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Form 990   Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>  ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047
		<b>2010</b>
		<b>Open to Public Inspection</b>

<b>A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011</b>		
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization ST BENEDICT HOSPITAL INC	<b>D Employer identification number</b>  46-0226738
	Doing Business As AVERA ST BENEDICT HEALTH CENTER	<b>E Telephone number</b>  (605) 928-3311
	Number and street (or P O box if mail is not delivered to street address) 401 WEST GLYNN DRIVE	Room/suite
	City or town, state or country, and ZIP + 4 PARKSTON, SD 57366	
	<b>F</b> Name and address of principal officer GALE WALKER 401 WEST GLYNN DRIVE PARKSTON, SD 57366	
		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
		<b>H(c)</b> Group exemption number ▶ 0928
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (Insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ WWW.AVERASTBENEDICT.ORG		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1965
		<b>M</b> State of legal domicile SD

<b>Part I</b>	<b>Summary</b>
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Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities PROMOTION OF HEALTH		
<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	12	
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	10	
<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .	<b>5</b>	245	
<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	190	
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	0	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	0	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	112,798	198,062
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	16,599,409	17,420,484
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	199,970	426,651
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	0	17,123
		16,912,177	18,062,320
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	38,633	18,644
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	9,885,442	10,082,411
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <sup>0</sup>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	5,332,593	5,386,702
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	15,256,668	15,487,757
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	1,655,509	2,574,563
Net Assets or Fund Balances		<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b> Total assets (Part X, line 16) . . . . .	22,079,285	25,289,310
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	4,848,017	4,315,414
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	17,231,268	20,973,896

<b>Part II</b>	<b>Signature Block</b>
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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.

<b>Sign Here</b>	***** Signature of officer	2012-05-11 Date			
	GALE WALKER PRESIDENT/CEO Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name KIM HUNWARDSSEN	Preparer's signature KIM HUNWARDSSEN	Date 2012-05-11	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ EIDE BAILLY LLP				Firm's EIN ▶
	Firm's address ▶ 800 NICOLLET MALL STE 1300 MINNEAPOLIS, MN 554027033				Phone no ▶ (612) 253-6500

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

Part IIStatement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1Briefly 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

2Did 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

3Did 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

4Describe 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 \$ 13,146,337 including grants of \$ 18,644 ) (Revenue \$ 17,420,484 )

AVERA ST BENEDICT HEALTH CENTER (CENTER) OPERATES A 25-BED CRITICAL ACCESS, ACUTE CARE HOSPITAL, A 47-BED NURSING HOME, A 28-BED ASSISTED LIVING CENTER AND RURAL HEALTH CLINICS LOCATED IN PARKSTON, TRIPP AND LAKE ANDES, SOUTH DAKOTA THE CENTER PROVIDES ACUTE CARE AND LONG-TERM HEALTHCARE SERVICES AMOUNTS AND TYPES OF SERVICES PROVIDED DURING THE YEAR ENDED JUNE 30, 2011 WERE 1,161 ACUTE HOSPITAL PATIENT DAYS, 1,872 SWING BED DAYS, 61 NURSERY PATIENT DAYS, 17,055 NURSING HOME RESIDENT DAYS, AND 9,342 SUPERVISED LIVING DAYS THE CENTER’S THREE CLINICS COMPLETED A TOTAL OF 19,406 PRIMARY CARE VISITS TO THE PEOPLE OF THEIR COMMUNITY THE CENTER MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE POLICY AND EQUIVALENT SERVICE STATISTICS THESE AMOUNTS DO NOT INCLUDE THOSE SERVICES THAT ARE PROVIDED TO PATIENTS AND RESIDENTS COVERED BY MEDICARE, MEDICAID, STATE AGENCIES, COUNTY, AND OTHER THIRD-PARTY PAYORS WHERE LESS THAN FULL CHARGES ARE RECEIVED THE AMOUNTS OF CHARGES FOREGONE, BASED ON ESTABLISHED RATES, WERE \$230,323 FOR THE YEAR ENDED JUNE 30, 2011

4b

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

4c

















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

4dOther program services (Describe in Schedule O )

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

4eTotal program service expenses \$ 13,146,337

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
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 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	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? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? . . . . .	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .			<div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div>
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		<b>Yes</b>	<b>No</b>
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	<b>1a</b>	40
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b>	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	<b>2a</b>	245
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	Yes
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	No
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	No
<b>b</b>	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	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?	<b>6a</b>	No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	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?	<b>7a</b>	No
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	No
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	No
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>	
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand.	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .	1a	12	
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5		No
6	Does the organization have members or stockholders? . . . . .	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following . . . . .			
a	The governing body? . . . . .	8a	Yes	
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b		No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates? . . . . .	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .			
12a	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	Yes	
b	Other officers or key employees of the organization . . . . .	15b		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions) . . . . .			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a		No
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		

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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ RITA BLASIUS CFO 401 W GLYNN DRIVE PARKSTON, SD 57366 (605) 928-3311

Part VII

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

Check if Schedule O contains a response to any question in this Part VII

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, 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, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(1) DIANE SANDHOFF CHAIR	2.00	X		X				0	0	0
(2) SR MARIBETH WENTZLAFF VICE CHAIR	2.00	X		X				0	0	0
(3) KEITH GOEHRING SECRETARY	2.00	X		X				0	0	0
(4) JERAULD HEINERT BOARD MEMBER	2.00	X						0	0	0
(5) MELISSA STORK BOARD MEMBER	2.00	X						0	0	0
(6) SR MARY JAEGER BOARD MEMBER	2.00	X						0	0	0
(7) GERALD MOEGE BOARD MEMBER	2.00	X						0	0	0
(8) JON PROEHL BOARD MEMBER	2.00	X						0	0	0
(9) WAYNE BIETZ BOARD MEMBER	2.00	X						0	0	0
(10) RICHARD HONKE MD BOARD MEMBER/PHYSICIAN	40.00	X						284,299	0	23,069
(11) SR JANET HORSTMAN BOARD MEMBER	2.00	X						0	0	0
(12) GALE WALKER PRESIDENT & CEO	40.00	X		X				177,663	0	24,347
(13) RITA BLASIUS SEC/TRES & SRVP FINANCE	40.00			X				131,113	0	11,931
(14) DR TONI VANDERPOL PHYSICIAN	40.00					X		216,886	0	16,156
(15) KEN TRAVNICEK CRNA	40.00					X		222,608	0	22,628
(16) JASON WICKERSHAM PHYSICIAN	40.00					X		226,000	0	23,469



## Part VII

<b>1b</b>	<b>Sub-Total</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A</b>			
<b>d</b>	<b>Total (add lines 1b and 1c)</b>	1,512,855	0	159,577

**2** Total number of individuals (including but not limited to those listed in Item 1) who received or accrued more than \$100,000 in reportable compensation from the organization. 8

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

## Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
AVERA QUEEN OF PEACE 525 NORTH FOSTER STREET MITCHELL, SD 57301	SHARED SERVICES	856,416
AVERA MCKENNAN PO BOX 5045 SIOUX FALLS, SD 57117	SHARED SERVICES	115,373

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 ➤2

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	5,362			
	e	Government grants (contributions)	1e	154,289			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	38,411			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		198,062			
	Program Service Revenue	2a	NET PATIENT & RESIDENT	622110	16,868,517	16,868,517	
b		SUPPORTING REVENUE	900099	318,579	318,579		
c		DAYCARE REVENUE	624410	128,799	128,799		
d		INTEREST IN AVERA HEAL	900099	79,464	79,464		
e		MEALS ON WHEELS	624210	25,125	25,125		
f		All other program service revenue					
g		Total. Add lines 2a-2f . . . . .		17,420,484			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts) . . . . .		62,855		
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties . . . . .					
	6a	Gross Rents	(i) Real 17,123	(ii) Personal			
	b	Less rental expenses					
	c	Rental income or (loss)	17,123				
	d	Net rental income or (loss) . . . . .		17,123			17,123
	7a	Gross amount from sales of assets other than inventory	(i) Securities 363,863	(ii) Other			
	b	Less cost or other basis and sales expenses		67			
	c	Gain or (loss)	363,863	-67			
	d	Net gain or (loss) . . . . .		363,796			363,796
	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				
	b	Less cost of goods sold . . . . .	b				
	c	Net income or (loss) from sales of inventory . .					
	Miscellaneous Revenue	Business Code					
11a							
b							
c							
d	All other revenue . . . . .						
e	Total. Add lines 11a-11d . . . . .						
12	Total revenue. See Instructions . . . . .		18,062,320	17,420,484	0	443,774	

