**		No

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

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

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

☐ Own website ☐ Another's website ☑ 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 ▶

Geoff Durst
305 South State Street
Aberdeen, SD 57401
(605) 622-5272

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) Name and Title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See add'l data										

1b Total . . . . ▶	5,246,541	430,719	251,355

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 ▶69

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

Section B. Independent Contractors

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

(A) Name and business address	**(B)** Description of services	**(C)** Compensation
Kyburz Carlson Construction Co 729 Circle Drive Aberdeen, SD 57401	construction	2,984,949
Aberdeen Emergency Phys Prof 1411 N 4th St Aberdeen, SD 57401	ER physician services	1,451,906
Med Trans Corporation PO Box 789 West Plains, MO 65775	helicopter services	1,154,869
Eric Mendoza 1305 Birchwood Lane Aberdeen, SD 57401	cancer care physician	383,005
DMS Imaging 2101 N University Dr Fargo, ND 58109	read PET scan	372,548

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 ▶18

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts						
1a	Federated campaigns . . 1a					
b	Membership dues 1b					
c	Fundraising events 1c					
d	Related organizations . . . 1d					
e	Government grants (contributions) 1e					
f	All other contributions, gifts, grants, and similar amounts not included above 1f	400,264				
g	Noncash contributions included in lines 1a-1f $					
h	**Total.** Add lines 1a-1f . . . . ▶		400,264			
Program Service Revenue		Business Code				
2a	Net patient services	621,110	138,773,388	138,773,388		
b	Other revenue	624,100	2,832,433	2,832,433		
c	Investment in Partners	900,099	954,092	954,092		
d	Investment in Avera He	900,099	260,265	260,265		
e						
f	All other program service revenue					
g	**Total.** Add lines 2a–2f . . . . ▶		142,820,178			
Other Revenue						
3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶		262,483			262,483
4	Income from investment of tax-exempt bond proceeds . . ▶					
5	Royalties . . . . ▶					

		(i) Real	(ii) Personal
6a	Gross Rents	431,226	
b	Less rental expenses	666,609	
c	Rental income or (loss)	-235,383	

			(A)	(B)	(C)	(D)
6d	Net rental income or (loss) . . . . ▶		-235,383			-235,383

		(i) Securities	(ii) Other
7a	Gross amount from sales of assets other than inventory	873,490	
b	Less cost or other basis and sales expenses		
c	Gain or (loss)	873,490	

			(A)	(B)	(C)	(D)
7d	Net gain or (loss) . . . . ▶		873,490			873,490
8a	Gross income from fundraising events (not including $ of contributions reported on line 1c) See Part IV, line 18 . . . a					
b	Less direct expenses . . . b					
c	Net income or (loss) from fundraising events . . ▶					
9a	Gross income from gaming activities See Part IV, line 19 . . . a					
b	Less direct expenses . . . b					
c	Net income or (loss) from gaming activities . . . ▶					
10a	Gross sales of inventory, less returns and allowances . a	82,469				
b	Less cost of goods sold . . b	55,532				
c	Net income or (loss) from sales of inventory . . ▶		26,937			26,937
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	**Total.** Add lines 11a–11d . . . . . . ▶					
12	**Total revenue.** See Instructions . . . ▶		144,147,969	142,820,178	0	927,527

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	274,664	274,664		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	26,000	26,000		
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	1,212,238	985,184	227,054	
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	66,909,040	57,430,975	9,310,926	167,139
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,613,243	3,099,324	504,963	8,956
9	Other employee benefits	8,657,235	7,432,766	1,202,990	21,479
10	Payroll taxes	4,212,291	3,608,342	593,522	10,427
11	Fees for services (non-employees)				
a	Management				
b	Legal	26,700		26,700	
c	Accounting	5,654		5,654	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	12,821,285	6,849,478	5,971,807	
12	Advertising and promotion	548,218	110,772	434,468	2,978
13	Office expenses	11,297,417	9,510,340	1,785,889	1,188
14	Information technology	18,032	18,032		
15	Royalties . .				
16	Occupancy	1,902,323	1,902,323		
17	Travel	364,068	254,942	107,356	1,770
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	90,085	67,740	22,345	
20	Interest	1,440,180	1,440,180		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	7,118,276	7,118,276		
23	Insurance	1,308,525	1,296,861	11,664	
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	11,101,596	11,101,596		
b	Bad debt	3,594,099	3,383,719	210,380	
c	Equipment lease and ren	2,027,925	1,991,808	36,117	
d	Licenses and permits	654,291	99,012	555,279	
e	Miscellaneous	623,176	621,772		1,404
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	139,846,561	118,624,106	21,007,114	215,341
26	**Joint costs.** Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		13,024,199	2	11,147,575
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		20,000,027	4	20,337,349
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		161,796	5	607,474
	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		190,995	7	1,671,591
	8	Inventories for sale or use		2,655,941	8	2,662,771
	9	Prepaid expenses and deferred charges		584,249	9	1,313,375
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 184,597,286			
	b	Less accumulated depreciation	10b 108,257,025	77,589,911	10c	76,340,261
	11	Investments—publicly traded securities		3,398,692	11	3,392,212
	12	Investments—other securities See Part IV, line 11		57,314,267	12	62,033,678
	13	Investments—program-related See Part IV, line 11		420,363	13	601,306
	14	Intangible assets			14	2,684,972
	15	Other assets See Part IV, line 11		2,671,114	15	1,853,960
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		178,011,554	16	184,646,524
Liabilities	17	Accounts payable and accrued expenses		13,741,843	17	14,263,808
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		49,161,269	20	48,393,292
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		80,684	21	84,048
	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		3,683,624	25	5,209,029
	26	**Total liabilities.** Add lines 17 through 25		66,667,420	26	67,950,177
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		109,168,194	27	114,946,793
	28	Temporarily restricted net assets		1,643,198	28	1,224,504
	29	Permanently restricted net assets		532,742	29	525,050
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		111,344,134	33	116,696,347
	34	Total liabilities and net assets/fund balances		178,011,554	34	184,646,524

