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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014

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

C Name of organization
AVERA MCKENNAN

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1325 S CLIFF AVE PO BOX 5045

City or town, state or province, country, and ZIP or foreign postal code
SIOUX FALLS, SD 571175045

D Employer identification number
46-0224743

E Telephone number
(605) 322-8000

G Gross receipts $ 810,494,563

F Name and address of principal officer
DR DAVID KAPASKA
1325 S CLIFF AVE PO BOX 5045
SIOUX FALLS, SD 571175045

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

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

H(c) Group exemption number ▶ 0928

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

J Website: ▶ WWW AVERAMCKENNAN ORG

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

L Year of formation 1911

M State of legal domicile SD

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROMOTION OF HEALTH

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	7,087
6	Total number of volunteers (estimate if necessary)	**6**	1,141
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	6,821,725
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	1,528,761

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	3,708,700	5,749,535
9	Program service revenue (Part VIII, line 2g)	747,902,697	794,241,246
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,006,242	7,455,162
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,900,322	1,814,295
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	757,517,961	809,260,238

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,822,676	3,863,251
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)	402,340,146	398,578,352
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	65,630
b	Total fundraising expenses (Part IX, column (D), line 25) ▶807,603		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	326,008,484	364,453,303
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	732,171,306	766,960,536
19	Revenue less expenses Subtract line 18 from line 12	25,346,655	42,299,702

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	827,983,677	901,188,095
21	Total liabilities (Part X, line 26)	342,106,191	350,186,666
22	Net assets or fund balances Subtract line 21 from line 20	485,877,486	551,001,429

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

****** | 2015-05-12
Signature of officer | Date

JULIE NORTON SEC/TREAS & SR VP FINANCE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
KIM HUNWARDSEN CPA		2015-05-12		P00484560

Firm's name ▶ EIDE BAILLY LLP — Firm's EIN ▶ 45-0250958

Firm's address ▶ 800 NICOLLET MALL STE 1300
MINNEAPOLIS, MN 554027033 — Phone no (612) 253-6500

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☑

1 Briefly describe the organization's mission

AVERA MCKENNAN, AS PART OF AVERA, IS A HEALTH MINISTRY ROOTED IN THE GOSPEL OUR MISSION IS TO MAKE A POSITIVE IMPACT IN THE LIVES AND HEALTH OF PERSONS AND COMMUNITIES BY PROVIDING QUALITY SERVICES GUIDED BY CHRISTIAN VALUES

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 371,847,328 including grants of $ 3,793,158) (Revenue $ 522,642,583)

AVERA MCKENNAN HOSPITAL & UNIVERSITY HEALTH CENTERAVERA MCKENNAN PROMOTES THE HEALTH OF THE COMMUNITY BY PROVIDING A VARIETY OF CHARITABLE HEALTH CARE SERVICES AVERA MCKENNAN OPERATES UNDER THE TENETS OF THE ROMAN CATHOLIC CHURCH AND IN ACCORDANCE WITH THE PHILOSOPHY AND VALUES ESTABLISHED FOR AVERA HEALTH, A SPONSORED MINISTRY OF THE BENEDICTINE AND PRESENTATION SISTERS MAJOR SERVICE LINES INCLUDE ONCOLOGY, SURGERY, OBSTETRICS, PEDIATRICS, NEONATOLOGY, EMERGENCY AND TRAUMA, CRITICAL CARE INCLUDING EICU, RADIOLOGY AND DIAGNOSTIC IMAGING, PSYCHIATRY, PULMONARY, ORTHOPEDICS, NEUROLOGY, CARDIOLOGY AND GASTROENTEROLOGY TRANSPLANT SERVICES INCLUDE SOLID ORGAN (KIDNEY AND PANCREAS) AND BONE MARROW TRANSPLANT THE FOLLOWING ARE SPECIFIC EXEMPT PURPOSE ACHIEVEMENTS FOR AVERA MCKENNAN HOSPITAL CHARITY AND UNCOMPENSATED CARE AVERA MCKENNAN PROVIDES NECESSARY MEDICAL SERVICES (DIAGNOSTIC AND TREATMENT) FOR WHOMEVER COMES TO US FOR CARE, REGARDLESS OF THEIR ABILITY TO PAY IN FISCAL YEAR 2014, SERVICES PROVIDED TO THOSE WHO ARE UNABLE TO PAY TOTALED $38,609,000 ELIGIBILITY FOR DISCOUNTED OR FREE SERVICES UNDER THE CHARITY CARE POLICY IS BASED ON INCOME LEVELS GENERALLY, INDIVIDUALS EARNING INCOME OF UP TO 400% OF THE FEDERAL POLICY INCOME GUIDELINES ARE ELIGIBLE FOR VARYING LEVELS OF DISCOUNTS, INCLUDING FULL DISCOUNTS FOR CERTAIN INCOME LEVELS APPLICATION FOR COVERAGE UNDER THE PROGRAM MAY BE OBTAINED AT ANY AVERA MCKENNAN PATIENT REGISTRATION AREA OR BY CALLING AVERA MCKENNAN PATIENT FINANCIAL SERVICES AVERA MCKENNAN HELPS PATIENTS APPLY FOR ANY APPLICABLE GOVERNMENT INSURANCE PROGRAMS, AND OFFERS HEALTH CARE SERVICES ON A DISCOUNTED OR CHARITABLE BASIS TO THOSE WHO ARE UNINSURED OR UNDERINSURED CHARITY CARE IS NOT CAPPED BY A BUDGET FIGURE UNREIMBURSED EXPENSES ARE COVERED BY THE ORGANIZATION AS NEEDED, NOT UNTIL A BUDGET FIGURE IS MET IN ADDITION TO CHARITY CARE, IN THE PAST FISCAL YEAR AVERA MCKENNAN PROVIDED $194,739 IN LODGING, TRANSPORTATION AND PRESCRIPTIONS TO THOSE IN NEED ACCESSIBILITY TO HEALTH CARE AVERA MCKENNAN MAKES MEDICAL CARE ACCESSIBLE TO THE ENTIRE COMMUNITY IT SERVES IN 2014 AVERA MCKENNAN HAD 20,800 HOSPITAL DISCHARGES, 109,153 PATIENT DAYS AND 239,785 OUTPATIENT VISITS AVERA MCKENNAN IS A VERIFIED LEVEL II TRAUMA CENTER AND WAS THE FIRST SUCH CENTER IN THE STATE OF SOUTH DAKOTA AVERA MCKENNAN'S EMERGENCY DEPARTMENT IS STAFFED 24 HOURS A DAY WITH BOARD-CERTIFIED EMERGENCY SPECIALISTS AND PROVIDES EMERGENCY CARE REGARDLESS OF ABILITY TO PAY AVERA MCKENNAN HAD 27,363 EMERGENCY DEPARTMENT VISITS IN FY 2014 OPERATING BOTH FIXED WING AND HELICOPTER MEDICAL AIR TRANSPORTS, AVERA MCKENNAN'S FLIGHT TEAMS COVER A LARGE GEOGRAPHIC AREA PROVIDING STATE-OF-THE-ART AIR TRANSPORT SERVICES AND ACCESS TO CRITICAL CARE, WITH 1,489 FLIGHTS IN THE PAST YEAR HEALTH CARE CLINIC IN 1992, AVERA MCKENNAN ESTABLISHED A HEALTH CARE CLINIC TO PROVIDE FREE CARE FOR PEOPLE WHO ARE UNINSURED OR UNDERINSURED IN THE COMMUNITY THE CLINIC IS MANAGED BY A REGISTERED NURSE AND STAFFED BY REGISTERED NURSES, TWO MIDLEVEL PROVIDERS, MEDICAL RESIDENTS AND VOLUNTEER HEALTH CARE PROVIDERS THE GOAL OF THE CLINIC IS TO PREVENT OR TREAT PATIENTS' MEDICAL CONDITIONS BEFORE THEY BECOME CATASTROPHIC THE CLINIC AVERAGES 550 VISITS PER MONTH, PROVIDING PREVENTATIVE CARE, DIAGNOSIS AND TREATMENT OF ILLNESSES AND INJURIES, MEDICATION ASSISTANCE AND ASSISTANCE IN OBTAINING SPECIALIST CARE FOR PATIENTS WITH COMPLEX CASES THE CLINIC ALSO SERVES TO TRAIN PHYSICIANS, NURSES AND OTHER HEALTH CARE STUDENTS IT PROVIDES A FREE EVENING CLINIC ONE EVENING PER MONTH, STAFFED BY MEDICAL STUDENTS UNDER SUPERVISION OF PHYSICIANS AVERA MCKENNAN IS THE ONLY HEALTH CARE ORGANIZATION TO PROVIDE FREE SERVICES SUCH AS THIS IN THE STATE OF SOUTH DAKOTA THE CLINIC HAD 6,549 VISITS IN 2014, AND WAS OPERATED AT AN ANNUAL COST OF $964,435 AVERA MCKENNAN PARTNERS WITH THE NOT-FOR-PROFIT DESTINY CLINIC BY PROVIDING FUNDING OF $15,000 PER YEAR TO PROVIDE FREE EVENING CLINIC SERVICES PARTNERSHIP IN LIVE WELL SIOUX FALLS THE CITY OF SIOUX FALLS RECEIVED A COMMUNITY HEALTH TRANSFORMATION GRANT FROM THE SOUTH DAKOTA DEPARTMENT OF HEALTH, SPARKING A PROJECT TO IMPROVE THE HEALTH AND WELL-BEING OF THE CITIZENS OF SIOUX FALLS GUIDED BY THE CITY OF SIOUX FALLS HEALTH DEPARTMENT, THIS ONGOING PROJECT IS KNOWN AS LIVE WELL SIOUX FALLS IT INVOLVES MORE THAN 24 COMMUNITY PARTNER ORGANIZATIONS AMONG THESE PARTNERS ARE AVERA MCKENNAN AND THE OTHER MAJOR HEALTH CARE SYSTEM IN SIOUX FALLS, SANFORD HEALTH AVERA PLANS TO WORK IN PARTNERSHIP WITH THE CITY OF SIOUX FALLS AND SANFORD HEALTH TO ADDRESS THE PRIORITIES OF LIVE WELL SIOUX FALLS, AND ARRIVE AT SOLUTIONS WHICH ARE COLLABORATIVE IN NATURE AVERA MCKENNAN COLLABORATES WITH LIVE WELL SIOUX FALLS TO PROMOTE THE BIG SQUEEZE, A HYPERTENSION INITIATIVE IN APRIL TO PROMOTE BLOOD PRESSURE SCREENING AND EDUCATION, WITH THE GOAL OF DIAGNOSING HIGH BLOOD PRESSURE ONE IN THREE AMERICAN ADULTS HAVE HIGH BLOOD PRESSURE, BUT ONLY HALF OF THEM HAVE IT UNDER CONTROL, ADDING TO THE RISK OF STROKE, HEART ATTACK AND VASCULAR DISEASE RESIDENCY/HEALTH PROFESSIONS TRAINING AND INTERNSHIPS IN 2014, AVERA MCKENNAN HAD 88 MEDICAL SCHOOL RESIDENTS IN TRAINING AT AVERA MCKENNAN IN INTERNAL MEDICINE, FAMILY PRACTICE, PSYCHIATRY, GERIATRICS AND TRANSITIONAL RESIDENCY PROGRAMS OFFERED IN PARTNERSHIP WITH THE UNIVERSITY OF SOUTH DAKOTA SCHOOL OF MEDICINE OVER 800 STUDENTS IN NURSING, PHARMACY, PHYSICIAN ASSISTANT PROGRAMS, RADIOLOGY AND RESPIRATORY THERAPY ALSO COMPLETED ROTATIONS AT AVERA MCKENNAN AVERA MCKENNAN HAS MANY JOINT AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION FOR BOTH CLINICAL AND EDUCATIONAL PROGRAMMING IN NON-CLINICAL AREAS, AVERA MCKENNAN OFFERED 98 PAID AND UNPAID INTERNSHIPS IN 2014 IN THE AREAS OF MARKETING, HUMAN RESOURCES, FINANCE, FOUNDATION, AND NETWORK OPERATIONS AVERA MCKENNAN IS CURRENTLY AFFILIATED WITH APPROXIMATELY 90 INSTITUTIONS OF HIGHER EDUCATION PATIENT AND COMMUNITY EDUCATION AVERA MCKENNAN IS A REGIONAL LEADER IN OFFERING EDUCATIONAL PROGRAMS FOR A VARIETY OF LEARNERS, LEADERS AND EMPLOYEES UTILIZING ADVANCED TECHNOLOGY, MANY OF THESE PROGRAMS ARE PROVIDED ELECTRONICALLY THROUGHOUT THE TRI-STATE AREA EDUCATIONAL SESSIONS ARE OFFERED TO MEDICAL STAFF, EMPLOYEES, HEALTH CARE PROFESSIONALS, STUDENTS AT ALL LEVELS AND THE GENERAL PUBLIC UTILIZING AVERA MCKENNAN'S EDUCATION CENTER, A BROAD CROSS-SECTION OF CLASSES INVOLVING DIVERSE AUDIENCES ARE PROVIDED AS A COMMUNITY SERVICE EACH YEAR * ONLINE RESOURCES AVERA MCKENNAN OFFERS VAST FREE PATIENT EDUCATIONAL ONLINE RESOURCES ON ITS PUBLIC WEBSITE ON NUMEROUS HEALTH TOPICS, WITH SUGGESTIONS FOR LIFESTYLE CHANGE, BEHAVIOR MODIFICATION AND MANAGEMENT FOR IMPROVED HEALTH * TO BE WELL FREE EDUCATION EVENTS WERE HELD ON TOPICS INCLUDING ORTHOPEDICS, CANCER, DIABETES, WEIGHT LOSS/HEALTHY EATING, MULTIPLE SCLEROSIS, ANXIETY AND ACUPUNCTURE * FORUMS THE AVERA BEHAVIORAL HEALTH CENTER OFFERS FREE FRIDAY FORUMS, IN WHICH SCHOOL COUNSELORS AND THERAPISTS ARE INVITED TO PRESENTATIONS ON CHILDREN'S MENTAL HEALTH TOPICS SUCH AS CONFLICT CYCLES, REACTIVE ATTACHMENT DISORDER, DEPRESSION AND BIPOLAR DISORDER IN CHILDREN, AND TEEN SUBSTANCE USE, ABUSE AND ADDICTION THESE SESSIONS, HELD NINE TIMES EACH YEAR, ARE ATTENDED IN PERSON BY APPROXIMATELY 80 THROUGHOUT 2014, VIDEOS OF THESE PRESENTATIONS WERE VIEWED 401 TIMES ONLINE * THE AVERA BEHAVIORAL HEALTH CENTER OFFERS FREE MONTHLY EDUCATIONAL SESSIONS ON VARIOUS TOPICS FOLLOWED BY DISCUSSION FOR ADULTS WHO HAVE BEEN IMPACTED BY A LOVED ONE'S MENTAL ILLNESS TOPICS HAVE INCLUDED GRIEF AND LOSS, ANXIETY, AND PARENTING STRATEGIES FOR MANAGING CHALLENGING BEHAVIORS * WOMEN'S & CHILDREN'S SERVICES AVERA MCKENNAN'S WOMEN'S & CHILDREN'S SERVICES OFFERS A NUMBER OF PARENTING AND COMMUNITY EDUCATION OPPORTUNITIES, FOR FREE OR AT A MINIMAL COST IN FISCAL YEAR 2014, 151 CHILDBIRTH EDUCATION CLASSES WERE HELD WITH 593 ATTENDEES A TOTAL OF 17 PARENT AND FAMILY EDUCATION CLASSES WERE HELD WITH 180 ATTENDEES A TOTAL OF 64 CAR SEATS WERE ISSUED THROUGH THE SOUTH DAKOTA CHILD SAFETY SEAT DISTRIBUTION PROGRAM FREE BURN EDUCATION WAS PROVIDED TO 2,931 STUDENTS DURING PRESENTATIONS IN SCHOOLS * DAYCARE TRAINING FREE OF CHARGE, AVERA MCKENNAN OFFERS FOUR IN-SERVICE TRAINING SESSIONS PER MONTH TO DAYCARE PROVIDERS THROUGH THE EMBE, WITH A TOTAL OF 36 SCHEDULED ANNUALLY, AND ADDITIONAL SESSIONS FOR REQUESTED TOPICS SUPPORT GROUPS AVERA MCKENNAN OFFERS APPROXIMATELY 10 FREE SUPPORT GROUPS THEY RANGE IN TOPIC FROM CANCER TO LIVER DISEASE, DIABETES, BONE MARROW TRANSPLANT, STROKE AND GRIEF AND LOSS THE ORGANIZATION PROVIDES FREE MEETING SPACE AS WELL AS SPEAKERS AND LEADERS

4b (Code) (Expenses $ 41,500,891 including grants of $ 7,996) (Revenue $ 52,616,286)

RURAL CRITICAL ACCESS HOSPITALSAVERA MCKENNAN OWNS OR LEASES RURAL CRITICAL ACCESS HOSPITALS IN FLANDREAU, GREGORY, DELL RAPIDS, MILBANK AND MILLER (HAND COUNTY), S D AS SUCH, THEY OPERATE AS A DEPARTMENT OF AVERA MCKENNAN THE HOSPITALS IN FLANDREAU, GREGORY AND HAND COUNTY SERVE MEDICALLY UNDERSERVED COUNTIES IN ADDITION TO THE EXEMPT PURPOSE ACHIEVEMENTS, THE RURAL HOSPITALS PARTICIPATE IN MANY OF THE ACTIVIES DESCRIBED IN PART III, LINE 4A AS PART OF AVERA MCKENNAN AMONG SERVICES OFFERED BY RURAL HOSPITALS ARE RADIOLOGY AND IMAGING, COLONOSCOPY AND ENDOSCOPY, THERAPY AND REHABILITATION, 24-HOUR EMERGENCY CARE, CHEMOTHERAPY, ORTHOPEDICS, CARDIOVASCULAR TESTING AND CARE, OBSTETRICS, SURGERY, AND DIALYSIS CHARITY AND UNCOMPENSATED CARE AS PART OF AVERA MCKENNAN, THESE FACILITIES PROVIDE NECESSARY MEDICAL SERVICES (DIAGNOSTIC AND TREATMENT) FOR WHOMEVER COMES TO US FOR CARE, REGARDLESS OF THEIR ABILITY TO PAY IN FISCAL YEAR 2014, CHARITY AND UNCOMPENSATED CARE PROVIDED BY RURAL HOSPITALS TOTALED $750,000 ACCESSIBILITY TO HEALTH CARE AVERA MCKENNAN REGIONAL HOSPITALS MAKE MEDICAL CARE ACCESSIBLE TO THE ENTIRE COMMUNITY THEY SERVE REGARDLESS OF A PATIENT'S ABILITY TO PAY IN 2014 RURAL HOSPITALS HAD 1,568 DISCHARGES, 6,946 PATIENT DAYS AND 61,706 OUTPATIENT VISITS EACH OF THE HOSPITALS PROVIDES 24-HOUR EMERGENCY CARE WITH EEMERGENCY SERVICES THROUGH AVERA MCKENNAN EICU SERVICES ARE ALSO AVAILABLE AT THESE HOSPITALS, PROVIDING ACCESS TO CRITICAL CARE MEDICINE NEAR HOME AND LESSENING THE NEED FOR TRANSPORT THERE IS NO ADDITIONAL BILLING TO PATIENTS TELEMEDICINE CONSULTS ARE ALSO OFFERED AT RURAL LOCATIONS IN A NUMBER OF MEDICAL SPECIALTIES

4c (Code) (Expenses $ 176,702,553 including grants of $ 56,152) (Revenue $ 145,122,814)

CLINICSAVERA MCKENNAN PROVIDES CLINICAL CARE, SECONDARY AND PRIMARY, IN 90 OWNED/JOINT VENTURE CLINICS IN SOUTH DAKOTA, NORTHWEST IOWA, SOUTHWEST MINNESOTA AND NORTHEASTERN NEBRASKA IN ADDITION TO THE FOLLOWING EXEMPT PURPOSE ACHIEVEMENTS, CLINICS PARTICIPATE IN MANY OF THE ABOVE AS PART OF AVERA MCKENNAN CLINIC VISITS IN 2014 TOTALED 1,018,686 CLINICS PROVIDE PRIMARY CARE AND URGENT CARE, AND AMONG SPECIALTIES ARE CARDIOLOGY, DERMATOLOGY, ENDOCRINOLOGY, GASTROENTEROLOGY, HEMATOLOGY, HEPATOLOGY, INFECTIOUS DISEASE, INTERNAL MEDICINE, NEONATOLOGY, NEPHROLOGY, NEUROLOGY AND NEUROSURGERY, OB/GYN, ONCOLOGY, OPHTHALMOLOGY, ORTHOPEDICS, PAIN MANAGEMENT, PEDIATRICS, PSYCHIATRY, PULMONOLOGY, SPORTS MEDICINE, SURGERY, AND VASCULAR SERVICES CHARITY AND UNCOMPENSATED CARE AS PART OF AVERA MCKENNAN, CLINICS PROVIDE NECESSARY MEDICAL SERVICES (DIAGNOSTIC AND TREATMENT) FOR WHOEVER COMES TO US FOR CARE, REGARDLESS OF THEIR ABILITY TO PAY IN FISCAL YEAR 2014, CHARITY AND UNCOMPENSATED CARE PROVIDED BY CLINICS TOTALED $646,000 ACCESSIBILITY TO HEALTH CARE IN ADDITION TO REGULAR CLINIC HOURS, AVERA MCGREEVY CLINIC PROVIDES URGENT CARE, SEEING PATIENTS ON A WALK-IN BASIS AT TWO LOCATIONS DURING THE EVENING HOURS ON WEEKDAYS, AND THROUGHOUT THE DAYTIME HOURS ON SATURDAYS AND SUNDAYS THIS PROVIDES GREATER ACCESSIBILITY WITHOUT HAVING TO RELY ON EMERGENCY ROOM CARE IN ADDITION, THROUGH OUR CURAQUICK CLINIC, AVERA OFFERS CONVENIENT, AFFORDABLE CLINIC CARE IN A LOCAL HYVEE PHARMACY

(Code) (Expenses $ 53,770,484 including grants of $ 5,945) (Revenue $ 74,368,493)

AVERA MCKENNAN ALSO PROVIDES LONG-TERM CARE, HOME MEDICAL EQUIPMENT & OTHER RETAIL, HOME INFUSION, RESEARCH, FITNESS CENTER, REGIONAL LAB AND MOBILE SERVICES MEDICAL RESEARCH AS A RESEARCH INSTITUTION, AVERA MCKENNAN DRAWS PHYSICIANS WHO ARE COMMITTED TO SEEKING NEW TREATMENTS AND PREVENTIVE MEASURES THE AVERA RESEARCH INSTITUTE IN 2014 PARTICIPATED IN OVER 90 CLINICAL TRIALS, INVOLVING CANCER, ALZHEIMER'S DISEASE, BEHAVIORAL HEALTH, DIABETES AND MORE THE AVERA RESEARCH INSTITUTE ALSO CONTINUES ONGOING APPLIED RESEARCH IN THE AREA OF DEVELOPING A NOVEL PHOTOCHEMICAL TISSUE BONDING TECHNOLOGY THAT HAS VASCULAR, OPHTHALMOLOGIC AND DERMATOLOGICAL APPLICATIONS THROUGH ITS GENETICS LAB, AVERA MCKENNAN IS STUDYING CLINICAL APPLICATIONS OF PERSONALIZED MEDICINE THROUGH PHARMACOGENOMICS IN AREAS OF PAIN MANAGEMENT, BEHAVIORAL HEALTH, CARDIOVASCULAR HEALTH, INTERNAL MEDICINE, AND CANCER IN FISCAL YEAR 2014, AVERA MCKENNAN OPERATED THE AVERA RESEARCH INSTITUTE AT A LOSS OF $6,912,736

4d Other program services (Describe in Schedule O)
(Expenses $ 53,770,484 including grants of $ 5,945) (Revenue $ 74,368,493)

4e **Total program service expenses** ▶ 643,821,256

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 instructions)?	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		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	Yes	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
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 and XII 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *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 other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *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	Yes	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government 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 or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 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 through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
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**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, 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*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b 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 or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	423		
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	7,087		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ 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 as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization 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 or note to any line 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**	20		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			**2** Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			**3**	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	Did the organization have members or stockholders?			**6** Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			**7a** Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			**7b** Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			**8a** Yes	
b	Each committee with authority to act on behalf of the governing body?			**8b**	No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			**9**	No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

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

▶JULIE NORTON 1325 S CLIFF AVE
SIOUX FALLS, SD 571175045 (605) 322-8000

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

Check if Schedule O contains a response or note to any line 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 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, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								8,518,745	1,327,950	464,011

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 605

			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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
AVERA CENTRAL SERVICES 3900 WEST AVERA DRIVE SIOUX FALLS SD 57108	SHARED SERVICES	36,079,586
SIOUX FALLS CONSTRUCTION PO BOX 2728 SIOUX FALLS SD 571072728	CONSTRUCTION	14,216,408
SANFORD SCHOOL OF MEDICINE 1400 W 22ND ST 120 SIOUX FALLS SD 571051505	PHYSICIAN SERVICES	3,169,198
ASSOCIATED REGIONAL & UNIVERSITY PATHOLO PO BOX 27964 SALT LAKE CITY UT 84127	LAB TESTING	1,883,742
PHYSICIANS LABORATORY LTD 1301 S CLIFF AVE SUITE 700 SIOUX FALLS SD 571051019	PATHOLOGY	1,695,573

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 88

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a 50,997				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d 1,236,154				
	e	Government grants (contributions)	1e 408,221				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 4,054,163				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		5,749,535			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE RE	622110	727,549,429	727,549,429		
	b	OTHER PATIENT AND CLIN	621500	41,428,068	35,798,598	5,629,470	
	c	INCOME FROM SUBSIDIARI	423000	10,930,002	10,873,368	56,634	
	d	MEANINGFUL USE REVENUE	900099	4,817,656	4,817,656		
	e	INTEREST IN FOUNDATION	900099	2,492,661	2,492,661		
	f	All other program service revenue		7,023,430	7,006,589	16,841	
	g	**Total.** Add lines 2a–2f . . . . . ▶		794,241,246			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		14,238			14,238
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	1,420,910				
	b	Less rental expenses	1,234,325				
	c	Rental income or (loss)	186,585				
	d	Net rental income or (loss) . . . . . ▶		186,585			186,585
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	7,423,805 / 17,119				
	b	Less cost or other basis and sales expenses	0 / 0				
	c	Gain or (loss)	7,423,805 / 17,119				
	d	Net gain or (loss) . . . . . ▶		7,440,924			7,440,924
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	COMMERCIAL TESTING	621500	671,445		671,445	
	b	INTEREST INCOME	900099	508,930	508,930		
	c	SPORTS PROGRAM	900099	447,335		447,335	
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		1,627,710			
	12	**Total revenue.** See Instructions . . . . . ▶		809,260,238	789,047,231	6,821,725	7,641,747