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	10,644	10,644		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	8,000	8,000		
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 . . . . .	633,483	295,217	338,266	
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	7,175,846	6,493,312	682,534	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	327,753	299,390	28,363	
9	Other employee benefits . . . . .	1,450,850	1,286,505	164,345	
10	Payroll taxes . . . . .	494,479	431,878	62,601	
a	Fees for services (non-employees)				
	Management . . . . .	227,736		227,736	
b	Legal . . . . .				
c	Accounting . . . . .	95,981		95,981	
d	Lobbying . . . . .				
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .	9,101		9,101	
g	Other . . . . .	655,935	606,516	49,419	
12	Advertising and promotion . . . . .	48,110	6,697	41,413	
13	Office expenses . . . . .	2,522,502	2,017,872	504,630	
14	Information technology . . . . .	24,893	789	24,104	
15	Royalties . . . . .				
16	Occupancy . . . . .	264,661	264,661		
17	Travel . . . . .	62,789	45,740	17,049	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	32,802	16,237	16,565	
20	Interest . . . . .	98,203	98,203		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	716,375	716,375		
23	Insurance . . . . .	131,374	131,374		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a	BAD DEBT PROVISION	243,148	243,148		
b	EQUIPMENT LEASE AND REN	91,875	85,491	6,384	
c	SALES TAX AND LICENSES	37,206	37,206		
d					
e					
f	All other expenses	124,011	51,082	72,929	
25	Total functional expenses. Add lines 1 through 24f	15,487,757	13,146,337	2,341,420	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				1	
	2	Savings and temporary cash investments . . . . .			1,401,751	2	1,457,070
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			1,882,845	4	1,731,462
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .			261,105	8	262,504
	9	Prepaid expenses and deferred charges . . . . .			70,005	9	216,246
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	17,222,009	8,232,361	10c	7,851,336
	b	Less: accumulated depreciation . . . . .	10b	9,370,673			
	11	Investments—publicly traded securities . . . . .			582,810	11	514,374
	12	Investments—other securities. See Part IV, line 11 . . . . .			9,499,294	12	13,112,882
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			149,114	15	143,436
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			22,079,285	16	25,289,310
Liabilities	17	Accounts payable and accrued expenses . . . . .			1,258,017	17	1,200,414
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .			2,560,000	20	2,315,000
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .				23	
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .			1,030,000	25	800,000
	26	Total liabilities. Add lines 17 through 25 . . . . .			4,848,017	26	4,315,414
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			17,037,727	27	20,743,528
	28	Temporarily restricted net assets . . . . .			149,064	28	185,503
	29	Permanently restricted net assets . . . . .			44,477	29	44,865
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			17,231,268	33	20,973,896
	34	Total liabilities and net assets/fund balances . . . . .			22,079,285	34	25,289,310

Part XI

Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☒

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	18,062,320
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	15,487,757
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	2,574,563
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	17,231,268
5	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	5	1,168,065
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	6	20,973,896

Part XII

Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☒

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .	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 separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .	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	

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

2010

Open to Public  
Inspection

Name of the organization ST BENEDICT HOSPITAL INC	Employer identification number 46-0226738
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. 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—2009. 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—2010. 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—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 section501(c)(3) organization, check this box and <b>stop here</b> 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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 <b>stop here</b> . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. 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 <b>stop here</b> . 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 explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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

2010

Open to Public  
Inspection

Name of the organization

ST BENEDICT HOSPITAL INC

Employer identification number

46-0226738

Part I

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

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

Part II

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

1

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

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

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ 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

▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2010

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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☒ Yes

☐ No

b

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

	Amount
1c	273
1d	26,822
1e	25,424
1f	1,671

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 . . . . .	44,477	43,913	40,478	
b	Contributions . . . . .				
c	Investment earnings or losses . . . . .	388	564	3,435	
d	Grants or scholarships . . . . .				
e	Other expenditures for facilities and programs . . . . .				
f	Administrative expenses . . . . .				
g	End of year balance . . . . .	44,865	44,477	43,913	

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

(i) unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii) related organizations . . . . .

3a(ii)

☐ Yes

☐

b

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

3b

☐ Yes

☐

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		22,181		22,181
b Buildings . . . . .		10,047,629	4,306,296	5,741,333
c Leasehold improvements . . . . .				
d Equipment . . . . .		6,924,731	4,949,208	1,975,523
e Other . . . . .		227,468	115,169	112,299
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				7,851,336

Schedule D (Form 990) 2010



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	18,062,320
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	15,487,757
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,574,563
4	Net unrealized gains (losses) on investments	4	1,169,386
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-1,321
9	Total adjustments (net) Add lines 4 - 8	9	1,168,065
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	3,742,628

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	19,185,679
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	1,169,386
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	1,169,386
3	Subtract line 2e from line 1 . . . . .	3	18,016,293
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	46,027
c	Add lines 4a and 4b . . . . .	4c	46,027
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	18,062,320

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	15,487,757
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	15,487,757
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	15,487,757

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 1B	FUNDS ARE HELD ON BEHALF OF THE RESIDENTS
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ORGANIZATION'S ENDOWMENT CONSISTS OF A PORTION OF THEIR INTEREST IN THE NET ASSETS OF 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
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CENTER HAS IMPLEMENTED THE PROVISIONS OF FASB ACCOUNTING STANDARDS CODIFICATION TOPIC ASC 740-10 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, 2011 AND 2010, THE UNRECOGNIZED TAX BENEFIT ACCRUAL WAS ZERO
PART XI, LINE 8 - OTHER ADJUSTMENTS		EQUITY TRANSFERS -1,321
PART XII, LINE 4B - OTHER ADJUSTMENTS		CHANGE IN INTEREST OF AVERA HEALTH FOUNDATION REPORTED IN FUND BAL FOR F/S 36,827 CONTRIBUTIONS REPORTED IN FUND BALANCE ON FINANCIAL STATEMENTS 9,200

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

2010

Open to Public Inspection

**Name of the organization**  
ST BENEDICT HOSPITAL INC

**Employer identification number**  
46-0226738

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheets 1 and 2)	1	21	142,000		142,000	0 930 %
b Unreimbursed Medicaid (from Worksheet 3, column a)	1		2,474,177	2,134,842	339,335	2 230 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs . . . . .	2	21	2,616,177	2,134,842	481,335	3 160 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	43		93,932		93,932	0 620 %
f Health professions education (from Worksheet 5)	6		105,467	8,100	97,367	0 640 %
g Subsidized health services (from Worksheet 6)	2		2,437,527	1,924,836	512,691	3 360 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	2	250	9,419		9,419	0 060 %
j Total Other Benefits . . . . .	53	250	2,646,345	1,932,936	713,409	4 680 %
k Total. Add lines 7d and 7j	55	271	5,262,522	4,067,778	1,194,744	7 840 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(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	1	58,754		58,754	0 390 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy	2	379	2,488	-2,109	0 %
8	Workforce development					
9	Other					
10	Total	3	59,133	2,488	56,645	0 390 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did 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	116,291
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0
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 a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	4,827,933
6	Enter Medicare allowable costs of care relating to payments on line 5	6	4,779,571
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	48,362
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.		
<input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

## Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

**Schedule H (Form 990) 2010**



Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 5

Name and address		Type of Facility (Describe)
1	AVERA BORMANN MANOR 501 NORTH 4TH STREET PARKSTON, SD 57366	NURSING HOME
2	AVERA BORMANN MANOR 501 NORTH 4TH STREET PARKSTON, SD 57366	NURSING HOME
3	AVERA BORMANN MANOR 501 NORTH 4TH STREET PARKSTON, SD 57366	NURSING HOME
4	AVERA BORMANN MANOR 501 NORTH 4TH STREET PARKSTON, SD 57366	NURSING HOME
5	AVERA BORMANN MANOR 501 NORTH 4TH STREET PARKSTON, SD 57366	NURSING HOME
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 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 financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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 )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 3C THE ORGANIZATION ALSO LOOKS AT A COMBINATION OF INCOME, ASSETS, AND EXPENSES TO DETERMINE WHAT PERCENTAGE OF CHARITY CARE AN INDIVIDUAL WOULD QUALIFY FOR

Identifier	ReturnReference	Explanation
		PART I, 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

Identifier	ReturnReference	Explanation
		PART I, LINE 7 CHARITY CARE EXPENSE, LINE 7A, WAS CONVERTED TO COST BASED ON AN OVERALL COST-TO-CHARGE RATIO ADDRESSING ALL PATIENT SEGMENTS UNREIMBURSED MEDICAID, LINE 7B, WAS CALCULATED USING THE COSTING METHODS TO PREPARE THE COST REPORTS FOR THE HOSPITAL AND CLINICS UNREIMBURSED MEDICAID FOR LONG-TERM CARE - BORMANN MANOR AND ASSISTED LIVING WAS CONVERTED TO COST USING THE MEDICAID COST REPORT RATIO OF MEDICAID UTILIZATION TO OVERALL COST COMMUNITY HEALTH IMPROVEMENT SERVICES, LINE 7E, HEALTH PROFESSIONS EDUCATION, LINE 7F, AND CASH AND IN-KIND CONTRIBUTIONS, LINE 7I ARE REPORTED BASED ON ACTUAL EXPENSES RECORDED IN THE ORGANIZATION'S GENERAL LEDGER THE COST FOR SUBSIDIZED HEALTH SERVICES, LINE 7G, WAS DETERMINED USING THE MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE AMOUNT OF BAD DEBT EXPENSE REMOVED FROM TOTAL EXPENSES TO DETERMINE THE PERCENTAGE WAS \$ 243,148