Part XI Financial Statements and Reporting

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

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera St Luke's

Employer identification number
46-0224598

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?

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
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 III **Support 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
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	

19a **33 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 ▶☐

b **33 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 ▶☐

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

Part IV **Supplemental Information.** 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 C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
Avera St Luke's	46-0224598

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing Organization's Totals	**(b)** Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

	(a)	(b)
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		10,568
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			10,568
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i Also, complete this part for any additional information

Identifier	Return Reference	Explanation

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 St Luke's

Employer identification number
46-0224598

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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 ☐ Yes ☐ No

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

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

☐ Preservation of land for public use (e g , recreation or 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	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

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? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☑ No

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

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

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

b If "Yes," explain the arrangement in Part 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	532,742	582,869			
b	Contributions					
c	Investment earnings or losses	-7,692	-50,127			
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	525,050	532,742			

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶

b Permanent endowment ▶ **100.000 %**

c Term endowment ▶

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	2,014,558	3,196,845		5,211,403
b Buildings		107,026,939	48,944,549	58,082,390
c Leasehold improvements				
d Equipment		69,132,837	57,430,289	11,702,548
e Other		3,226,107	1,882,187	1,343,920
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				76,340,261

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Surgical Associates Endoscopy Center LLC	631,754	C
Assets limited to use - Avera pooled investments	58,913,777	F
Investment in Avera Health Foundation	2,488,147	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	62,033,678	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Estimated third-party payor settlements	3,650,000
Interest rate swap agreement	1,559,029
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	5,209,029

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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	144,147,969
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	139,846,561
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	4,301,408
4	Net unrealized gains (losses) on investments	4	2,542,816
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-1,492,011
9	Total adjustments (net) Add lines 4 - 8	9	1,050,805
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	5,352,213

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	147,427,901
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	2,542,816		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	1,271,780		
e	Add lines **2a** through **2d**			2e	3,814,596
3	Subtract line **2e** from line **1**			3	143,613,305
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	534,664		
c	Add lines **4a** and **4b**			4c	534,664
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	144,147,969

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

1	Total expenses and losses per audited financial statements			1	140,190,243
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	356,296		
e	Add lines **2a** through **2d**			2e	356,296
3	Subtract line **2e** from line **1**			3	139,833,947
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	12,614		
c	Add lines **4a** and **4b**			4c	12,614
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	139,846,561

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 IV, Line 2b		The Organization holds funds in trust on behalf of its residents
Part V, Line 4	Description of Intended Use of Endowment Funds	The Organization's endowments consist of a portion of their interest in the net assets of the Avera Health Foundation The Avera Health Foundation includes endowment funds which have been established for a variety of purposes As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments (if any), are classified and reported based on the existence or absence of donor-imposed restrictions The Organization's permanently restricted endowment funds are donor restricted The Organization currently does not have any board-designated endowment funds
Part X	Description of Uncertain Tax Positions Under FIN 48	The Center has implemented the provisions of FASC Accounting Standards Codification Topic ASC 740-10 (formerly Financial Interpretation No 48, Accounting for Uncertainty in Income Taxes) The Center 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 ASC 740-10 For the years ended June 30, 2010 and 2009, the unrecognized tax benefit accrual was zero
Part XI, Line 8 - Other Adjustments		Capital Transfer -1524270 Change in fair value of interest rate swap -375405 Book/Tax adjustment on investment in Endoscopy LLC 407664
Part XII, Line 2d - Other Adjustments		Minority interest share of losses reported in other income for financials -1014657 Surgical Associates Endoscopy Clinic LLC income included in consolidated f/s 2732709 Change in fair value of interest rate swaps -375405 Reclassification of accumulated losses on interest rate swaps -70867
Part XII, Line 4b - Other Adjustments		Auxiliary revenue not recorded for financial statement purposes 29356 Investment income reported in fund balance for financial statements 195 Change in investment in Surgical Associates Endoscopy Clinic LLC 954092 Change in interest in Foundation recorded in fund balance for f/s -448979
Part XIII, Line 2d - Other Adjustments		Surgical Associates Endoscopy Clinic LLC expenses part of consolidated f/s 356296
Part XIII, Line 4b - Other Adjustments		Auxiliary expenses not recorded for financial statement purposes 12614