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)

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☑

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 United States See Part IV, line 21	3,763,251	3,763,251		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	100,000	100,000		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,660,928	1,551,291	1,109,637	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	537,998	537,998		
7 Other salaries and wages	317,761,849	290,793,520	26,559,516	408,813
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	21,327,019	18,942,374	2,357,661	26,984
9 Other employee benefits	35,086,855	31,030,581	3,994,914	61,360
10 Payroll taxes	21,203,703	18,985,996	2,188,629	29,078
11 Fees for services (non-employees)				
a Management	279,931	279,931		
b Legal	268,836	244,914	23,922	
c Accounting	52,577	23,648	28,929	
d Lobbying	35,663		35,663	
e Professional fundraising services See Part IV, line 17	65,630			65,630
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	112,632,442	57,480,240	55,149,606	2,596
12 Advertising and promotion	2,211,059	676,024	1,517,525	17,510
13 Office expenses	9,104,931	4,799,978	4,135,537	169,416
14 Information technology	7,222,511	597,969	6,624,542	
15 Royalties . .				
16 Occupancy	21,706,284	15,550,623	6,155,538	123
17 Travel	3,265,432	2,823,676	436,975	4,781
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,846,239	1,727,377	118,626	236
20 Interest	8,013,346	7,772,173	241,173	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	36,412,828	31,006,917	5,399,191	6,720
23 Insurance	1,517,460	1,525,720	-8,260	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	132,870,447	132,293,360	569,087	8,000
b BAD DEBT EXPENSE	17,664,754	17,664,754		
c EQUIPMENT LEASE AND REN	3,503,657	1,665,216	1,836,709	1,732
d UBI TAX	388,712	388,712		
e All other expenses	5,456,194	1,595,013	3,856,557	4,624
25 **Total functional expenses.** Add lines 1 through 24e	766,960,536	643,821,256	122,331,677	807,603
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing			1	
	2	Savings and temporary cash investments		25,389,142	2	24,099,954
	3	Pledges and grants receivable, net		2,382,202	3	2,286,327
	4	Accounts receivable, net		93,735,966	4	106,439,778
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	54,167
	6	Loans and other 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) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		3,220,401	7	3,048,041
	8	Inventories for sale or use		14,929,302	8	15,633,019
	9	Prepaid expenses and deferred charges		10,595,030	9	16,682,059
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 734,763,682			
	b	Less accumulated depreciation	10b 379,015,317	358,612,850	10c	355,748,365
	11	Investments—publicly traded securities		8,554,927	11	9,884,715
	12	Investments—other securities See Part IV, line 11		229,497,375	12	267,843,176
	13	Investments—program-related See Part IV, line 11		11,817,238	13	12,480,826
	14	Intangible assets		45,416,755	14	42,906,869
	15	Other assets See Part IV, line 11		23,832,489	15	44,080,799
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		827,983,677	16	901,188,095
Liabilities	17	Accounts payable and accrued expenses		69,147,875	17	67,459,728
	18	Grants payable			18	
	19	Deferred revenue		1,464,257	19	495,769
	20	Tax-exempt bond liabilities		221,217,723	20	246,486,080
	21	Escrow or custodial account liability Complete Part IV of Schedule D		823,621	21	835,399
	22	Loans and other 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		17,706,579	23	5,652,057
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		31,746,136	25	29,257,633
	26	**Total liabilities.** Add lines 17 through 25		342,106,191	26	350,186,666
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		471,655,159	27	534,600,056
	28	Temporarily restricted net assets		11,590,650	28	13,708,584
	29	Permanently restricted net assets		2,631,677	29	2,692,789
		Organizations that do not follow SFAS 117 (ASC 958), 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		485,877,486	33	551,001,429
	34	Total liabilities and net assets/fund balances		827,983,677	34	901,188,095

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	809,260,238
2	Total expenses (must equal Part IX, column (A), line 25)	2	766,960,536
3	Revenue less expenses Subtract line 2 from line 1	3	42,299,702
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	485,877,486
5	Net unrealized gains (losses) on investments	5	20,388,653
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	2,435,588
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	551,001,429

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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		

Additional Data

Software ID:
Software Version:
EIN: 46-0224743
Name: AVERA MCKENNAN

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
DAVE ROZENBOOM CHAIR	2 00 0 00	X		X				0	0	0
MICHAEL BENDER VICE CHAIR	2 00 0 00	X		X				0	0	0
DAVID KAPASKA DO PRESIDENT & CEO	40 00 0 00	X		X				0	796,316	32,081
SISTER JANICE KLEIN BOARD TRUSTEE	2 00 0 00	X						0	0	0
GENE JONES JR BOARD TRUSTEE	2 00 0 00	X						0	0	0
AMY KRIE MD BOARD TRUSTEE	40 00 0 00	X						746,760	0	21,157
SISTER KATHRYN EASLEY BOARD TRUSTEE	2 00 0 00	X						0	0	0
KIM PEDERSON MD BOARD TRUSTEE	40 00 0 00	X						298,963	0	36,933
SISTER JOAN REICHELT BOARD TRUSTEE	2 00 43 80	X						0	0	0
GREG SCHROEDER MD BOARD TRUSTEE	2 00 0 00	X						0	0	0
FRED THURMAN BOARD TRUSTEE	2 00 0 00	X						0	0	0
DAVID FLECK BOARD TRUSTEE	2 00 0 00	X						0	0	0
JAMES WIEDERRICH BOARD TRUSTEE	2 00 0 00	X						0	0	0
BILL ROSSING MD BOARD TRUSTEE	2 00 0 00	X						0	0	0
CINDY WALSH BOARD TRUSTEE	2 00 0 00	X						0	0	0
DAVID CHICOINE BOARD TRUSTEE	2 00 0 00	X						0	0	0
SISTER CANDYCE CHRYSTAL BOARD TRUSTEE	2 00 0 00	X						0	0	0
HUGH VENRICK BOARD TRUSTEE	2 00 0 00	X						0	0	0
RAED SULAIMAN MD BOARD TRUSTEE	2 00 0 00	X						0	0	0
CAROL TWEDT BOARD TRUSTEE	2 00 0 00	X						0	0	0
JULIE N NORTON SEC/TREAS & SRVP FINANCE	40 00 0 00			X				391,679	0	45,363
JUDY BLAUWET SR VICE PRESIDENT	40 00 0 00				X			347,006	0	28,136
DAVID FLICEK CHIEF ADMINISTRATIVE OFFICER	1 00 40 00				X			0	531,634	35,637
STEVE PETERSEN AVP-PHARMACY	40 00 0 00				X			195,012	0	33,245
MARY LEEDOM AVP-SURGERY	40 00 0 00				X			180,386	0	12,486

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
CURT HOHMAN SR VICE PRESIDENT	40 00 0 00				X			286,411	0	27,830
KELLY MCCAUL MD ABIM FRCPC HEMATOLOGY, TRANSPLANTATION	40 00 0 00					X		1,203,726	0	28,630
HENDRICK KLOPPER MD NEUROSURGERY	40 00 0 00					X		1,245,102	0	39,174
BRIAN KNUTSON MD DERMATOLOGY	40 00 0 00					X		1,180,921	0	41,613
MICHAEL PUUMALA MD NEUROSURGERY	40 00 0 00					X		1,221,900	0	39,613
DANIEL TYNAN MD NEUROSURGERY	40 00 0 00					X		1,220,879	0	42,113

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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.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

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 - Non-functionally integrated

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 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?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** If the organization did not check a 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—2013.** 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—2012.** 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** 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).

Facts And Circumstances Test		
Return Reference	Explanation	

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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. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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 35c (Proxy Tax), then

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

Name of the organization	Employer identification number
AVERA MCKENNAN	46-0224743

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 function 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(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?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		35,663
j	Total Add lines 1c through 1i			35,663
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
PART II-B, LINE 1	PART II-B LINE 1G AND 1I AVERA MCKENNAN PARTICIPATES THROUGH VARIOUS HOSPITAL ORGANIZATIONS TO PROMOTE LEGISLATION THAT WOULD RESULT IN STRENGTHENING HEALTH CARE DELIVERY SYSTEMS ON A NATIONAL, REGIONAL, AND LOCAL LEVEL

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

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 can 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 education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 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, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) 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 acquisition, 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 XIII

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 XIII and complete the following table

		Amount
c	Beginning balance	1c 20,017
d	Additions during the year	1d 138,477
e	Distributions during the year	1e 142,980
f	Ending balance	1f 15,514

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☑

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	2,631,677	2,141,642	2,021,909	1,981,042	1,897,334
b	Contributions					
c	Net investment earnings, gains, and losses	61,112	490,035	119,733	40,867	83,708
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	2,692,789	2,631,677	2,141,642	2,021,909	1,981,042

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 100 000 %
- c Temporarily restricted endowment ▶

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	9,816,178	20,412,653		30,228,831
b Buildings	2,279,713	402,616,619	169,317,546	235,578,786
c Leasehold improvements		7,164	478	6,686
d Equipment		272,183,584	203,837,027	68,346,557
e Other		27,447,771	5,860,266	21,587,505
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				355,748,365

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. 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		
(3) Other (A) ASSETS LIMITED AS TO USE - AVERA POOLED INVESTMENTS	226,471,302	F
(B) AVERA HOME MEDICAL EQUIPMENT, LLC	3,621,568	C
(C) HEART HOSPITAL OF SOUTH DAKOTA, LLC	15,673,050	C
(D) INTEREST IN AVERA HEALTH FOUNDATION	15,630,773	F
(E) INVESTMENTS IN AFFILIATED COMPANIES	6,446,483	C
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	267,843,176	

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

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

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
OTHER LIABILITIES	2,683,696
DUE TO OTHER ORGANIZATIONS	1,174,897
MARKET VALUE OF INTEREST SWAP	8,578,366
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	7,715,008
MINORITY INTEREST	4,530,666
INSURANCE LOSS LIABILITY	4,575,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	29,257,633

2. Liability for uncertain tax positions In Part XIII, 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 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	901,128,847
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	20,388,653		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	89,521,788		
e	Add lines **2a** through **2d**			2e	109,910,441
3	Subtract line **2e** from line **1**			3	791,218,406
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 XIII)	4b	18,041,832		
c	Add lines **4a** and **4b**			4c	18,041,832
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	809,260,238

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	839,720,650
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 XIII)	2d	92,320,996		
e	Add lines **2a** through **2d**			2e	92,320,996
3	Subtract line **2e** from line **1**			3	747,399,654
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 XIII)	4b	19,560,882		
c	Add lines **4a** and **4b**			4c	19,560,882
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	766,960,536

Part XIII Supplemental Information

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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
PART IV, LINE 1B	THE ORGANIZATION HOLDS FUNDS IN TRUST ON BEHALF OF ITS LONG-TERM CARE RESIDENTS MANY SMALL DOLLAR TRANSACTIONS FLOW IN AND OUT OF THIS ACCOUNT THE ACCOUNT IS MANAGED BY THE NURSING HOME STAFF THE STATE HAS STRICT GUIDELINES ON HOW THESE ACCOUNTS ARE MANAGED
PART IV, LINE 2B	THE ORGANIZATION HOLDS AN AMOUNT IN TRUST RELATED TO A NON-COMPETE AS PART OF AN EMPLOYMENT AGREEMENT FOR AN EMPLOYED PHYSICIAN THE AMOUNT WILL BE HELD AND THEN PAID OUT WHEN THE PHYSICIAN REACHES AGE 65 OR EARLIER ACCORDING TO THE WRITTEN TRUST AGREEMENT
PART V, LINE 4	THE ORGANIZATION'S ENDOWMENT CONSISTS OF A PORTION OF THEIR INTEREST IN THE NET ASSETS OF AVERA HEALTH FOUNDATION THE AVERA HEALTH FOUNDATION INCLUDES ENDOWMENT FUNDS WHICH HAVE BEEN ESTABLISHED FOR A VARIETY OF PURPOSES AS REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, NET ASSETS ASSOCIATED WITH ENDOWMENT FUNDS, INCLUDING FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENTS (IF ANY), ARE CLASSIFIED AND REPORTED BASED ON THE EXISTENCE OR ABSENCE OF DONOR-IMPOSED RESTRICTIONS THE ORGANIZATION'S PERMANENTLY RESTRICTED ENDOWMENT FUNDS ARE DONOR RESTRICTED THE ORGANIZATION CURRENTLY DOES NOT HAVE ANY BOARD DESIGNATED ENDOWMENT FUNDS
PART X, LINE 2	THE ORGANIZATION IS ORGANIZED AS A NONPROFIT CORPORATION AND HAS BEEN RECOGNIZED BY THE INTERNAL REVENUE SERVICE (IRS) AS EXEMPT FROM FEDERAL INCOME TAXES UNDER INTERNAL REVENUE CODE SECTION 501(C)(3) CERTAIN CONSOLIDATED SUBSIDIARIES, INCLUDING AVERA HOME MEDICAL EQUIPMENT LLC, HEART HOSPITAL OF SOUTH DAKOTA LLC, AND ALUMEND LLC, ARE NOT TAX-EXEMPT ENTITIES AND ARE CONSIDERED PARTNERSHIPS OR DISREGARDED ENTITIES FOR TAX PURPOSES AVERA MCKENNAN IS ANNUALLY REQUIRED TO FILE A RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) WITH THE IRS IN ADDITION, AVERA MCKENNAN IS SUBJECT TO INCOME TAX ON NET INCOME THAT IS DERIVED FROM BUSINESS ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE AVERA MCKENNAN FILES AN EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN (FORM 990T) WITH THE IRS TO REPORT ITS UNRELATED BUSINESS TAXABLE INCOME FOR THE YEARS ENDED JUNE 30, 2014 AND 2013, CASH PAID FOR INCOME TAXES WAS $163,712 AND $852,192, RESPECTIVELY THE ORGANIZATION BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS THE ORGANIZATION WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES WERE INCURRED THE ORGANIZATION'S FEDERAL FORM 990T AND OTHER TAX RETURN FILINGS ARE GENERALLY NO LONGER SUBJECT TO FEDERAL TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2011
PART XI, LINE 2D - OTHER ADJUSTMENTS	REVENUES OF CONSOLIDATED SUBSIDIARIES CONSOLIDATED FOR FINANCIAL STATEMENTS 109,397,780 OCCUPANCY EXPENSES INCLUDED IN NONOPERATING INCOME ON FINANCIAL STATEMENTS -1,830,498 RECLASS OF LOSSES ON INTEREST RATE SWAPS RECORDED IN N/A FOR TAX RETURN -380,740 BAD DEBT EXPENSE REPORTED IN REVENUE FOR FINANCIAL STATEMENTS -17,664,754
PART XI, LINE 4B - OTHER ADJUSTMENTS	INVESTMENT CHG IN AVERA HEALTH FDTN RECORDED IN FD BALANCE ON FINANCIAL STMT 272,347 GAIN FROM INVESTMENT IN SUBSIDIARIES RECORDED IN REVENUE FOR TAX RETURN 10,930,002 MANAGEMENT FEES INCLUDED IN EXPENSES ON FINANCIAL STATEMENTS 1,927,011 RENTAL EXPENSE INCLUDED IN REVENUES ON FINANCIAL STATEMENTS -1,234,325 CONTRIBUTION OF LONG-LIVED ASSET RECORDED IN NET ASSETS FOR FINANCIAL STMT 3,723,567 TEMP & PERM CHANGES IN INVESTMENT OF AVERA FOUNDATION 2,179,046 CHANGE IN NONCONTROLLING INTEREST IN HEART HOSPITAL OF SOUTH DAKOTA 147,304 CONTRIBUTION RECORDED IN EXPENSES FOR FINANCIAL STATEMENT PURPOSES 31,250 PROFESSIONAL FUNDRAISING EXPENSES PROVIDED BY RELATED ORGANIZATION ON F/S 65,630
PART XII, LINE 2D - OTHER ADJUSTMENTS	EXPENSES OF CONSOLIDATED SUBSIDIARIES CONSOLIDATED FOR FINANCIAL STATEMENTS 93,044,932 MANAGEMENT FEES INCLUDED IN REVENUE FOR TAX RETURN -1,927,011 RENTAL EXPENSE INCLUDED IN EXPENSES FOR TAX RETURN 1,234,325 CONTRIBUTION RECORDED IN EXPENSES FOR FINANCIAL STATEMENT PURPOSES -31,250

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation
PART XII, LINE 4B - OTHER ADJUSTMENTS	OCCUPANCY EXPENSES INCLUDED IN THE NONOPERATING INCOME FOR FINANCIAL STMTS 1,830,498 BAD DEBT EXPENSE REPORTED IN REVENUE FOR FINANCIAL STATEMENTS 17,664,754 PROFESSIONAL FUNDRAISING EXPENSES PROVIDED BY RELATED ORGANIZATION ON F/S 65,630

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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.**

▶ **Information about Schedule G (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

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

- **a** ☑ Mail solicitations
- **b** ☑ Internet and email 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

	(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	**(iii)** 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
1	THEODORE MUENSTER 509 LINDEN AVE VERMILLION, SD 57069	MAJOR AND PLANNED GIFT SOLICITATIONS		No	0	0	8,000
2	JON OIEN 600 E SUNNYBROOK DR SIOUX FALLS, SD 57105	MAJOR AND PLANNED GIFT SOLICITATIONS		No	0	0	57,630
3							
4							
5							
6							
7							
8							
9							
10							
Total . . . . . ▶							65,630

3 List all states in which the organization is registered or licensed to solicit contributions 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 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts				
	2 Less Contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				( )
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				

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 Subtract line 7 from line 1, 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 Enter 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 of the third party

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 Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	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.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

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	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, 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 hospital facilities ☑ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining 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	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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 Worksheet 1)			12,632,663		12,632,663	1 690 %
b Medicaid (from Worksheet 3, column a)			65,020,635	50,980,469	14,040,166	1 870 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			1,323,973	1,179,084	144,889	0 020 %
d **Total** Financial Assistance and Means-Tested Government Programs			78,977,271	52,159,553	26,817,718	3 580 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,288,214	423,444	2,864,770	0 380 %
f Health professions education (from Worksheet 5)			7,688,795	1,397,444	6,291,351	0 840 %
g Subsidized health services (from Worksheet 6)			16,437,297	10,353,538	6,083,759	0 810 %
h Research (from Worksheet 7)			5,655,787	707,204	4,948,583	0 660 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			3,094,004		3,094,004	0 410 %
j **Total.** Other Benefits			36,164,097	12,881,630	23,282,467	3 100 %
k **Total.** Add lines 7d and 7j			115,141,368	65,041,183	50,100,185	6 680 %

Part II Community Building Activities Complete this if the organization conducted any 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			203,583		203,583	0 030 %
3 Community support						
4 Environmental improvements			15,000		15,000	0 %
5 Leadership development and training for community members						
6 Coalition building			500		500	0 %
7 Community health improvement advocacy						
8 Workforce development			56,307		56,307	0 010 %
9 Other						
10 **Total**			275,390		275,390	0 040 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	17,664,754		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	180,393,480
6	Enter Medicare allowable costs of care relating to payments on line 5	6	179,537,705
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	855,775
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	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(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 from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 7

Name, address, primary website address, and state license number

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group AVERA MCKENNAN

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW AVERA ORG/MCKENNAN/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group HEART HOSPITAL OF SOUTH DAKOTA LLC

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 2

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW AVERA ORG/HEART-HOSPITAL/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group AVERA GREGORY HEALTHCARE CENTER

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 3

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW AVERA ORG/GREGORY-HOSPITAL/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group AVERA MILBANK AREA HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 4

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.AVERA.ORG/MILBANK/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group AVERA DELLS AREA HEALTH CENTER

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 5

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW AVERA ORG/DELL-RAPIDS/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group AVERA FLANDREAU MEDICAL CENTER

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 6

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.AVERA.ORG/FLANDREAU-MEDICAL/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group AVERA HAND COUNTY MEMORIAL HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 7

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW AVERA ORG/MILLER/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? **59**

	Name and address	Type of Facility (describe)
1	See Additional Data Table	
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART I, LINE 3C	A COMBINATION OF INCOME AND ASSETS TEST IS UTILIZED TO DETERMINE ELIGIBILITY FOR FREE OR DISCOUNTED CARE POINTS ARE ASSIGNED BASED ON INCOME AS A PERCENTAGE OF FPG AND NET ASSETS OWNED WITH POINTS DEDUCTED FOR ONGOING MEDICAL EXPENSES SUCH AS DRUGS PATIENTS WITH THE FEWEST POINTS RECEIVE THE LARGEST DISCOUNT 0-1 POINTS RECEIVE 100% DISCOUNT ON BILLS WHILE REMAINING DISCOUNTS RANGE FROM 10-90% DEPENDING ON POINT TOTALS AND DOLLAR AMOUNT OF CHARGES

Form and Line Reference	Explanation
PART I, LINE 6A	AVERA MCKENNAN'S COMMUNITY BENEFIT REPORT IS CONTAINED IN A REPORT PREPARED BY AVERA HEALTH, A RELATED ORGANIZATION IT IS AVAILABLE THROUGH THE WEBSITE AND REQUESTED MAILING, AND IS FILED WITH THE CATHOLIC HEALTH ASSOCIATION

Form and Line Reference	Explanation
PART I, LINE 7	A COMBINATION OF COSTING METHODOLOGY WAS USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE A COST ACCOUNTING SYSTEM WAS USED TO CALCULATE MEDICAID AND MEANS-TESTED GOVERNMENT PROGRAM EXPENSES AND SHORTFALLS AND SUBSIDIZED HEALTH SERVICES FOR OUR TERTIARY MEDICAL CENTER A COST TO CHARGE RATIO DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES WAS USED TO CALCULATE CHARITY CARE AT COST FOR ALL ENTITIES AND MEDICAID AND MEANS-TESTED GOVERNMENT PROGRAM EXPENSES AND SHORTFALLS AND SUBSIDIZED HEALTH SERVICES FOR ANY OPERATIONS OUTSIDE OF THE TERTIARY MEDICAL CENTER FOR ALL OTHER AMOUNTS, COSTS AND REVENUES AS REFLECTED BY THE GENERAL LEDGER SYSTEM WERE USED

Form and Line Reference	Explanation
PART I, LINE 7G	PHYSICIAN CLINIC COSTS FOR TRANSPLANT SERVICES ARE INCLUDED IN SUBSIDIZED HEALTH SERVICES REVENUES OF $942,447 AND COSTS OF $3,085,755 WERE INCLUDED FOR A NET COMMUNITY BENEFIT OF $2,143,308 OUR FACILITY IS THE PRINCIPAL PROVIDER OF TRANSPLANT SERVICES THROUGH OUR SERVICE AREA WITH THE CLINICS A CRUCIAL COMPONENET OF SUCCESSFUL PRE AND POST TRANSPLANT CARE

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	BAD DEBT EXPENSE OF $17,664,754 IS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A) BUT EXCLUDED FOR PURPOSES OF CALCULATING THIS PERCENTAGE

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENT, AND COALITION BUILDING ARE SUPPORTED MAINLY THROUGH MONETARY DONATIONS IN ADDITION TO SERVICE PREPAREDNESS COMMITTEES THE ORGANIZATION'S WORKFORCE DEVELOPMENT PROGRAM WORKS WITH UNIVERSITIES, TECHNICAL SCHOOLS, AND LOCAL HIGH SCHOOLS TO ADDRESS HEALTHCARE WORKER SHORTFALLS IN THE COMMUNITY THROUGH PARTNERING WITH THESE ORGANIZATIONS, AVERA MCKENNAN PROVIDES SPEAKERS, WORK EXPERIENCE FOR STUDENTS, SHADOWING, CAREER FAIRS AND INFORMATIONAL LITERATURE TO ENCOURAGE STUDENTS TO CONSIDER A CAREER IN HEALTHCARE AND STAY IN THE COMMUNITY

Form and Line Reference	Explanation
PART III, LINE 2	BAD DEBT EXPENSE IS REPORTED NET OF DISCOUNTS AND CONTRACTUAL ALLOWANCES A PAYMENT ON AN ACCOUNT PREVIOUSLY WRITTEN OFF REDUCES BAD DEBT EXPENSE IN THE CURRENT YEAR BAD DEBT EXPENSE ON LINE 2 IS REPORTED AT CHARGES AS PRESENTED ON THE FINANCIAL STATEMENTS