Identifier	ReturnReference	Explanation
		<p>PART II AVERA ST BENEDICT HEALTH CENTER (ASBHC) OPERATES A COMMUNITY DAYCARE PROVIDING A SAFE ENVIRONMENT FOR THE CHILDREN AND IT OPERATES AT A LOSS LOWER INCOME FAMILIES ARE PROVIDED A SAFE AND AFFORDABLE PLACE FOR THEIR CHILDREN WHILE NOT ALL THE FAMILIES ARE LOWER INCOME, THE ORGANIZATION SEES THIS AS A COMMUNITY NEED AS THERE IS NO OTHER FACILITY IN THE AREA AND THE COMMUNITY AS A WHOLE WOULD STRUGGLE TO FIND DAYCARE FOR THEIR CHILDREN DESPITE OPERATING AT A LOSS, THE BOARD OF DIRECTORS IS COMMITTED TO PROVIDING THE SERVICE TO THE COMMUNITY ASBHC PROVIDES TRANSPORTATION TO THE RESIDENTS OF AVERA BORMANN MANOR THE TRANSPORTATION INCLUDES PHYSICIAN VISITS AND GETTING MEDICATION AND SUPPLIES WITHOUT THIS SERVICE THESE INDIVIDUALS WOULD BE AT RISK OF NOT GETTING TO THEIR APPOINTMENTS OR OBTAINING THE SUPPLIES THEY NEED EMPLOYEES OF ASBHC SERVE A FOOD PANTRY CALLED THE LOVE FEAST IN MITCHELL, SD THIS GROUP OF EMPLOYEES WORKS AN EVENING MEAL FOR THOSE IN NEED PROPER NUTRITION FOR THESE INDIVIDUALS IN ESSENTIAL FOR HEALTH AND WITHOUT THIS SERVICE MANY WOULD GO HUNGRY OR NOT GET A BALANCED MEAL, IN TURN AFFECTING THEIR HEALTH AND WELLNESS</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 THE ORGANIZATION'S BAD DEBT EXPENSE AT COST WAS CALCULATED USING THE EXPENSE REPORTED ON THE FINANCIAL STATEMENTS AND APPLYING THE COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2 THE ORGANIZATION DID NOT ESTIMATE THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY AS THE ORGANIZATION WORKS HARD AT ENCOURAGING PEOPLE TO APPLY AND MAKES ADJUSTMENTS TO BAD DEBT EXPENSE BASED ON RECOMMENDATIONS OF THE COLLECTION AGENCY OR REVIEWS OF BAD DEBT FOR THOSE WHO QUALIFY UNDER CHARITY CARE BAD DEBT EXPENSE IS REPORTED NET OF DISCOUNTS AND CONTRACTUAL ALLOWANCES A PAYMENT ON AN ACCOUNT PREVIOUSLY WRITTEN OFF REDUCES BAD DEBT EXPENSE IN THE CURRENT YEAR FINANCIAL STATEMENT NOTE THE CARRYING AMOUNT OF PATIENT AND RESIDENT RECEIVABLES IS REDUCED BY A VALUATION ALLOWANCE THAT REFLECTS MANAGEMENT'S BEST 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</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 TOTAL REVENUE RECEIVED FROM MEDICARE AND THE MEDICARE ALLOWABLE COSTS ARE REPORTED FROM THE MEDICARE COST REPORT THE MEDICARE COST REPORT IS COMPLETED BASED ON THE RULES AND REGULATIONS SET FORTH BY CMS



Identifier	ReturnReference	Explanation
		PART III, LINE 9B IF THE PATIENT QUALIFIES FOR THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY FOR LOW-INCOME, UNINSURED PATIENTS AND IS COOPERATING WITH THE ORGANIZATION WITH REGARD TO EFFORTS TO SETTLE AN OUTSTANDING BILL WITHIN A REASONABLE TIME PERIOD, THE ORGANIZATION OR ITS AGENT SHALL NOT SEND, NOR INTIMATE THAT IT WILL SEND, THE UNPAID BILL TO ANY OUTSIDE COLLECTION AGENCY AT SUCH TIME AS THE ORGANIZATION SENDS THE UNCOLLECTED ACCOUNT TO AN OUTSIDE COLLECTION AGENCY, THE AMOUNT REFERRED TO THE AGENCY SHALL REFLECT THE REDUCED-PAYMENT LEVEL FOR WHICH THE PATIENT WAS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY FOR LOW-INCOME, UNINSURED PATIENTS AVERA DOES NOT REPORT ANY DATA TO ANY OF THE CREDIT AGENCIES, HOWEVER, THE COLLECTION AGENCIES AVERA UTILIZES MAY REPORT TO THE CREDIT AGENCIES ANY EXTENDED PAYMENT PLANS OFFERED BY ST BENEDICT HEALTH CENTER, OR THE HEALTH CENTER'S REPRESENTATIVE, IN SETTLING THE OUTSTANDING BILLS OF PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE SHALL BE INTEREST-FREE SO LONG AS THE REPAYMENT SCHEDULE IS MET

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 COMMUNITY NEEDS ARE EVALUATED AND ASSESSED ON AN ON-GOING BASIS IN SEVERAL WAYS ASBHC HAS COMPLETED A FORMAL "NEEDS ASSESSMENTS" SEVERAL TIMES OVER THE COURSE OF THE PAST SEVERAL YEARS THIS HAS BEEN ACCOMPLISHED WITH INPUT FROM FOCUS GROUPS, SURVEYS, SHORT AND LONG RANGE PLANNING BY THE HEALTH CENTER BOARD, REGULAR MEETINGS WITH THE PROVIDER STAFF, AND COLLABORATION WITH THE LOCAL SCHOOL AND CHURCHES, AS WELL AS LOCAL LAW ENFORCEMENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PATIENTS ARE INFORMED OF THE FINANCIAL ASSISTANCE/CHARITY CARE POLICY THROUGH BROCHURES AT THE REGISTRATION DESKS OF THE HOSPITAL AND CLINICS ASBHC HAS STAFF IN CENTRAL REGISTRATION THAT IDENTIFY IF A PATIENT IS ABLE TO PAY FOR SERVICES THROUGH INSURANCE OR OTHERWISE IF THEY IDENTIFY ON THE FRONT END THAT THE PATIENT NEEDS ASSISTANCE, THE PATIENT IS CONNECTED TO A REPRESENTATIVE IN PATIENT FINANCIAL SERVICES WHO CAN ASSIST WITH DETERMINING WHAT BENEFITS THE PATIENT MAY QUALIFY FOR AND HELP THEM APPLY FOR ANY BENEFITS IF THERE IS NO OPTION FOR AN OUTSIDE ASSISTANCE PROGRAM, THE PATIENT IS INFORMED OF AND ENCOURAGED TO COMPLETE THE APPLICATION THAT UTILIZES A COMBINATION OF INCOME, ASSETS, AND EXPENSES TO DETERMINE WHAT PERCENTAGE OF CHARITY CARE THEY WOULD QUALIFY FOR