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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 St Luke's

Employer identification number
46-0224598

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 ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care	3a	Yes	
	☐ 100% ☑ 150% ☐ 200% ☐ Other ____________			
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other ________			
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile 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)		2,044	2,360,358		2,360,358	1 730 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		7,249	9,308,324	7,493,772	1,814,552	1 330 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		2,203	1,713,290	799,721	913,569	0 670 %
d **Total** Charity Care and Means-Tested Government Programs		11,496	13,381,972	8,293,493	5,088,479	3 730 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		40,883	216,458		216,458	0 160 %
f Health professions education (from Worksheet 5)		314	10,113		10,113	0 010 %
g Subsidized health services (from Worksheet 6)		19,868	2,716,187		2,716,187	1 990 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			300,664		300,664	0 220 %
j **Total** Other Benefits		61,065	3,243,422		3,243,422	2 380 %
k **Total.** Add lines 7d and 7j		72,561	16,625,394	8,293,493	8,331,901	6 110 %

Part II **Community 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
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,814,667		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	39,150,171
6	Enter Medicare allowable costs of care relating to payments on line 5	6	36,687,196
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	2,462,975

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

			Yes	No
9a	Does the organization have a written debt collection policy?	9a	Yes	
9b	If "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 IV **Management 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 Surgical Associates Endoscopy Clinic LLC	Endoscopy Procedures	51 000 %		49 000 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Avera St Luke's Hospital 305 S State Street Aberdeen, SD 57401	X	X					X		
Avera Mother Joseph Manor 1002 N Jay Street Aberdeen, SD 57401									Nursing Home
Avera Mother Joseph Manor (Nano Nagel Vi 1002 N Jay Street Aberdeen, SD 57401									Assisted and Congregate Living
Avera Eureka Health Care Center E Hwy 10 Eureka, SD 57437									Skilled Nursing Facility

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

See additional data

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

See additional data

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

See additional data

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

Part VI, Line 5

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 communites served

See additional data

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera St Luke's

Employer identification number
46-0224598

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Boys and Girls Club of Aberdeen1111 SE 1st Avenue Aberdeen,SD 57401	237062273	501(c)(3)	5,000				general support
Aberdeen Ride Line205 N 4th Street Aberdeen,SD 57401	466000010	501(c)(3)	12,960				general support
Absolutely Aberdeen416 Production Street North Aberdeen,SD 57401	522424588	501(c)(6)	10,000				general support
Presentation College1500 N Main Aberdeen,SD 57401	522424588	501(c)(3)	163,800				general support

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

3 Enter total number of other organizations . . . 1

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Medical Scholarships	4	24,000			
Scholarships	4	2,000			
See Additional Data Table					

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Avera St Luke's policy is to provide grants/contributions to not-for-profit entities and governmental divisions that benefit the community and region through programs and activities The organization also provides scholarships to medical students and other students in the community Scholarships are given to schools to help monitor the use of the funds

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera St Luke's

Employer identification number
46-0224598

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision 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 ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	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? If "Yes," to line 5a or 5b, describe in Part III	**5b**		No
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? If "Yes," to line 6a or 6b, describe in Part III	**6b**		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in 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**		

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

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

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

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
Ron Jacobson	(i)	0	0	0	0	0	0	0
	(ii)	424,796	0	5,923	28,687	15,667	475,073	0
Kim Jundt MD	(i)	202,214	0	334	7,599	5,733	215,880	0
	(ii)	0	0	0	0	0	0	0
Geoffrey Durst	(i)	197,996	20	17,541	5,094	19,248	239,899	0
	(ii)	0	0	0	0	0	0	0
KC DeBoer	(i)	221,127	20	9,112	11,774	17,409	259,442	0
	(ii)	0	0	0	0	0	0	0
John Fritz MD	(i)	302,831	20	15,597	5,635	16,779	340,862	0
	(ii)	0	0	0	0	0	0	0
Lalit Vadlamani	(i)	1,018,935	0	123,462	12,250	13,480	1,168,127	0
	(ii)	0	0	0	0	0	0	0
Shahid Chaudhary	(i)	1,027,244	85,914	11,632	12,250	14,779	1,151,819	0
	(ii)	0	0	0	0	0	0	0
Navin Gupta	(i)	842,543	0	79,473	4,635	17,558	944,209	0
	(ii)	0	0	0	0	0	0	0
Paul Eckrich	(i)	467,796	41,088	59,964	11,328	15,607	595,783	0
	(ii)	0	0	0	0	0	0	0
Sanjay Mukerji	(i)	452,314	42,409	26,955	9,329	7,401	538,408	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Supplemental Information	Part III	Schedule J, Part I Line 3 The President/CEO's compensation is paid by a related organization, Avera Health Avera St Luke's relied on the related organization for determining the compensation for the President/CEO using the methods described in Part I, Line 3

