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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

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

C Name of organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2501 WEST 26TH STREET

City or town, state or country, and ZIP + 4
SIOUX FALLS, SD 571052498

D Employer identification number
46-0233030

E Telephone number
(605) 336-1840

G Gross receipts $ 24,199,901

F Name and address of principal officer
DAVID TIMPE
2501 WEST 26TH STREET
SIOUX FALLS, SD 571052498

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW CCHS ORG

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

L Year of formation 1952

M State of legal domicile SD

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTH CARE, THERAPY, AND EDUCATION SERVICES TO CHILDREN WITH DISABILITIES AND CHRONIC HEALTH CARE NEEDS IN SURROUNDING AREA

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	681
6	Total number of volunteers (estimate if necessary)	**6**	571
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,840,676	1,713,302
9	Program service revenue (Part VIII, line 2g)	22,595,760	22,360,319
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13,631	22,240
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	90,156	72,629
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	24,540,223	24,168,490
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	8,000	8,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	18,665,879	17,912,106
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶20,259		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	5,961,048	6,219,406
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	24,634,927	24,139,512
19	Revenue less expenses Subtract line 18 from line 12	-94,704	28,978

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	20,738,406	19,363,545
21	Total liabilities (Part X, line 26)	10,766,670	9,002,617
22	Net assets or fund balances Subtract line 21 from line 20	9,971,736	10,360,928

Part II Signature Block

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

Sign Here

****** | 2012-05-14
Signature of officer | Date

DAVID TIMPE INTERIM PRESIDENT/CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
LAURIE HANSON	LAURIE HANSON	2012-05-14	☐	

Firm's name ▶ EIDE BAILLY LLP — Firm's EIN ▶

Firm's address ▶ 200 EAST 10TH STREET PO BOX 5125
SIOUX FALLS, SD 571175125 — Phone no ▶ (605) 339-1999

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

CHILDREN'S CARE HOSPITAL AND SCHOOL PROVIDES EXCELLENCE IN FAMILY-CENTERED SERVICES FOR CHILDREN WITH SPECIAL HEALTH CARE AND EDUCATION NEEDS

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 21,384,625 including grants of $) (Revenue $ 22,360,319)

CHILDREN'S CARE HOSPITAL & SCHOOL (CCHS), WITH LOCATIONS IN SIOUX FALLS AND RAPID CITY, SD, TREATED AN ESTIMATED 1,917 CHILDREN WITH SPECIAL NEEDS IN ALL OF ITS PROGRAMS LAST FISCAL YEAR 147 CHILDREN WERE SERVED THROUGH INPATIENT AND DAY PROGRAMS AT CCHS IN SIOUX FALLS, SD CHILDREN WERE MOSTLY FROM SOUTH DAKOTA, WITH SOME CHILDREN FROM MINNESOTA, IOWA, NEBRASKA, AND ALASKA ALSO SERVED SERVICES INCLUDE THERAPIES (PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH-LANGUAGE PATHOLOGY, RESPIRATORY THERAPY, MUSIC THERAPY, AND BEHAVIOR THERAPY), NURSING CARE, AUDIOLOGY, PSYCHOLOGY, AND SPECIAL EDUCATION SPECIAL EDUCATION IS OFFERED THROUGH CLASSROOMS FOR CHILDREN OF DIFFERENT AGES AND VARIOUS DIAGNOSES STUDENTS INCLUDE THOSE IN RESIDENCE AT CHILDREN'S CARE PLUS DAY STUDENTS OTHER PROFESSIONALS OFFERING SERVICES INCLUDE A SOCIAL WORKER, A DIETITIAN, AN AUDIOLOGIST, A SCHOOL PSYCHOLOGIST, BEHAVIOR ANALYSTS, BEHAVIOR THERAPISTS, AND A COUNSELOR CHILDREN'S CARE HAS FIVE BOARD CERTIFIED BEHAVIOR ANALYSTS, THE MOST OF ANY ORGANIZATION IN THE STATE AVERAGE DAILY CENSUS FOR 2010-2011 WAS 66 9 FOR INPATIENT, AND 30 4 FOR DAY PROGRAMS THE EXTENDED SCHOOL YEAR (ESY) PROGRAM OFFERS SUMMER SCHOOL FOR CHILDREN WHO NEED YEAR ROUND SCHOOLING, BUT WHOSE SCHOOL DISTRICTS DO NOT OFFER THAT SERVICE OUTPATIENT SERVICES WERE OFFERED FROM CHILDREN'S CARE CENTERS IN SIOUX FALLS AND RAPID CITY THERAPIES (PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH-LANGUAGE PATHOLOGY) ARE THE MAIN SERVICES OFFERED AT THESE SITES, PLUS ORTHOTIC & PROSTHETIC SERVICES, ASSISTIVE TECHNOLOGY SERVICES, AND SEATING AND POSITIONING AND POWERED MOBILITY SERVICES OTHER SERVICES OFFERED WHEELCHAIR SEATING AND POSITIONING EVALUATIONS, DURABLE MEDICAL EQUIPMENT SALES AND SERVICE (SIOUX FALLS ONLY), ESPECIALLY POWER WHEEL CHAIRS AND OTHER MOBILITY DEVICES, AUDIOLOGY, ADAPTIVE AQUATICS (SIOUX FALLS ONLY), AND SUMMER SKILLS "CAMPS" FOR CHILDREN AND SOME ADULTS WITH SPECIAL NEEDS MANY ADULTS ARE ALSO SERVED THROUGH ORTHOTIC, PROSTHETIC, AND DURABLE MEDICAL EQUIPMENT SERVICES FREE AUTISM SCREENINGS ARE OFFERED IN SIOUX FALLS AS AN OUTPATIENT SERVICE, AND FULL AUTISM EVALUATIONS ARE PROVIDED BY OUR MULTIDISCIPLINARY AUTISM EVALUATION TEAM, LED BY A PEDIATRIC PSYCHIATRIST THE TEAM (TONE EVALUATION AND MANAGEMENT) CLINIC FOR CHILDREN WITH CEREBRAL PALSY IS LED BY TWO PHYSICIANS IN RAPID CITY, OUR PSYCHOLOGIST OFFERS SCREENINGS FOR AUTISM SPECTRUM DISORDERS, DEVELOPMENTAL DELAYS, ADHD, AND OTHER PSYCHOLOGICAL DISORDERS COMMON IN CHILDREN HE ALSO OFFERS DIRECT PSYCHOTHERAPY FOR CHILDREN OUTPATIENT AND OUTREACH PROGRAMS ARE COLLECTIVELY REFERRED TO AS COMMUNITY-BASED PROGRAMS, AND SERVED A TOTAL OF ABOUT 1,770 CHILDREN LAST FISCAL YEAR OUTREACH PROVIDES SERVICES TO CHILDREN IN THEIR OWN ENVIRONMENT-THEIR HOME, SCHOOL, OR DAYCARE CENTER PROFESSIONALS FROM SIOUX FALLS AND RAPID CITY DROVE OVER 457,596 MILES LAST FISCAL YEAR ACROSS SOUTH DAKOTA PROVIDING SERVICES TO CHILDREN, INCLUDING PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPY, AUDIOLOGY SERVICES, AND CONSULTATION IN SCHOOL PSYCHOLOGY AND SPECIAL EDUCATION IN HOME BEHAVIOR THERAPY IS AN OUTREACH SERVICE OFFERED BY OUR SIOUX FALLS CENTER IT PROVIDES ONE-ON-ONE BEHAVIORAL THERAPY IN THE CHILD'S HOME, AND PROVIDES TRAINING AND CONSULTATION FOR PARENTS