Form and Line Reference	Explanation
PART III, LINE 4	THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS CAN BE FOUND ON PAGE 8 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
PART III, LINE 8	THE MEDICARE REVENUES RECEIVED (LINE 5), ALLOWABLE COSTS (LINE 6), AND THE RESULTING SURPLUS (LINE 7) DOES NOT INCLUDE A SIGNIFICANT PORTION OF THE ORGANIZATION'S EXPENSES THESE LINES REQUIRE USE OF THE MEDICARE COST REPORT AS PREPARED BY THE REQUIRED GUIDELINES WHICH DISALLOWS NUMEROUS COSTS OF HOSPITALS, PARTICULARLY IF THEY ARE PART OF AN INTEGRATED SYSTEM SUCH AS AVERA MCKENNAN IN THESE CASES THE ENTITY MUST FILE A HOME OFFICE COST REPORT WHICH "STEPS DOWN" OVERHEAD TO NON-COST REPORT ENTITIES DISPROPORTIONATELY TO ACTUAL ALLOWABLE SHARE AND ESSENTIALLY REMOVING THE COSTS FROM THE HOSPITAL'S COST REPORT ENTIRELY EXAMPLES OF A PORTION OF THESE OVERHEAD COSTS WOULD BE FINANCE, BUSINESS OFFICE, INFORMATION TECHNOLOGY, HUMAN RESOURCES AND ADMINISTRATION EXAMPLES OF NON-COST REPORT ENTITIES OPERATED BY AVERA MCKENNAN INCLUDE CLINICS, HOME MEDICAL EQUIPMENT STORES, MOBILE IMAGING SERVICES, LONG-TERM CARE FACILITIES, AND OTHER HEALTH CARE RELATED BUSINESSES THERE ARE ALSO COSTS COMPLETELY DISALLOWED BY COST REPORT RULES SUCH AS BAD DEBT EXPENSE, HOSPITALISTS CARE, MARKETING, CRNA'S, AND INTEREST EXPENSE AVERA MCKENNAN ALSO RECEIVES A MEDICARE DISPROPORTIONATE SHARE HOSPITAL (DSH) ADJUSTMENT AS PART OF THE COST REPORT DUE TO ITS SIGNIFICANT NUMBER OF LOW-INCOME PATIENTS SERVED PART III, LINE 5 REQUIRES INCLUSION OF THIS REVENUE THOUGH EXPENSES INCLUDED ARE MUCH LOWER SCHEDULE H INSTRUCTIONS ALSO REQUIRE THE EXCLUSION OF $8,505,059 OF MEDICARE LOSSES BECAUSE THEY ARE INCLUDED IN SCHEDULE H, PART 1, LINE 7F OR 7G INCLUDING THE MEDICARE PERCENTAGE OF DISALLOWED COSTS, ENTITIES WHICH DON'T FILE A COST REPORT BUT NEVERTHELESS CARE FOR MEDICARE PATIENTS, AND THE IMPACT OF THE HOME OFFICE COST REPORT, THE MEDICARE SHORTFALL IS $27,148,093 AS OPPOSED TO A SURPLUS OF $855,775 AVERA MCKENNAN FOLLOWS THE CATHOLIC HEALTH ASSOCIATION GUIDELINES IN REPORTING COMMUNITY BENEFITS AND THEREFORE ANY MEDICARE SHORTFALL (AS CALCULATED INCLUDING OUR NON-COST REPORT ENTITIES) IS EXCLUDED FROM OUR COMMUNITY BENEFIT REPORT HOWEVER, MEDICARE IS THE ORGANIZATION'S LARGEST PAYER AND PATIENTS WITH MEDICARE COVERAGE ARE ACCEPTED REGARDLESS OF WHETHER OR NOT A SURPLUS OR DEFICIT IS REALIZED FROM PROVIDING THE SERVICES THIS BASIS THEREFORE MEANS PROVIDING MEDICARE SERVICES PROMOTES ACCESS TO HEALTHCARE SERVICES WHICH IS A KEY ADVANTAGE FOR OUR COMMUNITY MEDICARE ALLOWABLE COSTS OF CARE ARE BASED ON THE MEDICARE COST REPORT THE MEDICARE COST REPORT IS COMPLETED BASED ON THE RULES AND REGULATIONS SET FORTH BY CENTERS FOR MEDICARE & MEDICAID SERVICES

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

Form and Line Reference	Explanation
PART VI, LINE 2	COMMUNITY NEEDS ASSESSMENT OCCURS AT VARIOUS POINTS IN THE SYSTEM THROUGH ANNUAL STRATEGIC PLANNING SESSIONS, COMMUNITY LEADERS ARE BROUGHT IN TO UPDATE AND EDUCATE AVERA MCKENNAN BOARD MEMBERS AND ADMINISTRATIVE COUNCIL ON THE SUCCESSES, CHALLENGES, AND SERVICE GAPS IN THE COMMUNITY EXAMPLES INCLUDE SCHOOL DISTRICT OFFICIALS, STATE HEALTH DEPARTMENT, AND COMMUNITY HEALTH ORGANIZATIONS LEADERS ALSO SERVE ON BOARDS OF VARIOUS COMMUNITY ORGANIZATIONS WHICH SEEK TO ADDRESS THE HEALTH AND WELL-BEING OF AREA CITIZENS LOCAL GOVERNING BOARDS AT OUTLYING FACILITIES, WHO ARE MEMBERS OF THE COMMUNITY, DISCUSS AND HELP DIRECT RESOURCES TO AREAS OF TARGETED NEEDS AS WELL

Form and Line Reference	Explanation
PART VI, LINE 3	NOTICES ARE POSTED IN ENGLISH AND SPANISH IN A VISIBLE MANNER IN LOCATIONS WHERE THERE IS A HIGH VOLUME OF INPATIENT OR OUTPATIENT ADMITTING/REGISTRATION, SUCH AS EMERGENCY DEPARTMENTS, BILLING OFFICES, ADMITTING OFFICES, AND OUTPATIENT SERVICE SETTINGS AS WELL AS THE ORGANIZATION WEBSITE POSTED NOTICES STATE THAT THE ORGANIZATION HAS A FINANCIAL ASSISTANCE POLICY FOR LOW-INCOME UNINSURED PATIENTS WHO MAY NOT BE ABLE TO PAY THEIR BILL AND THAT THIS POLICY PROVIDES FOR CHARITY CARE AND REDUCED-PAYMENT FOR HEALTHCARE SERVICES THERE IS ALSO IDENTIFICATION OF A CONTACT PHONE NUMBER THAT A PATIENT CAN CALL TO OBTAIN MORE INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY AND ABOUT HOW TO APPLY FOR SUCH ASSISTANCE ADDITIONALLY, ADMITTING STAFF MAKES AVAILABLE A BROCHURE DESIGNED TO HELP PATIENTS UNDERSTAND HOW WE BILL PATIENTS AND PROVIDES SUMMARY INFORMATION ON FINANCIAL ASSISTANCE IF YOU ARE UNABLE TO PAY PATIENT ADVOCATES WORK WITH UNINSURED PATIENTS IN OUR MAIN TERTIARY FACILITY TO ENROLL THEM IN APPLICABLE SOCIAL PROGRAMS AND IDENTIFY CHARITY ELIGIBILITY, ELIGIBILITY AND ENROLLMENT FOR COUNTY, STATE OR FEDERAL RISK POOLS, AND ELIGIBILITY FOR MODIFIED MEDICARE OR MEDICAID PROGRAMS

Form and Line Reference	Explanation
PART VI, LINE 4	AVERA MCKENNAN'S SERVICE AREA IS A LARGELY RURAL POPULATION SERVICES ARE PROVIDED THROUGH A HEALTH CARE NETWORK OF 115 LOCATIONS COVERING 54 COMMUNITIES IN FOUR STATES THE MAIN TERTIARY FACILITY IS LOCATED IN A POPULATION CENTER OF OVER 155,000 SERVED BY ANOTHER NON-PROFIT HOSPITAL OF SIMILAR SIZE, VETERANS ADMINISTRATION HOSPITAL, A HOSPITAL DEDICATED TO DIAGNOSIS AND TREATMENT OF HEART DISEASE, AND A HOSPITAL FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS OUTSIDE OF THIS POPULATION CENTER, MOST OF THE COMMUNITIES SERVED HAVE LESS THAN 4,000 RESIDENTS THE PRIMARY SERVICE AREA INCLUDES FOUR COUNTIES COVERING APPROXIMATELY 2,600 SQUARE MILES AND CONTAINS SEVEN FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS THE U S CENSUS BUREAU DATA ESTIMATES JUST UNDER 10% OF RESIDENTS IN THE PRIMARY SERVICE AREA ARE AT OR BELOW THE POVERTY LEVEL OUR SECONDARY SERVICE AREA COVERS AN ADDITIONAL 19 COUNTIES IN SOUTH DAKOTA, IOWA AND MINNESOTA WITH AN ESTIMATED TOTAL POPULATION OF 235,000 BASED ON U S CENSUS BUREAU PROJECTIONS FOR 2011

Form and Line Reference	Explanation
PART VI, LINE 5	SURPLUS FUNDS ARE REINVESTED IN FACILITIES TO IMPROVE PATIENT CARE MEDICAL STAFF PRIVILEGE S ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY THE AVERA MCKENNAN BOARD OF T RUSTEES IS PRINCIPALLY COMPRISED OF COMMUNITY MEMBERS FROM THE PRIMARY SERVICE AREA MEMBE RS COME FROM A VARIETY OF BACKGROUNDS RANGING FROM PRIVATE INDUSTRY AND BANKING TO HEALTHC ARE AVERA MCKENNAN IS A VERIFIED LEVEL II TRAUMA CENTER AND WAS THE FIRST SUCH CENTER IN T HE STATE OF SOUTH DAKOTA AVERA MCKENNAN'S EMERGENCY DEPARTMENT IS STAFFED 24 HOURS A DAY WITH BOARD-CERTIFIED EMERGENCY SPECIALISTS AND PROVIDES EMERGENCY CARE REGARDLESS OF ABILI TY TO PAY AVERA MCKENNAN HAD 27,363 EMERGENCY DEPARTMENT VISITS IN FY 2014 OPERATING BOT H FIXED WING AND HELICOPTER MEDICAL AIR TRANSPORTS, AVERA MCKENNAN'S FLIGHT TEAMS COVER A LARGE GEOGRAPHIC AREA PROVIDING STATE-OF-THE-ART AIR TRANSPORT SERVICES AND ACCESS TO CRIT ICAL CARE, WITH 1,489 FLIGHTS IN THE PAST YEAR AVERA MCKENNAN OWNS OR LEASES RURAL CRITICA L ACCESS HOSPITALS IN FLANDREAU, GREGORY, DELL RAPIDS, MILBANK AND MILLER (HAND COUNTY), S OUTH DAKOTA AS SUCH, THEY OPERATE AS A DEPARTMENT OF AVERA MCKENNAN THE HOSPITALS IN FLA NDREAU, GREGORY AND HAND COUNTY SERVE MEDICALLY UNDERSERVED COUNTIES IN ADDITION TO THE F OLLOWING EXEMPT PURPOSE ACHIEVEMENTS, RURAL HOSPITALS PARTICIPATE IN MANY OF THE ABOVE AS PART OF AVERA MCKENNAN AMONG SERVICES OFFERED BY RURAL HOSPITALS ARE RADIOLOGY AND IMAGIN G, COLONOSCOPY AND ENDOSCOPY, THERAPY AND REHABILITATION, 24-HOUR EMERGENCY CARE, CHEMOTHE RAPY, ORTHOPEDICS, CARDIOVASCULAR TESTING AND CARE, OBSTETRICS, SURGERY, AND DIALYSIS HEAL TH CARE CLINIC IN 1992, AVERA MCKENNAN ESTABLISHED A HEALTH CARE CLINIC TO PROVIDE FREE C ARE FOR PEOPLE WHO ARE UNINSURED OR UNDERINSURED IN THE COMMUNITY THE CLINIC IS MANAGED B Y A REGISTERED NURSE AND STAFFED BY REGISTERED NURSES, TWO MIDLEVEL PROVIDERS, MEDICAL RES IDENTS AND VOLUNTEER HEALTH CARE PROVIDERS THE GOAL OF THE CLINIC IS TO PREVENT OR TREAT PATIENTS' MEDICAL CONDITIONS BEFORE THEY BECOME CATASTROPHIC THE CLINIC AVERAGES 550 VISI TS PER MONTH, PROVIDING PREVENTATIVE CARE, DIAGNOSIS AND TREATMENT OF ILLNESSES AND INJURI ES, MEDICATION ASSISTANCE AND ASSISTANCE IN OBTAINING SPECIALIST CARE FOR PATIENTS WITH CO MPLEX CASES THE CLINIC ALSO SERVES TO TRAIN PHYSICIANS, NURSES AND OTHER HEALTH CARE STUD ENTS IT PROVIDES A FREE EVENING CLINIC ONE EVENING PER MONTH, STAFFED BY MEDICAL STUDENTS UNDER SUPERVISION OF PHYSICIANS AVERA MCKENNAN IS THE ONLY HEALTH CARE ORGANIZATION TO P ROVIDE FREE SERVICES SUCH AS THIS IN THE STATE OF SOUTH DAKOTA THE CLINIC HAD 6,549 VISIT S IN 2014, AND WAS OPERATED AT AN ANNUAL COST OF $964,435 AVERA MCKENNAN PARTNERS WITH TH E NOT-FOR-PROFIT DESTINY CLINIC BY PROVIDING FUNDING OF $15,000 PER YEAR TO PROVIDE FREE E VENING CLINIC SERVICES PARTNERSHIP IN LIVE WELL SIOUX FALLS THE CITY OF SIOUX FALLS RECEI VED A COMMUNITY HEALTH TRANSFORMATION GRANT FROM THE SOUTH DAKOTA DEPARTMENT OF HEALTH, SP ARKING A PROJECT TO IMPROVE THE HEALTH AND WELL-BEING OF THE CITIZENS OF SIOUX FALLS GUID ED BY THE CITY OF SIOUX FALLS HEALTH DEPARTMENT, THIS ONGOING PROJECT IS KNOWN AS LIVE WEL L SIOUX FALLS IT INVOLVES MORE THAN 24 COMMUNITY PARTNER ORGANIZATIONS AMONG THESE PARTN ERS ARE AVERA MCKENNAN AND THE OTHER MAJOR HEALTH CARE SYSTEM IN SIOUX FALLS, SANFORD HEAL TH AVERA PLANS TO WORK IN PARTNERSHIP WITH THE CITY OF SIOUX FALLS AND SANFORD HEALTH TO ADDRESS THE PRIORITIES OF LIVE WELL SIOUX FALLS, AND ARRIVE AT SOLUTIONS WHICH ARE COLLABO RATIVE IN NATURE AVERA MCKENNAN COLLABORATES WITH LIVE WELL SIOUX FALLS TO PROMOTE THE BIG SQUEEZE, A HYPERTENSION INITIATIVE IN APRIL TO PROMOTE BLOOD PRESSURE SCREENING AND EDUCA TION, WITH THE GOAL OF DIAGNOSING HIGH BLOOD PRESSURE ONE IN THREE AMERICAN ADULTS HAVE H IGH BLOOD PRESSURE, BUT ONLY HALF OF THEM HAVE IT UNDER CONTROL, ADDING TO THE RISK OF STR OKE, HEART ATTACK AND VASCULAR DISEASE RESIDENCY/HEALTH PROFESSIONS TRAINING AND INTERNSHI PS IN 2014, AVERA MCKENNAN HAD 88 MEDICAL SCHOOL RESIDENTS IN TRAINING AT AVERA MCKENNAN IN INTERNAL MEDICINE, FAMILY PRACTICE, PSYCHIATRY, GERIATRICS AND TRANSITIONAL RESIDENCY P ROGRAMS OFFERED IN PARTNERSHIP WITH THE UNIVERSITY OF SOUTH DAKOTA SCHOOL OF MEDICINE OVE R 800 STUDENTS IN NURSING, PHARMACY, PHYSICIAN ASSISTANT PROGRAMS, RADIOLOGY AND RESPIRATO RY THERAPY ALSO COMPLETED ROTATIONS AT AVERA MCKENNAN AVERA MCKENNAN HAS MANY JOINT AGREE MENTS WITH INSTITUTIONS OF HIGHER EDUCATION FOR BOTH CLINICAL AND EDUCATIONAL PROGRAMMING IN NON-CLINICAL AREAS, AVERA MCKENNAN OFFERED 98 PAID AND UNPAID INTERNSHIPS IN 2014 IN T HE AREAS OF MARKETING, HUMAN RESOURCES, FINANCE, FOUNDATION, AND NETWORK OPERATIONS AVERA MCKENNAN IS CURRENTLY AFFILIATED WITH APPROXIMATELY 90 INSTITUTIONS OF HIGHER EDUCATION PATIENT AND COMMUNITY EDUCATION AVERA MCKENNAN IS A REGIONAL LEADER IN OFFERING EDUCATION AL PROGRAMS FOR A VARIETY OF LEARNERS, LEADERS AND EMPLOYEES UTILIZING ADVANCED TECHNOLOG Y, MANY OF THESE PROGRAMS ARE PROVIDED ELECTRONICA

Form and Line Reference	Explanation
PART VI, LINE 5	LLY THROUGHOUT THE TRI-STATE AREA EDUCATIONAL SESSIONS ARE OFFERED TO MEDICAL STAFF, EMPL OYEES, HEALTH CARE PROFESSIONALS, STUDENTS AT ALL LEVELS AND THE GENERAL PUBLIC UTILIZING AVERA MCKENNAN'S EDUCATION CENTER, A BROAD CROSS-SECTION OF CLASSES INVOLVING DIVERSE AUD IENCES ARE PROVIDED AS A COMMUNITY SERVICE EACH YEAR * ONLINE RESOURCES AVERA MCKENNAN OF FERS VAST FREE PATIENT EDUCATIONAL ONLINE RESOURCES ON ITS PUBLIC WEBSITE ON NUMEROUS HEAL TH TOPICS, WITH SUGGESTIONS FOR LIFESTYLE CHANGE, BEHAVIOR MODIFICATION AND MANAGEMENT FOR IMPROVED HEALTH * TO BE WELL FREE EDUCATION EVENTS WERE HELD ON TOPICS INCLUDING ORTHOPED ICS, CANCER, DIABETES, WEIGHT LOSS/HEALTHY EATING, MULTIPLE SCLEROSIS, ANXIETY AND ACUPUNC TURE * FORUMS THE AVERA BEHAVIORAL HEALTH CENTER OFFERS FREE FRIDAY FORUMS, IN WHICH SCH OOL COUNSELORS AND THERAPISTS ARE INVITED TO PRESENTATIONS ON CHILDREN'S MENTAL HEALTH TOP ICS SUCH AS CONFLICT CYCLES, REACTIVE ATTACHMENT DISORDER, DEPRESSION AND BIPOLAR DISORDER IN CHILDREN, AND TEEN SUBSTANCE USE, ABUSE AND ADDICTION THESE SESSIONS, HELD NINE TIMES EACH YEAR, ARE ATTENDED IN PERSON BY APPROXIMATELY 80 THROUGHOUT 2014, VIDEOS OF THESE P RESENTATIONS WERE VIEWED 401 TIMES ONLINE * THE AVERA BEHAVIORAL HEALTH CENTER OFFERS FREE MONTHLY EDUCATIONAL SESSIONS ON VARIOUS TOPICS FOLLOWED BY DISCUSSION FOR ADULTS WHO HAVE BEEN IMPACTED BY A LOVED ONE'S MENTAL ILLNESS TOPICS HAVE INCLUDED GRIEF AND LOSS, ANXIE TY, AND PARENTING STRATEGIES FOR MANAGING CHALLENGING BEHAVIORS * WOMEN'S & CHILDREN'S SER VICES AVERA MCKENNAN'S WOMEN'S & CHILDREN'S SERVICES OFFERS A NUMBER OF PARENTING AND COM MUNITY EDUCATION OPPORTUNITIES, FOR FREE OR AT A MINIMAL COST IN FISCAL YEAR 2014, 151 CH ILDBIRTH EDUCATION CLASSES WERE HELD WITH 593 ATTENDEES A TOTAL OF 17 PARENT AND FAMILY E DUCATION CLASSES WERE HELD WITH 180 ATTENDEES A TOTAL OF 64 CAR SEATS WERE ISSUED THROUGH THE SOUTH DAKOTA CHILD SAFETY SEAT DISTRIBUTION PROGRAM FREE BURN EDUCATION WAS PROVIDED TO 2,931 STUDENTS DURING PRESENTATIONS IN SCHOOLS * DAYCARE TRAINING FREE OF CHARGE, AVE RA MCKENNAN OFFERS FOUR IN-SERVICE TRAINING SESSIONS PER MONTH TO DAYCARE PROVIDERS THROUG H THE EMBE, WITH A TOTAL OF 36 SCHEDULED ANNUALLY, AND ADDITIONAL SESSIONS FOR REQUESTED T OPICS SUPPORT GROUPS AVERA MCKENNAN OFFERS APPROXIMATELY 10 FREE SUPPORT GROUPS THEY RA NGE IN TOPIC FROM CANCER TO LIVER DISEASE, DIABETES, BONE MARROW TRANSPLANT, STROKE AND GR IEF AND LOSS THE ORGANIZATION PROVIDES FREE MEETING SPACE AS WELL AS SPEAKERS AND LEADERS INFORMATION AND ASSISTANCE AVERA MCKENNAN OPERATES A 24-HOUR MEDICAL CALL CENTER, THROU GH WHICH PATIENTS HAVE ACCESS TO THE ASK-A-NURSE PROGRAM PATIENTS CAN CALL A TOLL-FREE NU MBER AND TALK PERSONALLY WITH A REGISTERED NURSE TO ASK HEALTH QUESTIONS OR RECEIVE GENERA L HEALTH INFORMATION IN 2014, THE MEDICAL CALL CENTER HANDLED 131,053 CALLS AVERA MCKENN AN'S WEB SITE ALSO PROVIDES AN EXTENSIVE HEALTH LIBRARY THAT CONSUMERS CAN ACCESS FREE OF CHARGE INTERPRETER SERVICE AVERA MCKENNAN EMPLOYS TWO FULL-TIME SPANISH INTERPRETERS IN-H OUSE, AND THEIR SERVICES ARE OFFERED TO PATIENTS FREE OF CHARGE IN ADDITION, IN COOPERATI ON WITH EXTERNAL AGENCIES, AVERA MCKENNAN IS ABLE TO HANDLE 210 DIFFERENT LANGUAGES AND DI ALECTS THROUGH PHONE, VIDEO REMOTE INTERPRETING AND OTHER MEANS INTERPRETATION SERVICES A RE AVAILABLE FOR PATIENTS WHEN THEY ARE AT AVERA MCKENNAN IN PERSON, OR WHEN THEY CALL BY PHONE ALL THE ABOVE SERVICES ARE PROVIDED AT NO COST TO THE PATIENT

Form and Line Reference	Explanation
PART VI, LINE 6	THE COMMUNITIES IN WHICH THE AVERA SYSTEM OPERATES ALL HAVE UNIQUE HEALTH AND COMMUNITY BENEFIT NEEDS AND IN KEEPING WITH THE CATHOLIC HEALTHCARE ASSOCIATION GUIDELINES EACH HOSPITAL STRIVES TO MEET ITS COMMUNITY'S IDENTIFIED NEEDS THE AVERA CENTRAL OFFICE ADVOCATES FOR ALL ON COMMUNITY BENEFIT-RELATED MATTERS OF STATE, REGIONAL, AND NATIONAL IMPORTANCE

Form and Line Reference	Explanation
PART VI, LINE 5	PRENATAL AND DELIVERY CARE BECAUSE EARLY AND REGULAR PRENATAL CARE IS IMPORTANT TO PREVEN T PREMATURE BIRTH, AVERA MCKENNAN COLLABORATES IN A COMMUNITY EFFORT TO PROVIDE OBSTETRICS CARE FOR WOMEN WHO DO NOT QUALIFY FOR MEDICAID, BUT CANNOT AFFORD HEALTH INSURANCE THE P ROGRAM OFFERS PRENATAL CARE, AND HOSPITAL LABOR AND DELIVERY SERVES FOR A LOW FEE OF $1,00 0 WOMEN RECEIVE CARE WHETHER THEY CAN COVER ANY OR ALL OF THE FEE CARE IS PROVIDED PRIMA RILY BY FIRST-YEAR FAMILY PRACTICE RESIDENTS, SUPERVISED BY EXPERIENCED PHYSICIANS THROUG H THIS PROGRAM IN 2014, AVERA MCKENNAN ASSISTED WITH 77 BIRTHS AND PROVIDED 756 PRENATAL A ND POST-PARTUM VISITS TRANSPORT TO TRANSPLANT AVERA MCKENNAN DEVELOPED THE TRANSPORT TO T RANSPLANT PROJECT, WHICH REMOVES TRANSPORTATION BARRIERS FOR PATIENTS FROM RURAL AREAS WHI CH MAY PREVENT THEM FROM COMPLETING THE EVALUATION AND TESTING NEEDED FOR KIDNEY AND/OR PA NCREAS TRANSPLANT A VAN FUNDED THROUGH A GRANT FROM THE AVERA MCKENNAN FOUNDATION IS USED TO TRANSPORT PATIENTS WHO DEMONSTRATE A FINANCIAL NEED PATIENTS ARE BROUGHT TO THE AVERA TRANSPLANT INSTITUTE FOR A CONDENSED MULTI-DAY EVALUATION WITH ALL TESTING AND VISITS COM PLETED IN LESS THAN ONE WEEK ULTIMATELY, THE PROJECT RESULTS IN IMPROVED MORBIDITY AND MO RTALITY, AS KIDNEY TRANSPLANT DOUBLES PATIENT SURVIVAL AS COMPARED TO REMAINING ON DIALYSI S AVERA FAMILY WELLNESS THIS PROGRAM COMBINES POSITIVE ACTIVITIES LIKE VIOLIN LESSONS WIT H FAMILY COACHING AT NO CHARGE FOR CHILDREN IN EARLY CHILDHOOD PROGRAMS IN THE SIOUX FALLS SCHOOL DISTRICT THE GOAL IS TO PREVENT OR LESSEN THE EFFECTS OF BEHAVIORAL HEALTH CONDIT IONS ON CHILDREN AND FAMILIES BY FOSTERING A POSITIVE ENVIRONMENT OVER 450 STUDENTS AND T HEIR FAMILIES ARE ENROLLED THE WALSH FAMILY VILLAGE THIS HOSPITALITY HOUSE COMPLEX ADJACE NT TO THE AVERA MCKENNAN CAMPUS PROVIDES A HOME AWAY FROM HOME FOR PATIENTS AND THEIR FAMI LIES WHO COME FOR CARE AT AVERA MCKENNAN FROM OUTSIDE OF SIOUX FALLS THE PROJECT WAS FUND ED BY DONATIONS AND IS OPERATED BY AVERA MCKENNAN ELEVEN GUEST ROOMS ARE AVAILABLE AVERA MCKENNAN ALSO DONATES USE OF A BUILDING IN THE COMPLEX FOR A RONALD MCDONALD HOUSE FOR FA MILIES OF PEDIATRIC PATIENTS IF THEY CAN AFFORD IT, GUESTS ARE CHARGED A LOW FEE OF $55 P ER NIGHT GUESTS ARE NOT TURNED AWAY DUE TO INABILITY TO PAY THE FEE EMPLOYEES REGULARLY DONATE NON-PERISHABLE FOOD ITEMS TO STOCK A FOOD PANTRY FOR GUESTS IN FY2014, THE WALSH F AMILY VILLAGE SERVED 6,988 GUESTS, STAYING IN 4,015 NIGHTLY ROOMS A 90 PERCENT OCCUPANCY AVERA MCKENNAN PROVIDES A SUBSIDY OF APPROXIMATELY $192,000 PER YEAR TO OPERATE THE HOSPIT ALITY COMPLEX ALSO ON THE AVERA HEART HOSPITAL CAMPUS IS THE PRAIRIE HEART GUEST HOUSE, A SEPARATE NOT-FOR-PROFIT ENTITY THAT PROVIDES LOW COST LODGING TO HEART HOSPITAL PATIENT F AMILY MEMBERS THE HEART HOSPITAL PROVIDES IN KIND SERVICES TO THE GUEST HOUSE THAT HELPS MINIMIZE EXPENSES TO ALLOW FOR THESE REDUCED RATES PREVENTION AND SUPPORT OF SUBSTANCE US E DISORDER AVERA MCKENNAN IS A PARTNER WITH FACE IT TOGETHER SIOUX FALLS, A NONPROFIT ORG ANIZATION WHICH SERVES AS THE LOCAL FACE AND VOICE FOR RECOVERY FROM ADDICTION THROUGH ITS RECOVERY SUPPORT SERVICES, ADVOCACY AND AWARENESS PROGRAMS AVERA HAS BEEN A PARTNER WITH FACE IT TOGETHER SINCE ITS INCEPTION, AND IN A RECENT AWARENESS CAMPAIGN COMMUNITY CONNE CTIONS AVERA MCKENNAN REACHES OUT TO PEOPLE AND COMMUNITIES THROUGHOUT EASTERN SOUTH DAKO TA, SOUTHWESTERN MINNESOTA AND NORTHWEST IOWA THROUGH HOME TOWN CONNECTIONS PROVIDING A C RITICAL FEEDBACK LINK TO LOCAL REFERRING DOCTORS, THIS PROGRAM COMPLETES THE COMMUNICATION S LINKS NECESSARY TO KEEP LOCAL HEALTH CARE PROVIDERS CURRENT ON THE TREATMENT OF THEIR PA TIENTS AT AVERA MCKENNAN SUPPORT OF THE ARTS AND CULTURAL LIFE AVERA MCKENNAN HOSTS SIOUX FALLS' ONLY INDOOR SCULPTUREWALK, AN EXTENSION OF THE COMMUNITY'S DOWNTOWN SCULPTUREWALK ARTISTS DONATE SCULPTURES FOR ONE YEAR, WHICH ARE PLACED AT LOCATIONS THROUGHOUT AVERA MC KENNAN'S CAMPUS, IN BUILDINGS CONNECTED BY SKYWALKS BROCHURES CONTAIN A MAP, AND VISITORS WHO FOLLOW THE ROUTE SUGGESTED WALK APPROXIMATELY 1 MILE, MAKING THIS A HEALTHY AS WELL A S A CULTURAL JOURNEY DIABETES PROGRAMMING AVERA PARTICIPATES IN A COLLABORATIVE PROJECT W ITH SIOUX FALLS PUBLIC SCHOOLS AND THE SOUTH DAKOTA BOARD OF NURSING TO IMPLEMENT ECONSULT SERVICES WITH DIABETIC EDUCATION SPECIALISTS MONITORING MEDICATIONS AND THE HEALTH OF CHI LDREN WITH DIABETES IN THE SCHOOL SETTING AVERA MCKENNAN DIABETES EDUCATORS PROVIDED CLAS SES AND ONE-ON-ONE CONSULTATIONS AT A LOSS OF $142,000 IN THE PAST FISCAL YEAR COMMUNITY B ENEFITS AVERA MCKENNAN PROVIDES ADDITIONAL COMMUNITY BENEFITS INCLUDING SUPPORT OF YOUTH PROGRAMS, HOMELESS PROGRAMS, COMMUNITY ARTS PROGRAMMING, HEALTH PREVENTION, AWARENESS AND EDUCATION ABOUT CANCER, HEART DISEASE AND OTHER CONDITIONS, AND SUPPORT OF THE SIOUX EMPI RE UNITED WAY AND OTHER SERVICES IN THE REGION DONATIONS TOWARD THESE EFFORTS TOTALED $1, 942,130 IN 2014 PRESCHOOL VISION AND HEARING SCREE