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 ASBHC IS LOCATED WITHIN THE COMMUNITY OF PARKSTON, SD AND HAS HEALTH SERVICES AVAILABLE IN THE SURROUNDING COMMUNITIES OF TRIPP, AND LAKE ANDES, SD TRIPP IS ABOUT 12 MILES SOUTH OF PARKSTON, IN HUTCHINSON COUNTY, SD AND LAKE ANDES IS ABOUT 40 MILES SOUTHWEST OF PARKSTON IN CHARLES MIX COUNTY, SD AND SERVES A COMMUNITY THAT IS OVER 50% NATIVE AMERICAN THE AREA'S PRIMARY INDUSTRY IS AGRICULTURE THERE ARE 4 HOSPITALS WITHIN A 30 MILE RADIUS OF ASBHC ASBHC ALSO SERVES APPROXIMATELY SIX OR SEVEN HUTTERITE COLONIES THE SERVICE AREA EXTENDS ABOUT 10 MILES TO THE NORTH OF PARKSTON, 15 TO 20 MILES BOTH EAST AND WEST AND THEN TO THE SOUTHWEST AS FAR AS 40 MILES TO REACH LAKE ANDES THE SERVICE AREA IS ESTIMATED TO BE NEAR 8,000 PEOPLE THE LAST CENSUS TAKEN IN 2000 NOTES THAT THE AVERAGE PERCENTAGE OF INDIVIDUALS OVER 65 YEARS OF AGE IS 23 1% FOR ALL THREE CITIES SERVED THE AVERAGE PERCENTAGE OF INDIVIDUALS BELOW POVERTY LEVEL IS 24 5% AVERAGE PER CAPITA INCOME FOR THE SERVICE AREA IS APPROXIMATELY \$13,500 ALSO INCLUDED IN THE COMMUNITY IS A GROUP ADOLESCENT HOME THAT HAS AN ONGOING CENSUS OF UP TO 40 YOUNG PEOPLE WHO HAVE BEEN EITHER EMOTIONALLY OR PHYSICALLY ABUSED OR HAVE BEEN ORDERED BY THE COURTS TO RESIDE AT THIS RESIDENTIAL TREATMENT CENTER</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 THE ORGANIZATION'S GOVERNING BODY IS COMPRISED OF VOLUNTEER MEMBERS WHO RESIDE IN THE COMMUNITY THE BOARD OF DIRECTORS MEETS MONTHLY AND HAS COMMUNITY REPRESENTATION THAT BRINGS FORWARD ISSUES RELATIVE TO CHALLENGES, NEEDS AND SERVICES WITHIN THE COMMUNITY THE LOCAL MINISTERIAL GROUP MEETS MONTHLY AT THE HOSPITAL AND ALSO IDENTIFIES NEEDS AND GAPS WITHIN THE PARISHONERS THEY SERVE MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY THE MEDICAL STAFF, INCLUDING THE PHYSICIANS/MID-LEVELS/DEPARTMENT DIRECTORS, HAVE THE OPPORTUNITY TO MEET MONTHLY AND ALSO DISCUSS WAYS TO MEET THE NEEDS OF THE COMMUNITY THEY SERVE SURPLUS FUNDS ARE REINVESTED IN FACILITIES TO IMPROVE PATIENT CARE THE HOSPITAL OPERATES AN EMERGENCY ROOM THAT IS AVAILABLE TO ALL, REGARDLESS OF ABILITY TO PAY ASBHC HAS A FITNESS CENTER ON CAMPUS THAT IS AVAILABLE TO HELP THE COMMUNITY FOCUS ON WELLNESS AND PREVENTION THIS ENDEAVOR IS SUBSIDIZED BY THE FACILITY TO IMPROVE THE HEALTH AND WELL BEING OF THE COMMUNITY AS A WHOLE THE CHAPLAINCY MISSION SERVICES PARTICIPANTS AND SPEARHEADS MANY COMMUNITY PROJECTS INCLUDING AN ANGEL TREE AT CHRISTMAS TO ADDRESS THE NEEDS OF CHILDREN IN OUR SERVICE AREA ASBHC ALSO DONATES TO THE LOCAL FOOD PANTRY AND PURCHASES, PREPARES, AND SERVES A MEAL TO THE LOVE FEAST IN MITCHELL, SD ANNUALLY WHICH SERVES A MEAL TO 300 PLUS PEOPLE IN NEED OF NUTRITION AT THAT EVENT, BAGS OF GROCERIES ARE PROVIDED TO THE FAMILIES IN NEED THAT ARE IN ATTENDANCE TO TAKE HOME THERE ARE SEVERAL OTHER PROJECTS OF THIS NATURE ON A SMALLER SCALE AT THE LOCAL SCHOOL SYSTEM ASBHC DONATES TO COMMUNITY EVENTS SUCH AS AMERICAN CANCER SOCIETY PROJECTS AND SPONSORS HEALTH RELATED EDUCATIONAL PROGRAMS TO THE COMMUNITY AT LARGE</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 THE COMMUNITIES IN WHICH AVERA OPERATES ALL HAVE UNIQUE HEALTH AND COMMUNITY BENEFIT NEEDS AND IN KEEPING WITH THE CATHOLIC HEALTHCARE ASSOCIATION GUIDELINES EACH HOSPITAL STRIVES TO MEET ITS COMMUNITY'S IDENTIFIED NEEDS THE AVERA SYSTEM'S CENTRAL OFFICE ADVOCATES FOR ALL ON COMMUNITY BENEFIT RELATED MATTERS OF STATE, REGIONAL, AND NATIONAL IMPORTANCE

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

2010

Open to Public  
Inspection

Name of the organization  
ST BENEDICT HOSPITAL INC

Employer identification number  
46-0226738

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. Part II can be duplicated if additional space is needed. . . . . ☐

1 (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
(1) MITCHELL AREA DEVELOPMENT CORP601 N MAIN ST MITCHELL,SD 57301	46-0374983	501(C)(3)	5,000				ECONOMIC DEVELOPMENT

2

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

1

3

Enter total number of other organizations . . . . .

0

Part IIIGrants 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
(1) TUITION SCHOLARSHIP	2	8,000			

Part IVSupplemental 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 ST BENEDICT HEALTH CENTER'S BOARD OF DIRECTORS SELECTS TWO MEDICAL STUDENTS EACH YEAR FOR A SCHOLARSHIP THE HEALTH CENTER PAYS THE SCHOOL TO PROVIDE CREDIT TO THE STUDENT'S TUITION BILL THE ORGANIZATION ALSO PROVIDES DONATIONS TO OTHER NON-PROFIT ORGANIZATIONS IN FURTHERANCE OF COMMUNITY DEVELOPMENT



Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization ST BENEDICT HOSPITAL INC	Employer identification number 46-0226738
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Part I

Questions Regarding Compensation

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

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

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

**Note.** The sum of columns (B)(i)-(iii) 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				
(1) RICHARD HONKE MD	(i)	281,510	0	2,789	11,750	12,038	308,087	0
	(ii)	0	0	0	0	0	0	0
(2) GALE WALKER	(i)	173,944	0	3,719	8,947	15,829	202,439	0
	(ii)	0	0	0	0	0	0	0
(3) DR TONI VANDERPOL	(i)	216,571	0	315	10,879	5,799	233,564	0
	(ii)	0	0	0	0	0	0	0
(4) KEN TRAVNICEK	(i)	220,010	0	2,598	11,300	11,871	245,779	0
	(ii)	0	0	0	0	0	0	0
(5) JASON WICKERSHAM	(i)	225,722	0	278	11,784	12,251	250,035	0
	(ii)	0	0	0	0	0	0	0
(6) BETH SCHROEDER	(i)	153,067	0	558	8,797	12,347	174,769	0
	(ii)	0	0	0	0	0	0	0
( 7 )								
( 8 )								
( 9 )								
( 10 )								
( 11 )								
( 12 )								
( 13 )								
( 14 )								
( 15 )								
( 16 )								

**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
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Schedule K  
(Form 990)

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
ST BENEDICT HOSPITAL INC

Employer identification number  
46-0226738

Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CITY OF PARKSTON	46-6000348		05-10-2005	2,500,000	SERIES 2005 - 2005 ISSUE - EQUIPMENT LEASE		X		X		X

Part II Proceeds												
					A		B		C		D	
1	Amount of bonds retired				720,000							
2	Amount of bonds legally defeased											
3	Total proceeds of issue				2,500,000							
4	Gross proceeds in reserve funds											
5	Capitalized interest from proceeds											
6	Proceeds in refunding escrow											
7	Issuance costs from proceeds											
8	Credit enhancement from proceeds											
9	Working capital expenditures from proceeds											
10	Capital expenditures from proceeds				2,500,000							
11	Other spent proceeds											
12	Other unspent proceeds											
13	Year of substantial completion				2005							
					Yes	No						
14	Were the bonds issued as part of a current refunding issue?					X						
15	Were the bonds issued as part of an advance refunding issue?					X						
16	Has the final allocation of proceeds been made?				X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?				X							

Part III Private Business Use									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part VSupplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization ST BENEDICT HOSPITAL INC	Employer identification number 46-0226738
--	--

Identifier	Return Reference	Explanation
NEW PROGRAM SERVICES	FORM 990, PART III, LINE 2	INTEGRATION OF BEHAVIORAL HEALTH SERVICES WITH PRIMARY CARE PROVIDERS WITH A LICENSED PROFESSIONAL COUNSELOR

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		KEITH GOEHRING AND GERALD MOEGE HAVE A FAMILY RELATIONSHIP

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3		THE ORGANIZATION UTILIZES THE MANAGEMENT SERVICES OF AVERA QUEEN OF PEACE FOR DAY-TO-DAY OPERATIONS OF THE FACILITY



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		<p>AVERA HEALTH HAS THE FOLLOWING RIGHTS AS THE MEMBER 1) TO APPROVE THE ADOPTION, A MENDMENT OR REPEAL OF THE STATEMENTS OF PHILOSOPHY, MISSION AND VALUES OF CORPORATION, 2) TO INITIATE THE ADOPTION, A MENDMENT 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</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B		THERE IS NO COMMITTEE WITH AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE RETURN IS REVIEWED BY THE PRESIDENT & CEO AND THE CFO AFTER THEIR REVIEW, IT IS PRESENTED TO THE BOARD MEMBERS FOR REVIEW THE 990 WILL BE FILED AFTER THE BOARD HAS REVIEWED IT