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

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

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

4e **Total program service expenses** ▶ $ 21,384,625

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	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
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		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	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, line10? *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		No
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		No
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	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, 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	Yes	
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? **Note.** 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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**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	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		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? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**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)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	43		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	681		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		14b		

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

Check if Schedule O contains a response 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	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Does the organization have members or stockholders?		6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
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		No
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 ▶ MN

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

JOHN CLARK
2501 WEST 26TH STREET
SIOUX FALLS, SD 571052498
(605) 782-2337

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) GEOFFREY T TUFTY MD CHAIR	1 00	X		X				0	0	0
(2) WILLIAM F DUHAMEL PHD VICE CHAIR	1 00	X		X				0	0	0
(3) DAVID TIMPE SECRETARY/TREASURER	1 00	X		X				0	0	0
(4) JAMES M ROBL PAST CHAIR	1 00	X		X				0	0	0
(5) CLAUDIA L VUCUREVICH DIRECTOR	1 00	X						0	0	0
(6) MOLLY MCCARTHY DIRECTOR	1 00	X						0	0	0
(7) H CHIP CARLSON III DIRECTOR	1 00	X						0	0	0
(8) KENT S ALBERTY DIRECTOR	1 00	X						0	0	0
(9) DAN LAROCK DIRECTOR	1 00	X						0	0	0
(10) J PAT COSTELLO DIRECTOR	1 00	X						0	0	0
(11) P DANIEL DONOHUE DIRECTOR	1 00	X						0	0	0
(12) JAYNA VOSS DIRECTOR/CCF CHAIR	1 00	X						0	0	0
(13) JERRY FLANAGAN DIRECTOR/CCF PAST CHAIR	1 00	X						0	0	0
(14) DIANNA RAJSKI PRESIDENT & CEO (NON-VOTING)	40 00			X				173,102	0	16,551
(15) JOHN CLARK VP FINANCE	40 00			X				123,192	0	18,029
(16) KIMBERLY MARSO VP CLINICAL SERVICE	40 00					X		127,574	0	13,618

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(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			
(17) LON CLEMENSEN VP ADM SUPPORT	40 00					X		127,457	0	13,830
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								551,325	0	62,028

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 4

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SANFORD HOSPITAL PO BOX 5039 SIOUX FALLS, SD 571175039	RESP THERAPY, IT SVCS	542,720
SANFORD CHILDREN'S SPECIALTY CLINIC PO BOX 5039 SIOUX FALLS, SD 571175039	PHYSICIAN SERVICES	200,476

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	317,446				
	d Related organizations . . . 1d	1,142,215				
	e Government grants (contributions) 1e	144,415				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	109,226				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		1,713,302			
Program Service Revenue		Business Code				
	2a PATIENT/RESIDENT FEES	623000	22,068,431	22,068,431		
	b OTHER SERVICE REVENUE	900099	291,888	291,888		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		22,360,319			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		12,571			12,571
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real / (ii) Personal				
	6a Gross Rents	65,804 /				
	b Less rental expenses	/				
	c Rental income or (loss)	65,804 /				
	d Net rental income or (loss) . . . . . ▶		65,804			65,804
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	/ 15,923				
	b Less cost or other basis and sales expenses	/ 6,254				
	c Gain or (loss)	/ 9,669				
	d Net gain or (loss) . . . . . ▶		9,669			9,669
Other Revenue	8a Gross income from fundraising events (not including $ 317,446 of contributions reported on line 1c) See Part IV, line 18 . . . a	19,407				
	b Less direct expenses . . . b	19,407				
	c Net income or (loss) from fundraising events . . ▶		0			
	9a Gross income from gaming activities See Part IV, line 19 . a	12,575				
	b Less direct expenses . . . . . b	5,750				
	c Net income or (loss) from gaming activities . . ▶		6,825			6,825
	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 . . . ▶		24,168,490	22,360,319	0	94,869

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	8,000	8,000		
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	345,155	111,801	213,095	20,259
7 Other salaries and wages	13,969,341	13,039,462	929,879	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	372,942	341,123	31,819	
9 Other employee benefits	1,775,545	1,416,545	359,000	
10 Payroll taxes	1,449,123	1,287,215	161,908	
a Fees for services (non-employees) Management				
b Legal	109,024		109,024	
c Accounting	64,211		64,211	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees				
g Other	702,973	580,462	122,511	
12 Advertising and promotion	81,297	4,358	76,939	
13 Office expenses	361,724	197,992	163,732	
14 Information technology	254,584		254,584	
15 Royalties				
16 Occupancy	701,098	681,060	20,038	
17 Travel	163,279	156,476	6,803	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	86,552	58,707	27,845	
20 Interest	408,563	408,563		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,551,394	1,551,394		
23 Insurance	182,325	149,098	33,227	
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 OTHER SUPPLIES	933,871	927,585	6,286	
b MAINTENANCE AND REPAIR	235,062	138,459	96,603	
c MISCELLANEOUS	162,911	162,911		
d BAD DEBTS	132,557	132,557		
e DUES AND SUBSCRIPTIONS	57,151	22,438	34,713	
f All other expenses	30,830	8,419	22,411	
25 **Total functional expenses.** Add lines 1 through 24f	24,139,512	21,384,625	2,734,628	20,259
26 **Joint costs.** Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		3,060,476	2	4,198,381
	3	Pledges and grants receivable, net		126,902	3	82,128
	4	Accounts receivable, net		6,276,049	4	4,532,855
	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		61,472	8	65,101
	9	Prepaid expenses and deferred charges		43,324	9	37,773
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 25,561,122			
	b	Less accumulated depreciation	10b 15,245,275	11,027,087	10c	10,315,847
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		143,096	15	131,460
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		20,738,406	16	19,363,545
Liabilities	17	Accounts payable and accrued expenses		1,738,741	17	540,399
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		8,556,178	20	8,037,283
	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		471,751	24	424,935
	25	Other liabilities Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		10,766,670	26	9,002,617
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		9,670,409	27	9,827,281
	28	Temporarily restricted net assets		284,556	28	516,876
	29	Permanently restricted net assets		16,771	29	16,771
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		9,971,736	33	10,360,928
	34	Total liabilities and net assets/fund balances		20,738,406	34	19,363,545

Part XI Reconcilliation 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	24,168,490
2	Total expenses (must equal Part IX, column (A), line 25)	2	24,139,512
3	Revenue less expenses Subtract line 2 from line 1	3	28,978
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	9,971,736
5	Other changes in net assets or fund balances (explain in Schedule O)	5	360,214
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	10,360,928

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

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?

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

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

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

Part II **Support Schedule for Organizations Described in 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 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 **stop here** ▶☐

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 **stop here.** 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 **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the 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).