Form and Line Reference	Explanation
PART VI, LINE 5	NING AVERA MCKENNAN PROVIDED FREE SCREENING FOR 383 PRESCHOOL CHILDREN IN FISCAL YEAR 201 4

Additional Data

Software ID:
Software Version:
EIN: 46-0224743
Name: AVERA MCKENNAN

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MCKENNAN	PART V, SECTION B, LINE 3 AVERA MCKENNAN COLLECTED DATA FROM A COMMUNITY SURVEY SPONSORED BY THE CITY OF SIOUX FALLS AND COMPLETED IN AUGUST 2012 THE FACILITY SPONSORED A SURVEY DISTRIBUTED AT TWO PUBLIC EVENTS IN 2011 AS BACKGROUND INFORMATION, A COMMUNITY NEEDS ASSESSMENT SURVEY CONDUCTED IN 2010 SUPPLEMENTED THE 2011 AND 2012 ACTIVITIES THIS ASSESSMENT INCLUDED SURVEYS, PHONE INTERVIEWS AND FOCUS GROUPS PERSONAL INTERVIEWS WERE CONDUCTED WITH THE EXECUTIVE DIRECTOR OF SOUTH DAKOTA URBAN INDIAN HEALTH, INC , THE ASSISTANT DIRECTOR OF THE SIOUX FALLS DEPARTMENT OF HEALTH, SIOUX FALLS COMMUNITY HEALTH DENTAL DIRECTOR, AND MANAGER OF THE AVERA MEDICAL GROUP HEALTH CARE CLINIC

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HEART HOSPITAL OF SOUTH DAKOTA, LLC	PART V, SECTION B, LINE 3 THE HEALTH NEEDS ASSESSMENT INCLUDED DATA FROM A COMMUNITY SURVEY SPONSORED BY THE CITY OF SIOUX FALLS AND COMPLETED IN AUGUST 2012 AVERA MCKENNAN SPONSORED A SURVEY DISTRIBUTED AT TWO PUBLIC EVENTS IN 2011 AS BACKGROUND INFORMATION, A COMMUNITY NEEDS ASSESSMENT SURVEY CONDUCTED IN 2010 SUPPLEMENTED THE 2011 AND 2012 ACTIVITIES THIS ASSESSMENT INCLUDED SURVEYS, PHONE INTERVIEWS AND FOCUS GROUPS PERSONAL INTERVIEWS WERE CONDUCTED WITH THE EXECUTIVE DIRECTOR OF SOUTH DAKOTA URBAN INDIAN HEALTH, INC , THE ASSISTANT DIRECTOR OF THE SIOUX FALLS DEPARTMENT OF HEALTH, SIOUX FALLS COMMUNITY HEALTH DENTAL DIRECTOR, AND MANAGER OF THE AVERA MEDICAL GROUP HEALTH CARE CLINIC

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA GREGORY HEALTHCARE CENTER	PART V, SECTION B, LINE 3 AVERA GREGORY HOSPITAL BEGAN THE COMMUNITY HEALTH NEEDS ASSESSMENT WITH PRIMARY DATA COLLECTION CONSISTING OF ONE-ON-ONE INTERVIEWS AND FOCUS GROUPS WITH REPRESENTATIVES FROM WITHIN THE SERVICE AREA THESE INDIVIDUALS SHOWED REPRESENTATION FROM CIVIC AND BUSINESS ORGANIZATIONS SUCH AS THE GREGORY PUBLIC SCHOOL SYSTEMS, THE GREGORY CHAMBER OF COMMERCE, THE DEPARTMENT OF SOCIAL SERVICES, THE GREGORY MINISTERIAL ASSOCIATION, THE GREGORY ROTARY AND GREGORY/WINNER BUSINESS OWNERS ONE FOCUS GROUP INCLUDED THE AVERA GREGORY HOSPITAL ADVISORY BOARD, MADE UP OF COMMUNITY LEADERS WHO HAD BEEN APPOINTED BASED ON THEIR KNOWLEDGE AND INVOLVEMENT IN THE COMMUNITY AND WITH THE FOLLOWING BACKGROUNDS MORTUARY SERVICES, BANKING, LAW AND LOCAL BUSINESS OWNERS THE SECOND FOCUS GROUP WAS CONDUCTED AS A TOWN HALL STYLE MEETING IN WHICH 42 COMMUNITY MEMBERS ATTENDED THE THIRD FOCUS GROUP WAS CONDUCTED WITH THE LOCAL SCHOOL BOARD, THE PRINCIPAL OF THE HIGH SCHOOL AND ELEMENTARY SCHOOL AND THE SUPERINTENDENT OF SCHOOLS FOR GREGORY COUNTY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MILBANK AREA HOSPITAL	PART V, SECTION B, LINE 3 MILBANK AREA HOSPITAL AVERA HELD FIVE FOCUS GROUPS TO SEEK THE INPUT OF COMMUNITY AND HEALTH LEADERS THE FOCUS GROUPS WERE CONDUCTED INVOLVING THE GENERAL PUBLIC, ALL ASPECTS OF HEALTH CARE, A SERVICE ORGANIZATION, KEY COMMUNITY LEADERS, CITY AND COUNTY GOVERNMENT INCLUDING LAW ENFORCEMENT, SCHOOL NURSING AND ADMINISTRATION, AND CHURCH OFFICIALS IN ADDITION TO INDIVIDUALS WITH SPECIAL KNOWLEDGE IN PUBLIC HEALTH INCLUDING PROGRAMS FOR THE ELDERLY AND THE LOCAL RECREATIONAL FACILITY PERSONAL INTERVIEWS WERE HELD WITH THE COUNTY'S PUBLIC HEALTH NURSES AND THE GRANT COUNTY SOCIAL WORKER

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA DELLS AREA HEALTH CENTER	PART V, SECTION B, LINE 3 THE ASSESSMENT BEGAN BY GATHERING PRIMARY DATA ABOUT THE AVERA DELLS AREA HOSPITAL'S SERVICE AREA KEY INFORMANT INTERVIEWS WERE COMPLETED, WHICH INCLUDED ASKING A NUMBER OF KEY QUESTIONS REGARDING THE HEALTH NEEDS OF THE COMMUNITY THE INTERVIEWS LASTED APPROXIMATELY ONE HOUR EACH PARTICIPANTS REPRESENTED IN THE INTERVIEW PROCESS INCLUDED THE AVERA MEDICAL GROUP DELL RAPIDS PHYSICIANS, AVERA MEDICAL GROUP DELL RAPIDS CLINIC MANAGER, AVERA DELLS AREA HOSPITAL ADMINISTRATOR, AVERA DELLS AREA HOSPITAL DIRECTOR OF PATIENT CARE, DELL RAPIDS MAYOR, DELL RAPIDS CITY ADMINISTRATOR, MINNEHAHA COUNTY PUBLIC HEALTH ASSISTANT DIRECTOR, AREA SCHOOL NURSES, AND AVERA DELLS AREA HOSPITAL ADVISORY BOARD MEMBERS MORE SPECIFICALLY, THE AVERA DELLS AREA HOSPITAL ADVISORY BOARD MEMBERS CONSISTED OF REPRESENTATION FROM THE FOLLOWING FIELDS/PROFESSIONS 1) DENTAL HYGIENE, 2) SCHOOL ADMINISTRATION, 3) BANKING, 4) COLLEGE OF NURSING PROFESSOR, 5) LICENSED PRACTICAL NURSE, 6) SMALL BUSINESS, AND 7) MEDICINE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA FLANDREAU MEDICAL CENTER	PART V, SECTION B, LINE 3 AVERA FLANDREAU MEDICAL CENTER BEGAN ITS ASSESSMENT WITH PRIMARY DATA COLLECTION CONSISTING OF ONE-ON-ONE INTERVIEWS AND WRITTEN QUESTIONNAIRES WITH REPRESENTATIVES FROM WITHIN THE SERVICE AREA THESE INDIVIDUALS REPRESENTED CIVIC AND BUSINESS ORGANIZATIONS SUCH AS FLANDREAU AND COLMAN-EGAN PUBLIC SCHOOL SYSTEMS, FLANDREAU INDIAN BOARDING SCHOOL (A FEDERAL SCHOOL FOR NATIVE AMERICAN CHILDREN GRADES 9 - 12), FOOD PANTRY (THE BREADBASKET), PUBLIC HEALTH OFFICE, DOMESTIC VIOLENCE SHELTER, AND MOODY COUNTY PASTORAL ASSOCIATION FOCUS GROUPS WERE ALSO UTILIZED FOR PRIMARY DATA COLLECTION USING THE ABOVE QUESTIONS ONE FOCUS GROUP INCLUDED AFH ADVISORY BOARD, MADE UP OF COMMUNITY LEADERS WHO HAD BEEN APPOINTED BASED ON THEIR INVOLVEMENT IN THE COMMUNITY AND WITH THE ORGANIZATION THE ADVISORY BOARD CONSISTS OF INDIVIDUALS WITH THE FOLLOWING PROFESSIONAL BACKGROUNDS AGRICULTURE, INSURANCE, REAL ESTATE, EDUCATION, MEDICINE, AND BUSINESS OWNERSHIP A SECOND FOCUS GROUP WAS THE MEDICAL STAFF COMMITTEE, CONSISTING OF AFH SENIOR LEADERS AND PRIMARY CARE PROVIDERS A THIRD FOCUS GROUP WAS AFH NURSING STAFF

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA HAND COUNTY MEMORIAL HOSPITAL	PART V, SECTION B, LINE 3 AVERA HAND COUNTY MEMORIAL HOSPITAL USED A SURVEY TOOL TO BEGIN THE PROCESS OF QUALITATIVE DATA COLLECTION THE SURVEY WAS AVAILABLE TO A PATIENTS AND VISITORS FROM MARCH TO APRIL 2012 THE SURVEYS WERE COMPILED AND PRINTED FOR PRESENTATION TO VARIOUS GROUPS AT EACH GROUP SETTING, REPRESENTATIVES OF THE FACILITY REVIEWED THE SATISFACTION RATINGS OF THE SURVEY TO BEGIN THE DIALOGUE, ASKING VARIOUS QUESTIONS TO IDENTIFY THEMES OR TRENDS THE SMALL GROUPS MEETINGS CONSISTED OF THE HOSPITAL'S ADVISORY BOARD, DEPARTMENT MANAGERS, AUXILIARY, FOUNDATION, THE MILLER SCHOOL GUIDANCE COUNSELOR, ON HAND DEVELOPMENT LEADERSHIP, AND THE HAND COUNTY PUBLIC HEALTH NURSE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MCKENNAN	PART V, SECTION B, LINE 4 THE CHNA WAS CONDUCTED WITH HEART HOSPITAL OF SOUTH DAKOTA, LLC

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HEART HOSPITAL OF SOUTH DAKOTA, LLC	PART V, SECTION B, LINE 4 THE CHNA WAS CONDUCTED WITH AVERA MCKENNAN

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MCKENNAN	PART V, SECTION B, LINE 6I AVERA MCKENNAN ADOPTED AN IMPLEMENTATION STRATEGY TO ADDRESS FOUR OF THE MOST COMMONLY AND HIGHLY IDENTIFIED NEEDS THOSE FOUR NEEDS ARE OBSEITY/POOR DIET/LACK OF EXERCISE, HEALTH CARE ACCESS FOR UNINSURED/UNDERINSURED PEOPLE INCLUDING SPECIALTY CARE AND MENTAL HEALTH SERVICES, MANAGEMENT OF CHRONIC CONDITIONS AND SMOKING/ALCOHOL USE THE IMPLEMENTATION STRATEGY CAN BE FOUND AT HTTP //WWW AVERA ORG/MCKENNAN/ABOUT/AVERA-MCKENNAN-COMMUNITY-HEALTH-NEEDS-ASSESSMENT/

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HEART HOSPITAL OF SOUTH DAKOTA, LLC	PART V, SECTION B, LINE 6I THE IMPLEMENTATION STRATEGY CAN BE FOUND AT HTTP //WWW AVERA ORG/EXPERIENCE/SHARED/COMMUNITY-NEEDS-HEALTH-ASSESSMENTS/ HEART HOSPITAL IS OPERATED AS A JOINT VENTURE IN WHICH AVERA MCKENNAN HAS 66 67% OWNERSHIP AVERA MCKENNAN PROVIDES MANAGEMENT SERVICES AND ENSURES THE HOSPITAL OPERATES WITH A CHARITABLE INTENT BASED ON PROPOSED REGULATION 1 501(R)-1(C)(2), AVERA MCKENNAN IS TREATING THE HEART HOSPITAL AS A FACILITY SUBJECT TO THE RULES UNDER 501(R)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA GREGORY HEALTHCARE CENTER	PART V, SECTION B, LINE 6I THE IMPLEMENTATION STRATEGY CAN BE FOUND AT HTTP //WWW AVERA ORG/EXPERIENCE/SHARED/COMMUNITY-NEEDS-HEALTH-ASSESSMENTS/

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MILBANK AREA HOSPITAL	PART V, SECTION B, LINE 6I THE IMPLEMENTATION STRATEGY CAN BE FOUND AT HTTP //WWW AVERA ORG/EXPERIENCE/SHARED/COMMUNITY-NEEDS-HEALTH-ASSESSMENTS/

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA DELLS AREA HEALTH CENTER	PART V, SECTION B, LINE 6I THE IMPLEMENTATION STRATEGY CAN BE FOUND AT HTTP //WWW AVERA ORG/EXPERIENCE/SHARED/COMMUNITY-NEEDS-HEALTH-ASSESSMENTS/

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA FLANDREAU MEDICAL CENTER	PART V, SECTION B, LINE 6I THE IMPLEMENTATION STRATEGY CAN BE FOUND AT HTTP //WWW AVERA ORG/EXPERIENCE/SHARED/COMMUNITY-NEEDS-HEALTH-ASSESSMENTS/

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA HAND COUNTY MEMORIAL HOSPITAL	PART V, SECTION B, LINE 6I THE IMPLEMENTATION STRATEGY CAN BE FOUND AT HTTP //WWW AVERA ORG/EXPERIENCE/SHARED/COMMUNITY-NEEDS-HEALTH-ASSESSMENTS/

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MCKENNAN	PART V, SECTION B, LINE 7 DENTAL CARE WAS A NEED IDENTIFIED BUT NOT DIRECTLY ADDRESSED AS IT WAS NOT ONE OF THE HIGHEST PRIORITIES IN ADDITION, IT IS OUTSIDE THE FACILITY'S COMPETENCIES AND IS ALREADY ADDRESSED BY CITY OF SIOUX FALLS HEALTH DEPARTMENT, FALLS COMMUNITY HEALTH AVERA MEDICAL GROUP HEALTH CARE CLINIC DOES FACILITATE DISTRIBUTION OF VOUCHERS FOR DENTAL CARE WHICH ARE PROVIDED THROUGH DONATIONS

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HEART HOSPITAL OF SOUTH DAKOTA, LLC	PART V, SECTION B, LINE 7 HEART HOSPITAL WILL ADDRESS COMMUNITY CONCERNS OF HEALTH CARE ACCESS FOR UNINSURED/UNDERINSURED, OBESITY/POOR DIET, MANAGEMENT OF CHRONIC CONDITIONS, AND SMOKING USE THROUGH CURRENT SERVICE OFFERINGS IN ADDITION TO PARTNERING WITH THE CITY AND OTHER COMMUNITY HEALTH CARE ENTITIES OTHER NEEDS IDENTIFIED SUCH AS DENTAL CARE, BEHAVIORAL HEALTH SERVICES AND ACCESS TO EXERCISE FACILITIES WERE A LOWER PRIORITY AND ARE NOT WITHIN THE HOSPITAL'S CORE COMPETENCIES

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA GREGORY HEALTHCARE CENTER	PART V, SECTION B, LINE 7 THREE NEEDS WERE IDENTIFIED AND NOT ADDRESSED REDUCING TOBACCO USE WAS IDENTIFIED BUT NOT INCLUDED IN THE IMPLEMENTATION PLAN DUE TO LACK OF FINANCIAL RESOURCES, COMPETING PRIORITIES AND PROJECTS, AND A DOWNWARD USE TREND UNDER CURRENT INTERVENTIONS PROVIDING DERMATOLOGY AND OPHTHALMOLOGY SERVICES WERE NOT ADDRESSED DUE TO DIFFICULTY IN RECRUITING SPECIALISTS DUE TO POPULATION DENSITY, LACK OF FINANCIAL RESOURCES, AND COMPLEXITY OF THE SERVICES

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MILBANK AREA HOSPITAL	PART V, SECTION B, LINE 7 ONE NEED WAS IDENTIFIED AND NOT ADDRESSED LACK OF KIDNEY DIALYSIS AVAILABLE IN THE COMMUNITY THERE IS A PROVIDER AT A FACILITY 12 MILES TO THE EAST OF MILBANK AREA HOSPITAL (MAH) AVERA MAH AVERA DOES NOT CURRENTLY HAVE THE EQUIPMENT AND DEDICATED SPACE NEEDED TO PROVIDE THE SERVICE THE FACILITY CONTINUES RESEARCHING THE SERVICE AND WILL DECIDE AT A LATER DATE IF IT WILL BE ABLE TO ADDRESS THE NEED

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MCKENNAN	PART V, SECTION B, LINE 14G AVERA MCKENNAN'S SUMMARY OF THE POLICY IS POSTED IN THE HOSPITAL FACILITY'S EMERGENCY ROOM OR WAITING ROOMS, ADMISSIONS OFFICES, AND IS PROVIDED, IN WRITING, TO PATIENTS ON ADMISSION TO THE HOSPITAL FACILITY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HEART HOSPITAL OF SOUTH DAKOTA, LLC	PART V, SECTION B, LINE 14G HEART HOSPITAL OF SOUTH DAKOTA'S POLICY IS MADE AVAILABLE UPON REQUEST AND IS PROVIDED AND DISCUSSED WITH PATIENT AS THE NEED IS IDENTIFIED IT IS ALSO AVAILABLE VIA THE WEBSITE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA GREGORY HEALTHCARE CENTER	PART V, SECTION B, LINE 14G AVERA GREGORY HEALTHCARE CENTER'S SUMMARY OF THE POLICY IS POSTED IN THE HOSPITAL FACILITY'S EMERGENCY ROOM OR WAITING ROOMS, ADMISSIONS OFFICES, AND IS PROVIDED, IN WRITING, TO PATIENTS ON ADMISSION TO THE HOSPITAL FACILITY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MILBANK AREA HOSPITAL	PART V, SECTION B, LINE 14G AVERA MILBANK AREA HOSPITAL'S SUMMARY OF THE POLICY IS POSTED IN THE HOSPITAL FACILITY'S EMERGENCY ROOM OR WAITING ROOMS, ADMISSIONS OFFICES, AND IS PROVIDED, IN WRITING, TO PATIENTS ON ADMISSION TO THE HOSPITAL FACILITY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA DELLS AREA HEALTH CENTER	PART V, SECTION B, LINE 14G AVERA DELLS AREA HEALTH CENTER'S SUMMARY OF THE POLICY IS POSTED IN THE HOSPITAL FACILITY'S EMERGENCY ROOM OR WAITING ROOMS, ADMISSIONS OFFICES, AND IS PROVIDED, IN WRITING, TO PATIENTS ON ADMISSION TO THE HOSPITAL FACILITY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA FLANDREAU MEDICAL CENTER	PART V, SECTION B, LINE 14G AVERA FLANDREAU MEDICAL CENTER'S SUMMARY OF THE POLICY IS POSTED IN THE HOSPITAL FACILITY'S EMERGENCY ROOM OR WAITING ROOMS, ADMISSIONS OFFICES, AND IS PROVIDED, IN WRITING, TO PATIENTS ON ADMISSION TO THE HOSPITAL FACILITY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA HAND COUNTY MEMORIAL HOSPITAL	PART V, SECTION B, LINE 14G AVERA HAND COUNTY MEMORIAL HOSPITAL'S SUMMARY OF THE POLICY IS POSTED IN THE HOSPITAL FACILITY'S EMERGENCY ROOM OR WAITING ROOMS, ADMISSIONS OFFICES, AND IS PROVIDED, IN WRITING, TO PATIENTS ON ADMISSION TO THE HOSPITAL FACILITY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MCKENNAN	PART V, SECTION B, LINE 22 INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE NOT CHARGED GROSS CHARGES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE, HOWEVER MAY BE CHARGED GROSS CHARGES FOR ELECTIVE CARE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
HEART HOSPITAL OF SOUTH DAKOTA, LLC	PART V, SECTION B, LINE 22 INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE NOT CHARGED GROSS CHARGES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA GREGORY HEALTHCARE CENTER	PART V, SECTION B, LINE 22 INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE NOT CHARGED GROSS CHARGES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE, HOWEVER MAY BE CHARGED GROSS CHARGES FOR ELECTIVE CARE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA MILBANK AREA HOSPITAL	PART V, SECTION B, LINE 22 INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE NOT CHARGED GROSS CHARGES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE, HOWEVER MAY BE CHARGED GROSS CHARGES FOR ELECTIVE CARE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA DELLS AREA HEALTH CENTER	PART V, SECTION B, LINE 22 INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE NOT CHARGED GROSS CHARGES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE, HOWEVER MAY BE CHARGED GROSS CHARGES FOR ELECTIVE CARE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA FLANDREAU MEDICAL CENTER	PART V, SECTION B, LINE 22 INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE NOT CHARGED GROSS CHARGES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE, HOWEVER MAY BE CHARGED GROSS CHARGES FOR ELECTIVE CARE

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
AVERA HAND COUNTY MEMORIAL HOSPITAL	PART V, SECTION B, LINE 22 INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE NOT CHARGED GROSS CHARGES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE, HOWEVER MAY BE CHARGED GROSS CHARGES FOR ELECTIVE CARE

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
_____

Name and address	Type of Facility (describe)
AVERA MCKENNAN BEHAVIORAL HEALTH CENTER 4400 W 69TH ST SIOUX FALLS,SD 57108	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
CORE ORTHOPEDICS AVERA MEDICAL GROUP 2908 EAST 26TH STREET SIOUX FALLS,SD 57103	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA PLAZA 2 PHARMACY 1301 S CLIFF AVENUE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA PRINCE OF PEACE 4500 S PRINCE OF PEACE PLACE SIOUX FALLS,SD 57103	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP SPENCER 116 EAST 11TH SUITE 101 SPENCER,IA 51301	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MCKENNAN HOME INFUSION 1020 S CLIFF AVENUE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP WORTHINGTON 508 TENTH STREET WORTHINGTON,MN 56187	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
PET CT 6001 SHARON AVENUE SIOUX FALLS,SD 57108	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
MCKENNAN REGIONAL LABORATORY 1325 S CLIFF AVENUE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 2400 S MINNESOTA AVE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP MATERNAL FETAL MED 1417 SOUTH CLIFF AVENUE SUITE 100 SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP PEDIATRIC SPECIALIST 1417 S CLIFF AVENUE SUITE 010 SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MCKENNAN FITNESS CENTER 3400 S SOUTHEASTERN DRIVE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MCKENNAN HOSP & UNIV CAMPUS PHARM 1325 S CLIFF AVENUE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA ROSEBUD COUNTRY CARE CENTER 300 PARK AVENUE GREGORY,SD 57533	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
_____