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera St Luke's

Employer identification number
46-0224598

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? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . . . ▶ $				607,474						

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
OBGYN Associates	Partially owned by board member	109,038	Payments for services		No
Aberdeen Family Physicians	Partially owned by board member	2,924,390	Acquisition of practice		No
OBGYN Associates	partially owned by board member	1,600,000	Acquisition of practice		No

Additional Data

Software ID:
Software Version:
EIN: 46-0224598
Name: Avera St Luke's

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493133049021

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Avera St Luke's

Employer identification number
46-0224598

Identifier	Return Reference	Explanation
Form 990, Part III, line 2	New Program Services	Avera St Luke's acquired three major primary and specialty care clinics which had a total of 14 physicians

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

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

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

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The Form 990 is reviewed by the CEO and CFO After initial reviews, a draft is provided to the finance committee for final review The return is provided to the board prior to filing

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

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15b		The CEO is compensated by Avera Health System Annually the Compensation Committee of Avera Health, which is comprised of six (6) System Members appointed by the Religious Orders, meets with an independent consultant regarding fair market value of officers and key employees The Compensation Committee approves all salaries based on comparable data and documents the basis for their decision in meeting minutes In 2004 the Board of Directors adopted a resolution to initiate the Physician Relations Committee to review all physician related transactions and compensation In February 2010 the Board of Directors adopted a resolution to change the name of the Physician Relations Committee to Physician Relations/Executive Compensation Committee to review physician related transactions and compensation related to physicians, other officers and key employees of the organization Given salaries of other officers and key employees were frozen in fiscal year 2010 a review did not take place The prior year process of contracting with an outside consultant to gather wage and market data was used Information is provided to the consultant for leadership positions that reflect the leader's area of responsibilities including the position title and education requirements, reporting structure, number of FTE's, total revenue and expenses and years of experience This information is used internally to assist in determining wages based on budget and internal equity Final wages decisions were made by the CEO and approved collectively by the Board of Directos as part of the annual budget In January 2011, the Committee reviewed all leadership salaries based on market data from the same sources used in prior years Form 990, Part VI, Line 16b There is no written policy or procedure since in the event of any such proposed transaction the board or a committee with delegated authority reviews all materials, valuations and operational aspects for any proposed transaction Such transaction would be evaluated in accordance with the exempt status of the organization and its applicable purposes Any transaction also would be approved by the board and the member

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

Identifier	Return Reference	Explanation
Form 990, Part X, Line 20		The issue price includes the filing organization's share of the entire bond issue, which was issued to Avera Health on behalf of the Avera Obligated Group The Avera Obligated Group consists of Avera McKennan, Avera St Luke's, Avera Queen of Peace, and Avera Sacred Heart In accordance with IRS instructions, information related to the tax exempt bond reporting is being reported on Avera Health's tax return

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 St Luke's

Employer identification number
46-0224598

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

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

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Northern Dakota Health Company 305 S State Street Aberdeen, SD57401 46-0385179	clinics	SD	N/A	C			100 000 %
Avera Pace 3900 West Avera Drive Sioux Falls, SD57108 46-0341869	healthcare services	SD	N/A	C			
Accounts Management Inc 5132 S Cliff Ave Suite 101 Sioux Falls, SD57108 46-0373021	collection agency	SD	N/A	C			
Avera Health Plans Inc 3900 West Avera Drive Suite 101 Sioux Falls, SD57108 46-0451539	health financing and health plan administration	SD	N/A	C			
Avera Property Insurance Inc 610 W 23rd St Ste 1 PO Box 38 Yankton, SD57078 46-0463155	insurance	SD	N/A	C			
Valley Health Services 501 Summit Street Yankton, SD57078 46-0357149	medical equipment	SD	N/A	C			

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

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

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

	(a) Name of other organization	**(b)** Transaction type(a-r)	**(c)** Amount involved
(1)	Surgical Associates Endoscopy Clinic LLC	K	495,514
(2)	Surgical Associates Endoscopy Clinic LLC	R	1,030,000
(3)	Northern Dakota Health Company		
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 46-0224598
Name: Avera St Luke's