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 15A	THE PRESIDENT AND CEO OF AVERA QUEEN OF PEACE INITIATES THE ANNUAL REVIEW FOR THE CEO HE SENDS OUT EVALUATION FORMS TO THE BOARD OF ST BENEDICT'S COMPARATIVE DATA FROM AVERA HEALTH SYSTEM IS USED TO DEVELOP A RECOMMENDED COMPENSATION STRUCTURE THE COMPENSATION FOR THE CEO IS APPROVED BY AVERA ST BENEDICT'S BOARD THIS IS DONE ON AN ANNUAL BASIS, USUALLY IN JANUARY COMPENSATION FOR THE CFO IS DETERMINED BY THE CEO THE CEO EVALUATES COMPENSATION USING COMPARATIVE COMPENSATION DATA FROM SD HOSPITAL ASSOCIATION AND MARKET ANALYSIS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT MADE AVAILABLE TO THE GENERAL PUBLIC THE ORGANIZATION'S FINANCIAL STATEMENTS ARE ATTACHED TO THE FORM 990 PER IRS INSTRUCTIONS AND THEREFORE AVAILABLE TO THE GENERAL PUBLIC



Identifier	Return Reference	Explanation
	FORM 990, PART VII	IN ADDITION TO THE HOURS SERVED AT ST BENEDICT HEALTH CENTER, THE FOLLOWING SERVED RELATED ORGANIZATIONS SR MARY JAEGER SERVED THE FOLLOWING ORGANIZATIONS 7 HOURS PER WEEK AVERA ST ANTHONY - 1, AVERA WORKERS' COMPENSATION TRUST - 1, AND AVERA HEALTH - 5 DIANE SANDHOFF SERVED ST BENEDICT HEALTH CENTER FOUNDATION 30 HOURS PER WEEK GALE WALKER SERVED ST BENEDICT HEALTH CENTER FOUNDATION 50 HOURS PER WEEK RITA BLASIOUS SERVED ST BENEDICT HEALTH CENTER FOUNDATION 50 HOURS PER WEEK

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 1,169,386 EQUITY TRANSFERS - 1,321 TOTAL TO FORM 990, PART XI, LINE 5 1,168,065

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE AUDIT COMMITTEE OF AVERA HEALTH, PARENT ORGANIZATION, SELECTS THE AUDITOR AND REVIEWS THE AUDITED FINANCIAL STATEMENTS FOR ST BENEDICT HEALTH CENTER

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

2010

Open to Public Inspection

Name of the organization  
ST BENEDICT HOSPITAL INC

Employer identification number  
46-0226738

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	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ACCOUNTS MANAGEMENT INC 5132 S CLIFF AVENUE SUITE 101 SIOUX FALLS, SD57108 46-0373021	COLLECTION AGENCY	SD	N/A	C			
(2) AVERA HEALTH PLANS INC 3900 WEST AVERA DRIVE SUITE 101 SIOUX FALLS, SD57108 46-0451539	HEALTH FINANCING AND HEALTH PLAN ADMIN	SD	N/A	C			
(3) AVERA PROPERTY INSURANCE INC 510 W 23RD STREET PO BOX 38 YANKTON, SD57078 46-0463155	INSURANCE	SD	N/A	C			
(4) 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, 35A, or 36.)

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

Yes

No

No

Yes

No

No

Yes

Yes

No

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	(d) Method of determining amount involved
(1) ST BENEDICT HEALTH CENTER FOUNDATION			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]

**Part VII**   **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 46-0226738

Name: ST BENEDICT HOSPITAL INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
AVERA HEALTH  3900 WEST AVERA DRIVE SUITE 300 SIOUX FALLS, SD57108 46-0422673	PROMOTION OF HEALTH	SD	501(C)(3)	LINE 9	N/A		No
ST BENEDICT HEALTH CENTER FOUNDATION  401 WEST GLYNN DRIVE PO BOX B PARKSTON, SD57366 46-0458725	SUPPORT OF HEALTH RELATED SERVICES	SD	501(C)(3)	LINE 11A, I	ST BENEDICT HEALTH CENTER	Yes	
AVERA WORKERS' COMPENSATION TRUST  3900 WEST AVERA DRIVE SIOUX FALLS, SD57108 46-0407148	ECONOMICAL COVERAGE OF WORKERS' COMPENSATION CLAIMS	SD	501(C)(3)	LINE 11B, II	AVERA HEALTH		No
AVERA ST ANTHONY'S HOSPITAL  300 N 2ND STREET ONEILL, NE68763 47-0463911	HEALTHCARE SERVICES	NE	501(C)(3)	LINE 3	AVERA HEALTH		No
AVERA HOLY FAMILY  826 NORTH 8TH STREET ESTHERVILLE, IA51334 42-0680370	HEALTHCARE SERVICES	IA	501(C)(3)	LINE 3	AVERA HEALTH		No
AVERA HOLY FAMILY FOUNDATION  826 NORTH 8TH STREET ESTHERVILLE, IA51334 42-1317452	SUPPORT OF HOLY FAMILY HOSPITAL AND HOME HEALTH AGENCY	IA	501(C)(3)	LINE 9	AVERA HOLY FAMILY		No
AVERA MCKENNAN  1325 S CLIFF AVE PO BOX 5045 SIOUX FALLS, SD57117 46-0224743	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
AVERA QUEEN OF PEACE HOSPITAL  525 NORTH FOSTER STREET MITCHELL, SD57301 46-0224604	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
SACRED HEART HEALTH SERVICES  501 SUMMIT STREET YANKTON, SD57078 46-0225483	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
SACRED HEART RURAL HEALTH CLINICS INC  501 SUMMIT STREET YANKTON, SD57078 46-0423930	CLINIC SERVICES	SD	501(C)(3)	LINE 3	SACRED HEART HEALTH SERVICES		No
HEALTH MANAGEMENT SERVICES  501 SUMMIT STREET YANKTON, SD57078 46-0399291	ADULT DAYCARE AND HOMEMAKING SERVICES	SD	501(C)(3)	LINE 9	SACRED HEART HEALTH SERVICES		No
LEWIS AND CLARK HEALTH EDUCATION AND SERVICE AGENCY  1000 W 4TH ST SUITE 9 YANKTON, SD57078 46-0337013	HEALTHCARE EDUCATION	SD	501(C)(3)	LINE 9	SACRED HEART HEALTH SERVICES		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
AVERA ST LUKE'S  305 SOUTH STATE STREET ABERDEEN, SD57401 46-0224598	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
AVERA MARSHALL  300 S BRUCE ST MARSHALL, MN56258 41-0919153	HEALTHCARE SERVICES	MN	501(C)(3)	LINE 3	AVERA HEALTH		No
AVERA MARSHALL FOUNDATION  300 S BRUCE ST MARSHALL, MN56258 41-1784801	FUNDRAISING	MN	501(C)(3)	LINE 7	AVERA MARSHALL		No







Financial Statements  
June 30, 2011 and 2010

# Avera St. Benedict Health Center

# Avera St. Benedict Health Center

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June 30, 2011 and 2010

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## Independent Auditor's Report

The Board of Directors  
Avera St. Benedict Health Center  
Parkston, South Dakota

We have audited the accompanying balance sheets of Avera St. Benedict Health Center (Center) as of June 30, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avera St. Benedict Health Center as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Sioux Falls, South Dakota  
September 27, 2011

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,457,070	\$ 1,401,751
Assets limited as to use	272,447	274,772
Receivables		
Patient and resident, net of estimated uncollectibles, admission policy charity, and other allowances of \$1,680,000 in 2011 and \$1,765,000 in 2010	1,692,038	1,841,913
Other	39,424	40,932
Supplies	262,504	261,105
Prepaid expenses	216,246	70,005
Total current assets	<u>3,939,729</u>	<u>3,890,478</u>
Assets Limited as to Use		
Under indenture agreement	514,374	521,063
By Board for capital improvements and debt redemption	12,714,983	9,245,306
Interest in net assets of Avera Health Foundation	518,103	438,639
	<u>13,747,460</u>	<u>10,205,008</u>
Less current portion	<u>(272,447)</u>	<u>(274,772)</u>
Noncurrent assets limited as to use	<u>13,475,013</u>	<u>9,930,236</u>
Property and Equipment	<u>7,851,336</u>	<u>8,232,361</u>
Other Assets		
Deferred financing costs, net of accumulated amortization of \$45,155 in 2011 and \$42,177 in 2010	<u>23,232</u>	<u>26,210</u>
	<u>\$ 25,289,310</u>	<u>\$ 22,079,285</u>

See Notes to Financial Statements



Avera St. Benedict Health Center

Balance Sheets

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 250,000	\$ 245,000
Accounts payable		
Trade	219,918	289,762
Estimated third-party payors settlements	800,000	1,030,000
Accrued expenses		
Salaries and wages	319,896	304,072
Paid time-off benefits	584,900	586,978
Interest	22,447	29,772
Payroll taxes and fringe benefits	<u>53,253</u>	<u>47,433</u>
Total current liabilities	2,250,414	2,533,017
Long-Term Debt, Less Current Maturities	<u>2,065,000</u>	<u>2,315,000</u>
Total liabilities	<u>4,315,414</u>	<u>4,848,017</u>
Net Assets		
Unrestricted	20,743,528	17,037,727
Temporarily restricted	185,503	149,064
Permanently restricted	<u>44,865</u>	<u>44,477</u>
Total net assets	<u>20,973,896</u>	<u>17,231,268</u>
	<u><u>\$ 25,289,310</u></u>	<u><u>\$ 22,079,285</u></u>