Name and address	Type of Facility (describe)
AVERA MEDICAL GROUP WINDOM 820 - 2ND AVENUE WINDOM,MN 56101	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 1104 EAST COLLEGE DR MARSHALL,SD 56258	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP SIBLEY 600-9TH AVENUE NORTH SIBLEY,IA 51249	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 418 S 2ND STREET ABERDEEN,SD 57401	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA 69TH STREET PHARMACY - BEHAVIORAL 4400 W 69TH ST SUITE 300 SIOUX FALLS,SD 57108	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 1001 W 9TH STREET YANKTON,SD 57078	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
LAUREL OAKS APARTMENTS 4510 S PRINCE OF PEACE PLACE SIOUX FALLS,SD 57103	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP COMPREHENSIVE BREAST 1000 EAST 23RD STREET SUITE 360 SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 1307 N MAIN MITCHELL,SD 57301	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 1411 WELLS AVE PIERRE,SD 57501	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 100 22ND AVENUE STE 101 BROOKINGS,SD 57006	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP OCCUPATIONAL MED 4928 NORTH CLIFF AVENUE SIOUX FALLS,SD 57104	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 1508 4TH STREET NE WATERTOWN,SD 57201	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA DERMATOLOGY PHARMACY 6701 SOUTH MINNESOTA AVENUE SIOUX FALLS,SD 57108	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP MCGREEVY SALEM 740 SOUTH HILL SALEM,SD 57058	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
_____

Name and address	Type of Facility (describe)
AVERA RESEARCH INSTITUTE 2020 S NORTON AVE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIP FLOYD VALLEY 190 6TH AVE NE LEMARS,IA 51031	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP WOMEN'S MIDLIFE CARE 911 EAST 20TH STREET - SUITE 200 SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA INSTITUTE FOR HUMAN GENETICS 4400 W 69TH ST SUITE 200 SIOUX FALLS,SD 57108	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 38 19TH STREET SW SIOUX CENTER,IA 51250	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 602 CENTRAL AVE ESTHERVILLE,IA 51334	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 903 N WASHINGTON MADISON,SD 57042	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 1325 SOUTH CLIFF AVENUE SIOUX FALLS,SD 57117	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT OF SPENCER 716 GRAND AVE SPENCER,IA 51301	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 102 WEST MAIN SUITE A PARKSTON,SD 57366	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA HOME MEDICAL EQUIPMENT 1565 DAKOTA AVE S HURON,SD 57350	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP LARCHWOOD 916 HOLDER STREET PO BOX 8 LARCHWOOD,IA 51241	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA LEE MABEE OBGYN 1910 WEST 69TH SUITE 100 SIOUX FALLS,SD 57108	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
CURAQUICK AVERA CLINIC 3000 S MINNESOTA AVE SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP BIG STONE CITY 451 MAIN STREET BIG STONE CITY,SD 57216	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
_____

Name and address	Type of Facility (describe)
COMMUNITY BLOOD BANK 1301 SOUTH CLIFF AVENUE SUITE 3 SIOUX FALLS,SD 57105	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
HEGG MEDICAL CLINIC AVERA 2121 HEGG DRIVE ROCK VALLEY,IA 51247	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP ESTHERVILLE 926 NORTH 8TH STREET ESTHERVILLE,IA 51334	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
HEALTH CARE CLINIC 300 NORTH DAKOTA AVENUE SUITE 117 SIOUX FALLS,SD 57104	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
PIPESTONE MEDICAL GROUP AVERA 920 - 4TH AVENUE SW PIPESTONE,MN 56164	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP CHAMBERLAIN 101 SOUTH FRONT PO BOX 27 CHAMBERLAIN,SD 57325	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
RURAL MEDICAL CLINICS 301 SOUTH WALNUT STREET FREEMAN,SD 57029	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP OPTOMETRY 702 TENTH STREET WORTHINGTON,MN 56187	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
YORKSHIRE EYE CLINIC 2311 YORKSHIRE DRIVE BROOKINGS,SD 57006	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP BUTTE 730 WILSON STREET BUTTE,NE 68722	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP ELKTON 203 ELK STREET ELKTON,SD 57026	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP FULDA 201 N ST PAUL AVENUE FULDA,MN 56131	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP LAKEFIELD 221 - 3RD AVENUE LAKEFIELD,MN 56150	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES
AVERA MEDICAL GROUP VOLGA 210 KASAN AVENUE VOLGA,SD 57071	INPATIENT & OUTPATIENT BEHAVIORAL HEALTH SERVICES

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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**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

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

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 41

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 3

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. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS	43	100,000			

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	THE GOVERNING BOARD AND MANAGEMENT DEVELOP PROGRAMS WHICH ENHANCE THE CHARITABLE MISSION OF THE ORGANIZATION DISBURSEMENT FOR GRANTS OR ASSISTANCE FOR THESE PROGRAMS ARE MADE IN ACCORDANCE WITH PRESCRIBED PROCEDURES AND ARE SUBJECT TO CONDITIONS ESTABLISHED BY THE ORGANIZATION'S GOVERNING BOARD AND MANAGEMENT, WHICH ARE DESIGNED TO ENSURE THAT INDIVIDUALS AND ORGANIZATIONS RECEIVING GRANTS OR ASSISTANCE ARE ADEQUATELY INVESTIGATED TO ENSURE THAT THEY ARE QUALIFIED RECIPIENTS

Additional Data

Software ID:
Software Version:
EIN: 46-0224743
Name: AVERA MCKENNAN

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
BRANDON VALLEY BOOSTER CLUB INC PO BOX 572 BRANDON,SD 57005	46-0393971	501(C)(3)	6,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CANTON SCHOOL DISTRICT 800 N MAIN CANTON,SD 57013	46-6002143	STATE OF SD	10,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CATHOLIC DIOCESE 523 N DULUTH AVE SIOUX FALLS,SD 57104	46-6000424	501(C)(3)	63,957				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
DAKOTABILITIES INC 3600 S DULUTH AVE SIOUX FALLS,SD 57105	46-0306216	501(C)(3)	13,333				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
DESTINY HEALTHCARE INTERNATIONAL 2701 S MINNESOTA AVE 3 SIOUX FALLS,SD 57105	51-0529480	501(C)(3)	15,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
EMBE 300 W 11TH STREET SIOUX FALLS,SD 57104	46-0234998	501(C)(3)	50,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FACE IT SIOUX FALLS PO BOX 5127 SIOUX FALLS,SD 57117	94-3472044	501(C)(3)	40,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FORWARD SIOUX FALLS PO BOX 907 SIOUX FALLS,SD 57101	46-0396647	501(C)(6)	14,161				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FURNITURE MISSION OF SOUTH DAKOTA INC 209 N NESMITH SIOUX FALLS,SD 57103	81-0584500	501(C)(3)	6,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HABITAT FOR HUMANITY OF GREATER SIOUX FALLS INC 721 E AMIDON ST SIOUX FALLS,SD 57105	46-0407140	501(C)(3)	25,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HARRISBURG DAYS FOUNDATION PO BOX 343 HARRISBURG,SD 57032	84-1709233	501(C)(3)	16,666				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HELPLINE CENTER 1000 N WEST AVE STE 310 SIOUX FALLS,SD 57104	23-7424387	501(C)(3)	16,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
JUNIOR ACHIEVEMENT OF SOUTH DAKOTA 100 N WEST AVENUE NO 110 SIOUX FALLS,SD 57104	46-0306352	501(C)(3)	8,250				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MAP FOR NONPROFITS INC 2314 UNIVERISTY AVENUE WEST STE 28 ST PAUL,MN 55114	41-1479097	501(C)(3)	15,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MCCROSSAN BOYS RANCH 47135 260TH STREET SIOUX FALLS,SD 57107	46-0311913	501(C)(3)	7,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NAMI OF SOUTH DAKOTA PO BOX 88808 SIOUX FALLS,SD 57109	36-3593027	501(C)(3)	15,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NATIONAL KIDNEY FOUNDATION 1100 E 21ST STREET AVERA DOCTORS PLAZA 2 STE 210 SIOUX FALLS,SD 57105	46-0448030	501(C)(3)	22,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NATIONAL MULTIPLE SCLEROSIS SOCIETY UPPER MIDWEST CHAPTER 200 12TH AVE S MINNEAPOLIS,MN 55415	41-0790658	501(C)(3)	13,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NORTHEASTERN SOUTH DAKOTA HEALTH PLAN PO BOX 425 MILBANK,SD 57252	46-0430984	501(C)(3)	150,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
PRESENTATION SISTERS 1500 N 2ND ST ABERDEEN,SD 57401	46-0253283	501(C)(3)	7,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
RONALD MCDONALD HOUSE 2001 S NORTON SIOUX FALLS,SD 57105	46-0371152	501(C)(3)	27,000	165,332	FMV	RENTED SPACE	DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SALES & MARKETING EXECUTIVES PO BOX 90310 SIOUX FALLS,SD 57109	46-6012934	501(C)(6)	5,025				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SERTOMA BUTTERFLY HOUSE INC 4320 SOUTH OXBOW AVE SIOUX FALLS,SD 57106	52-2370420	501(C)(3)	7,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SIOUX CENTER COMMUNITY HOSPITAL AND HEALTH CENTER 605 SOUTH MAIN STREET SIOUX CENTER,IA 51250	42-0796764	501(C)(3)	10,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SIOUX EMPIRE BASEBALL ASSOCIATION 1601 W 44TH PL SUITE 3 SIOUX FALLS,SD 57105	41-1903475	501(C)(3)	23,611				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SIOUX EMPIRE FASTPITCH SOFTBALL PO BOX 88206 SIOUX FALLS,SD 57109	23-7223489	501(C)(3)	17,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SIOUX EMPIRE UNITED WAY 1000 N WEST AVE 120 SIOUX FALLS,SD 57104	46-0233701	501(C)(3)	84,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SIOUX FALLS CATHOLIC SCHOOLS 3100 W 41ST STREET SIOUX FALLS,SD 57105	51-0145184	501(C)(3)	800,150				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SIOUX FALLS JAZZ & BLUES SOCIETY 123 S MAIN AVE SUITE 204 SIOUX FALLS,SD 571046430	46-0418356	501(C)(3)	10,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SIOUX FALLS SCHOOL DISTRICT 201 E 38TH ST SIOUX FALLS,SD 57105	46-6002586	STATE OF SD	56,382				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SOUTH DAKOTA PARKS AND WILDLIFE FOUNDATION 523 E CAPITOL AVE PIERRE,SD 57501	46-0387968	501(C)(3)	10,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SOUTH DAKOTA STATE UNIVERSITY PO BOX 2218 BROOKINGS,SD 57007	46-0273801	STATE OF SD	1,017,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SOUTH DAKOTA SYMPHONY ORCHESTRA 301 S MAIN AVE 4TH FL SIOUX FALLS,SD 57104	46-6017026	501(C)(3)	35,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
TALLGRASS RECOVERY & SOBER LIVING HOMES 2601 S MINNESOTA AVE SIOUX FALLS,SD 571054742	20-0293050	501(C)(3)	7,500				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNIVERISITY OF SIOUX FALLS 1101 WEST 22ND ST SIOUX FALLS,SD 57105	46-0224600	501(C)(3)	220,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNIVERISITY OF SOUTH DAKOTA 1400 W 22ND ST SIOUX FALLS,SD 57105	46-6000364	STATE OF SD	28,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
VOLUNTEERS OF AMERICA DAKOTAS 1401 W 51ST SIOUX FALLS,SD 57105	23-7353508	501(C)(3)	5,886				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
WASHINGTON PAVILION PO BOX 984 SIOUX FALLS,SD 57101	46-0435791	501(C)(3)	45,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
AMERICAN CANCER SOCIETY 4904 S TECHNOPOLIS DRIVE SIOUX FALLS,SD 57106	13-1788491	501(C)(3)	33,450				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
AMERICAN PSYCHIATRIC ASSOCIATION 1000 WILSON BLVD NO 1825 ARLINGTON,VA 22209	52-2168499	501(C)(6)	7,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION MINNESOTA CHAPTER 333 WASHINGTON AVE N STE 105 MINNEAPOLIS,MN 55401	41-1756085	501(C)(3)	20,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ANGEL FLIGHT CENTRAL INC 10 RICHARDS ROAD KANSAS CITY,MO 64116	43-1699607	501(C)(3)	15,800				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ARTHRITIS FOUNDATION INC 1876 N MINNEHAHA AVE W ST PAUL,MN 55104	39-0860526	501(C)(3)	10,000				DONATION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
BOYS AND GIRLS CLUB OF THE SIOUX EMPIRE 824 E 14TH STREET SIOUX FALLS,SD 57104	46-0399482	501(C)(3)	9,000				DONATION

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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, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification 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 or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**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 Regulations 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	**(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 as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Return Reference	Explanation
SCHEDULE J, PART I, LINE 3	THE PRESIDENT & CEO'S COMPENSATION IS PAID BY A RELATED ORGANIZATION, AVERA HEALTH AVERA MCKENNAN RELIED ON THE RELATED ORGANIZATION FOR DETERMINING THE COMPENSATION FOR THE PRESIDENT & CEO USING THE METHODS DESCRIBED IN PART I, LINE 3

Additional Data

Software ID:
Software Version:
EIN: 46-0224743
Name: AVERA MCKENNAN

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
DAVID KAPASKA DO PRESIDENT & CEO	(I) (II)	0 618,552	0 0	0 177,764	0 13,475	0 19,960	0 829,751	0 0
AMY KRIE MD BOARD TRUSTEE	(I) (II)	745,469 0	0 0	1,291 0	20,700 0	1,206 0	768,666 0	0 0
KIM PEDERSON MD BOARD TRUSTEE	(I) (II)	294,243 0	0 0	4,720 0	20,700 0	16,982 0	336,645 0	0 0
JULIE N NORTON SEC/TREAS & SRVP FINANCE	(I) (II)	390,408 0	0 0	1,271 0	20,700 0	25,412 0	437,791 0	0 0
JUDY BLAUWET SR VICE PRESIDENT	(I) (II)	339,565 0	0 0	7,441 0	15,600 0	13,285 0	375,891 0	0 0
DAVID FLICEK CHIEF ADMINISTRATIVE OFFICER	(I) (II)	0 385,091	0 0	0 146,543	0 13,475	0 23,011	0 568,120	0 0
STEVE PETERSEN AVP-PHARMACY	(I) (II)	193,237 0	0 0	1,775 0	11,831 0	22,162 0	229,005 0	0 0
MARY LEEDOM AVP- SURGERY	(I) (II)	178,833 0	0 0	1,553 0	10,829 0	2,406 0	193,621 0	0 0
CURT HOHMAN SR VICE PRESIDENT	(I) (II)	285,073 0	0 0	1,338 0	20,700 0	7,434 0	314,545 0	0 0
KELLY MCCAUL MD ABIM FRCPC HEMATOLOGY, TRANSPLANTATION	(I) (II)	1,198,881 0	0 0	4,845 0	20,700 0	8,234 0	1,232,660 0	0 0
HENDRICK KLOPPER MD NEUROSURGERY	(I) (II)	1,242,587 0	0 0	2,515 0	20,700 0	19,223 0	1,285,025 0	0 0
BRIAN KNUTSON MD DERMATOLOGY	(I) (II)	1,177,664 0	0 0	3,257 0	20,700 0	21,662 0	1,223,283 0	0 0
MICHAEL PUUMALA MD NEUROSURGERY	(I) (II)	1,214,900 0	0 0	7,000 0	20,700 0	19,662 0	1,262,262 0	0 0
DANIEL TYNAN MD NEUROSURGERY	(I) (II)	1,212,161 0	0 0	8,718 0	20,700 0	22,162 0	1,263,741 0	0 0

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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, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

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) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) HENDRICK KLOPPER MD	HIGHLY COMPENSATED EMPLOYEE	COMMUNITY NEEDS LOAN		X	200,000	54,167		No	Yes		Yes	
Total ▶ $						54,167						

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 assistance	(d) Type of assistance	(e) Purpose 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
See Additional Data Table					

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 46-0224743
Name: AVERA MCKENNAN

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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) MICHAEL BENDER	BOARD MEMBER	216,761	PROPERTY LEASE		No
(2) PHYSICIANS LABORATORY LTD	BOARD MEMBER IS GREATER THAN 5% OWNER	1,815,356	LAB SERVICES - HISTOLOGY		No
(3) VICTORIA PETERSEN	FAMILY OF KEY EMPLOYEE	34,453	EMPLOYEE COMPENSATION		No
(4) ANESTHESIOLOGY ASSOCIATES INC	BOARD MEMBER IS GREATER THAN 5% OWNER	750,334	PAIN MANGEMENT SERVICES		No
(5) SIOUX FALLS CONSTRUCTION CO	BOARD MEMBER IS AN OFFICER OF THE ENTITY	20,858,419	CONSTRUCTION		No
(6) NEUROLOGY ASSOCIATES	BOARD MEMBER IS A GREATER THAN 5% PARTNER IN THE ENTITY	494,498	ER CALL COVERAGE, RENTED SPACE, AND RENTED EQUIPMENT FROM MCKENNAN		No
(7) WOODS FULLER SCHULTZ & SMITH PC	BOARD MEMBER IS AN OFFICER OF THE ENTITY	293,138	LEGAL SERVICES		No
(8) MARLENE SCHROEDER	FAMILY OF BOARD MEMBER	32,794	EMPLOYEE COMPENSATION		No
(9) JESS CARLSON	FAMILY OF BOARD MEMBER	131,466	EMPLOYEE COMPENSATION		No
(10) CHRISTIANE MAROUN	FAMILY OF BOARD MEMBER	138,441	EMPLOYEE COMPENSATION		No
(11) VINCENTA ROSSING	FAMILY OF BOARD MEMBER	11,585	EMPLOYEE COMPENSATION		No
(12) MATTHEW LEEDOM	FAMILY OF KEY EMPLOYEE	24,586	EMPLOYEE COMPENSATION		No
(13) SARAH KAPPEL	FAMILY OF KEY EMPLOYEE	27,926	EMPLOYEE COMPENSATION		No
(14) KATHERINE SMIDT	FAMILY OF BOARD MEMBER	136,748	EMPLOYEE COMPENSATION		No

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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.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization	Employer identification number
AVERA MCKENNAN	46-0224743

Return Reference	Explanation	
	FORM 990, PART III, LINE 4A	INFORMATION AND ASSISTANCE. AVERA MCKENNAN OPERATES A 24-HOUR MEDICAL CALL CENTER, THROUGH WHICH PATIENTS HAVE ACCESS TO THE ASK-A-NURSE PROGRAM. PATIENTS CAN CALL A TOLL-FREE NUMB ER AND TALK PERSONALLY WITH A REGISTERED NURSE TO ASK HEALTH QUESTIONS OR RECEIVE GENERAL HEALTH INFORMATION. IN 2014, THE MEDICAL CALL CENTER HANDLED 131,053 CALLS. AVERA MCKENNAN 'S WEB SITE ALSO PROVIDES AN EXTENSIVE HEALTH LIBRARY THAT CONSUMERS CAN ACCESS FREE OF CH ARGE. INTERPRETER SERVICE. AVERA MCKENNAN EMPLOYS TWO FULL-TIME SPANISH INTERPRETERS IN-HO USE, AND THEIR SERVICES ARE OFFERED TO PATIENTS FREE OF CHARGE. IN ADDITION, IN COOPERATIO N WITH EXTERNAL AGENCIES, AVERA MCKENNAN IS ABLE TO HANDLE 210 DIFFERENT LANGUAGES AND DIA LECTS THROUGH PHONE, VIDEO REMOTE INTERPRETING AND OTHER MEANS INTERPRETATION SERVICES AR E AVAILABLE FOR PATIENTS WHEN THEY ARE AT AVERA MCKENNAN IN PERSON, OR WHEN THEY CALL BY P HONE. ALL THE ABOVE SERVICES ARE PROVIDED AT NO COST TO THE PATIENT. PRENATAL AND DELIVERY CARE. BECAUSE EARLY AND REGULAR PRENATAL CARE IS IMPORTANT TO PREVENT PREMATURE BIRTH, AV ERA MCKENNAN COLLABORATES IN A COMMUNITY EFFORT TO PROVIDE OBSTETRICS CARE FOR WOMEN WHO D O NOT QUALIFY FOR MEDICAID, BUT CANNOT AFFORD HEALTH INSURANCE. THE PROGRAM OFFERS PRENATA L CARE, AND HOSPITAL LABOR AND DELIVERY SERVES FOR A LOW FEE OF $1,000. WOMEN RECEIVE CARE WHETHER THEY CAN COVER ANY OR ALL OF THE FEE. CARE IS PROVIDED PRIMARILY BY FIRST-YEAR FA MILY PRACTICE RESIDENTS, SUPERVISED BY EXPERIENCED PHY SICIANS. THROUGH THIS PROGRAM IN 201 4, AVERA MCKENNAN ASSISTED WITH 77 BIRTHS AND PROVIDED 756 PRENATAL AND POST-PARTUM VISITS. TRANSPORT TO TRANSPLANT. AVERA MCKENNAN DEVELOPED THE TRANSPORT TO TRANSPLANT PROJECT, W HICH REMOVES TRANSPORTATION BARRIERS FOR PATIENTS FROM RURAL AREAS WHICH MAY PREVENT THEM FROM COMPLETING THE EVALUATION AND TESTING NEEDED FOR KIDNEY AND/OR PANCREAS TRANSPLANT. A VAN FUNDED THROUGH A GRANT FROM THE AVERA MCKENNAN FOUNDATION IS USED TO TRANSPORT PATIEN TS WHO DEMONSTRATE A FINANCIAL NEED. PATIENTS ARE BROUGHT TO THE AVERA TRANSPLANT INSTITUT E FOR A CONDENSED MULTI-DAY EVALUATION WITH ALL TESTING AND VISITS COMPLETED IN LESS THAN ONE WEEK. ULTIMATELY, THE PROJECT RESULTS IN IMPROVED MORBIDITY AND MORTALITY, AS KIDNEY T RANSPLANT DOUBLES PATIENT SURVIVAL AS COMPARED TO REMAINING ON DIALYSIS. AVERA FAMILY WELL NESS. THIS PROGRAM COMBINES POSITIVE ACTIVITIES LIKE VIOLIN LESSONS WITH FAMILY COACHING A T NO CHARGE FOR CHILDREN IN EARLY CHILDHOOD PROGRAMS IN THE SIOUX FALLS SCHOOL DISTRICT. T HE GOAL IS TO PREVENT OR LESSEN THE EFFECTS OF BEHAVIORAL HEALTH CONDITIONS ON CHILDREN AN D FAMILIES BY FOSTERING A POSITIVE ENVIRONMENT. OVER 450 STUDENTS AND THEIR FAMILIES ARE E NROLLED. THE WALSH FAMILY VILLAGE. THIS HOSPITALITY HOUSE COMPLEX ADJACENT TO THE AVERA MC KENNAN CAMPUS PROVIDES A HOME AWAY FROM HOME FOR PATIENTS AND THEIR FAMILIES WHO COME FOR CARE AT AVERA MCKENNAN FROM OUTSIDE OF SIOUX FALLS. THE PROJECT WAS FUNDED BY DONATIONS AN D IS OPERATED BY AVERA MCKENNAN. ELEVEN GUEST ROOMS ARE AVAILABLE. AVERA MCKENNAN ALSO DON ATES USE OF A BUILDING IN THE COMPLEX FOR A RONALD MCDONALD HOUSE FOR FAMILIES OF PEDIATRI C PATIENTS. IF THEY CAN AFFORD IT, GUESTS ARE CHARGED A LOW FEE OF $55 PER NIGHT. GUESTS A RE NOT TURNED AWAY DUE TO INABILITY TO PAY THE FEE. EMPLOYEES REGULARLY DONATE NON-PERISHA BLE FOOD ITEMS TO STOCK A FOOD PANTRY FOR GUESTS. IN FY2014, THE WALSH FAMILY VILLAGE SERV ED 6,988 GUESTS, STAYING IN 4,015 NIGHTLY ROOMS A 90 PERCENT OCCUPANCY. AVERA MCKENNAN PRO VIDES A SUBSIDY OF APPROXIMATELY $192,000 PER YEAR TO OPERATE THE HOSPITALITY COMPLEX. PRE VENTION AND SUPPORT OF SUBSTANCE USE DISORDER. AVERA MCKENNAN IS A PARTNER WITH FACE IT TO GETHER SIOUX FALLS, A NONPROFIT ORGANIZATION WHICH SERVES AS THE LOCAL FACE AND VOICE FOR RECOVERY FROM ADDICTION THROUGH ITS RECOVERY SUPPORT SERVICES, ADVOCACY AND AWARENESS PROG RAMS. AVERA HAS BEEN A PARTNER WITH FACE IT TOGETHER SINCE ITS INCEPTION, AND IN A RECENT AWARENESS CAMPAIGN. COMMUNITY CONNECTIONS. AVERA MCKENNAN REACHES OUT TO PEOPLE AND COMMUN ITIES THROUGHOUT EASTERN SOUTH DAKOTA, SOUTHWESTERN MINNESOTA AND NORTHWEST IOWA THROUGH H OME TOWN CONNECTIONS. PROVIDING A CRITICAL FEEDBACK LINK TO LOCAL REFERRING DOCTORS, THIS PROGRAM COMPLETES THE COMMUNICATIONS LINKS NECESSARY TO KEEP LOCAL HEALTH CARE PROVIDERS C URRENT ON THE TREATMENT OF THEIR PATIENTS AT AVERA MCKENNAN. SUPPORT OF THE ARTS AND CULTU RAL LIFE. AVERA MCKENNAN HOSTS SIOUX FALLS' ONLY INDOOR SCULPTUREWALK, AN EXTENSION OF THE COMMUNITY'S DOWNTOWN SCULPTUREWALK. ARTISTS DONATE SCULPTURES FOR ONE YEAR, WHICH ARE PLA CED AT LOCATIONS THROUGHOUT AVERA MCKENNAN'S CAMPUS, IN BUILDINGS CONNECTED BY SKYWALKS. B ROCHURES CONTAIN A MAP, AND VISITORS WHO FOLLOW THE ROUTE SUGGESTED WALK APPROXIMATELY 1 M ILE, MAKING THIS A HEALTHY AS WELL AS A CULTURAL JOURNEY. DIABETES PROGRAMMING. AVERA PART ICIPATES IN A COLLABORATIVE PROJECT WITH SIOUX FALLS PUBLIC SCHOOLS AND THE SOUTH DAKOTA B OARD OF NURSING TO IMPLEMENT ECONSULT SERVICES WIT