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Avera Health 3900 West Avera Drive Suite 300 Sioux Falls, SD57108 46-0422673	promotion of health	SD	501(c)(3)	9	N/A
Avera Workers' Compensation Trust PO Box 38 Yankton, SD57078 46-0407148	Economical coverage of workers' compensation claims	SD	501(c)(3)	11b	N/A
Avera Health Foundation 3900 West Avera Drive Sioux Falls, SD57108 46-0367530	grant making	SD	501(c)(3)	7	N/A
Avera St Anthony's Hospital 300 N 2nd Street ONeill, NE68763 47-0463911	healthcare services	NE	501(c)(3)	3	N/A
Avera Holy Family 826 North 8th Street Estherville, IA51334 42-0680370	healthcare services	IA	501(c)(3)	3	N/A
Avera Holy Family Foundation 826 North 8th Street Estherville, IA51334 42-1317452	Fundraising	IA	501(c)(3)	9	N/A
Avera Marshall 300 S Bruce Street Marshall, MN56258 41-0919153	healthcare services	MN	501(c)(3)	3	N/A
Avera Marshall Foundation 300 S Bruce Street Marshall, MN56258 41-1784801	fundraising	MN	501(c)(3)	7	N/A
St Benedict Hospital Inc 401 West Glynn Drive Parkston, SD57366 46-0226738	healthcare services	SD	501(c)(3)	3	N/A
St Benedict Health Center Foundation West Glynn Drive PO Box B Parkston, SD57366 46-0458725	support health related services	SD	501(c)(3)	11a	N/A
Avera McKennan 1325 S Cliff Ave PO Box 5045 Sioux Falls, SD57117 46-0224743	healthcare services	SD	501(c)(3)	3	N/A
Avera Queen of Peace 525 North Foster Mitchell, SD57301 46-0224604	healthcare services	SD	501(c)(3)	3	N/A
Sacred Heart Health Services 501 Summit Street Yankton, SD57078 46-0225483	healthcare services	SD	501(c)(3)	3	N/A
Sacred Heart Rural Health Clinics 501 Summit Street Yankton, SD57078 46-0423930	clinic services	SD	501(c)(3)	3	N/A
Health Management Services 501 Summit Street Yankton, SD57078 46-0399291	adult daycare and homemaking services	SD	501(c)(3)	9	N/A
Lewis and Clark Health Education and Service Agency 1000 W 4th Street Suite 9 Yankton, SD57078 46-0337013	healthcare education	SD	501(c)(3)	9	N/A
Benedictine Health Foundation 1017 West Fifth Street Yankton, SD57078 41-0370373	support for organizations providing health care services	SD	501(c)(3)	11b	N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount on Box 20 of K-1 ($)	(j) General or Managing Partner? Yes	(j) No
Surgical Associates Endoscopy Center LLC 310 S Penn Aberdeen, SD57401 46-0461429	surgical associates/Endoscopy services	SD	N/A	related	474,867	253,265		No			No
Marshall Medical Services LLC 300 S Bruce St Marshall, MN56258 20-8874448	medical services	MN	N/A								
Avera Home Medical Equipment LLC 1325 S Cliff Ave PO Box 5045 Sioux Falls, SD57117 46-0488198	medical services - home medical equipment	SD	N/A								
Midwest Regional Imaging Services LLC 1325 S Cliff Ave PO Box 5045 Sioux Falls, SD57117 47-0874983	health care - medical imaging	SD	N/A								
Mersco Medical of Pierre LLC 329 E Dakota Pierre, SD57501 46-0444002	medical services - home medical equipment	SD	N/A								
Floyd Valley Home Medical Equipment 714 Lincoln St NE Lemars, IA51031 82-0582350	medical services - home medical equipment	IA	N/A								
Avera Home Medical Equipment of Estherville LLC 602 Central Ave Estherville, IA51334 20-1686097	medical services - home medical equipment	IA	N/A								
Avera Home Medical Equipment of Sioux Center LLC 38 19th St Sw Sioux Center, IA51250 75-3203100	medical services - home medical equipment	IA	N/A								
Avera Home Medical Equipment of Marshall LLC 1104 East College Drive Marshall, MN56258 20-5271924	medical services - home medical equipment	MN	N/A								
Avera Home Medical Equipment of Spencer Hospital LLC 2400 S Minnesota Ave Sioux Falls, SD57117 80-0619999	medical services - home medical equipment	SD	N/A								
Q&M Properties LC 525 North Foster Mitchell, SD57301 73-1652049	medical clinic building	SD	N/A								