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
CHILDREN'S CARE HOSPITAL AND SCHOOL	46-0233030

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		851
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		46,634
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			47,485
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	CHILDREN'S CARE HOSPITAL AND SCHOOL (CCHS) CONTRACTS FOR LOBBYING SERVICES THE LOBBYIST IS IN DIRECT CONTACT WITH LEGISLATORS, THEIR STAFFS AND GOVERNMENT OFFICIALS DURING THE STATE'S 35-40 DAY LEGISLATIVE SESSION THE LOBBYIST HELPS CCHS DEFINE ISSUES AND MAKE CONTACT WITH APPROPRIATE LEGISLATIVE AND EXECUTIVE BRANCH PERSONNEL TO MAKE SURE THEY TRULY UNDERSTAND HOW ISSUES THAT MAY BE IN FRONT OF THEM WILL AFFECT CCHS LOBBYING REVOLVES AROUND PROPOSED BUDGETARY ISSUES AS WELL AS ADVOCATING FOR THE WELFARE OF PEOPLE SERVED BY CCHS DUES PAID TO OTHERS FOR LOBBYING IS THE LOBBYING PORTION OF DUES PAID TO SOUTH DAKOTA ASSOCIATION OF HEALTHCARE ORGANIZATIONS FOR THE FISCAL YEAR JULY 1, 2010 THROUGH JUNE 30, 2011

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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
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

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

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XIV

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

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

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		430,216		430,216
b Buildings		18,427,362	10,435,084	7,992,278
c Leasehold improvements				
d Equipment		6,454,367	4,682,106	1,772,261
e Other		249,177	128,085	121,092
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				10,315,847

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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	24,168,490
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	24,139,512
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	28,978
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	360,214
9	Total adjustments (net) Add lines 4 - 8	9	360,214
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	389,192

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	26,392,175
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	2,223,270		
e	Add lines **2a** through **2d**			2e	2,223,270
3	Subtract line **2e** from line **1**			3	24,168,905
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	-415		
c	Add lines **4a** and **4b**			4c	-415
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	24,168,490

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

1	Total expenses and losses per audited financial statements			1	26,512,588
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	2,373,685		
e	Add lines **2a** through **2d**			2e	2,373,685
3	Subtract line **2e** from line **1**			3	24,138,903
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	609		
c	Add lines **4a** and **4b**			4c	609
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	24,139,512

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
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL AND SCHOOL HAS ADOPTED THE PROVISIONS OF ASC 740-10 (PREVIOUSLY FINANCIAL INTERPRETATION NO 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES) AS OF JUNE 30, 2011 AND 2010, THE UNRECOGNIZED TAX BENEFIT ACCRUAL WAS ZERO THE HOSPITAL AND SCHOOL WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS IN INCOME TAX EXPENSE IF INCURRED THE HOSPITAL AND SCHOOL 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
PART XI, LINE 8 - OTHER ADJUSTMENTS		NET ASSETS RELEASED FROM RESTRICTIONS 127,894 INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 232,320
PART XII, LINE 2D - OTHER ADJUSTMENTS		REHABILITATION MEDICAL SUPPLY REVENUE 2,223,270
PART XII, LINE 4B - OTHER ADJUSTMENTS		AUXILIARY LOSS, NET OF FUNDRAISING EXPENSE -415
PART XIII, LINE 2D - OTHER ADJUSTMENTS		REHABILITATION MEDICAL SUPPLY EXPENSE 2,373,685
PART XIII, LINE 4B - OTHER ADJUSTMENTS		ADDITIONAL EXPENSES FROM AUXILIARY 609

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 HAMSTER (event type)	(b) Event #2 MALL WALK (event type)	(c) Other Events 1 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	230,775	89,403	16,675	336,853
	2 Less Charitable contributions	224,692	80,503	12,251	317,446
	3 Gross income (line 1 minus line 2)	6,083	8,900	4,424	19,407
Direct Expenses	4 Cash prizes	5,750			5,750
	5 Non-cash prizes		8,400	340	8,740
	6 Rent/facility costs			375	375
	7 Food and beverages			3,503	3,503
	8 Entertainment		500		500
	9 Other direct expenses	333		206	539
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				19,407
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				0

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	**13a**	
b An outside facility	**13b**	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

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 .	1a		No
b	If "Yes," is it a written policy?	1b		
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 ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ 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			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	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"?	4		
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a		
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare a community benefit report during the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

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)						
b Unreimbursed Medicaid (from Worksheet 3, column a)			13,921,446	12,590,701	1,330,745	5 540 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			13,921,446	12,590,701	1,330,745	5 540 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			53,367	37,961	15,406	0 060 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			17,229	5,300	11,929	0 050 %
j **Total** Other Benefits			70,596	43,261	27,335	0 110 %
k **Total.** Add lines 7d and 7j			13,992,042	12,633,962	1,358,080	5 650 %

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						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	110,950		
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			
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	31,638
6	Enter Medicare allowable costs of care relating to payments on line 5	6	87,309
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-55,671
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a			No
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			

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					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	CHILDREN'S CARE HOSPITAL & SCHOOL 2501 W 26TH ST SIOUX FALLS, SD 57105	X		X						
2	CHILDREN'S CARE HOSPITAL & SCHOOL 1020 W 18TH ST SIOUX FALLS, SD 57104	X		X						

Part V **Facility Information** *(continued)*

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? **1**

	Name and address	Type of Facility (Describe)
1	CHILDREN'S CARE HOSPITAL & SCHOOL 7110 JORDAN DRIVE RAPID CITY,SD 57702	OUTPATIENT REHABILITATION CENTER
2		
3		
4		
5		
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 PART I - CHARITY CARECHILDREN'S CARE HOSPITAL AND SCHOOL (CCHS) DOES NOT CURRENTLY HAVE A CHARITY CARE POLICY SERVICES PROVIDED BY CCHS ARE COVERED PRIMARILY BY MEDICAID AND PRIVATE INSURANCE VERY LITTLE CHARITY CARE IS REQUESTED IF CHARITY CARE IS REQUESTED, THE DETERMINATION OF WHETHER TO PROVIDE SUCH ASSISTANCE IS MADE ON AN INDIVIDUAL BASIS AFTER A REVIEW OF THE PATIENT'S AVAILABLE RESOURCES

Identifier	ReturnReference	Explanation
		PART I, LINE 7 LINE 7B) UNREIMBURSED MEDICAID IS THE COST OF MEDICAID PROVIDED FOR INPATIENTS, PATIENTS AT THE RAPID CITY REHAB CENTER, AND FOR BOTH RAPID CITY AND SIOUX FALLS OUTREACH THE COST IS CALCULATED BY MULTIPLYING THE MEDICAID CHARGES TIMES THE COST-TO-CHARGE RATIO, AS DETERMINED THROUGH USE OF THE GENERAL LEDGER THE AMOUNTS ON LINE 7I ARE RELATED TO THE DIRECT COSTS AND REVENUES AS RECORDED IN THE GENERAL LEDGER ACCOUNTING SYSTEM

Identifier	ReturnReference	Explanation
		PART I, LINE 7G THE AMOUNTS ON LINE 7G ARE RELATED TO THE DIRECT COSTS AND REVENUES AS RECORDED IN THE GENERAL LEDGER FOR OPERATING AN ADAPTIVE AQUATICS PROGRAM

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSE OF $132,557 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE

Identifier	ReturnReference	Explanation
		PART III, LINE 4 A) THE ORGANIZATION'S BAD DEBT EXPENSE AT COST WAS DETERMINED USING THE COST-TO-CHARGE RATIO AS CALCULATED BY THE GENERAL LEDGER ACCOUNTING SYSTEM B) SINCE CCHS CURRENTLY DOES NOT HAVE A CHARITY CARE POLICY, NO AMOUNT OF BAD DEBT IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER SUCH POLICY C) PAYMENTS ON ACCOUNTS THAT ARE WRITTEN OFF ARE NORMALLY MADE DIRECTLY TO THE COLLECTION AGENCY IN THE RARE EVENT THAT A PAYMENT IS RECEIVED DIRECTLY BY CCHS, CCHS NOTIFIES THE COLLECTION AGENCY OF ITS RECEIPT OF THE PAYMENT SO THE PATIENT'S ACCOUNT BALANCE CAN BE ADJUSTED D) BAD DEBT FOOTNOTE FROM AUDITED FINANCIAL STATEMENT THE CARRYING AMOUNT OF PATIENT AND RESIDENT RECEIVABLES ARE REDUCED BY A VALUATION ALLOWANCE THAT REFLECTS MANAGEMENT'S BEST ESTIMATE OF AMOUNTS THAT WILL NOT BE COLLECTED FROM PATIENTS 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 DUE TO BAD DEBTS MANAGEMENT CONSIDERS HISTORICAL WRITE OFF AND RECOVERY INFORMATION IN DETERMINING THE ESTIMATED BAD DEBT PROVISION