Return Reference	Explanation	
	FORM 990, PART III, LINE 4A	H DIABETIC EDUCATION SPECIALISTS MONITORING MEDICATIONS AND THE HEALTH OF CHILDREN WITH DI ABETES IN THE SCHOOL SETTING AVERA MCKENNAN DIABETES EDUCATORS PROVIDED CLASSES AND ONE-O N-ONE CONSULTATIONS AT A LOSS OF $142,000 IN THE PAST FISCAL YEAR COMMUNITY BENEFITS AVE RA MCKENNAN PROVIDES ADDITIONAL COMMUNITY BENEFITS INCLUDING SUPPORT OF YOUTH PROGRAMS, H OMELESS PROGRAMS, COMMUNITY ARTS PROGRAMMING, HEALTH PREVENTION, AWARENESS AND EDUCATION A BOUT CANCER, HEART DISEASE AND OTHER CONDITIONS, AND SUPPORT OF THE SIOUX EMPIRE UNITED WA Y AND OTHER SERVICES IN THE REGION PRESCHOOL VISION AND HEARING SCREENING AVERA MCKENNAN PROVIDED FREE SCREENING FOR 383 PRESCHOOL CHILDREN IN FISCAL YEAR 2014

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	GENE JONES JR , CINDY WALSH, AND FRED THURMAN HAVE A BUSINESS RELATIONSHIP

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF THE ORGANIZATION IS AVERA HEALTH, A NONPROFIT CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF SOUTH DAKOTA AND EXEMPT UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	AVERA HEALTH, AS THE SOLE MEMBER, HAS THE POWER TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, ALL MEMBERS OF THE BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	AVERA HEALTH HAS THE FOLLOWING RIGHTS AS THE MEMBER 1) TO APPROVE THE ADOPTION, AMENDMENT OR REPEAL OF THE STATEMENTS OF PHILOSOPHY, MISSION AND VALUES OF CORPORATION, 2) TO INITIATE THE ADOPTION, AMENDMENT OR REPEAL OF ANY PROVISION OF THE ARTICLES OF INCORPORATION OR BYLAWS OF CORPORATION, AND TO GIVE FINAL APPROVAL OF ANY SUCH ACTION WITH RESPECT THERETO, 3) TO APPROVE AND ACT UPON THE ALIENATION OF REAL PROPERTY AND PRECIOUS ARTIFACTS UNDER THE CANONICAL STEWARDSHIP OF THE SISTERS OF THE PRESENTATION OF THE BLESSED VIRGIN MARY OF ABERDEEN, SOUTH DAKOTA (''PRESENTATION SISTERS'') OR THE BENEDICTINE SISTERS OF SACRED HEART MONASTERY (''BENEDICTINE SISTERS''), PURSUANT TO THE POLICIES ESTABLISHED BY THE MEMBER, 4) TO APPROVE ANY PLAN OF MERGER, CONSOLIDATION OR DISSOLUTION OF THE CORPORATION, OR THE DIVESTITURE OF A SPONSORED WORK OR MINISTRY ASSOCIATED WITH THE CORPORATION, 5) TO APPROVE THE CREATION OF NEW SPONSORED WORKS OR MINISTRIES TO BE CONDUCTED BY OR UNDER THE AUTHORITY OF THE CORPORATION, 6) TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE BOARD OF DIRECTORS OF THE CORPORATION 7) TO APPOINT AND/OR REMOVE, WITH OR WITHOUT CAUSE, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION 8) TO APPROVE OPERATING/CAPITAL BUDGETS AND STRATEGIC PLANS OF THE CORPORATION 9) TO APPROVE EXPENDITURES OUTSIDE OF OPERATING AND CAPITAL BUDGETS EXCEEDING DEFINED THRESHOLDS ACCORDING TO POLICY WHICH MAY BE ADOPTED FROM TIME TO TIME BY THE MEMBER 10) TO APPROVE ACQUISITIONS, SALES AND LEASES, ACCORDING TO POLICY WHICH MAY BE ADOPTED FROM TIME TO TIME BY THE MEMBER 11) TO ESTABLISH AND MAINTAIN EMPLOYEE BENEFIT PROGRAMS 12) TO ESTABLISH AND MAINTAIN INSURANCE PROGRAMS 13) TO APPROVE MAJOR COMMUNITY FUND DRIVES 14) TO APPROVE THE APPOINTMENT OF AUDITORS 15) TO ADOPT POLICIES DESIGNED TO EFFECTUATE THE RESERVED POWERS OF THE MEMBER

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B	AVERA MCKENNAN DOES NOT HAVE ANY COMMITTEES WITH AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS REVIEWED BY THE CEO, CFO, AND ASSISTANT VP OF FINANCIAL REPORTING AFTER THE INITIAL REVIEW, A DRAFT IS PROVIDED TO THE FINANCE COMMITTEE FOR THEIR REVIEW THE APPROVED RETURN IS PROVIDED TO THE FULL BOARD PRIOR TO FILING

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	THE CONFLICT OF INTEREST POLICY COVERS BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES AT EACH BOARD MEETING, A REQUEST IS MADE FOR ALL BOARD MEMBERS TO DISCLOSE ANY POTENTIAL CONFLICT OF INTEREST PERTAINING TO ANY ITEM LISTED ON THE AGENDA OR PERTAINING TO ANY POTENTIAL ITEM THAT COULD BE DISCUSSED DURING THE COURSE OF THE MEETING THE DECLARATION OF CONFLICT OF INTEREST IS RECORDED IN THE MEETING MINUTES THE BOARD MAKES A DETERMINATION OF WHETHER THERE IS A CONFLICT OF INTEREST AND IF SO, IMPLEMENTS THE PROCEDURE FOR EVALUATING THE ISSUE OR TRANSACTION INVOLVED THE BOARD MEMBER OR OFFICER WITH THE CONFLICT MUST REFRAIN FROM VOTING A STATEMENT OF CONFLICT OF INTEREST DISCLOSURE IS MADE ON AN ANNUAL BASIS BY OFFICERS AND DIRECTORS THE INFORMATION IS MAINTAINED IN A DATABASE AND A REPORT IS PROVIDED TO THE BOARD

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15B	THE CEO IS COMPENSATED BY AVERA HEALTH SYSTEM ANNUALLY THE COMPENSATION COMMITTEE OF AVERA HEALTH, WHICH IS COMPRISED OF SIX (6) SYSTEM MEMBERS APPOINTED BY THE RELIGIOUS ORDERS, MEETS WITH AN INDEPENDENT CONSULTANT REGARDING FAIR MARKET VALUE FOR COMPENSATION OF OFFICERS AND KEY EMPLOYEES THE COMPENSATION COMMITTEE APPROVES ALL SALARIES BASED ON COMPARABLE DATA AND DOCUMENTS THE BASIS FOR THEIR DECISION IN MEETING MINUTES THE CFO AND KEY EMPLOYEES ARE COMPENSATED BY AVERA MCKENNAN ANNUALLY, THE COMPENSATION COMMITTEE OF AVERA MCKENNAN, WHICH IS COMPRISED OF BOARD MEMBERS, MEETS TO REVIEW THE COMPENSATION OF EXECUTIVES AND PHYSICIANS AVERA MCKENNAN COMPARES ITS COMPENSATION PLAN TO OTHER HEALTHCARE ORGANIZATIONS SIMILAR IN SIZE AND COMPLEXITY TO AVERA MCKENNAN ON A NATIONAL BASIS TO ENSURE COMPENSATION IS COMPARABLE AVERA MCKENNAN UTILIZES MULTIPLE SALARY SURVEYS AND AN INDEPENDENT COMPENSATION CONSULTANT TO PROVIDE A MARKET ANALYSIS FOR EACH EXECUTIVE'S SUGGESTED PAY OR PAY RANGE INDIVIDUAL SALARIES REFLECT RELATED EDUCATION AND EXPERIENCE, AS WELL AS THE SCOPE OF THE DUTIES TO ASSURE AMOUNTS PAID ARE REASONABLE

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

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 16B	THERE IS NO WRITTEN POLICY OR PROCEDURE REQUIRING THE ORGANIZATION TO EVALUATE ITS PARTICIPATION IN JOINT VENTURE ARRANGEMENTS IN THE EVENT OF ANY SUCH PROPOSED TRANSACTION THE BOARD, OR A COMMITTEE WITH DELEGATED AUTHORITY, REVIEWS ALL MATERIALS, VALUATIONS, AND OPERATIONAL ASPECTS FOR ANY PROPOSED TRANSACTION SUCH TRANSACTION WOULD BE EVALUATED IN ACCORDANCE WITH THE EXEMPT STATUS OF THE ORGANIZATION AND ITS APPLICABLE PURPOSES ANY TRANSACTION ALSO MUST BE APPROVED BY THE BOARD AND THE MEMBER

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	MEDICAL FEES PROGRAM SERVICE EXPENSES 9,707,645 MANAGEMENT AND GENERAL EXPENSES 166,678 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 9,874,323 FFS OTHER PROGRAM SERVICE EXPENSES 47,772,595 MANAGEMENT AND GENERAL EXPENSES 54,982,928 FUNDRAISING EXPENSES 2,596 TOTAL EXPENSES 102,758,119

Return Reference	Explanation
FORM 990, PART X, LINE 20	THE ISSUE PRICE INCLUDES THE FILING ORGANIZATION'S SHARE OF THE ENTIRE BOND ISSUE, WHICH WAS ISSUED TO AVERA HEALTH ON BEHALF OF THE AVERA OBLIGATED GROUP THE AVERA OBLIGATED GROUP CONSISTS OF AVERA HEALTH, AVERA MCKENNAN, AVERA ST LUKE'S, AVERA QUEEN OF PEACE, AVERA SACRED HEART, AVERA ST MARY'S AND AVERA MARSHALL IN ACCORDANCE WITH IRS INSTRUCTIONS, INFORMATION RELATED TO THE TAX EXEMPT BOND REPORTING IS BEING REPORTED ON AVERA HEALTH'S TAX RETURN (EIN 46-0422673)

Return Reference	Explanation
FORM 990, PART XI, LINE 9	EQUITY TRANSFERS, NET 2,334,050 OTHER CHANGES IN UNRESTRICTED NET ASSETS 101,538

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE AUDIT COMMITTEE OF AVERA HEALTH, THE PARENT ORGANIZATION OF AVERA MCKENNAN, SELECTS THE AUDITOR AND REVIEWS THE AUDITED FINANCIAL STATEMENTS FOR AVERA MCKENNAN ALSO, THE FINANCE COMMITTEE AT AVERA MCKENNAN TAKES RESPONSIBILITY FOR REVIEWING THE AUDITED FINANCIAL STATEMENTS

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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" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
AVERA MCKENNAN

Employer identification number
46-0224743

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

(a) Name, address, and EIN (if applicable) 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
(1) SIOUX FALLS HOSPITAL MANAGEMENT LLC 1325 S CLIFF AVE PO BOX 5045 SIOUX FALLS, SD 571175045 56-2141521	MANAGEMENT COMPANY OF HEART HOSPITAL	NC	4,559,685	18,638,127	WEST 69TH STREET LLC
(2) WEST 69TH STREET LLC 1325 S CLIFF AVE PO BOX 5045 SIOUX FALLS, SD 571175045 46-0224743	HOLDING COMPANY	SD	4,559,685	18,638,127	AVERA MCKENNAN
(3) ALUMEND LLC 1325 S CLIFF AVE PO BOX 5045 SIOUX FALLS, SD 571175045 46-0224743	RESEARCH AND DEVELOPMENT	SD	-1,857,275	1,727,627	AVERA MCKENNAN
(4) MRIS LLC 1325 S CLIFF AVE PO BOX 5045 SIOUX FALLS, SD 571175045 47-0874983	HEALTHCARE SERVICES	SD	0	0	AVERA MCKENNAN

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 entity? Yes	(g) No
See Additional Data Table							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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
See Additional Data Table												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) ACCOUNTS MANAGEMENT INC 5132 S CLIFF AVE SUITE 101 SIOUX FALLS, SD 57108 46-0373021	COLLECTION AGENCY	SD	N/A	C					No
(2) AVERA HEALTH PLANS INC 3900 WEST AVERA DRIVE SUITE 101 SIOUX FALLS, SD 57108 46-0451539	HEALTH FINANCING AND HEALTH PLAN ADMINISTRATION	SD	N/A	C					No
(3) AVERA PROPERTY INSURANCE INC 610 W 23RD ST STE 1 PO BOX 38 YANKTON, SD 57078 46-0463155	INSURANCE	SD	N/A	C					No
(4) VALLEY HEALTH SERVICES 501 SUMMIT STREET YANKTON, SD 57078 46-0357149	RENTAL REAL ESTATE	SD	N/A	C					No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
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 or **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
FORM 990, SCHEDULE R, PART V, LINE 2, COLUMN C	THE AMOUNTS REPORTED IN COLUMN C ARE REPORTED BASED ON A REVIEW OF GENERAL LEDGER ACTIVITY IN INTERCOMPANY ACCOUNTS, AND REVIEW OF EQUITY ACCOUNTS FOR CONTRIBUTIONS AND DISTRIBUTIONS

Additional Data

Software ID:
Software Version:
EIN: 46-0224743
Name: AVERA MCKENNAN

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) AVERA ST ANTHONY'S HOSPITAL 300 N 2ND STREET ONEILL, NE 68763 47-0463911	HEALTHCARE SERVICES	NE	501(C)(3)	LINE 3	AVERA HEALTH		No
(1) AVERA HOLY FAMILY 826 NORTH 8TH STREET ESTHERVILLE, IA 51334 42-0680370	HEALTHCARE SERVICES	IA	501(C)(3)	LINE 3	AVERA HEALTH		No
(2) AVERA HOLY FAMILY FOUNDATION 826 NORTH 8TH STREET ESTHERVILLE, IA 51334 42-1317452	FUNDRAISING	IA	501(C)(3)	LINE 9	AVERA HOLY FAMILY		No
(3) ST BENEDICT HEALTH CENTER 401 WEST GLYNN DRIVE PARKSTON, SD 57366 46-0226738	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
(4) ST BENEDICT HEALTH CENTER FOUNDATION WEST GLYNN DRIVE PO BOX B PARKSTON, SD 57366 46-0458725	SUPPORT HEALTH RELATED SERVICES	SD	501(C)(3)	LINE 11A, I	ST BENEDICT HEALTH CENTER		No
(5) AVERA HEALTH 3900 WEST AVERA DRIVE STE 300 SIOUX FALLS, SD 57108 46-0422673	PROMOTION OF HEALTH	SD	501(C)(3)	LINE 9	N/A		No
(6) AVERA QUEEN OF PEACE 525 NORTH FOSTER MITCHELL, SD 57301 46-0224604	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
(7) SACRED HEART HEALTH SERVICES 501 SUMMIT STREET YANKTON, SD 57078 46-0225483	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
(8) AVERA GETTYSBURG 606 EAST GARFIELD GETTYSBURG, SD 57442 46-0234354	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA ST MARY'S		No
(9) AVERA AT HOME 5116 S SOLBERG AVE SIOUX FALLS, SD 57108 46-0399291	HOME SERVICES	SD	501(C)(3)	LINE 9	AVERA HEALTH		No
(10) LEWIS AND CLARK HEALTH EDUCATION AND SERVICE AGENCY 1000 W 4TH STREET SUITE 9 YANKTON, SD 57078 46-0337013	HEALTHCARE EDUCATION	SD	501(C)(3)	LINE 9	SACRED HEART HEALTH SERVICES		No
(11) AVERA ST LUKE'S 305 SOUTH STATE STREET ABERDEEN, SD 57401 46-0224598	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
(12) AVERA ST MARY'S 801 EAST SIOUX AVENUE PIERRE, SD 57501 46-0230199	HEALTHCARE SERVICES	SD	501(C)(3)	LINE 3	AVERA HEALTH		No
(13) AVERA MARSHALL 300 S BRUCE STREET MARSHALL, MN 56258 41-0919153	HEALTHCARE SERVICES	MN	501(C)(3)	LINE 3	AVERA HEALTH		No
(14) AVERA MARSHALL FOUNDATION 300 SOUTH BRUCE STREET MARSHALL, MN 56258 41-1784801	FUNDRAISING	MN	501(C)(3)	LINE 7	AVERA MARSHALL		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
AVERA HOME MEDICAL EQUIPMENT LLC 1325 S CLIFF AVE PO BOX 5045 SIOUX FALLS, SD 57117 46-0488198	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA MCKENNAN	RELATED	204,398	4,802,540	Yes		21,532	Yes		78 720 %
HOME MEDICAL EQUIPMENT OF PIERRE LLC 329 E DAKOTA PIERRE, SD 57501 46-0444002	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA MCKENNAN	RELATED	62,940	235,822		No	16,841	Yes		50 000 %
AVERA HOME MEDICAL EQUIPMENT OF FLOYD VALLEY HOSPITAL LLC 714 LINCOLN ST NE LEMARS, IA 51031 82-0582350	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA HOME MEDICAL EQUIPMENT LLC	RELATED	18,172	85,478	Yes		4,127	Yes		39 320 %
AVERA HOME MEDICAL EQUIPMENT OF ESTHERVILLE LLC PO BOX 5045 SIOUX FALLS, SD 57117 20-1686097	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA HOME MEDICAL EQUIPMENT LLC	RELATED	-4,189	129,303	Yes		-1,113	Yes		39 320 %
AVERA HOME MEDICAL EQUIPMENT OF SIOUX CENTER LLC 38 19TH ST SW SIOUX CENTER, IA 51250 75-3203100	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA HOME MEDICAL EQUIPMENT LLC	RELATED	21,538	106,787	Yes		6,342	Yes		39 320 %
AVERA HOME MEDICAL EQUIPMENT OF MARSHALL LLC 1104 EAST COLLEGE DRIVE MARSHALL, MN 56258 20-5271924	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA HOME MEDICAL EQUIPMENT LLC	RELATED	67,785	299,291	Yes		21,677	Yes		39 320 %
Q&M PROPERTIES LLC 525 NORTH FOSTER MITCHELL, SD 57301 73-1652049	MEDICAL CLINIC BUILDING	SD	AVERA QUEEN OF PEACE	RELATED	-498	381,176		No			No	50 000 %
SURGICAL ASSOCIATES ENDOSCOPY CLINIC LLC 310 S PENNSYLVANIA ST ABERDEEN, SD 57401 46-0461429	SURGICAL ASSOCIATES	SD	N/A									
AVERA HME OF SPENCER HOSPITAL LLC 2400 S MINNESOTA AVENUE 102 SIOUX FALLS, SD 57117 80-0619999	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA HOME MEDICAL EQUIPMENT LLC	RELATED	-14,774	99,425	Yes		-6,890	Yes		39 330 %
HEART HOSPITAL OF SOUTH DAKOTA LLC 4500 W 69TH STREET SIOUX FALLS, SD 57108 56-2143771	HEALTHCARE SERVICES	SD	AVERA MCKENNAN	RELATED	9,119,369	37,276,253		No			No	66 670 %
BROOKINGS HEALTH SYSTEM - AVERA HME LLC 101 22ND AVE SUITE 101 BROOKINGS, SD 57006 45-3204123	MEDICAL SERVICES - HOME MEDICAL EQUIPMENT	SD	AVERA HOME MEDICAL EQUIPMENT LLC	RELATED	46,054	188,377	Yes		10,959		No	39 320 %

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
AVERA HOME MEDICAL EQUIPMENT LLC	A	266,580	INTERCOMPANY DETAIL FROM GL
AVERA HOME MEDICAL EQUIPMENT LLC	L	138,987	INTERCOMPANY DETAIL FROM GL
AVERA HOME MEDICAL EQUIPMENT LLC	Q	5,769,199	INTERCOMPANY DETAIL FROM GL
AVERA HOME MEDICAL EQUIPMENT LLC	R	5,992,962	INTERCOMPANY DETAIL FROM GL
AVERA HEART HOSPITAL OF SOUTH DAKOTA LLC	R	1,905,813	INTERCOMPANY DETAIL FROM GL
AVERA HEART HOSPITAL OF SOUTH DAKOTA LLC	S	9,386,588	INTERCOMPANY DETAIL FROM GL
AVERA HEART HOSPITAL OF SOUTH DAKOTA LLC	L	1,898,771	INTERCOMPANY DETAIL FROM GL
AVERA HEART HOSPITAL OF SOUTH DAKOTA LLC	Q	651,581	INTERCOMPANY DETAIL FROM GL
AVERA ST LUKE'S	M	161,281	INTERCOMPANY DETAIL FROM GL
AVERA SACRED HEART	M	55,380	INTERCOMPANY DETAIL FROM GL
AVERA QUEEN OF PEACE	M	64,211	INTERCOMPANY DETAIL FROM GL
AVERA MARSHALL	M	66,045	INTERCOMPANY DETAIL FROM GL
AVERA QUEEN OF PEACE	L	851,368	INTERCOMPANY DETAIL FROM GL
AVERA QUEEN OF PEACE	A	270,166	INTERCOMPANY DETAIL FROM GL
AVERA MARSHALL	L	2,549,598	INTERCOMPANY DETAIL FROM GL
AVERA MARSHALL	R	186,963	INTERCOMPANY DETAIL FROM GL
AVERA SACRED HEART	L	957,426	INTERCOMPANY DETAIL FROM GL
AVERA ST LUKE'S	L	752,812	INTERCOMPANY DETAIL FROM GL

Consolidated Financial Statements
June 30, 2014 and 2013

Avera McKennan

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Trustees
Avera McKennan
Sioux Falls, South Dakota

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of Avera McKennan and subsidiaries (the "Organization"), which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Avera McKennan and subsidiaries as of June 30, 2014 and 2013, and the consolidated results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Eide Bailly LLP

Sioux Falls, South Dakota
October 17, 2014

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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	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 30,564,953	$ 29,252,166
Assets limited as to use - under indenture agreements	1,348,525	1,348,931
Custodial funds held by related party - under indenture agreements	20,366,553	4,780,709
Receivables		
Patient and resident, net	119,665,919	108,580,871
Other	27,825,388	23,156,577
Supplies	17,968,519	17,136,963
Prepaid expenses	7,656,511	7,383,615
Total current assets	225,396,368	191,639,832
Assets Limited as to Use		
By Board for capital improvements and debt redemption	229,519,342	196,795,551
Under contractual arrangements for capital improvements	8,536,192	7,205,997
Interest in net assets of Avera Health Foundation	15,630,773	13,377,003
Total noncurrent assets limited as to use	253,686,307	217,378,551
Property and Equipment, Net	378,158,362	384,849,734
Other Assets		
Goodwill	32,786,327	32,341,422
Intangible assets, net	12,326,047	14,739,971
Investments in affiliated organizations	7,241,540	5,495,872
Noncurrent receivables	9,271,733	9,134,644
Property held for future use	11,011,363	9,031,866
Deferred financing costs, net	401,659	512,588
Due from related party	1,250,000	1,250,000
Other assets	14,697,966	5,325,678
Total other assets	88,986,635	77,832,041
Total assets	$ 946,227,672	$ 871,700,158

See Notes to Consolidated Financial Statements

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 12,749,473	$ 13,236,945
Accounts payable	39,445,971	40,421,219
Estimated third-party payor settlements	7,715,008	9,350,011
Accrued salaries, benefits and withholdings	36,084,017	35,276,240
Accrued interest	1,798,734	1,883,852
Other current liabilities	9,100,094	5,427,582
Total current liabilities	106,893,297	105,595,849
Long-Term Debt, Less Current Maturities	259,934,193	254,974,605
Other Liabilities		
Due to other organizations	1,174,897	1,174,897
Derivative liability	9,542,128	9,760,866
Other	4,442,979	1,710,645
Total liabilities	381,987,494	373,216,862
Net Assets		
Unrestricted	534,600,056	471,655,159
Noncontrolling interests	13,238,749	12,605,810
Total unrestricted net assets	547,838,805	484,260,969
Temporarily restricted	13,708,584	11,590,650
Permanently restricted	2,692,789	2,631,677
Total net assets	564,240,178	498,483,296
Total liabilities and net assets	$ 946,227,672	$ 871,700,158

	2014	2013
Unrestricted Revenue, Gains and Other Support		
Net patient and resident service revenue	$ 839,038,403	$ 788,285,941
Provision for bad debts	(20,908,954)	(19,622,103)
Net patient service revenue less provision for bad debts	818,129,449	768,663,838
Other revenue	55,837,028	57,337,471
Total unrestricted revenue, gains and other support	873,966,477	826,001,309
Expenses		
Salaries and wages	358,977,334	357,357,938
Employee benefits	85,597,472	84,907,492
Medical fees	13,687,615	13,151,284
Purchased services	46,081,651	42,260,069
Supplies	157,425,091	137,202,846
Repairs and maintenance	14,235,373	13,477,393
Other expenses	96,315,897	85,609,702
Insurance	6,804,538	6,587,638
Utilities and telephone	10,209,907	9,884,510
Interest	9,031,233	9,167,205
Depreciation and amortization	41,354,539	40,705,036
Total expenses	839,720,650	800,311,113
Operating Income	34,245,827	25,690,196
Other Income (Losses)		
Investment income	27,769,162	11,970,979
Change in fair value of interest rate swaps not designated as hedges	66,507	3,947,356
Reclassification of accumulated losses on interest rate swaps	(380,740)	(380,740)
Other nonoperating	(292,559)	(3,960,762)
Other income, net	27,162,370	11,576,833
Revenues in Excess of Expenses	61,408,197	37,267,029
Change in Interest in Net Assets of Avera Health Foundation	272,347	339,043
Distributions to Noncontrolling Interests	(4,693,296)	(3,931,277)
Reclassification of Accumulated Losses on Interest Rate Swaps	380,740	380,740
Contributions of Long-Lived Assets	3,723,567	1,128,014
Equity Transfers	2,334,050	(3,467,243)
Other Changes in Unrestricted Net Assets	152,231	530,481
Increase in Unrestricted Net Assets	$ 63,577,836	$ 32,246,787