Additional Data

Software ID:
Software Version:
EIN: 46-0224598
Name: Avera St Luke's

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
James Bain DVM Chair	1 00	X		X				0	0	0
Stuart Lonning Vice Chair	1 00	X		X				0	0	0
Thomas Luzier MD Director	1 00	X						0	0	0
Deb Knecht Director	1 00	X						0	0	0
Sr Mildred Busch Director	1 00	X						0	0	0
Tage Born Director	1 00	X						0	0	0
Michael Evans Director	1 00	X						0	0	0
Bob Olson Director	1 00	X						0	0	0
Sr Barbara McTague Director	1 00	X						0	0	0
Cyndy Larson Director	1 00	X						0	0	0
Sr Kathleen A Bierne Director	1 00	X						0	0	0
Richard Westra Director	1 00	X						0	0	0
Gary Sharp Director	1 00	X						0	0	0
Sr Joann Sturzl Director	1 00	X						0	0	0
Ron Jacobson President & CEO	40 00	X		X				0	430,719	43,466
Kim Jundt MD Director/CMIO	40 00	X						202,548	0	13,332
Geoffrey Durst Sec/Treas & SrVP Finance	40 00			X				215,557	0	24,343
KC DeBoer VP Hospital Division	40 00				X			230,259	0	29,183
John Fritz MD VP Outreach Svcs	40 00				X			318,448	0	22,414
Lalit Vadlamani Physician	40 00					X		1,142,397	0	25,730
Shahid Chaudhary Physician	40 00					X		1,124,790	0	27,029
Navin Gupta Physician	40 00					X		922,016	0	22,193
Paul Eckrich Physician	40 00					X		568,848	0	26,935
Sanjay Mukerji Physician	40 00					X		521,678	0	16,730

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

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	**(A)** Total expenses	**(B)** Program service expenses	**(C)** Management and general expenses	**(D)** Fundraising expenses
Medical supplies	11,101,596	11,101,596		
Bad debt	3,594,099	3,383,719	210,380	
Equipment lease and ren	2,027,925	1,991,808	36,117	
Licenses and permits	654,291	99,012	555,279	
Miscellaneous	623,176	621,772		1,404

Additional Data

Software ID:
Software Version:
EIN: 46-0224598
Name: Avera St Luke's

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

Part I, Line 3c In addition to looking at elibility using FPG, Avera St Lukes also uses assets tests

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

Part I, Line 6a Part 1, line 6A Our community benefit report is contained in a report prepared by Avera Health, a related organization It is available through the website and requested mailing, and is filed with the Catholic Health Association

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

Part I, Line 7 A combination of costing methodology was used to calculate the amounts reported in the table The Medicaid cost report was used to calculate Medicaid expenses A cost to charge ratio derived from Worksheet 2, Ratio of Patient Care Cost-to-Charges was used to calculate charity care at cost and Means-tested Government Program expenses Subsidized health was calculated based on actual cost/loss For all other amounts, costs and revenues as reflected by the general ledger system were used

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

Part I, Line 7g Rural health clinic expenses of $61,948 is included

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

Part I, Line 7f Bad debt expense of $3,594,099 is included on Form 990, Part IX, line 25, column (A) but excluded for purposes of calculating this percentage

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

Part III, Line 4 Costing methodology used to report bad debt expense (at cost) was a cost to charge ratio as outlined in Worksheet 2 Ratio of Patient Care Costs to Charges 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 Statement Patient and resident receivables are uncollateralized patient, resident and third-party payor obligations Payments of patient and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim Unpaid patient and resident receivables, excluding amounts due from third-party payors, with invoice dates over 90 days old for patient receivables and 60 days old for resident receivables, have interest assessed at 1 5 percent per month The carrying amount of patient and resident receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients,residents and third-party payors Management reviews patient and resident 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 and residents 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 Part III, Lines 5, 6, and 7 The Medicare revenues received (line 5), allowable costs (line 6), and the resulting surplus (line 7) does not include a significant portion of the organization's expenses These lines require use of the Medicare Cost Report as prepared by the required guidelines which disallows numerous costs of hospitals, particularly if they are part of an integrated system such as Avera St Luke's The entity must file a home office cost report which "steps down" overhead to non-cost report entities disproportionately to actual allowable share and essentially removing the costs from the hospital's cost report entirely Examples of non-cost report entities operated by Avera St Luke's include clinics, long-term care facilities, and other health care related businesses There are also costs completely disallowed by cost report rules such as bad debt expense, marketing, CRNA's, and interest expense Due to these exclusions a surplus exists

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

Part III, Line 8 Medicare allowable costs of care are based on the Medicare cost report The Medicare Cost Report is completed based on the rules and regulations set forth by CMS Avera St Luke's follows the CHA guidelines in reporting community benefits and therefore any Medicare shortfall (as calculated including our non-cost report entities) is excluded from our community benefit report However, Medicare is the organization's largest payer and patients with Medicare coverage are accepted regardless of whether or not a surplus or deficit is realized from providing the services This basis therefore means providing Medicare services promotes access to healthcare services which is a key advantage for our community

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

Part III, Line 9b In all cases, Avera St Luke's adheres to our Mission and we provide care without respect to obtain payment We will provide financial assistance (full or partial) to any patient who qualifies and assist staff in completing the information needed to make a correct determination of amount During the collection of an account, assuming we are not aware of the patient's financial assistance needs prior to the admission or during the admission, we always offer assistance once we have made contact with the patient We do utilize Patient Financial Counselors and Social Workers who attempt to see all inpatients during their stays and assist in determining financial needs In many cases, patients do not contact us, complete financial assistance applications or follow-up of statements or phone calls When this occurs, the account is referred to Bad Debt after many efforts to contact the patient and if during the Bad Debt process, the patient comes forward and works with us on the information needed to determine financial assist, we will provide either full or partial assistance if they qualify