Identifier	ReturnReference	Explanation
		PART III, LINE 8 NO PART OF THE SHORTFALL ON LINE 7 IS TREATED AS COMMUNITY BENEFIT THE HOSPITAL HAS MEDICARE CERTIFICATION BECAUSE IT IS REQUIRED IN ORDER TO OPERATE THE COST-TO-CHARGE RATIO BASED ON INTERNAL ACCOUNTING RECORDS WAS USED TO CALCULATE COST

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 CCHS RELIES ON ITS BOARD MEMBERS AND BOARD MEMBERS OF CHILDREN'S CARE FOUNDATION WHO REPRESENT ALL REGIONS OF THE STATE, ITS MEDICAL STAFF, AND SCHOOL DISTRICTS WHOSE STUDENTS IT SERVES TO HELP ADVISE OF HEALTH CARE NEEDS OF THEIR RESPECTIVE COMMUNITIES CCHS ALSO CONDUCTS REGULAR MEETINGS WITH PARENTS AND PATIENTS TO HELP ASSESS THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 RESIDENTIAL AND INPATIENT SERVICES ARE ALWAYS PRE-AUTHORIZED BY A THIRD PARTY PAYER AND ANY PATIENT RESPONSIBILITY IS DISCUSSED WITH THE RESIDENT'S GUARANTOR UPON ADMISSION FINANCIAL COUNSELING IS AVAILABLE FOR OUTPATIENT SERVICES

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 CCHS SERVES APPROXIMATELY 1,900 CHILDREN AND THEIR FAMILIES IN 62 COUNTIES THROUGHOUT SOUTH DAKOTA EVERY YEAR ADDITIONAL CHILDREN AND FAMILIES ARE SERVED THROUGHOUT NORTHWEST IOWA, SOUTHWEST MINNESOTA, NEBRASKA, WYOMING AND ALASKA 113 OF 172 SOUTH DAKOTA PUBLIC AND TRIBAL SCHOOL DISTRICTS ALSO RELY ON CCHS CHILDREN FROM 12 PUBLIC OR PRIVATE AGENCIES AND PROGRAMS ARE ALSO SERVED NO OTHER HOSPITALS IN THE AREA PROVIDE SIMILAR SERVICES

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 - ALL CCHS GOVERNING BODY MEMBERS RESIDE IN DIFFERENT PARTS OF ITS PRIMARY SERVICE AREA IN SOUTH DAKOTA ALL BOARD MEMBERS ARE INDEPENDENT OF CCHS AND SERVE IN A VOLUNTEER CAPACITY - CCHS EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITIES - CCHS USES SURPLUS FUNDS TO ENHANCE SERVICES TO PATIENTS, FUND BUILDING IMPROVEMENTS OR EXPANSIONS, AND IMPROVE CARE BY PROVIDING ADDITIONAL TRAINING TO STAFF - CCHS IS THE ONLY PROVIDER IN SOUTH DAKOTA OFFERING 24-HOUR, INTEGRATED MEDICAL, BEHAVIORAL, AND SPECIAL EDUCATION SERVICES FOR CHILDREN AGES BIRTH TO 21 CCHS SERVES FAMILIES AND SCHOOLS WHO ARE UNABLE TO SUPPORT CHILDREN WITH SEVERE BEHAVIORS WHO MAY HARM THEMSELVES OR OTHERS MEDICAL PROGRAMMING IS PROVIDED TO FILL THE GAP BETWEEN SERVICES PROVIDED IN THE HOME AND SCHOOL DISTRICT AND SERVICES PROVIDED AT ACUTE CARE HOSPITALS - CCHS HAS SEVERAL CLINICAL AFFILIATION AGREEMENTS WITH SURROUNDING AREA SCHOOLS TO PROVIDE TRAINING EXPERIENCE FOR PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS, NURSES AND PSYCHOLOGY STUDENTS - CCHS PARTICIPATES IN THE MEDICARE PROGRAM, SEVERAL STATE MEDICAID PROGRAMS, AND THE BIRTH TO 3 PROGRAM VOLUNTEERS HAVE PROVIDED 8,999 HOURS OF SERVICE OVER THE PAST YEAR ASSISTING WITH ALL ASPECTS OF CCHS OPERATIONS VOLUNTEERS ASSIST CCHS STAFF WITH ADMINISTRATIVE TASKS IN RECEPTION, FINANCE, MEDICAL RECORDS AND FUNDRAISING, AND PROVIDE SUPPORT TO PROFESSIONALS IN RESIDENTIAL AREAS

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

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) SD ADVOCACY SERVICES221 S CENTRAL PIERRE,SD 57501	46-0339207	501(C)(3)	8,000				ASSIST IN FUNDING PARTNERS IN POLICYMAKING PROGRAM

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 1

3 Enter total number of other organizations . . . ▶ 0

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

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

Identifier	Return Reference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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) DIANNA RAJSKI	(i)	168,550	0	4,552	8,586	8,631	190,319	0
	(ii)	0	0	0	0	0	0	0
(2)								
(3)								
(4)								
(5)								
(6)								
(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
	PART I, LINE 1A	SOCIAL CLUB DUES OF $1,739 WERE PAID TO A COUNTRY CLUB FOR CEO DIANNA RAJSKI THE FACILITY IS USED FOR BUSINESS MEETINGS AND ORGANIZATION-WIDE EVENTS
	PART I, LINE 1B	THE SOCIAL CLUB DUES ARE PART OF THE COMPENSATION PACKAGE FOR THE CEO

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

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	PENNINGTON COUNTY IN SOUTH DAKOTA	46-6000381		10-14-2005	2,900,000	CONSTRUCT A BUILDING IN RAPID CITY, SD		X		X		X
B	SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES AUTHORITY	46-0315509	83755VLQ5	03-29-2007	8,705,000	DEFEASANCE OF 1999 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	2,900,000	8,859,230		
4	Gross proceeds in reserve funds	261,253	638,410		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	8,043,636	8,043,636		
7	Issuance costs from proceeds	58,000	177,184		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	2,580,747			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2006	1999		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X				
15	Were the bonds issued as part of an advance refunding issue?		X	X					
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		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		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

Part III Private 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		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		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?	X		X					
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 ▶								
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 ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

		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			X				
2	Is the bond issue a variable rate issue?	X			X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		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		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		X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) DAVENPORT EVANS HURWITZ & SMITH LLP	DIRECTOR P DANIEL DONAHUE IS GREATER THAN 5% PARTNER OF DEHS LLP	113,721	LEGAL SERVICES PROVIDED TO CCHS		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art	X	23	11,461	SELLING PRICE
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		18,087	SELLING PRICE
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles	X	96	51,919	SELLING PRICE
19 Food inventory	X	11	2,898	SELLING PRICE
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (MOTORCYCLE COMPONENTS)	X	42	18,430	SELLING PRICE
26 Other ▶( )				
27 Other ▶( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		No
b	If "Yes," describe the arrangement in Part II		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?		No
b	If "Yes," describe in Part II		
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation

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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
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