	2014	2013
Unrestricted Net Assets		
Revenues in excess of expenses	$ 61,408,197	$ 37,267,029
Distributions to noncontrolling interests	(4,693,296)	(3,931,277)
Change in interest in net assets of Avera Health Foundation	272,347	339,043
Reclassification of accumulated losses on interest rate swaps	380,740	380,740
Contributions of long-lived assets	3,723,567	1,128,014
Equity transfers	2,334,050	(3,467,243)
Other changes in unrestricted net assets	152,231	530,481
Increase in unrestricted net assets	63,577,836	32,246,787
Temporarily Restricted Net Assets		
Change in interest in net assets of Avera Health Foundation	2,117,934	1,656,262
Permanently Restricted Net Assets		
Change in interest in net assets of Avera Health Foundation	61,112	490,035
Increase in Net Assets	65,756,882	34,393,084
Net Assets, Beginning of Year	498,483,296	464,090,212
Net Assets, End of Year	$ 564,240,178	$ 498,483,296

	2014	2013
Operating Activities		
Change in net assets	$ 65,756,882	$ 34,393,084
Adjustments to reconcile change in net assets to net cash from operating activities		
Change in realized and unrealized gains on investments	(27,716,563)	(11,936,996)
Change in fair value of interest rate swaps	(218,738)	(4,477,837)
Impairment loss	-	1,195,956
Equity transfers	(2,334,050)	3,467,243
Loss on disposal of property and equipment	644,482	730,098
Depreciation and amortization	41,993,593	41,274,231
Loss on equity method investments	1,431,269	1,384,358
Restricted contributions	(3,217,633)	(2,146,103)
Distributions to noncontrolling interests	4,693,296	3,931,277
Change in assets and liabilities		
Receivables	(12,292,810)	(10,185,042)
Supplies	(1,134,133)	(694,141)
Prepaid expenses	133,395	(2,889,380)
Accounts payable	(7,742,107)	1,222,674
Estimated third-party payor settlements	(1,635,003)	(2,653,984)
Accrued expenses	722,659	892,657
Other current liabilities	(1,195,964)	180,228
Net Cash from Operating Activities	57,888,575	53,688,323
Investing Activities		
Purchases of property and equipment	(46,769,915)	(47,678,740)
Purchases of assets limited as to use	(12,181,781)	(9,006,375)
Proceeds from sales and maturities of assets limited as to use	3,590,994	2,370,168
Cash paid for business acquisitions, net of cash acquired in acquisition	-	(5,396,038)
Cash received for sale of business units	962,522	3,179,562
Investments in affiliated organizations	(4,653,815)	(2,993,448)
Distributions from affiliated organizations	1,476,878	697,166
Increase in other assets	(540,833)	(383,597)
Proceeds from disposal of property and equipment	30,782	244,120
Net Cash used for Investing Activities	(58,085,168)	(58,967,182)

	2014	2013
Financing Activities		
Equity transfers	$ 1,106,558	$ (3,467,243)
Repayment of long-term debt	(12,763,652)	(13,110,541)
Proceeds from issuance of long-term debt	30,362,935	5,135,267
Distributions to noncontrolling interests	(4,693,296)	(3,931,277)
Restricted contributions	3,217,633	2,146,103
(Increase) decrease in custodial funds held by related party	(15,585,844)	13,279,478
Other long-term liabilities	(134,954)	(536,106)
Payment of deferred financing costs	-	(11,893)
Net Cash from (used for) Financing Activities	1,509,380	(496,212)
Net Increase (Decrease) in Cash and Cash Equivalents	1,312,787	(5,775,071)
Cash and Cash Equivalents, Beginning of Year	29,252,166	35,027,237
Cash and Cash Equivalents, End of Year	$ 30,564,953	$ 29,252,166
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest, net of interest capitalized of $177,187 during the year ended June 30, 2014 and $897,814 during the year ended June 30, 2013	$ 9,014,212	$ 9,299,192
Business acquisitions and divestures		
Receivables	$ 1,407,427	$ 1,141,324
Supplies	302,577	(104,000)
Prepaid expenses and other	-	(54,643)
Property and equipment, net	10,935,432	(1,479,000)
Goodwill	(444,905)	(983,000)
Intangible assets	752,539	(864,000)
Other assets	57,629	-
Current maturities of long-term debt	(622,862)	-
Accounts payable	(137,625)	-
Other current liabilities	-	126,843
Long-term debt	(12,515,182)	-
Net assets	1,227,492	-
Net cash received (paid)	$ 962,522	$ (2,216,476)
Supplemental Disclosure of Noncash Investing and Financing Activities		
Accounts payable - construction in progress	$ 2,714,300	$ 2,853,417
Change in revenue guarantees liability and asset	$ 3,160,764	$ -

Note 1 - Organization and Significant Accounting Policies

Organization

Avera McKennan (Organization) operates a 505-bed acute care hospital, a 90-bed nursing home and congregate housing facility, a 16-bed hospice home, a 53-bed cardiology and cardiovascular surgical hospital in Sioux Falls, South Dakota, an 18-bed acute care hospital in Flandreau, South Dakota, a 23-bed acute care hospital in Dell Rapids, South Dakota, a 25-bed acute care hospital and a 55-bed nursing home in Gregory, South Dakota, a 25-bed acute care hospital in Milbank, South Dakota, and a 25-bed acute care hospital in Miller, South Dakota The Organization provides clinical care, which includes primary care, urgent care and specialty clinics The Organization also provides other health care related services through various programs

The Organization is organized as a non-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code The Organization operates under the tenets of the Roman Catholic Church and in accordance with the philosophy and values established for Avera Health, the sole member of the Organization and a sponsored ministry of the Benedictine and Presentation Sisters

Consolidation

The consolidated financial statements for the years ended June 30, 2014 and 2013, include the accounts of Avera McKennan and the following controlled organizations Significant intercompany balances and transactions have been eliminated in the consolidated financial statements

Avera Home Medical Equipment LLC
Heart Hospital of South Dakota LLC
Alumend LLC

Avera McKennan owns 77% of Avera Home Medical Equipment LLC, 66 2/3% of Heart Hospital of South Dakota LLC, and 100% of Alumend LLC

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues 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 and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim

Patient and resident accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a significant provision for bad debts and charity care in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The Organization's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed during the years ended June 30, 2014 and 2013 The Organization does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors The Organization has not significantly changed it charity care or uninsured discount policies during fiscal years 2014 or 2013 Patient and resident receivables are shown net of estimated uncollectibles, charity care, and other allowances of approximately $208,900,000 and $179,600,000 as of June 30, 2014 and 2013, respectively

Supplies

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

Investments and Investment Income

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

The Organization, through its affiliation with Avera Health, participates in the Avera Pooled Investment Fund, a fund administered by Avera Health The Avera Pooled Investment Fund has a portion of its holdings in alternative investments, which are not readily marketable These alternative investments include partnerships and other interests that invest in hedge funds, real asset funds, and private equity/venture capital funds, among others Many of these alternative investments have fair values that are determined using the net asset value (NAV) provided by the investment manager NAV is a practical expedient to determine the fair value of investments that do not have readily determinable fair values and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company Investment income, including interest, dividends, realized gains and losses, and unrealized gains and losses are allocated to participants of the Avera Pooled Investment Fund based upon their pro rata share of the investments

Investments in Affiliated Organizations

Investments in entities in which the Organization has the ability to exercise significant influence over operating and financial policies but does not have operational control are recorded under the equity method of accounting Under the equity method, the initial investment is recorded at cost and adjusted to recognize the Organization's share of earnings and losses of those entities, net of any additional investments or distributions The Organization's share of net earnings or losses of the entities is included in other operating revenue Investments in entities in which the Organization does not have the ability to exercise significant influence are recorded at cost Distributions from investments in affiliated organizations recorded at cost are recorded as nonoperating income

Physician Notes Receivable and Guarantees

The Organization has entered into unsecured notes receivable with market terms and guaranteed salary commitments with certain physicians These contracts are limited in duration, and serve the purpose of recruiting new physicians Notes receivable with physicians were $12,068,000 and $11,317,525 as of June 30, 2014 and 2013, respectively Notes receivable with physicians are recorded as other current and noncurrent receivables in the consolidated balance sheets Guaranteed salary commitments are recorded as other current and noncurrent liabilities

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Trustees for capital improvements and debt redemption, over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by a trustee under indenture agreements, assets held under contractual arrangements for capital improvements, and assets held by the Avera Health Foundation (Foundation) Assets limited as to use, that are available for obligations classified as current liabilities, are reported in current assets

Fair Value Measurements

The Organization has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs

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

Property and Equipment

Property and equipment acquisitions in excess of $5,000 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 The estimated useful lives of property and equipment are as follows

Land Improvements	3-25 years
Buildings and improvements	5-100 years
Equipment	3-20 years

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

Impairment of Long-Lived Assets

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate No impairment was identified for the years ended June 30, 2014 and 2013

Property Held for Future Use

Property held for future use consists of rental property and real estate adjacent to the hospital campus and other property that is being held for future expansion Depreciable rental property is depreciated over an estimated life of 10-20 years Rental income and related expenses on the rental properties are recorded as other nonoperating in the consolidated financial statements

Deferred Financing Costs

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

Goodwill and Intangible Assets

Goodwill and intangible assets consist of patient records, non-compete agreements, patents, and goodwill associated with business combinations Intangible assets with definite useful lives are amortized Goodwill represents the excess of cost over the fair value of the net assets acquired from business acquisitions

On an annual basis and at interim periods when circumstances require, the Organization tests the recoverability of its goodwill The Organization has the option, when each test of recoverability is performed, to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount If the Organization determines that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then additional analysis is unnecessary If the Organization concludes otherwise, then a two-step impairment analysis, whereby the Organization compares the carrying value of each identified reporting unit to its fair value, is required The first step is to quantitatively determine if the carrying value of the reporting unit is greater than its fair value If the Organization determines that this is true, the second step is required, where the implied fair value of goodwill is compared to its carrying value

The Organization recognizes an impairment charge for the amount by which the carrying amount of goodwill exceeds its fair value The fair value of the reporting unit is estimated using the net present value of discounted cash flows, excluding any financing costs or dividends, generated by each reporting unit The discounted cash flows are based upon reasonable and appropriate assumptions about the underlying business activities of the respective reporting unit The Organization performs its test for recoverability for goodwill at the same time each year, unless circumstances require additional analysis

Deferred Revenue

The Organization recognizes deferred revenue for amounts received for which the services have not yet been performed Grants are also recorded as deferred revenue when the Organization receives grant money in advance of qualifying grant expenditures Grant revenue is recognized and included in income at the time qualifying expenditures are made by the Organization

Interest in Net Assets of Avera Health Foundation

Avera Health Foundation, an affiliate of the Organization, solicits contributions and holds funds on behalf of the Organization The Organization's interest in these funds is recorded in assets limited as to use in the accompanying consolidated financial statements with net asset restrictions recorded based on donor restrictions Changes in the funds held by the Foundation are recorded as change in interest in net assets of Avera Health Foundation in the accompanying consolidated financial statements

Noncontrolling Interests

The accompanying consolidated financial statements reflect the adoption of guidance within ASC 810 requiring that noncontrolling interests in subsidiaries be reported as net assets in the consolidated financial statements The guidance also requires that net income attributable to the parent and noncontrolling interests be clearly identifiable, that changes in a parent's ownership interest be accounted for as equity transactions, and that disclosures be expanded to clearly identify and distinguish between the interest of the parent and interests of the noncontrolling owners

The changes in consolidated unrestricted net assets attributable to the Organization's controlling interest and noncontrolling interests for the years ended June 30, 2014 and 2013 are as follows

	Unrestricted Net Assets		
	Controlling Interest	Noncontrolling Interests	Total
June 30, 2012	$ 440,185,934	$ 11,828,248	$ 452,014,182
Revenue in excess of expenses	32,740,805	4,526,224	37,267,029
Distributions to noncontrolling interests	-	(3,931,277)	(3,931,277)
Reclassification of accumulated losses on interest rate swaps	380,740	-	380,740
Contributions of long-lived assets	1,128,014	-	1,128,014
Equity transfers	(3,467,243)	-	(3,467,243)
Change in interest in net assets of Avera Health Foundation	339,043	-	339,043
Other changes in net assets	347,866	182,615	530,481
June 30, 2013	471,655,159	12,605,810	484,260,969
Revenue in excess of expenses	56,132,655	5,275,542	61,408,197
Distributions to noncontrolling interests	-	(4,693,296)	(4,693,296)
Reclassification of accumulated losses on interest rate swaps	380,740	-	380,740
Contributions of long-lived assets	3,723,567	-	3,723,567
Equity transfers	2,334,050	-	2,334,050
Change in interest in net assets of Avera Health Foundation	272,347	-	272,347
Other changes in net assets	101,538	50,693	152,231
June 30, 2014	$ 534,600,056	$ 13,238,749	$ 547,838,805

Revenues in Excess of Expenses

Revenues in excess of expenses excludes changes in interest in net assets of Avera Health Foundation related to distributions from the Foundation for capital expenditures, distributions to noncontrolling interests, reclassifications of accumulated losses on interest rate swaps, contributions of long-lived assets, including assets acquired using contributions which were restricted by donors, transfers of assets to and from related parties for other than goods and services, and other changes in unrestricted net assets

Advertising Costs

The Organization expenses advertising costs as incurred During the years ended June 30, 2014 and 2013, advertising expenses were $2,681,583 and $4,088,955, respectively

Net Patient and Resident Service Revenue

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

The Organization recognizes patient and resident service revenue associated with services provided to patients and residents who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy On the basis of historical experience, a significant portion of the Organization's uninsured patients and residents will be unable or unwilling to pay for the services provided Thus, the Organization records a significant provision for bad debts and charity care related to uninsured patients and residents in the period the services are provided Net patient and resident service revenue recognized for the years ended June 30, 2014 and 2013 from these major payor sources is as follows

	2014	2013
Net patient and resident service revenue		
Third-party payors	$ 822,929,510	$ 771,540,644
Self-pay	16,108,893	16,745,297
Total all payors	$ 839,038,403	$ 788,285,941

Charity Care and Community Benefit

The Organization provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates Since the Organization does not pursue collection of these amounts, they are not reported as patient and resident service revenue The amount of charges foregone and additional estimated charity care not yet realized for services provided under the Organization's charity care policy were approximately $41,100,000 and $36,700,000 for the years ended June 30, 2014 and 2013 Total direct and indirect costs related to these foregone charges were approximately $12,600,000 and $12,200,000 at June 30, 2014 and 2013, based on average ratios of cost to gross charges

The Organization also provides community benefit health activities at less than or at no cost to support those in the area served These activities include, but are not limited to, community education and health services, health professionals' education, subsidized services, cash and in-kind donations to community organizations, health research, and community building activities For the years ended June 30, 2014 and 2013, specific examples include a free health clinic, diabetes education and management programs, ASK A NURSE health information service, clinical settings for resident physicians and nursing and pharmacy students, community blood bank partnership, subsidized emergency transportation, medication, transportation and lodging support for needy patients and families, community screenings, and clinical research

Donor-Restricted Gifts

Donor-restricted 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 consolidated statement of operations as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the consolidated statements of operations

Contributions Receivable

Unconditional promises to give are reported at net realizable value if at the time the promise is made payment is expected to be received in one year or less Unconditional promises to give are recorded as contributions receivable and temporarily restricted support in the year the promise is made, unless the donor explicitly states that the gift is to support current activities Unconditional promises that are expected to be collected in more than one year are reported at fair value Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to users of its consolidated financial statements than if those promises were measured using present value techniques and historical discount rates

Contributions Made

Unconditional promises to give cash and other assets are reported at fair value and recorded as liabilities at the date the promise is made Conditional promises to give and indications of intentions to give are reported at fair value at the date the conditions have been met or the date the gift is made

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose The Organization held temporarily restricted net assets through their interest in the Avera Health Foundation of $13,708,584 and $11,590,650 as of June 30, 2014 and 2013, respectively Temporarily restricted net assets consist of investments available to support various programs and capital projects

Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity The Organization held permanently restricted net assets through their interest in the Avera Health Foundation of $2,692,789 and $2,631,677 as of June 30, 2014 and 2013, respectively Permanently restricted net assets consist of investments, the income from which is expendable to support various health care services

Income Taxes

The Organization is organized as a nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) Certain consolidated subsidiaries, including Avera Home Medical Equipment LLC, Heart Hospital of South Dakota LLC, and Alumend LLC, are not tax-exempt entities and are considered partnerships or disregarded entities for tax purposes Avera McKennan is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, Avera McKennan is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose Avera McKennan files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income For the years ended June 30, 2014 and 2013, cash paid for income taxes was $163,712 and $852,192, respectively

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties were incurred The Organization's federal Form 990T and other tax return filings are generally no longer subject to federal tax examinations by tax authorities for years before 2011

Market Risk

The Organization's policy for managing risk related to its exposure to variability in interest rates and other relevant market rates and prices include consideration of entering into derivative instruments (freestanding derivatives), or contracts or instruments containing features or terms that behave in a manner similar to derivative instruments (embedded derivatives) in order to mitigate its risks The Organization recognizes all derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value

Electronic Health Record (EHR) Incentives

The American Recovery and Reinvestment Act of 2009 established incentive payments under the Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified electronic health record ("EHR") technology The Medicare incentive payments are paid out to qualifying hospitals over four consecutive years on a transitional schedule To qualify for Medicare incentives, hospitals and physicians must meet EHR "meaningful use" criteria that become more stringent over three stages as determined by the Centers for Medicare & Medicaid Services

Medicaid programs and payment schedules vary from state to state The Medicaid program in South Dakota requires eligible hospitals to register for the program prior to 2016, to engage in efforts to adopt, implement or upgrade certified EHR technology in order to qualify for the initial year of participation, and to demonstrate meaningful use of certified EHR technology in order to qualify for additional years of payments The payment schedule is based on a formula of the overall EHR amount times the Medicaid share and is paid 40% in the first and second years and at 20% in the last year of participation based on a Federal fiscal year For South Dakota, hospitals cannot initiate payments after 2016 and payment years must be consecutive after 2016 through 2021

For eligible professionals, EHR incentive payments are based on a standard amount per professional Professionals that are eligible to participate in the Medicare EHR incentive program can be paid up to $44,000 over a 4 year period and professionals that are eligible to participate in the Medicaid program are eligible to receive up to $63,750 over a 6 year period Eligible professionals are only allowed to participate in either the Medicaid or Medicare programs, not both

During the year ended June 30, 2014 and 2013, the Organization recorded approximately $4 5 million and $6 3 million related to the Medicare program and approximately $1 7 million and $1 7 million related to Medicaid programs in other revenue for meaningful use incentives These incentives have been recognized when management becomes reasonably assured of meeting the required criteria

Amounts recognized represent management's best estimates for payments ultimately expected to be received based on estimated discharges, charity care, and other input data Subsequent changes to these estimates will be recognized in other operating revenue in the period in which additional information is available Such estimates are subject to audit by the federal government or its designee

Reclassifications

Certain reclassifications have been made to the 2013 consolidated financial statements to make them conform to the 2014 presentation The reclassifications had no effect on the consolidated changes in net assets

Note 2 - Loan Guarantees

The Organization is a member of the Avera Health Obligated Group (Obligated Group) and is a party to a Master Trust Indenture that results in the Organization being jointly and severally obligated for various debt issues of the Obligated Group The Obligated Group is comprised of Avera Health and six of its sponsored organizations including Avera McKennan, Avera St Luke's, Sacred Heart Health Services, Avera Queen of Peace, Avera Marshall, and Avera St Mary's (as of January 1, 2013) Avera McKennan and other Obligated Group members have recorded their allocable share of the par amount of these debt transactions based on their respective underlying proceeds from the various debt issuances (see Note 11) The Master Trust Indenture also places limits on the incurrence of additional borrowings and requires that the Obligated Group satisfy certain measures of financial performance as long as the debt is outstanding

The Organization is jointly and severally obligated for various bond issues as of June 30, 2014 and 2013, under a Master Trust Indenture as follows

	2014	2013
South Dakota Health and Educational Facilities Authority Series 2008B Revenue Bonds Payable, 5 25% to 5 50%, interest only until July 1, 2033, then varying annual installments to July 1, 2038	$ 50,320,000	$ 50,320,000
South Dakota Health and Educational Facilities Authority Series 2008C Variable Rate Revenue Refunding Bonds, 0 95% to 0 98% during the fiscal year for a weighted average interest rate of 0 96%, interest only until July 1, 2014, then varying annual installments through initial tender date of May 1, 2017, final maturity of July 1, 2033	61,495,000	61,495,000
South Dakota Health and Educational Facilities Authority Series 2012A Revenue Bonds, fixed interest rates ranging from 3 00% to 5 00%, due in varying semi-annual interest payments and annual principal payments to July 1, 2042	69,720,000	71,205,000
South Dakota Health and Educational Facilities Authority Series 2012B Revenue Bonds, variable interest rates from 1 17% to 1 20% during the fiscal year for a weighted average interest rate of 1 18%, varying principal payments due annually through initial tender date of May 1, 2019, final maturity of July 1, 2038	127,030,000	130,690,000
Series 2012C term note obligation payable to a financial institution, fixed interest rate of 2 45%, due in monthly payments of $70,201 with final balloon payment of $15,672,840 due May 1, 2017	16,945,850	17,361,697
Series 2012D term note obligation payable to a financial institution, fixed interest rate of 2 95%, due in monthly payments of $96,605 to October 1, 2022	8,540,300	9,429,616
Series 2012E term note obligation payable to a financial institution, fixed interest rate of 2 70%, due in monthly payments of $46,405 with final balloon payment due January 1, 2020	9,641,011	9,929,626
South Dakota Health and Educational Facilities Authority Series 2014 Revenue Bonds, fixed interest rates ranging from 4 125% to 5 00%, interest only until July 1, 2039, then varying annual installments to July 1, 2044	58,750,000	-
	$ 402,442,161	$ 350,430,939

The Organization has entered into an agreement whereby it is the guarantor, as of June 30, 2014 and 2013, for the following loan

	2014	2013
City of Estherville, Iowa		
Hospital Revenue Refunding Bonds, Series 2012,		
1 0% to 3 75%, due annually in increasing amounts		
to July 1, 2026	$ 3,600,000	$ 3,840,000

Note 3 - Net Patient and Resident Service Revenue

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

Medicare – PPS Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per visit These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors The Organization is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicare administrative contractor The Organization's Medicare cost reports have been audited by the Medicare administrative contractor through June 30, 2011

Medicare – CAH The Organization operates several facilities that are licensed as Critical Access Hospitals (CAH) These facilities are reimbursed for most inpatient and outpatient services on a cost-based methodology with final settlement determined after submission of annual cost reports by the hospitals and are subject to audits thereof by the Medicare administrative contractor The Organization`s Medicare cost reports have been audited by the Medicare administrative contractor through June 30, 2011

Medicaid Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Clinical and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a reimbursement methodology based on historical costs There are no retroactive settlements resulting from the Medicaid program

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

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

Clinics – The Organization is reimbursed for most services provided in its clinics under the respective payer's fee schedules Clinic services provided to Medicare beneficiaries that are licensed as rural health clinics are reimbursed at cost, while clinics recognized as provider-based clinics by Medicare receive a technical (hospital) and professional payment from Medicare

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

Revenue from the Medicare and Medicaid programs accounted for approximately 31 5% and 6 3% of the Organization's net patient service revenue for the year ended June 30, 2014 and 31 5% and 6 2% for the year ended June 30, 2013 Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation As a result, there is an ongoing level of uncertainty relative to the estimated liability for prior period cost reports There is a reasonable possibility that recorded estimates could change by a material amount in the near term

Note 4 - Business Combinations

Business Acquisitions

In December 2012, the Organization entered into an asset purchase agreement and a professional services agreement to acquire the operations of a business entity Accordingly, the results of its operations have been included in the accompanying consolidated financial statements for the period subsequent to the acquisition date The aggregate acquisition price for the assets was approximately $5 4 million The assets acquired included the accounts receivable, medical supplies, property and equipment, and intangible assets The Organization also assumed certain liabilities as part of the transaction The value of the assets was based on an independent fair market value appraisal and the value of the accounts receivable was determined based on estimated net realizable value

Pro forma unrestricted revenue, gains, and other support and operating income representing amounts for the periods from July 1, 2012 through June 30, 2013 as if the acquisition had occurred on July 1, 2012 have been omitted because of impracticality of measuring certain amounts prior to the acquisition date Additional pro forma disclosures for changes in net assets have been omitted because of impracticality of measuring certain amounts prior to the acquisition date

Unrestricted revenue, gains, and other support and operating income from the date of acquisition through June 30, 2013 are included in the consolidated financial statements as follows

Unrestricted revenue, gains, and other support subsequent to the date of acquisition	$	10,227,099
Operating income subsequent to the date of acquisition		51,519

Sales of Business Units

During the year ended June 30, 2013, the Organization entered into a professional services agreement with a related party. Under the professional services agreement, the related party purchased the outstanding accounts receivable and leased the operations of a medical clinic practice. The amount of accounts receivable purchased related to the professional services agreement was approximately $2.8 million. Effective July 1, 2013, the remaining net assets of the medical clinic practice were transferred to the related party. Total assets and liabilities transferred were $12.0 million and $13.2 million, respectively, with the remaining amount recorded as an equity transfer.

During the year ended June 30, 2013, the Organization entered into a professional services agreement with another facility. Under the professional services agreement, the facility purchased the outstanding accounts receivable and leased the operations of a medical clinic practice. The amount of accounts receivable purchased related to the professional services agreement was approximately $400,000.

During the year ended June 30, 2014, the Organization entered into a professional services agreement with another facility. Under the professional services agreement, the facility purchased the outstanding accounts receivable and leased the operations of a medical clinic practice. The amount of accounts receivable purchased related to the professional services agreement was approximately $1.3 million.