Avera St. Benedict Health Center  
Statements of Operations  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted Revenue, Gains and Other Support		
Net patient and resident service revenue	\$ 16,868,517	\$ 16,018,776
Other revenue	<u>711,866</u>	<u>633,294</u>
Total unrestricted revenue, gains and other support	<u>17,580,383</u>	<u>16,652,070</u>
Expenses		
Salaries and wages	7,918,863	7,801,627
Employee benefits	2,313,557	2,215,629
Professional fees	58,944	68,624
Purchased services	821,991	736,230
Supplies	1,607,464	1,675,989
Other expenses	941,250	888,734
Repairs and maintenance	321,443	299,192
Insurance	131,374	138,510
Utilities and telephone	315,145	321,821
Interest	98,203	130,946
Depreciation	716,375	804,935
Provision for bad debts	<u>243,148</u>	<u>174,431</u>
Total expenses	<u>15,487,757</u>	<u>15,256,668</u>
Operating Income	<u>2,092,626</u>	<u>1,395,402</u>
Other Income (Loss)		
Investment income	1,550,723	354,034
Change in interest in net assets of Avera Health Foundation	42,637	25,234
Unrestricted contributions	12,003	17,779
(Loss) gain on disposal of equipment	<u>(67)</u>	<u>58,634</u>
Other income, net	<u>1,605,296</u>	<u>455,681</u>
Revenues in Excess of Expenses	3,697,922	1,851,083
Contributions Restricted for Purchases of Property and Equipment	9,200	5,031
Equity Transfers	<u>(1,321)</u>	<u>(1,176)</u>
Increase in Unrestricted Net Assets	<u><u>\$ 3,705,801</u></u>	<u><u>\$ 1,854,938</u></u>

Avera St. Benedict Health Center  
Statements of Changes in Net Assets  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted Net Assets		
Revenues in excess of expenses	\$ 3,697,922	\$ 1,851,083
Contributions restricted for purchases of property and equipment	9,200	5,031
Equity transfers	<u>(1,321)</u>	<u>(1,176)</u>
Increase in unrestricted net assets	<u>3,705,801</u>	<u>1,854,938</u>
Temporarily Restricted Net Assets		
Change in interest in net assets of Avera Health Foundation	<u>36,439</u>	<u>11,529</u>
Permanently Restricted Net Assets		
Change in interest in net assets of Avera Health Foundation	<u>388</u>	<u>564</u>
Increase in Net Assets	3,742,628	1,867,031
Net Assets, Beginning of Year	<u>17,231,268</u>	<u>15,364,237</u>
Net Assets, End of Year	<u><u>\$ 20,973,896</u></u>	<u><u>\$ 17,231,268</u></u>

Avera St. Benedict Health Center  
Statements of Cash Flows  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Activities		
Change in net assets	\$ 3,742,628	\$ 1,867,031
Adjustments to reconcile change in net assets to net cash from operating activities		
Loss (gain) on disposal of equipment	67	(58,634)
Depreciation and amortization	719,353	808,063
Change in unrealized gains and losses on investments	(1,169,386)	(212,698)
Undistributed portion of change in interest in net assets of Avera Health Foundation	(79,464)	(37,327)
Equity transfers	1,321	1,176
Changes in assets and liabilities		
Receivables	151,383	852,466
Supplies	(1,399)	(13,659)
Prepaid expenses	(146,241)	856
Accounts payable	(299,844)	195,195
Accrued expenses	12,241	110,405
Net Cash from Operating Activities	<u>2,930,659</u>	<u>3,512,874</u>
Investing Activities		
Purchase of property and equipment	(335,417)	(545,857)
Proceeds from disposal of equipment	-	375,028
Increase in assets limited as to use	<u>(2,293,602)</u>	<u>(2,867,020)</u>
Net Cash used for Investing Activities	<u>(2,629,019)</u>	<u>(3,037,849)</u>
Financing Activities		
Capital transfers	(1,321)	(1,176)
Repayment of long-term debt	<u>(245,000)</u>	<u>(245,000)</u>
Net Cash used for Financing Activities	<u>(246,321)</u>	<u>(246,176)</u>
Net Increase in Cash and Cash Equivalents	55,319	228,849
Cash and Cash Equivalents, Beginning of Year	<u>1,401,751</u>	<u>1,172,902</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,457,070</u>	<u>\$ 1,401,751</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 98,050</u>	<u>\$ 126,197</u>

## **Note 1 - Organization and Significant Accounting Policies**

### **Organization**

Avera St. Benedict Health Center (Center) operates a 25-bed critical access hospital, a 47-bed nursing home, a 28-bed assisted living center and rural health clinics located in Parkston, Tripp and Lake Andes, South Dakota. The Center is organized as a South Dakota nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center operates under the tenets of the Roman Catholic Church and in accordance with the philosophy and values established for Avera Health, the sole member of the Center and a sponsored ministry of the Benedictine and Presentation Sisters.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use.

### **Patient and Resident Receivables**

Patient and resident receivables are uncollateralized patient, resident and third-party payor obligations. Unpaid patient and resident receivables, excluding amounts due from third-party payors, with invoice dates over 90 days old have interest assessed at 1 percent per month. These interest charges are recognized as income when received.

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.

The carrying amount of patient and resident receivables is reduced by a valuation allowance that reflects management's best 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.

### **Supplies**

Supplies are valued at lower of cost (first in, first out) or market.

### **Investments and Investment Income**

Investments with readily determinable market values are stated at fair value. The fair value of all debt and equity securities with readily determinable fair values are based on quotations obtained from national and foreign securities exchanges. The fair value of certificates of deposit is recorded at historical cost, plus accrued interest. Investment income or loss (including interest income, dividends, net changes in unrealized gains and losses, and net realized gains and losses) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Investment income on funds held under indenture agreements is recorded as other operating revenue while all other investment income is recorded as nonoperating revenue in the statement of operations.

The Center participates in the Avera Pooled Investment Fund, a fund administered by Avera Health. The Pooled Investment Fund has a portion of its holdings in alternative investments, which are not readily marketable. These alternative investments include partnerships and other interests that invest in hedge funds, real asset funds, and private equity/venture capital funds, among others. Certain alternative investments held within Avera Pooled investment Fund include liquidity and redemption limitations. Alternative investments representing less than 3% ownership interest are carried at cost, subject to an annual review for impairment. Alternative investments representing greater than 3% ownership interest are recorded using the equity method. Investment income, including interest, dividends, realized gains and losses, and unrealized gains and losses are allocated to participants of the Avera Pooled Investment Fund.

### **Assets Limited as to Use**

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements and debt redemption over which the Board retains control and may, at its discretion, subsequently use for other purposes; assets held by trustees under an indenture agreement and assets held by the Avera Health Foundation. Assets limited as to use that are required for obligations classified as current liabilities are reported in current assets.

### **Cash Surrender Value of Life Insurance**

Cash surrender value of life insurance is measured at fair value which represents the amount of cash available through settlement of life insurance contracts as of the date of the balance sheet.

### **Fair Value Measurements**

The Center has determined the fair value of certain assets and liabilities in accordance with the guidance provided by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820 - 10, which provides a framework for measuring fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

FASB ASC 820 - 10 establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

### **Property and Equipment**

Property and equipment acquisitions in excess of \$5,000 for the hospital and \$1,000 for the nursing home are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	3-25 years
Buildings and improvements	5-40 years
Equipment	3-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets, and are excluded from revenues in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or acquired long-lived assets are placed in service.

### **Deferred Financing Costs**

Deferred financing costs are amortized over the period the related obligation is outstanding using the effective interest method and the straight-line method. Amortization of deferred financing costs is included in interest expense in the financial statements.

### **Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those whose use by the Center has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Center in perpetuity.

### **Interest in Net Assets of Avera Health Foundation**

Avera Health Foundation, an affiliate of the Center, solicits contributions and holds funds on behalf of the Center. The Center's interest in these funds is recorded in assets limited as to use in the accompanying financial statements. Changes in the funds held by the Foundation are recorded as changes in interest in net assets of Avera Health Foundation in the accompanying financial statements.

### **Revenues in Excess of Expenses**

Revenues in excess of expenses excludes transfers of assets to and from related parties for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

### **Net Patient and Resident Service Revenue**

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient and resident service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

### **Charity Care**

To fulfill its mission of community service, the Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient and resident service revenue.

### **Donor-Restricted Gifts**

Unconditional promises to give cash and other assets to the Center are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulated time restriction or purpose restriction are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the statement of operations.

### **Advertising Costs**

The Center expenses advertising costs as incurred.

### **Income Taxes**

The Center is organized as a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The Center has implemented the provisions of FASB Accounting Standards Codification Topic ASC 740-10. 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, 2011 and 2010, the unrecognized tax benefit accrual was zero.