Identifier	Return Reference	Explanation
NEW PROGRAM SERVICES	FORM 990, PART III, LINE 2	THE SIOUX FALLS OUTPATIENT CENTER BEGAN OFFERING FREE SCREENINGS FOR DEVELOPMENTAL MILESTONES, AUTISM SPECTRUM DISORDERS, TORTICOLLIS, PLAGIOCEPHALY, AND ORTHOTICS AND PROSTHETICS SERVICES A CONTINUING EDUCATION PROGRAM CALLED CHILDREN'S CARE UNIVERSITY (CCU) WAS RE-INSTITUTED IN JULY 2010 CCU BRINGS IN TRAINERS TO KEEP CHILDREN'S CARE STAFF ABREAST OF CURRENT BEST-PRACTICES IN THEIR FIELDS, WHILE OFFERING THOSE TRAININGS TO THOSE OUTSIDE OF THE ORGANIZATION, SOMETIMES WITH GRAD CREDITS AND CEUS OFFERED THE 96-BED RESIDENTIAL PROGRAM AT CHILDREN'S CARE BECAME CERTIFIED AS AN INTERMEDIATE CARE FACILITY FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES IN APRIL 2011 THE 18-BED UNIT SERVING CHILDREN WITH MEDICAL REHABILITATION AND MEDICALLY COMPLEX NEEDS REMAINED LICENSED AS A SPECIALTY HOSPITAL

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1		THE EXECUTIVE COMMITTEE CONSISTS OF THE CHAIR OF THE BOARD OF DIRECTORS (WHO SHALL ACT AS CHAIR), THE VICE CHAIR, THE IMMEDIATE PAST CHAIR, THE SECRETARY, THE TREASURER AND TWO OTHER DIRECTORS APPOINTED BY THE CHAIR THE CHAIR OF THE BOARD OF DIRECTORS OF THE CHILDREN'S CARE FOUNDATION AND ITS IMMEDIATE PAST CHAIR, UPON THEIR ELECTION TO THE BOARD OF DIRECTORS OF CHILDREN'S CARE HOSPITAL AND SCHOOL, ARE APPOINTED TO SERVE AS MEMBERS OF THIS EXECUTIVE COMMITTEE. THE EXECUTIVE COMMITTEE HAS POWER TO TRANSACT ALL REGULAR BUSINESS OF THE CORPORATION DURING THE PERIOD BETWEEN THE MEETINGS OF THE BOARD OF DIRECTORS SUBJECT TO ANY PRIOR LIMITATION IMPOSED BY THE BOARD OF DIRECTORS THE DUTIES OF THE EXECUTIVE COMMITTEE INCLUDE THE DEVELOPMENT AND PERIODIC REVISION OF A STRATEGIC PLAN FOR THE ACHIEVEMENT OF THE CORPORATION'S MISSION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE CEO AND CFO WILL REVIEW THE RETURN, AND A COPY WILL BE PROVIDED TO BOARD MEMBERS PRIOR TO ITS FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ANY POTENTIAL CONFLICT OF INTEREST SHALL BE DISCLOSED BY THE DIRECTOR WHO IS INVOLVED, PROVIDED, HOWEVER, THAT ANY DIRECTOR MAY PROVIDE NOTICE OF A POTENTIAL CONFLICT OF INTEREST TO THE CHAIR WHEN SUCH DIRECTOR BECOMES AWARE OF A POTENTIAL CONFLICT OF INTEREST, WHETHER SUCH POTENTIAL CONFLICT OF INTEREST INVOLVES THAT DIRECTOR OR NOT THE BOARD OF DIRECTORS WILL DETERMINE WHETHER OR NOT A CONFLICT OF INTEREST EXISTS AND THE DIRECTOR WITH THE POTENTIAL CONFLICT OF INTEREST SHALL NOT PARTICIPATE IN THIS DETERMINATION IF THE BOARD OF DIRECTORS DETERMINES THAT A CONFLICT OF INTEREST EXISTS, THE DIRECTOR WITH THE CONFLICT SHALL ABSTAIN FROM VOTING ON ANY RESOLUTION OF THE BOARD OF DIRECTORS INVOLVING THE ISSUE OR SUBJECT MATTER FROM WHICH THE CONFLICT HAS ARISEN AND, IF APPROPRIATE, SUCH DIRECTOR WILL RECUSE HIMSELF OR HERSELF FROM ANY DISCUSSION OF THAT ISSUE OR SUBJECT MATTER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15A	PROCESS USED TO DETERMINE COMPENSATION PACKAGE FOR THE PRESIDENT/CEO OF CHILDREN'S CARE HOSPITAL & SCHOOL * BOARD OF DIRECTORS INVOLVEMENT THE BOARD CHAIR AND PAST CHAIR REVIEWED SUMMARY PERFORMANCE INFORMATION FROM AN EVALUATION COMPLETED BY THE PRESIDENT/CEO A MEETING OCCURRED BETWEEN THESE THREE PARTIES AND A PERFORMANCE EVALUATION WAS COMPLETED AND APPROVED BY BOARD CHAIR AND PAST CHAIR * COMPARISON OF COMPENSATION DATA THE VP OF ADMINISTRATIVE SERVICES (SENIOR HR MANAGER) COLLECTED TOTAL COMPENSATION DATA ON ''LIKE POSITIONS IN SIMILAR CARE FACILITIES'' FROM LOCAL, REGIONAL AND NATIONAL ORGANIZATIONS DATA INCLUDED BASE PAY, BONUS PAY INCENTIVE PROGRAMS, BENEFITS OFFERED, AND OTHER ''PERKS'' PROVIDED TO PRESIDENTS/CEO'S IN THESE POSITIONS RECOMMENDATION FROM SENIOR HR MANAGER WAS PROVIDED TO THE BOARD CHAIR ON TOTAL COMPENSATION PACKAGE * FINAL DECISION-MAKING PROCESS BOARD CHAIR AND PAST CHAIR REVIEWED ALL PERFORMANCE EVALUATION MATERIALS AND COMPARATIVE SALARY DATA TO DETERMINE APPROPRIATE SALARY AND BONUS PAYMENT LEVELS BOARD CHAIR FORWARDED TOTAL COMPENSATION INFORMATION TO SENIOR HR MANAGER WHO THEN COMMUNICATED THE INFORMATION TO THE HR AND PAYROLL DEPARTMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS, OTHER THAN INFORMATION CONTAINED IN THE FORM 990, ARE NOT AVAILABLE FOR PUBLIC ACCESS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET ASSETS RELEASED FROM RESTRICTIONS 127,894 INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 232,320 TOTAL TO FORM 990, PART XI, LINE 5 360,214

Identifier	Return Reference	Explanation
	FORM 990, PAGE 1, BOX F AND PAGE 1, PART II	DAVE TIMPE, PRINCIPAL OFFICER AND SIGNER OF THE 990, BECAME ACTING PRESIDENT AND CEO ON MAY 10, 2012 HE IS ALSO A BOARD MEMBER AS LISTED IN PART VII, SECTION A, OF THE 990 DIANNA RAJSKI, FORMER PRESIDENT AND CEO, RESIGNED EFFECTIVE APRIL 30, 2012

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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
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

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
(1) CHILDREN'S CARE FOUNDATION 2501 WEST 26TH STREET SIOUX FALLS, SD 571052498 46-0353254	TO MANAGE RESOURCES TO SUPPORT THE MISSION, GOALS, AND OPERATION OF CCHS	SD	501(C)(3)	LINE 11A, I			No

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

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

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) REHABILITATION MEDICAL SUPPLY 1020 W 18TH ST SIOUX FALLS, SD57104 41-1936988	SALES & SERVICE OF DURABLE MEDICAL EQUIPMENT, ORTHOTICS, & PROSTHETICS	SD	CHILDREN'S CARE HOSPITAL AND SCHOOL	C	2,223,270	558,710	100 000 %

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) REHABILITATION MEDICAL SUPPLY	P	2,310,100	
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Financial Statements
June 30, 2011 and 2010

Children's Care Hospital and School

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Children's Care Hospital and School
Sioux Falls, South Dakota

We have audited the accompanying balance sheets of Children's Care Hospital and School 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 Hospital and School'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 Children's Care Hospital and School'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.