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

Part V The organization also has the following types of facilities other than those required to be licensed as healthcare facilities in the state of South Dakota 1 Imaging center1 Physical and Aquatic Therapy Center1 Pain management center1 Outpatient therapy center (Midland Campus)1 Senior Apartments7 Primary clinics8 Specialty care clinics

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

Part VI, Line 1 The organization's community benefit report can be found on its website at http //www avera org/st-lukes-hospital/about/index aspx and then to Report to the Community

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Part VI, Line 2 Health care needs are assessed through various methods Given Aberdeen is a regional center/hub and the third largest city in South Dakota, Avera St Luke's is integrally involved with community organizations, universities/colleges, schools, state programs and local governments The next largest hospital is 100 miles from Aberdeen and most of the towns within our region have a population of less than 2,000 By working with all in our region, we are able to determine health needs and provide programs and solutions where possible On a more formal basis, our System is presently organizing and conducting a community needs assessment Additionally, we are participating in a community needs assessment with Northern State University Many of our healthcare professionals in the area of Social Work, Diabetes, Home Health and Hospice also provide valuable insight to community and regional needs

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Part VI, Line 3 The organization utilizes various methods Admitting areas have signs/posters noting charity care and financial assistance Avera St Luke's and Avera Health utilize the internet to address financial assistance Social workers are in direct contact with patients and make referrals to the Business Office for financial assistance and in many cases, work directly with the patient on various government programs which may be available and help with applications For those who receive bills for services and have concerns about their ability to pay, financial counselors work directly with them on financial assistance We have brochures available to all and treat all without regard to their ability to pay

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Part VI, Line 4 Aberdeen is the third largest city in South Dakota The recent 2010 census reflected a population of approximately 26,000 Our primary service area consists of the following counties Brown, Marshall, Day, Faulk, Edmunds, McPherson, Spink and Dickey County in North Dakota The population of this area is approximately 64,000 Our secondary service area includes other close by counties This large service area is due to outreach and the scope of specialty services offered by Avera St Luke's for which if not offered, a patient would travel up to 200 miles for the same service Given we are a rural community in the truest sense, we have a very aged population Many of the patients within this region are Medicare age The closest hospital is 40 to 100 miles away and have limited services and are Critical Access Hospital served by limited physicians Patient demographics within the region would indicate that after you consider those patients admitted to the smaller hospitals, the majority of the rest seek services at Avera St Luke's The population in the primary service counties range from 2,459 to 36,531 Census data for 2010 and 2009 estimates contains many data elements, therefore, will comment on Brown County (location of Avera St Luke's), Spink County (second largest in primary service area with growth) and McPherson County (due to aged population) % change in Pop % over 65 Non-White Pop % State of SD 7 6% 14 4 12 1Brown County 3 02 16 5 5 5 Spink County -12 07 19 8 3 1McPherson County -15 32 30 0 07Median Household IncomeState of SD 46,244Brown County 43,140Spink County 41,918McPherson County 31,709As the above indicate, our region has experienced essentially little growth and the percent over 65 years old is high compared to the State average The high average age correlates with Medicare admissions being approximately 50% of total admissions Medicaid admissions, including babies, totaled 737 or 11% of all admissions In addition to Medicare and Medicaid, there is a County Indigent Program which resulted in approximately $1,000,000 of assistance at charge and was for 199 patients From an unemployment standpoint, South Dakota and our region has faired much better than the US Within the primary service area, current unemployment rates range from a low of 4 2% in Brown County to a high of 9 1% in Day County