### **Subsequent Events**

The Center has evaluated subsequent events through September 27, 2011, the date which the financial statements were available to be issued.

### **Note 2 - Charity Care and Community Benefit**

The Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy and equivalent service statistics. These amounts do not include those services that are provided to patients and residents covered by Medicare, Medicaid, state agencies, county, and other third-party payors where less than full charges are received.

The amounts of charges forgone, based on established rates, were \$230,323 and \$141,861 for the years ended June 30, 2011 and 2010.

The Center also provides community health benefit activities at less than or at no cost to support those in the area served. These activities include, but are not limited to, community education programs; clinic services and special programs for the elderly, handicapped, and medically underserved; and a variety of broad community support activities. During the years ended June 30, 2011 and 2010, examples of the specific activities included meals delivered to residential homes; senior resource programs for billing assistance; meeting facilities; programs for patient and families suffering from cancer, diabetes, breathing disorders, mental illness, and others; assistance to health educators; emergency healthcare providers; wellness programs and reduced priced sports medicine services.

### **Note 3 - Net Patient and Resident Service Revenue**

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows.

**Medicare – Hospital:** The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most inpatient and outpatient services on a cost based methodology with final settlement determined after submission of annual cost reports by the Center and are subject to audits thereof by the Medicare intermediary. The Center's Medicare cost reports have been audited by the Medical fiscal intermediary through the year ended June 30, 2009.

**Medicare – Clinics:** The clinics are designated as Provider Based Rural Health Clinics by the Medicare program. As a result, clinical services rendered to Medicare program beneficiaries are reimbursed at cost.

**Medicaid:** Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Clinical and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Center is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Center and audits thereof by the Medicaid program. The Center's Medicaid cost reports have been settled by the Medicaid program through June 30, 2007.

**Wellmark - Blue Cross:** Services rendered to Wellmark - Blue Cross subscribers are reimbursed under prospectively determined percentage of charges and fixed payment rate methodologies.

**Medicare and Medicaid – Nursing Home:** The Center participates in the Medicare program for which payments for resident services is made on a prospectively determined per diem rate which varies based on a case-mix resident classification system. The Center is reimbursed for Medicaid nursing home resident services at established billing rates which are determined on a cost-related basis subject to certain limitations as prescribed by the South Dakota Department of Social Services regulations. These rates are subject to retroactive adjustment by field audit.

The Center has also entered into payment agreements with certain commercial and managed care insurance carriers and other organizations. The basis for payment to the Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is an ongoing level of uncertainty relative to the estimated liability for prior period cost reports. There is a reasonable possibility that recorded estimates will change by a material amount in the near term.

A summary of patient and resident service revenue and contractual adjustment for the years ended June 30, 2011 and 2010, is as follows:

	2011	2010
Total patient and resident service revenue	\$ 23,490,308	\$ 22,691,627
Contractual adjustments		
Medicare	4,491,912	4,649,038
Medicaid	1,031,261	947,447
Blue Cross	232,727	234,196
Other	865,891	842,170
Total contractual adjustments	6,621,791	6,672,851
Net patient and resident service revenue	\$ 16,868,517	\$ 16,018,776

**Note 4 - Investments and Investment Income**

**Assets Limited as to Use**

The composition of assets limited as to use at June 30, 2011 and 2010, is set forth in the following table.

	2011	2010
Under indenture agreements - held by trustee		
Cash and cash equivalents	\$ 164,374	\$ 171,063
Certificate of Deposit	350,000	350,000
	514,374	521,063
Less amount shown as current	272,447	274,772
	<u>\$ 241,927</u>	<u>\$ 246,291</u>
By Board for capital improvements and debt redemption		
Certificates of deposit	\$ -	\$ 61,747
Interest in Pooled Investment Fund *	12,594,779	9,060,655
Cash surrender value of life insurance	118,200	117,991
Interest receivable	2,004	4,913
	<u>\$ 12,714,983</u>	<u>\$ 9,245,306</u>
Interest in net assets of Avera Health Foundation		
Interest in Pooled Investment Fund *	<u>\$ 518,103</u>	<u>\$ 438,639</u>

**Pooled Investment Fund \***

The Center is a participant in the Avera Pooled Investment Fund, a fund administered by Avera Health that is maintained for the benefit of facilities that are sponsored, operated, or managed by Avera Health. Investments are made in conformity with the objectives and guidelines of the Avera Health Pooled Investment Committee. Within the fund, facilities share in a pool of investments that are managed by various fund managers. Asset valuation and income and losses of the fund are allocated to participating members based on the carrying amount of their investment in the fund. The Pooled Investment Fund includes investments in securities that are measured at fair value using inputs under the guidance provided by FASB ASC 820-10. The Pooled Investment Fund also contains investments that are recorded at historical cost or under the equity method as described in the Fund's investment policy.

As of June 30, 2011 and 2010, the valuations of investments within the Avera Pooled Investment Fund were as follows:

	2011	2010
Fair value - Level 1 inputs	56.7%	49.0%
Fair value - Level 2 inputs	27.9%	34.4%
Fair value - Level 3 inputs	0.0%	0.0%
Cost basis or equity method	15.4%	16.6%
	<u>100.0%</u>	<u>100.0%</u>

As of June 30, 2011 and 2010, the Avera Pooled Investment Fund assets consisted of the following types of investments:

	2011	2010
Publicly traded equity mutual funds	21.0%	12.1%
US Treasury and Agency obligations	13.4%	18.9%
Publicly traded equity securities	13.2%	12.9%
Non-publicly traded alternative investments		
Hedge fund	10.1%	9.9%
Real asset	5.4%	6.7%
Foreign stocks	8.5%	7.5%
Publicly traded fixed income mutual funds	7.3%	6.2%
Cash and short-term investments	6.7%	10.3%
Corporate bonds	5.2%	5.8%
Institutional equity mutual funds	3.8%	3.6%
Institutional fixed income mutual funds	2.7%	3.2%
Other fixed income	2.7%	2.9%
	<u>100.0%</u>	<u>100.0%</u>

### Investment Income

Investment income and gains and losses on assets limited as to use, cash equivalents, and other investments consist of the following for the years ended June 30, 2011 and 2010:

	2011	2010
Other revenue		
Interest income	<u>\$ 17,473</u>	<u>\$ 21,252</u>
Other income		
Interest, dividends and realized gains on investments	\$ 381,337	\$ 141,336
Change in unrealized gains and losses on investments	<u>1,169,386</u>	<u>212,698</u>
	<u>\$ 1,550,723</u>	<u>\$ 354,034</u>

**Note 5 - Fair Value Measurements**

Assets measured at fair value on a recurring basis at June 30, 2011 and 2010, respectively, are as follows:

	2011	2010
Cash equivalents included in assets limited as to use	\$ 164,374	\$ 171,063

The related fair values of these assets are determined as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2011			
Cash equivalents	\$ 164,374	\$ -	\$ -
June 30, 2010			
Cash equivalents	\$ 171,063	\$ -	\$ -

The fair value for these securities is determined by reference to quoted market prices.

**Note 6 - Property and Equipment**

A summary of property and equipment at June 30, 2011 and 2010, follows:

	2011		2010	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 22,181	\$ -	\$ 22,181	\$ -
Land improvements	227,468	115,169	178,629	106,207
Buildings and improvements	10,047,629	4,306,296	9,962,592	4,043,273
Equipment	6,924,731	4,949,208	6,867,963	4,649,524
	<u>\$ 17,222,009</u>	<u>\$ 9,370,673</u>	<u>\$ 17,031,365</u>	<u>\$ 8,799,004</u>
Net property and equipment		<u>\$ 7,851,336</u>		<u>\$ 8,232,361</u>

**Note 7 - Leases**

The Center leases certain equipment and clinic space under noncancelable long-term lease agreements. Total lease expense for the years ended June 30, 2011 and 2010, for all operating leases was \$91,875 and \$86,612.

Minimum future lease payments for the operating leases are as follows:

<u>Year Ending June 30,</u>	
2012	\$ 50,046
2013	12,396
2014	12,396
2015	12,396
2016	12,396
	<hr/>
	\$ 99,630
	<hr/> <hr/>

**Note 8 - Long Term Debt**

Long-term debt consists of:

	<u>2011</u>	<u>2010</u>
Series 1993, revenue refunding bonds, 4.25%, due in varying annual installments to 2014	\$ 295,000	\$ 380,000
Series 2001, revenue refunding bonds, 6.23% for five years, then recalculated every five years according to a preset formula, due in varying annual installments to 2016. Interest rate to be adjusted in October 2011.	240,000	280,000
Series 2005, revenue refunding bonds, 3.50% for five years, then recalculated every five years according to a preset formula, due in varying annual installments to 2025. Interest rate to be adjusted in May 2015.	1,780,000	1,900,000
	<hr/> 2,315,000	<hr/> 2,560,000
Less current maturities	(250,000)	(245,000)
	<hr/> <hr/> \$ 2,065,000	<hr/> <hr/> \$ 2,315,000

Long-term debt maturities are as follows:

<u>Years Ending June 30,</u>	
2012	\$ 250,000
2013	260,000
2014	265,000
2015	160,000
2016	170,000
Thereafter	<u>1,210,000</u>
	<u><u>\$ 2,315,000</u></u>

Substantially all of the Center's assets at June 30, 2011 and 2010, are pledged as collateral for debt obligations.