Children's Care Hospital and School has elected not to combine the financial statements of Children's Care Foundation as of June 30, 2011 and 2010 into the accompanying financial statements as required by generally accepted accounting principles. As described in Note 12, if the Foundation was included in these financial statements, additional net assets of $36,818,651 and $30,264,231 as of June 30, 2011 and 2010, respectively, would be recognized in the accompanying balance sheets and an increase in net assets of $6,554,420 and $4,842,479 for the years ended June 30, 2011 and 2010, respectively, would be recognized in the accompanying statements of net assets.

In our opinion, except for the effects of not combining Children's Care Foundation as of June 30, 2011 and 2010, as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Care Hospital and School 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.

Eide Bailly LLP

Sioux Falls, South Dakota
October 28, 2011

200 E 10th St, Ste 500 · P O Box 5125 ; Sioux Falls, SD 57117-5125 · T 605 339 1999 F 605 339 1306 ; EOE

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	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 1,774,741	$ 957,423
Assets limited as to use	452,665	578,822
Receivables		
Patient and resident, net of estimated contractual adjustments and uncollectibles of $2,134,000 in 2011 and $2,120,000 in 2010	4,205,808	5,120,272
Estimated third-party payor settlements	685,445	1,083,580
Due from affiliates	73,948	116,572
Interest	3,362	3,786
Supplies	242,742	246,110
Prepaid expenses	37,773	44,562
Total current assets	7,476,484	8,151,127
Assets Limited as to Use		
Under indenture agreements	520,370	421,554
By Board for capital improvements and debt redemption	1,464,840	1,126,127
Pledges receivable, net	8,180	10,330
Noncurrent assets limited as to use	1,993,390	1,558,011
Property and Equipment	10,334,770	11,044,223
Other Assets		
Deferred financing costs, net of accumulated amortization of $97,369 in 2011 and $85,126 in 2010	106,992	119,235
Membership investment	24,467	23,860
Total other assets	131,459	143,095
	$ 19,936,103	$ 20,896,456

See Notes to Financial Statements

Children's Care Hospital and School
Balance Sheets
June 30, 2011 and 2010

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 442,004	$ 560,349
Accounts payable	436,999	332,020
Accrued expenses		
Salaries and wages	231,470	795,270
Vacation	456,062	562,172
Accrued interest	65,122	70,398
Payroll taxes and other	51,628	114,914
Total current liabilities	1,683,285	2,435,123
Long Term Debt, Less Current Maturities	8,020,214	8,467,580
Total liabilities	9,703,499	10,902,703
Net Assets		
Unrestricted	9,699,907	9,692,426
Temporarily restricted	515,926	284,556
Permanently restricted	16,771	16,771
Total net assets	10,232,604	9,993,753
	$ 19,936,103	$ 20,896,456

Children's Care Hospital and School

Statements of Operations

Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Revenues, Gains, and Other Support		
Net patient and resident service revenue	$ 24,261,036	$ 24,677,451
Other revenue	567,271	508,681
Net assets released from restrictions	82,614	72,475
Total revenues, gains and other support	24,910,921	25,258,607
Expenses		
Salaries	15,150,201	15,704,377
Employee benefits and payroll taxes	3,381,980	3,371,848
Contract labor	929,462	1,109,874
Medical supplies - billable	1,104,189	1,098,331
Supplies	1,008,594	1,060,183
Insurance	616,830	678,184
Utilities	529,792	489,895
Repairs and maintenance	438,665	421,220
Depreciation and amortization	1,603,620	1,312,025
Interest	408,563	420,200
Provision for bad debts	146,328	201,273
Rent	344,976	311,185
Education and training	102,356	151,302
Other	747,032	660,583
Total expenses	26,512,588	26,990,480
Operating Loss	(1,601,667)	(1,731,873)
Other Income		
Investment income	12,561	17,861
Unrestricted contributions	1,458,524	1,505,088
Gain (loss) on disposal of equipment	10,169	(4,241)
Other income, net	1,481,254	1,518,708
Expenses in Excess of Revenues	(120,413)	(213,165)
Integration of Rehabilitation Medical Supply	-	9,752
Net Assets Released from Restrictions for Purchase of Property and Equipment	127,894	113,379
Increase (Decrease) in Unrestricted Net Assets	$ 7,481	$ (90,034)

See Notes to Financial Statements

Children's Care Hospital and School

Statements of Changes in Net Assets

Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Expenses in excess of revenues	$ (120,413)	$ (213,165)
Integration of Rehabilitation Medical Supply	-	9,752
Net assets released from restriction for purchase of property and equipment	127,894	113,379
Increase (decrease) in unrestricted net assets	7,481	(90,034)
Temporarily Restricted Net Assets		
Contributions received	441,878	208,809
Net assets released from restrictions	(210,508)	(185,854)
Increase in temporarily restricted net assets	231,370	22,955
Increase (Decrease) in Net Assets	238,851	(67,079)
Net Assets, Beginning of Year	9,993,753	10,060,832
Net Assets, End of Year	$ 10,232,604	$ 9,993,753

Children's Care Hospital and School
Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	$ 238,851	$ (67,079)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	1,603,620	1,312,025
(Gain) loss on disposal of equipment	(10,169)	4,241
Contributions restricted by donors	(441,878)	(208,809)
Cash received from Rehabilitation Medical Supply	-	(8,117)
Net non-cash assets received from Rehabilitation Medical Supply	-	(1,635)
Changes in assets and liabilities		
Receivables	1,355,647	(1,034,102)
Supplies	3,368	(33,696)
Prepaid expenses	6,789	44,211
Accounts payable	104,979	41,485
Accrued expenses	(738,472)	(6,902)
Net Cash from Operating Activities	2,122,735	41,622
Investing Activities		
Purchase of property and equipment	(887,678)	(681,314)
Proceeds from sales of property	15,923	205
(Increase) decrease in assets limited as to use	(309,222)	251,668
Increase in membership investments	(607)	(612)
Net Cash used for Investing Activities	(1,181,584)	(430,053)
Financing Activities		
Repayment of long-term debt	(565,711)	(552,686)
Contributions restricted by donors	441,878	208,809
Cash received from Rehabilitation Medical Supply	-	8,117
Net Cash used for Financing Activities	(123,833)	(335,760)
Increase (Decrease) in Cash and Cash Equivalents	817,318	(724,191)
Cash and Cash Equivalents, Beginning of Year	957,423	1,681,614
Cash and Cash Equivalents, End of Year	$ 1,774,741	$ 957,423

	2011	2010
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest, net of amounts capitalized of $0 in 2011 and $14,147 in 2010	$ 413,839	$ 419,230
Non-cash assets and (liabilities) transferred from Rehabilitation Medical Supply		
Accounts receivable	$ -	$ 293,356
Supplies	-	146,443
Prepaid expenses	-	4,785
Property and equipment	-	36,203
Current maturities of long-term debt	-	(6,276)
Accounts payable - trade	-	(22,467)
Accounts payable - Hospital and School	-	(359,952)
Accrued expenses	-	(90,457)
Net non-cash assets received	$ -	$ 1,635

Note 1 - Summary of Significant Accounting Policies

Organization

Children's Care Hospital and School (Hospital and School) is organized as a non-profit corporation with facilities in Sioux Falls and Rapid City, South Dakota. The Hospital and School offers therapeutic, nursing, and medically complex services, as well as rehabilitation and educational services to children and their families, with special health and education needs. The Hospital and School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The financial statements contained in this report reflect the financial position and operating results of Children's Care Hospital and School. Effective July 1, 2009 the Hospital and School integrated Rehabilitation Medical Supply (RMS) into their operations so that RMS can be structured as a department within the Hospital and School. The Board of Directors of the Hospital and School also ratify the members of the Board of Directors of Children's Care Foundation (Foundation). The Foundation is under common management with the Hospital and School. These elements of control, in addition to the economic interest the Hospital and School has in the continued success of the Foundation, require the financial statements of the Foundation to be reported on a consolidated basis. Consolidated financial statements of the Hospital and School and the Foundation are presented in a separate report.