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

Part VI, Line 6 Avera St Luke's is a regional facility within Avera Health System We ar e a health ministry cosponsored by the Benedictine Sisters of Yankton, South Dakota and th e Presentation Sisters of Aberdeen, South Dakota Our health ministry is rooted in the Gos pel and requires us to make a positive impact in the lives and health of persons and commu nities by providing quality services guided by Christian values Avera St Luke's vision i s to be an exceptional health care organization for patients to receive care, physicians t o practice and employees to work The organization's values are Compassion, Hospitality an d Stewardship Our governing body consists of 16 members who are physicians, community and regional residents and Sister representatives from the Presentation and Benedictine Orders At this time two are employees (one physician and the CEO) The governing body included one Sister who represents both orders and is a System Representative In addition to the g overning body, we have various advisory boards These include Citizen's Advisory Board, F oundation Board and Home Health, Hospice, and Palliative Care Advisory Board Medical Staf f privileges can be extended to qualified physicians based on receiving approval of their application and credentials by the Medical Dental Staff and then the Hospital governing bo dy The Hospital's governing body then takes into account other factors related to overall community need and how a physician would impact the Hospital's overall ability to fulfill the mission Avera St Luke's mission and values ensure our focus is on the patient, famil y, employees, physician, those in need, visitors and our region as a whole The value of S tewardship requires the organization to use all resources in a way that fulfills the missi on and values Each year, our operating and capital budgets are based on various assumptio ns that in the end provide the needed resources and take into account Charity Care, patien t care, technology, education, community services, employee benefit and compensation plans and programs to meeting the regions needs All surplus funds are used and maintained to p rovide for both current and future needs Specific examples of how we further our exempt pu rpose include but are not limited to the following a The only inpatient rehabilitation un it within 200 miles b The only inpatient psychiatric unit within 200 milesc Intervention al Cardiology and Radiology services These services allow us to meet patient needs when c are is critical to their survival and must be delivered on a very timely basis d Air Ambu lance to transport patients to our facility or 200 miles to tertiary facilities e End Sta ge Renal Disease program which serves our broad region with the next closest facility bein g 100 miles away Additionally, we employee a full-time Nephrologist to care for the patie nts along with others who require intensive physician care f A 24 hour Emergency Room whi ch treats all patients without regard to the ability to pay The ER is staffed by physicia ns 24 hours per day g Provision of a multitude of educational and training programs for h ealthcare professionals and regional residents The region was just awarded an Area Health Education Center by the South Dakota School of Medicine and will be located in Aberdeen The award was based on applications and interviews within the State and was a collaborativ e effort of many healthcare and non-healthcare organizations within the region with two be ing 100 miles from Aberdeen h Avera St Luke's is currently a Rural Referral Center and S ole Community Hospital The nearest like hospitals are tertiary facilities 200 miles away by ground and approximately 140 miles by air i Avera St Luke's participates in many comm unity organizations and efforts to better the region Leadership of the organization is on boards of many exempt organizations (Salvation Army, YMCA, Foundations, College/Universit y Advisory Boards, Youth Adult Partnership of Aberdeen) to name a few j Our Foundation Bo ard works diligently to not only attract outside funds but to ensure they meet the needs o f our organization and oversees their use k Our Auxiliary and Volunteers provide opportun ities for over 400 individuals The Auxiliary provides annual scholarships of $500 for stu dents entering higher education in health related fields In fiscal year 2010, 28,953 hour s of service were provides to Avera St Luke's by volunteers which reduces costs l Provid e assistance to small rural hospitals (Critical Access Hospitals) within the region throug h various programs, management agreements, computer systems, educations and other services to assist in keeping their areas patients in the local community when possible m Recruit ment of specialists in nephrology, neurosurgery, neurology, cardiology and psychiatry to m eet the regions need since you would have to travel up to 200 miles to obtain these servic es n Development and subsidy of various rural cli

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

nics to meet needs in those communities o Development of a local clinic to provide primar y health care (not urgent or emergency care) to individuals regardless of their ability to pay in a setting that is conducive to walk-in for a very minimal cost (less than $60) Th is clinic is staffed by mid-level providers (PA/Nurse Practioners) and is open on weekend and certain holidays to all and insurance billing is provided p Chemical Addiction servic es on an outpatient bases are provided to the region and State Our Worthmore program is w ell known and respected within the region and state and is the closest program within 150- 200 miles We contract with the State for patient who meet their qualification guidelines and work with governmental agencies within the region and State q Provide drug and alcoh ol prevention programs to the local schools through various contracts Our involvement sta rted when the previous provider discontinued their contract r Provide home care (homemake r) services to the region through a State contract Many years ago, the State provided the se services but discontinued their direct involvement and opted for contracting with regio nal providers To meet their needs, Avera St Luke's then contracted with local providers in the real rural areas of the region to ensure coverage could be provided to their reside nts

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

Part VI, Line 7 Avera St Lukes is a regional facility within Avera Health We are both guided by the same mission and work collaboratively to further the health related needs in the communities we service The benefits include a Development of various System programs and services that reduce costs to the regional facilities due to efficiencies of scale and participate in various organizations and groups b Development of various ePrograms to keep patients at local facilities and provide higher levels of quality and care to the patient and region For instance, eEICU provides Avera and non-Avera facilities with 24/7 monitoring (via video, on-line results and instance communication) of ICU/CCU patient by critical care physicians, eEmergency provides the ability to connect via video to assist in the care of emergency room patients which in many cases allows the patient to remain locally instead of incurring the costs of a transport to the regional facilities, ePharmacy allows for 24/7 pharmacist coverage when only the tertiary facilities in the region are staffed 24/7 Given South Dakota is a rural state, it is easy to see where these services are critical to care and fulfilling our mission since the small Critical Access Hospitals are located in very small communities with limited physicians and mid-level providers c Resources to advocate for exempt purposes and those in need d Facilitate the generation of donations e Coordinate efforts of owned and sponsored facilities in the provision of fulfilling our mission and the development of new programs and services 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