Under the terms of the revenue bonds loan agreements, the Center is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use in the financial statements. Assets that are available for obligations classified as current liabilities are reported in current assets. The loan agreements also place limits on the incurrence of additional borrowings and require that the Center satisfy certain measures of financial performance as long as the bonds are outstanding.

#### **Note 9 - Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Funds restricted for capital projects and various health care programs, including home health, hospice, and other services	<u>\$ 185,503</u>	<u>\$ 149,064</u>

Permanently restricted net assets at June 30, 2011 and 2010, are restricted to:

	<u>2011</u>	<u>2010</u>
Investments to be held in perpetuity, the income from which is expendable to support scholarships and other health care services	<u>\$ 44,865</u>	<u>\$ 44,477</u>

#### **Note 10 - Endowment**

The Center's endowment consists 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 Center's permanently restricted endowment funds are donor restricted and totaled \$44,865 and \$44,477 at June 30, 2011 and 2010, respectively.

#### **Interpretation of Relevant Law**

The Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation.



Changes in Endowment Net Assets for the years ended June 30, 2011 and 2010 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2009	\$ -	\$ -	\$ 43,913	\$ 43,913
Change in interest in net assets of Avera Health Foundation	-	-	564	564
Endowment net assets, June 30, 2010	-	-	44,477	44,477
Change in interest in net assets of Avera Health Foundation	-	-	388	388
Endowment net assets, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,865</u>	<u>\$ 44,865</u>

#### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Center to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies that were deemed material as of June 30, 2011.

#### Return Objectives and Risk Parameters

Through its affiliation with the Avera Health Foundation, the Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for a donor-specified period. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that meet the price and yield investment returns established by the Avera Pooled Investment Committee while assuming a moderate level of investment risk. The Center expects its endowment funds with the Avera Health Foundation, over time, to provide an average rate of return of approximately 6%-8% annually. Actual returns in any given year may vary from this amount.

#### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation including equity securities, fixed-income securities, hedge funds, and private equity to achieve its long-term return objectives within prudent risk constraints.

### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Avera Health Foundation Board of Directors determines the annual spending rate and distribution amounts based on a review of the average market value of the endowment funds over the most recent 20 quarters. Local governing boards review the spending rate and distribution information and determine if payouts that would invade the corpus would be fiscally responsible.

### Note 11 - Self-Insurance Programs

The Center participates in various self-insured programs administered by Avera Health, including pooled-risk workers' compensation, and employee health and dental insurance.

Under the programs, Avera Health has recognized an exposure to possible liability in an amount necessary to reasonably provide for the expected losses of the participants. The amount of the exposure, as determined by independent actuaries in consultation with Avera Health for the workers' compensation program and actuarial templates in the case of health and dental insurance, has been funded by payments into a custodial account to be used for payment of claims and related expenses.

The programs include a combination of self-insurance and commercial insurance. The expenses of the Center for contributions to the self-insurance portion of the programs were as follows for the years ended June 30, 2011 and 2010:

	2011	2010
Health and dental	\$ 1,344,069	\$ 1,252,136
Workers' compensation	79,427	72,274

Workers' compensation claims have been asserted against the participating facilities and the program by various claimants. The claims are in various stages of processing and some may ultimately be brought to trial. Counsel is unable to conclude as to the ultimate outcome of the actions. There are other known incidents occurring through June 30, 2011, that may result in the assertion of additional claims and other claims may be asserted arising from services provided in the past.

There are also known health insurance claims that have been submitted subsequent to June 30, 2011, and it is likely there are also other claims that still have not been submitted for services provided prior to June 30, 2011.

While it is possible that the settlement of asserted claims and claims which may be asserted in the future could result in liabilities in excess of amounts for which the programs have provided, management believes that the excess liability, if any, should not materially affect the financial position of the Center at June 30, 2011.

### Note 12 - Pension Plan

Substantially all employees are covered by a noncontributory defined contribution pension plan whereby the Center contributes up to 4% of eligible covered compensation and a maximum of 5% if the employee voluntarily contributes 3%. Total pension expense was \$345,046 and \$363,222 for the years ended June 30, 2011 and 2010.

**Note 13 - Malpractice Insurance**

The Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and \$3 million annual aggregate. The Center is also insured under an excess umbrella liability policy with a limit of \$35 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

**Note 14 - Related Party Transactions**

Avera Health and its sponsors, the Benedictine and Presentation Sisters, operate various health care related organizations in addition to the Center. Material transactions between the Center and these related organizations were as follows for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Payments to related organizations recorded by the Center:		
Management and other services	\$ 579,596	\$ 527,456
Workers' compensation insurance program	79,427	72,274
Health and dental insurance	1,344,069	1,252,136
Balance Sheets:		
Accounts payable	24,700	82,807
Health insurance premiums	147,268	33,045

**Note 15 - Concentrations of Credit Risk**

The Center grants credit without collateral to its patients and residents, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors, patients and residents at June 30, 2011 and 2010, was as follows:

	<u>2011</u>	<u>2010</u>
Medicare	39%	41%
Commercial insurance	29%	31%
Self pay and other	23%	19%
Medicaid	9%	9%
	<u>100%</u>	<u>100%</u>

The Center's cash balances are maintained in various bank deposit accounts. At various times during the years ended June 30, 2011 and 2010, the balances of these deposits were in excess of federally-insured limits.

**Note 16 - Functional Expenses**

The Center provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended June 30, 2011 and 2010:

	2011	2010
Health care services	\$ 13,093,702	\$ 12,883,726
General and administrative	2,394,055	2,372,942
	<u>\$ 15,487,757</u>	<u>\$ 15,256,668</u>



Supplementary Information  
June 30, 2011 and 2010

**Avera St. Benedict Health Center**



### **Independent Auditor's Report on Supplementary Information**

The Board of Directors  
Avera St. Benedict Health Center  
Parkston, South Dakota

We have audited the financial statements of Avera St. Benedict Health Center as of and for the years ended June 30, 2011 and 2010 and have issued our report thereon dated September 27, 2011, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The statistical information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sioux Falls, South Dakota  
September 27, 2011

**Avera St. Benedict Health Center**  
**Operational, Statistical and Financial Highlights**  
**Years Ended June 30:**

	2011	2010	2009	2008	2007
<b>Hospital</b>					
Patient days (1)					
Medicare	799	930	802	847	925
Non-Medicare	362	391	374	471	531
	<u>1,161</u>	<u>1,321</u>	<u>1,176</u>	<u>1,318</u>	<u>1,456</u>
Swing Bed patient days	<u>1,872</u>	<u>1,249</u>	<u>1,463</u>	<u>1,728</u>	<u>1,462</u>
Newborn patient days	<u>61</u>	<u>75</u>	<u>87</u>	<u>47</u>	<u>85</u>
Discharges (1)					
Medicare	236	271	229	230	271
Non-Medicare	128	123	121	188	169
	<u>364</u>	<u>394</u>	<u>350</u>	<u>418</u>	<u>440</u>
Most frequent year-end routine service rates					
Basic room charge	\$ 1,154 00	\$ 1,099 00	\$ 999 00	\$ 934 00	\$ 863 00
Nursery	760 00	723 00	657 00	614 00	584 00
<b>Nursing Home</b>					
Resident days					
Medicare	77	-	-	-	-
Medicaid	8,171	8,490	9,661	9,419	8,622
Other	8,807	8,247	7,154	7,234	7,884
	<u>17,055</u>	<u>16,737</u>	<u>16,815</u>	<u>16,653</u>	<u>16,506</u>
Assisted living days					
Medicaid	4,957	3,983	3,645	3,236	2,687
Other	4,385	5,010	5,594	6,065	6,039
	<u>9,342</u>	<u>8,993</u>	<u>9,239</u>	<u>9,301</u>	<u>8,726</u>
<b>Collection Statistics</b>					
No. of days gross charges outstanding	52	58	90	67	64
Uncollectible accounts (2)	\$ 519,353	\$ 365,982	\$ 419,356	\$ 289,711	\$ 170,112
Percentage of uncollectible accounts to total charges	2.2%	1.6%	2.0%	1.4%	0.9%
<b>Financial Statistics</b>					
Percentage of operating income to total unrestricted revenue, gains, and other support	11.9%	8.4%	5.6%	6.6%	9.4%
Percentage of revenues in excess of expenses to total unrestricted revenue, gains, and other support	21.0%	11.1%	1.5%	7.8%	15.0%

(1) Excludes swingbed and nursery.

(2) Includes collection fees, provisions for bad debts and charity allowance.