Note 5 - Investments and Investment Income

Assets Limited as to Use

The composition of assets limited as to use at June 30, 2014 and 2013, is set forth in the following table:

	2014	2013
Under indenture agreements - held by trustee		
Cash and cash equivalents	$ 1,348,525	$ 1,348,931
By Board for capital improvements and debt redemption		
Cash and cash equivalents	$ -	$ 7,000,000
Interest in Avera Pooled Investment Fund *	226,471,302	186,575,150
Notes receivable	3,048,040	3,220,401
	$ 229,519,342	$ 196,795,551
Under contractual arrangements for capital improvements		
Cash and cash equivalents	$ 8,536,192	$ 7,205,997
Interest in net assets of Avera Health Foundation		
Interest in Avera Pooled Investment Fund *	$ 15,630,773	$ 13,377,003

Avera Pooled Investment Fund *

The Organization is a participant in the Avera Pooled Investment Fund, a fund administered by Avera Health that is maintained for the benefit of facilities that are sponsored, operated, or managed by Avera Health Investments are made in conformity with the objectives and guidelines of the Avera Health Pooled Investment Committee Within the fund, facilities share in a pool of investments that are managed by various fund managers Asset valuation and income and losses of the fund are allocated to participating members based upon their pro rata share of the investments Substantially all pooled investment holdings are recorded at fair value, with the exception of certain alternative investments

As of June 30, 2014 and 2013, the Avera Pooled Investment Fund assets consisted of the following types of investments

	2014	2013
Equity mutual funds	32 7%	28 7%
Fixed income mutual funds	18 4%	17 2%
Non-publicly traded alternative investments		
Hedge fund	12 5%	11 8%
Real asset	2 2%	2 5%
Publicly traded equity securities	8 1%	10 7%
Corporate bonds	6 2%	6 1%
Foreign equities	6 2%	5 7%
Cash and short-term investments	3 1%	5 6%
Balanced mutual funds	5 0%	4 9%
U S government issues	3 4%	4 4%
Other fixed income	2 2%	2 4%
	100 0%	100 0%

Investment Income

Investment income and gains and losses on assets limited as to use, cash equivalents, and other investments consists of the following for the years ended June 30, 2014 and 2013

	2014	2013
Other revenue		
Interest income	$ 506,088	$ 893,843
Realized gains on investments, net	2,667	12,855
	$ 508,755	$ 906,698
Other income		
Interest income	$ 55,266	$ 46,838
Realized gains on investments, net	7,391,750	4,483,253
Change in unrealized gains on investments	20,322,146	7,440,888
	$ 27,769,162	$ 11,970,979

Note 6 - Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis at June 30, 2014 and 2013, respectively, are as follows

	2014	2013
Cash equivalents	$ 1,348,525	$ 1,348,931
Physician guarantees asset	3,909,938	749,174
Contributions receivable	2,286,326	2,382,202
Total assets	$ 7,544,789	$ 4,480,307
Contribution commitments	$ 358,749	$ 521,667
Physician guarantees liability	3,909,938	749,174
Interest rate swap agreements	9,542,128	9,760,866
Total liabilities	$ 13,810,815	$ 11,031,707

The related fair values of these assets and liabilities are determined as follows

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2014			
Cash equivalents	$ 1,348,525	$ -	$ -
Physician guarantees asset	-	-	3,909,938
Contributions receivable	-	-	2,286,326
Total assets	$ 1,348,525	$ -	$ 6,196,264
Contribution commitments	$ -	$ -	$ 358,749
Physician guarantees liability	-	-	3,909,938
Interest rate swap agreements	-	9,542,128	-
Total liabilities	$ -	$ 9,542,128	$ 4,268,687
June 30, 2013			
Cash equivalents	$ 1,348,931	$ -	$ -
Physician guarantees asset	-	-	749,174
Contributions receivable	-	-	2,382,202
Total assets	$ 1,348,931	$ -	$ 3,131,376
Contribution commitments	$ -	$ -	$ 521,667
Physician guarantees liability	-	-	749,174
Interest rate swap agreements	-	9,760,866	-
Total liabilities	$ -	$ 9,760,866	$ 1,270,841

The fair value for cash equivalents is determined by reference to quoted market prices The fair value of the interest rate swaps are based upon estimates of the related LIBOR swap rates during the term of the swap agreement The fair value of physician guarantees and pledge receivables and commitments are estimated based on discounted expected future cash flows

The following tables present the reconciliation of activity for assets and liabilities measured at fair value based upon significant unobservable (non-market) information

	Contributions Receivable	Contributions Commitments	Physician Guarantee Asset	Physician Guarantee Liability
June 30, 2012	$ 2,439,599	$ (613,772)	$ 1,744,547	$ (1,744,547)
Pledges received (made)	820,028	(155,000)	-	-
Cash paid (received)	(935,611)	264,000	(1,167,407)	1,167,407
Write-offs / adjustments	58,186	(16,895)	172,034	(172,034)
June 30, 2013	2,382,202	(521,667)	749,174	(749,174)
Pledges received (made)	956,921	-	-	-
New guarantees	-	-	4,170,601	(4,170,601)
Cash paid (received)	(1,106,901)	189,000	(1,089,264)	1,089,264
Write-offs / adjustments	54,104	(26,082)	79,427	(79,427)
June 30, 2014	$ 2,286,326	$ (358,749)	$ 3,909,938	$ (3,909,938)

Note 7 - Fair Value of Financial Instruments

The Organization considers the carrying amount of significant classes of financial instruments on the consolidated balance sheets, including cash equivalents, net accounts receivable, assets limited as to use, other assets, accounts payable, accrued liabilities, due to other organizations, other current and long-term liabilities, and variable rate long-term debt to be reasonable estimates of fair value either due to their length of maturity or the existence of variable interest rates underlying such financial instruments that approximate prevailing market rates at June 30, 2014 and 2013

The Organization's fixed rate long-term debt, including current portion, has a carrying amount that differs from its estimated fair value The fair value of the Organization's fixed rate long-term debt is determined by references to trading activity for underlying debt instruments or if unavailable, estimated using discounted cash flow analyses, based on the Organization's effective borrowing rates at respective reporting dates for similar types of arrangements The carrying value of the Organization's fixed rate debt is $64,470,387 and $70,622,682 as of June 30, 2014 and 2013 The fair value of the Organization's fixed rate debt is estimated to be $68,008,591 and $72,628,381 as of June 30, 2014 and 2013, which has been determined using Level 2 inputs under the fair value hierarchy

Note 8 - Property and Equipment

A summary of property and equipment at June 30, 2014 and 2013, follows

	2014		2013	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 21,542,029	$ -	$ 22,252,523	$ -
Land improvements	8,012,427	5,954,298	7,857,658	5,664,423
Buildings and improvements	435,112,333	178,917,024	436,026,395	166,594,645
Equipment	305,785,647	227,655,938	289,125,425	206,858,661
Construction in progress	20,233,186	-	8,705,462	-
	$ 790,685,622	$ 412,527,260	$ 763,967,463	$ 379,117,729
Net property and equipment		$ 378,158,362		$ 384,849,734

Construction in progress at June 30, 2014 consists of costs for construction of a new medical services building in Sioux Falls, South Dakota, the construction and remodel of a retirement community in Sioux Falls, South Dakota, and various other remodeling and equipment projects The estimated cost to complete these projects is $22 9 million which will be financed with Organization funds and proceeds from the Series 2014 bond issuance

Note 9 - Investments in Affiliated Organizations

The Organization is a participant in the following partnerships and joint ventures

Organization Name	Percent Ownership/ Sponsorship	2014	2013
Estherville Medical Clinic	50 0%	$ 678,217	$ 636,256
Brookings MRI Services	49 0%	2,183,760	1,580,566
Worthington CT Services	25 0%	816,889	747,486
Other investments in affiliates	49% - 50%	2,797,574	2,516,464
Total equity method investments		6,476,440	5,480,772
ExceleraRx, LLC (cost method)		765,100	15,100
Total investments in affiliated organizations		$ 7,241,540	$ 5,495,872

The Organization's investments are accounted for on the equity method of accounting that approximates the Organization's equity in the underlying net book value of these organizations Losses on equity method investments for the years ended June 30, 2014 and 2013 were $(1,431,269) and $(1,384,358), respectively Summary financial information, on a combined basis, as of and for the years ended June 30, 2014 and 2013, is as follows

	2014	2013
Cash and cash equivalents	$ 3,239,947	$ 3,444,326
Other current assets	9,630,354	8,052,391
Land, buildings, and equipment - net	2,972,084	2,744,001
Other non-current assets	786,850	440,571
Total assets	$ 16,629,235	$ 14,681,289
Total current liabilities	$ 2,299,221	$ 2,157,067
Net assets/stockholders' equity	14,330,014	12,524,222
Total liabilities and net assets/stockholders' equity	$ 16,629,235	$ 14,681,289
Total revenues	$ 28,372,051	$ 25,866,282
Total expenses	(29,823,846)	(26,800,536)
Net loss	$ (1,451,795)	$ (934,254)

Note 10 - Goodwill and Intangible Assets

Changes in the carrying amount of goodwill during the years ended June 30, 2014 and 2013, were as follows

	2014	2013
Balance, beginning of year	$ 32,341,422	$ 32,554,378
Goodwill acquired	444,905	983,000
Goodwill impaired	-	(1,195,956)
Balance, end of year	$ 32,786,327	$ 32,341,422

Intangible assets as of June 30, 2014 and 2013 consist of

	Cost	Accumulated Amortization	Net
June 30, 2014			
Non-compete agreements	$ 11,444,858	$ (6,695,153)	$ 4,749,705
Medical records	4,950,265	(2,480,131)	2,470,134
Other	8,737,458	(3,631,250)	5,106,208
Total	$ 25,132,581	$ (12,806,534)	$ 12,326,047
June 30, 2013			
Non-compete agreements	$ 11,344,858	$ (5,849,858)	$ 5,495,000
Medical records	5,996,265	(2,459,682)	3,536,583
Other	8,579,637	(2,871,249)	5,708,388
Total	$ 25,920,760	$ (11,180,789)	$ 14,739,971

Amortization expense for the years ended June 30, 2014 and 2013 was $1,919,206 and $2,176,611 respectively
Estimated future amortization expense is as follows

Years Ending June 30,	
2015	$ 1,934,196
2016	1,934,196
2017	1,866,396
2018	1,686,600
2019	1,203,128
Thereafter	3,701,531
	$ 12,326,047

Note 11 - Long-Term Debt

Long-term debt as of June 30, 2014 and 2013 consists of

	2014	2013
South Dakota Health and Educational Facilities Authority		
Series 2008B Revenue Bonds, 5.25% to 5.50%, interest only until July 1, 2033, then varying annual installments to July 1, 2038	$ 50,320,000	$ 50,320,000
Unamortized bond discount	(237,385)	(248,251)
Note payable, dated February 2006, variable interest at LIBOR + 1.72% (1.87% at June 30, 2014), monthly principal and and interest payments of $125,492, with final balloon payment due September 2020	12,047,199	13,553,100
Notes payable, 5.25% fixed interest, resets January 1, 2015 and every three years thereafter at prime rate plus 1%, subject to 5.25% floor		
Monthly principal and interest payments due as follows		
Payments of $46,663 to July 1, 2024, transferred to related party as of July 1, 2013	-	7,415,694
Payments of $20,184 to December 15, 2015, transferred to related party as of July 1, 2013	-	565,766
Note payable, dated October 1, 2010, 3% fixed interest rate, original amount of $20,000,000, monthly principal and interest payments of $359,375 to October 1, 2015	5,652,057	9,725,118
Notes payable to equipment lenders, annual fixed rates of interest from 2.26% to 4.16%, original amounts totaling $17,764,514, due in monthly principal and interest payments to January 2019	8,498,330	10,577,564
Related party payables to Avera Health (see Note 2)		
Note payable, 4%, annual payments of $441,491 to January 1, 2029, transferred to related party July 1, 2013	-	5,156,584
Series 2008C Variable Rate Demand Revenue Bonds	45,025,370	45,335,000
Series 2012A Revenue Bonds	33,313,940	34,184,236
Series 2012B Revenue Bonds	89,170,712	91,626,739
Series 2014 Revenue Bonds	28,893,443	-
	272,683,666	268,211,550
Less current maturities	(12,749,473)	(13,236,945)
Total long-term debt, less current maturities	$ 259,934,193	$ 254,974,605

Long-term debt maturities are as follows

Years Ending June 30,	
2015	$ 12,749,473
2016	9,466,293
2017	7,465,183
2018	6,662,525
2019	6,178,212
Thereafter	230,399,365
Unamortized bond discounts	(237,385)
	$ 272,683,666

Substantially all of the Organization's assets at June 30, 2014 and 2013 are pledged as collateral for debt obligations

Various debt agreements of the Organization contain certain restrictive covenants, including the maintenance of specific financial ratios and amounts

Under the terms of the Master Trust Indenture agreements, Obligated Group members, including the Organization, have been required to maintain certain deposits with a trustee The Master Trust Indenture agreements place limits on the incurrence of additional borrowings and requires that the Organization satisfy certain measures of financial performance as long as the bonds are outstanding

Line of Credit

A consolidated subsidiary of the Organization maintains a working capital line of credit provided by a mortgage lender, which is subject to the interest rate, covenants, guarantee and collateral of the real estate loan which is to expire in December 2014 As of June 30, 2014, the amount of financing available under the line of credit was $3,500,000 No amounts were outstanding under this line of credit at June 30, 2014 and 2013

Note 12 - Leases

The Organization leases certain operations, equipment, and space under various lease agreements with varying terms, some of which are cancelable upon written notice

Total lease expense for all operating leases and rental agreements for the years ended June 30, 2014 and 2013, was $12,605,782 and $12,884,824

Minimum future lease payments for non-cancelable operating leases are as follows

Years Ending June 30,	
2015	$ 6,498,528
2016	5,764,822
2017	3,872,584
2018	2,460,627
2019	1,346,557
Thereafter	3,008,816
Total minimum lease payments	$ 22,951,934

Note 13 - Interest Rate Swaps

In accordance with its market-risk policy, the Organization has developed a risk management strategy to maintain acceptable levels of exposure to the risk of changes in future expected variable cash flows resulting from interest rate fluctuation As part of this strategy, the Organization has entered into the following interest rate swap agreements

					Fair Value	
Reference	Maturity Date	Notional Amount	Organization Pays	Organization Receives	2014	2013
Swap A	2028	$ 5,269,984	3 870%	67% of LIBOR	$ (938,160)	$ (970,205)
Swap B	2033	$37,077,092	3 915%	67% of LIBOR	(7,640,206)	(7,674,668)
Swap C	2020	$ 9,637,759	5 210%	LIBOR + 1 25%	(963,762)	(1,115,993)
					$ (9,542,128)	$ (9,760,866)

The Organization entered into Swap A to effectively convert $5,269,984 of variable rate bonds to synthetic fixed rate debt at the rate of 3 87% The Organization entered into Swap B to effectively convert $37,077,092 of variable rate bonds into synthetic fixed rate debt at a rate of 3 915% The Organization entered into Swap C to effectively convert 80% of a variable rate mortgage agreement, currently $9,637,759, into synthetic fixed rate debt at a rate of 5 21%

Effective July 1, 2009, the Organization elected to discontinue the designation of Swap A and Swap B as cash flow hedges The net unrealized loss on the date of hedge accounting discontinuance of $6,568,413 is being prospectively reclassified into revenues in excess of expenses as future interest payments are made over the remaining term of the swap agreements For each of the years ended June 30, 2014 and 2013, $380,740 was reclassified into revenues in excess of expenses in relation to the hedging discontinuance The aggregate fair values of the swap agreements were recorded as long-term liabilities of $8,578,366 and $8,644,873 as of June 30, 2014 and 2013, respectively The changes in fair value of $66,507 and $3,947,356 were recorded to revenues in excess of expenses for the years ended June 30, 2014 and 2013, respectively

The Organization has designated Swap C as a cash flow hedging instrument, and determined the agreement to be highly effective The fair value of the swap agreement was recorded as long-term liabilities of $963,762 and $1,115,993 as of June 30, 2014 and 2013, respectively For the years ended June 30, 2014 and 2013, the changes in fair value of $152,231 and $530,481, of Swap C were recorded to other changes in unrestricted net assets

The following table summarizes the derivative transactions reflected in the Organization's consolidated balance sheets and consolidated statements of operations for the years ended June 30, 2014 and 2013

	2014	2013
Long-term Liability		
Fair value of interest rate swap agreements	$ (9,542,128)	$ (9,760,866)
Revenues in Excess of Expenses		
Change in fair value of interest rate swaps not designated as hedging instruments	$ 66,507	$ 3,947,356
Reclassification of accumulated losses on interest rate swaps	(380,740)	(380,740)
Interest expense	1,874,666	2,023,639
Other Changes in Unrestricted Net Assets		
Change in fair value of interest rate swaps designated as hedging instruments	$ 152,231	$ 530,481
Reclassification of accumulated losses on interest rate swaps	380,740	380,740

Note 14 - Commitments

The Organization has entered into several agreements that are accounted for as unconditional and conditional promises to give money to others Unconditional promises to give are recorded as other current and noncurrent liabilities in the consolidated balance sheets and totaled approximately $359,000 and $522,000 at June 30, 2014 and 2013, respectively

The Organization has entered into physician guarantee contracts and professional service contracts that are considered exchange transactions resulting in purchase commitments

A summary of outstanding commitments under unconditional promises to give, conditional promises to give, physician guarantee contracts, and purchase commitments is as follows

Years Ending June 30,	
2015	$ 5,303,769
2016	5,280,256
2017	5,041,895
2018	3,657,421
2019	1,220,000
Thereafter	1,880,000
	$ 22,383,341

During 2013, the Organization entered into an agreement under which the owner of a noncontrolling interest in a subsidiary may, but is not required to, compel the Organization to purchase the noncontrolling interest at fair market value based on the terms of the agreement This agreement is subject to an initial term of five years, with a renewal period of an additional five years

Note 15 - Endowment

The Organization's endowment consists of a portion of its interest in the net assets of Avera Health Foundation The Avera Health Foundation includes endowment funds which have been established for a variety of purposes As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments (if any), are classified and reported based on the existence or absence of donor-imposed restrictions The Organization's permanently restricted endowment funds are donor-restricted and totaled $2,692,789 and $2,631,677 at June 30, 2014 and 2013, respectively The Organization currently does not have any board-designated endowment funds

Interpretation of Relevant Law

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

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

Changes in permanently restricted endowment net assets for the years ended June 30, 2014 and 2013 are as follows

Endowment net assets, June 30, 2012	$ 2,141,642
Change in interest in net assets of Avera Health Foundation	490,035
Endowment net assets, June 30, 2013	2,631,677
Change in interest in net assets of Avera Health Foundation	61,112
Endowment net assets, June 30, 2014	$ 2,692,789

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets There were no such deficiencies that were deemed material as of June 30, 2014 and 2013

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

Note 16 - Self-Insurance Programs

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

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

The programs include a combination of self-insurance and commercial insurance The expenses of the Organization for contributions to the self-insurance portion of the programs were as follows for the years ended June 30, 2014 and 2013

	2014	2013
Health and dental	$ 42,755,530	$ 41,533,632
Professional and general liability	1,775,215	1,690,681
Workers' compensation	2,341,699	2,521,011
	$ 46,872,444	$ 45,745,324

Professional liability and workers' compensation claims have been asserted against the participating facilities and the program by various claimants The claims are in various stages of processing and some may ultimately be brought to trial Counsel is unable to conclude as to the ultimate outcome of the actions There are other known incidents occurring through June 30, 2014, that may result in the assertion of additional claims and other claims may be asserted arising from services provided to patients in the past

There are also known health insurance claims that have been submitted subsequent to June 30, 2014, and it is likely there are also other claims that still have not been submitted for services provided prior to June 30, 2014

The insurance programs noted above include additional commercial coverage to protect the Organization from loss While it is possible that the settlement of asserted claims and claims which may be asserted in the future could result in liabilities in excess of amounts for which the programs have provided, management believes that the excess liability, if any, should not materially affect the consolidated financial position of the Organization at June 30, 2014 The Organization records a liability for expected insured losses in other current liabilities, and related expected recoveries in other accounts receivable

Note 17 - Employee Benefit Plans

Eligible employees of Avera McKennan participate in either the Retirement Plan for Employees of the Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota ("Defined Benefit Pension Plan – Career Average") or the Cash Balance Retirement Plan for Employees of the Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen South Dakota ("Defined Benefit Pension Plan – Cash Balance"), (collectively, the "Plans") The Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota, sponsor these multiemployer retirement plans In July 2000, qualified employees under the Defined Benefit Pension Plan – Career Average plan were provided a one-time irrevocable election to continue to participate in the Defined Benefit Pension Plan – Career Average plan or, alternatively, participate in a new Defined Benefit Pension Plan – Cash Balance plan The Plans are not subject to regulations requiring the filing of IRS Form 5500 The Plans' fiscal years are from January 1 to December 31

Defined Benefit Pension Plan – Career Average

Under the Career Average plan, employees in an eligible class who were in service on or after January 1, 1988 became active members on the first day of the month coinciding with or next following the date they met the eligibility requirements of age 21 and one year of service Pension benefits are based on a percentage of the employee's eligible earnings and are payable at retirement under several annuitized payment options During the years ended June 30, 2014 and 2013, the Organization contributed $12,389,804, and $11,814,498, respectively, to the Career Average plan

Defined Benefit Pension Plan – Cash Balance

Under the Cash Balance plan, employees first employed or reemployed after June 30, 2000 become active members on the first day of the month coinciding with or next following the date they meet the eligibility requirements of age 21 and one year of service Pension benefits are based on a percentage of the employee's eligible earnings and are payable at retirement under several annuitized payment options During the years ended June 30, 2014 and 2013, the Organization contributed $4,583,854, and $3,753,503, respectively, to the Cash Balance plan

The latest available financial information available for the Plans as of June 30, 2014 is as follows

Pension Plan	EIN	December 31, 2013 Plan Assets	December 31, 2013 Actuarial Present Value of Accumulated Plan Benefits	Year Ended December 31, 2013 Total Plan Contributions
Defined Benefit Pension Plan – Career Average	46-0253283	$ 306,836,666	$ 335,381,145	$ 18,779,804
Defined Benefit Pension Plan – Cash Balance	46-0253283	63,076,277	57,560,021	8,151,006
		$ 369,912,943	$ 392,941,166	$ 26,930,810

Defined Contribution Pension Plans

Eligible employees that participate in the Defined Benefit Pension Plan – Cash Balance also participate in a defined contribution pension plan ("403(b) Plan") Under the 403(b) Plan, participant contributions are matched up to 2% of eligible employee compensation The Organization recognized total 403(b) Plan contribution costs of $4,631,156 and $4,292,702 as part of employee benefits for the years ended June 30, 2014 and 2013

A consolidated subsidiary of the Organization sponsors a defined contribution retirement savings plan (the "401(k) Plan"), which covers all employees of the consolidated subsidiary The 401(k) Plan allows eligible employees to contribute from 1% to 50% of their annual compensation on a pretax basis, up to the annual limit determined by the IRS The consolidated subsidiary, at its discretion, may make an annual contribution of up to 40% of an employee's pretax contributions, up to a maximum of 6% of compensation The expense related to the employer's share of the 401(k) Plan contributions totaled $437,781 and $368,921 during the years ended June 30, 2014 and 2013

Note 18 - Related Party Transactions

Avera Health and its sponsors, the Benedictine and Presentation Sisters, operate various health care related organizations in addition to the Organization Material transactions between the Organization and the Avera Health related organizations were as follows for the years ended June 30, 2014 and 2013

	2014	2013
Payments to (from) related organizations recorded by the Organization		
Equity transfers	$ (2,334,050)	$ 3,467,243
Revenues	(2,773,555)	(2,623,842)
Management and other	54,966,772	42,302,962
Employee benefit programs	59,729,188	57,101,633
Professional liability and workers' compensation insurance programs	4,116,914	4,211,692
Interest expense	5,128,902	4,887,753
Balance sheet items		
Due from related party	1,250,000	1,250,000
Prepaid expenses	2,134,119	2,142,061
Other receivables	6,630,817	6,713,154
Custodial funds*	20,366,553	4,780,709
Other assets	10,259,386	3,785,176
Accounts payable	(11,348,232)	(8,809,856)
Other current liabilities	(4,575,000)	-
Long-term debt (including current portion)	(196,403,465)	(176,302,560)
Other long-term liabilities	(96,294)	-
Interest payable	(436,559)	(511,562)

* Custodial funds includes Avera McKennan's share of new project funds from the Series 2014 Obligated Group financing

Note 19 - Contingencies

Malpractice and Other Insurance

As discussed in Note 16, the Organization participates in a self-insured professional liability and general liability program which provides malpractice and general insurance coverage for professional and general liability losses subject to a self-insured retention of $2 million per claim and $6 million annual aggregate The Organization is also insured under an excess umbrella liability claims-made policy with a limit of $35 million Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be insured subject to the self-insured retention only

Litigation, Regulatory and Compliance Matters

The health care industry is subject to voluminous and complex laws and regulations of federal, state and local governments Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time These laws and regulations include, but are not necessarily limited to, the rules governing licensure, accreditation, government health care program participation, government reimbursement, antitrust, anti-kickback and anti-referral by physicians, false claims prohibitions, and in the case of tax-exempt organizations, the requirements of tax exemption In recent years, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of reimbursement, false claims, anti-kickback and anti-referral statutes and regulations, quality of care provided to patients, and handling of controlled substances In addition, during the course of business, the Organization becomes involved in litigation Management assesses the probable outcome of unresolved litigation and investigations and determines the appropriate accounting recognition or disclosure based on their assessment As of June 30, 2014 and 2013, management feels there are no asserted or unasserted claims that would have a material impact on the consolidated financial position, results of operations, or cash flows of the Organization

Note 20 - Concentrations of Credit Risk

The Organization grants credit without collateral to its patients and residents, most of whom are insured under third-party payor agreements The mix of receivables from third-party payors, patients and residents at June 30, 2014 and 2013, was as follows

	2014	2013
Medicare	32%	31%
Blue Cross	17%	16%
Medicaid	9%	8%
Commercial insurance	6%	4%
Other third-party payors, patients and residents	36%	41%
	100%	100%

The Organization's cash balances are maintained in various bank deposit accounts At various times during the years ended June 30, 2014 and 2013, the balances of these deposits were in excess of federally insured limits

Note 21 - Functional Expenses

The Organization provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Health care services	$ 702,685,302	$ 673,539,684
General and administrative	136,253,825	126,002,465
Fundraising	781,523	768,964
	$ 839,720,650	$ 800,311,113

Note 22 - Subsequent Events

The Organization has evaluated subsequent events through October 17, 2014, the date which the consolidated financial statements were available to be issued.