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 disclosure 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. Payments of patient 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 are reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected from patients 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 due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision.

Supplies

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

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Investments in certificates of deposits that are not publically traded are recorded at cost plus accrued interest. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in expenses in excess of revenues unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from expenses in excess of revenues unless the investments are trading securities.

Fair Value Measurements

The Hospital and School has determined the fair value of certain assets and liabilities in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820-10 (formerly FASB Statement No. 157, *Fair Value Measurements)*, which provides a framework for measuring fair value under generally accepted accounting principles.

ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820-10 also 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.

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 indenture agreements; and identifiable donor restricted assets including pledges. Assets limited as to use that are available for obligations classified as current liabilities are reported in current assets.

Property and Equipment

Property and equipment acquisitions in excess of $750 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Amortization is included in depreciation and amortization in the financial statements. The estimated useful lives of property and equipment are as follows:

Land improvements	5-20 years
Buildings and improvements	5-69 years
Equipment	3-25 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets, and are excluded from expenses in excess of revenues, 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 when 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 both the effective interest and straight line methods.

Pledges Receivable

Pledges, less an allowance for estimated uncollectible amounts, are recorded as receivables and temporarily restricted support in the year the pledge is made, unless the donor explicitly states that the gift is to support current activities. Pledges due in more than one year are presented at their discounted value.

Income Taxes

The Hospital and School is organized as a nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Hospital and School has adopted the provisions of ASC 740-10 (previously Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). As of June 30, 2011 and 2010, the unrecognized tax benefit accrual was zero.

The Hospital and School would recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Hospital and School 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.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital and School 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 Hospital and School in perpetuity.

Expenses in Excess of Revenues

Expenses in excess of revenues excludes unrealized gains and losses on investments other than trading securities, 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 Hospital and School has agreements with third-party payors that provide for payments to the Hospital and School at amounts different from its established rates. Payment arrangements primarily include reimbursed costs, prospectively determined rates, 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.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets 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 donor stipulated time restrictions or purpose restrictions 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 reflected as unrestricted contributions in the statement of operations.

Advertising

The Hospital and School expenses advertising costs as incurred.

Subsequent Events

The Hospital and School has evaluated subsequent events through October 28, 2011, the date which the financial statements were available to be issued.

Note 2 - Net Patient and Resident Service Revenue

The Hospital and School participates in the Medicaid programs for the states of South Dakota, Iowa, Minnesota, Nebraska and Wyoming. Prior to July 1, 2010 the Hospital and School was reimbursed for inpatient and residential services at cost with final settlement determined after submission of annual cost reports which are subject to audits thereof by the Medicaid programs. The Hospital and School was reimbursed at a tentative rate prior to the final settlement. The Hospital and School's South Dakota Medicaid cost reports have been settled by the Medicaid programs through June 30, 2010. Effective July 1, 2010 the Hospital and School's reimbursement is determined at prospectively determined rates with no retroactive settlements.

The Hospital and school has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Hospital and School under these agreements includes discounts from established charges and prospectively determined daily rates.

Laws and regulations governing Medicaid and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

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

	2011	2010
Patient and resident service revenue		
Behavioral and extended care	$ 17,434,200	$ 18,263,697
Medically complex and rehab	3,107,937	4,054,453
Outreach	4,142,354	4,475,258
School tuition - school districts	3,493,294	2,804,589
School therapy - school districts	665,101	677,983
Outpatient	3,046,602	2,645,920
Medical equipment, orthotics and prosthetics	2,195,023	2,354,757
Total patient and resident service revenue	34,084,511	35,276,657
Total contractual adjustments	(9,823,475)	(10,599,206)
Net patient and resident service revenue	$ 24,261,036	$ 24,677,451

Note 3 - Investments and Investment Income

Assets Limited as to Use

The composition of assets limited as to use excluding pledges receivable at June 30, 2011 and 2010, is shown in the following table. Investments are stated at fair value.

	2011	2010
Under bond indenture agreements - held by trustee		
Cash and cash equivalents	$ 287,413	$ 325,379
Certificates of deposit	685,622	674,997
	973,035	1,000,376
Less amount shown as current	(452,665)	(578,822)
	$ 520,370	$ 421,554
By Board for capital improvements and debt redemption		
Cash and cash equivalents	$ 1,464,840	$ 1,126,127

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	$ 2,143	$ 1,339
Other income		
Interest income	$ 12,561	$ 17,861

Note 4 - Pledges Receivable

The Hospital and School has received pledges from corporations and individuals in the community. Certain pledges are receivable over a period of time. The pledges where initially recorded at fair value in the year the pledge was received. The following is a summary of pledges receivable:

	2011	2010
Current pledges receivable	$ 10,650	$ 12,550
Amounts receivable in two to five years, at present value	750	51,000
	11,400	63,550
Less allowance for uncollectible amounts	(3,220)	(53,220)
Pledges receivable, net	$ 8,180	$ 10,330

Note 5 - Fair Value Measurements

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

	2011	2010
Cash and cash equivalents	$ 362	$ 363
Assets limited as to use		
Cash and cash equivalents	1,752,253	1,451,506
	$ 1,752,615	$ 1,451,869

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 and cash equivalents	$ 1,752,615	$ -	$ -
June 30, 2010			
Cash and cash equivalents	$ 1,451,869	$ -	$ -

The fair value for cash and cash equivalents is determined by reference to quoted market prices.

The Hospital and School considers the carrying amount of significant classes of financial instruments on the balance sheets, including cash, net accounts receivable, other assets, accounts payable, accrued liabilities, other current liabilities and the Series 2005 bonds to be reasonable estimates of fair value due to their length of maturity at June 30, 2011 and 2010.

The Hospital and School's fixed rate Series 2007 bonds have a carrying amount that differs from its estimated fair value. The fair value of the Hospital and School's Series 2007 bonds is determined by references to trading activity of the underlying bonds. The carrying value of the Series 2007 bonds is $7,915,137 and $8,183,690 as of June 30, 2011 and 2010. The fair value of the Series 2007 bonds is $7,603,989 and $8,037,522 as of June 30, 2011 and 2010.

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 and land improvements	$ 614,621	$ 128,084	$ 614,621	$ 121,513
Buildings and fixed equipment	18,492,134	10,435,084	19,153,032	10,572,464
Major movable equipment	6,607,027	4,815,844	6,473,560	4,503,013
	$ 25,713,782	$ 15,379,012	$ 26,241,213	$ 15,196,990
Net property and equipment		$ 10,334,770		$ 11,044,223

Note 7 - Leases

The Hospital and School leases certain equipment under non-cancelable long-term lease agreements. All leases have been recorded as operating leases. Total lease expense for the years ended June 30, 2011 and 2010 for all operating leases was $344,976 and $311,185. Minimum future lease payments for noncancelable operating leases are as follows:

Years Ended June 30,	Operating Leases
2012	$ 228,400
2013	227,000
2014	219,800
2015	219,800
2016	183,200
	$ 1,078,200

Note 8 - Long-Term Debt

Long-term debt consists of:

	2011	2010
Series 2005, revenue bonds, 4.09% due in varying installments through October 2011	$ 122,146	$ 372,488
Series 2007, revenue bonds, 4.25% - 4.75% due in varying installments through November 2029	7,850,000	8,115,000
Unamortized bond premium	65,137	68,690
Note payable, 6.50% due in annual installments of $77,479 through May 2018	424,935	471,751
	8,462,218	9,027,929
Less current maturities	(442,004)	(560,349)
Long-term debt, less current maturities	$ 8,020,214	$ 8,467,580

Long-term debt maturities are as follows:

Years Ending June 30,	
2012	$ 442,004
2013	338,099
2014	351,550
2015	370,226
2016	381,141
Thereafter	6,514,061
Bond premium	65,137
	$ 8,462,218

The Bonds are secured by a first mortgage lien on the Hospital and School's facilities subject to certain permitted encumbrances, a security interest in its gross receipts, and a pledge of Children's Care Foundation's investments in an amount equal to the principal amount of the bonds outstanding.

Under the terms of the bond agreements, the Hospital and School 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 required for obligations classified as current liabilities are reported in current assets. The loan agreement also places limits on the incurrence of additional borrowings and requires that the Hospital and School satisfy certain measures of financial performance.

Note 9 - Line of Credit

The Hospital and School has a $675,000 revolving line of credit, which was unused at June 30, 2011. The line carries a variable rate of interest, matures on March 1, 2012, and requires monthly interest payments on any outstanding balance.

Note 10 - Temporarily and Permanently Restricted Net Assets

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

	2011	2010
Funds restricted for various children's projects and programs	$ 515,926	$ 284,556

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

	2011	2010
Investments to be held in perpetuity, the income from which is expendable for the purchase of artwork	$ 16,771	$ 16,771

Note 11 - Retirement Plans

The Hospital and School participates in a state sponsored multi-employer defined benefit plan mandatory for all employees who hold a teaching certificate and meet plan enrollment qualifications. The Hospital and School also provides a group tax deferred annuity program for all non-teacher employees who meet plan enrollment qualifications. Total expenses for these programs for the years ended June 30, 2011 and 2010 were $406,201 and $419,005, respectively.

Note 12 - Children's Care Foundation

Children's Care Foundation is controlled by the Hospital and School and was incorporated for the purpose of encouraging and assisting the Hospital and School and other institutions in providing medical or educational services to families and their children with disabilities and chronic health conditions, as directed by its Board of Directors. Members of the Foundation's Board of Directors are subject to ratification by the Board of Directors of Children's Care Hospital and School. The Hospital and School has been the principal beneficiary of the Foundation since the Foundation's inception on July 1, 1979. The Foundation is not controlled by any disqualified persons and meets the test of section 509(a)(3) of the Internal Revenue Code as a Type 1 supporting organization for the Hospital and School. As described in Note 1, the consolidated financial statements of the Hospital and School and the Foundation are presented in a separate report.

Certain financial statement information for the Foundation is summarized as follows:

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 443,738	$ 748,831
Unconditional promises to give	67,500	19,000
Prepaid expenses	5,405	4,389
Total current assets	516,643	772,220
Assets Limited as to Use		
Donor restricted investments	5,486,443	4,798,992
Beneficial interest in perpetual trusts	344,510	292,666
Beneficial interest in remainder trusts	1,408,557	1,242,810
Total assets limited as to use	7,239,510	6,334,468
Property and Equipment	12,081	34,230
Investments	29,272,329	23,395,995
	$ 37,040,563	$ 30,536,913
Liabilities and Net Assets		
Current Liabilities		
Accounts payable		
Children's Care Hospital and School	$ 59,615	$ 93,320
Other	15,708	12,943
Annuities payable	146,589	166,419
Total current liabilities	221,912	272,682
Net Assets		
Unrestricted	29,579,141	23,929,763
Temporarily restricted	1,408,557	1,242,810
Permanently restricted	5,830,953	5,091,658
Total net assets	36,818,651	30,264,231
	$ 37,040,563	$ 30,536,913

	2011	2010
Revenues		
Bequests	$ 575,353	$ 3,361,067
Contributions	826,147	189,871
Events income	97,956	117,554
Change in split-interest agreements	214,696	(8,714)
Income distributions from outside trusts	49,547	50,950
Investment income	3,372,703	814,639
Other	24,404	-
Total revenues	5,160,806	4,525,367
Expenses		
Contributions for Children's Care Hospital and School	1,163,243	1,224,080
Salaries	299,830	332,806
Employee benefits and payroll taxes	69,063	70,718
Fundraising	61,246	92,273
Promotion and publications	78,913	69,668
Supplies	9,415	7,005
Bank trustee and investment fees	15,643	34,810
Professional fees	15,758	10,259
Rent	33,666	33,252
Maintenance and repairs	11,868	7,604
Other	26,679	33,692
Depreciation and amortization	12,145	14,251
Total expenses	1,797,469	1,930,418
Revenue in Excess of Expenses	3,363,337	2,594,949
Net Unrealized Gains on Investments	3,191,083	2,247,530
Increase in Net Assets	$ 6,554,420	$ 4,842,479

Note 13 - Concentrations of Credit Risk

The Hospital and School grants credit without collateral to its patients and residents, most of who are insured under third-party payor agreements. The mix of receivables from third-party payors and patients and residents for the years ended June 30, 2011 and 2010 was as follows:

	2011	2010
Medicaid	53%	61%
Medicare	1%	1%
Blue Cross	3%	6%
Commercial insurance	4%	4%
Private Pay	39%	28%
	100%	100%

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

Note 14 - Commitments and Contingencies

Malpractice Insurance

The Hospital and School has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of one million per claim and an annual aggregate limit of three million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured unless tail insurance was purchased for the estimated liability.

IT Maintenance and Support

The Hospital and School has entered into an agreement to receive certain information technology support services through April 2019. The minimum future payments for these services are as follows:

Years Ended June 30,	
2012	$ 254,381
2013	254,381
2014	254,381
2015	254,381
2016	254,381
Thereafter	720,746
	$ 1,992,651

Note 15 - Functional Expenses

The Hospital and School provides health care and educational services to children within its geographic location. Expenses related to providing these services are as follows:

	2011	2010
Health care and educational services	$ 23,688,161	$ 23,719,459
General and administrative	2,824,427	3,271,021
	$ 26,512,588	$ 26,990,480

Supplementary Information
June 30, 2011 and 2010

Children's Care Hospital and School

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Supplementary Information

The Board of Directors
Children's Care Hospital and School
Sioux Falls, South Dakota

We have audited the financial statements of Children's Care Hospital and School as of and for the years ended June 30, 2011 and 2010 and have issued our report thereon dated October 28, 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 taken as a whole. The following supplementary information is presented for 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 audit procedures applied in the audits 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 taken as a whole.

Eide Bailly LLP

Sioux Falls, South Dakota
October 28, 2011

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Children's Care Hospital and School

Board of Directors

June 30, 2011

		Term Expires
David Timpe, Sec/Treas	Hartford	2011
Dan LaRock	Hills, MN	2011
Geoffrey Tufty, MD, Chair	Sioux Falls	2012
James M. Robl, Past Chair	Canton	2012
William F. Duhamel, Ph.D., Vice Chair	Rapid City	2012
Kent Alberty	Sioux Falls	2012
H. "Chip" Carlson, III	Brandon	2012
Claudia Vucurevich	Rapid City	2012
Molly McCarthy	Sioux Falls	2012
P. Daniel Donohue	Sioux Falls	2013
J. Pat Costello	Sioux Falls	2013
Jayna Voss, CCF Chair	Sioux Falls	
Jerry Flanagan, CCF Past Chair	Sioux Falls	