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

OMB No 1545-0047

2016Open to Public
Inspection**A** For the 2016 calendar year, or tax year beginning JUL 1, 2016 and ending JUN 30, 2017

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization Avera St. Luke's		D Employer identification number 46-0224598
	Doing business as		E Telephone number 605.995.2251
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	305 South State Street		
	City or town, state or province, country, and ZIP or foreign postal code Aberdeen, SD 57401		G Gross receipts \$ 187,026,700.
F Name and address of principal officer Todd Forkel same as C above		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) of ☐ 527			
J Website: ▶ www.averastlukes.org			
K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ L Year of formation: 1901 M State of legal domicile: SD			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Promotion of Health		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	17	
	4	13	
	5	1643	
	6	115	
	7a	593,140.	
	7b	<218,001.>	
	Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 1,318,990. Current Year 1,467,078.
		9 Program service revenue (Part VIII, line 2g)	193,101,274. 183,164,973.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		586,061. 2,003,354.	
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		<412,640.> <352,364.>	
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		194,593,685. 186,283,041.	
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		168,835. 196,298.	
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)		115,591,794. 113,796,760.	
16a Professional fundraising fees (Part IX, column (A), line 11e)		0. 0.	
16b Total fundraising expenses (Part IX, column (D), line 25) ▶ 142,363.			
Expenses	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	81,682,599. 79,662,552.	
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	197,443,228. 193,655,610.	
	19 Revenue less expenses Subtract line 18 from line 12	<2,849,543.> <7,372,569.>	
	Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 189,823,411. End of Year 178,513,834.
		21 Total liabilities (Part X, line 26)	92,215,286. 89,968,360.
		22 Net assets or fund balances Subtract line 21 from line 20	97,608,125. 88,545,474.

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	Signature of officer	Date 05/18/2018
	William E. Flett, Sec/Treas & Finance Officer	Type or print name and title
Paid	Print/Type preparer's name Kim Hunwardsen, CPA	Preparer's signature Kim Hunwardsen, CPA
	Firm's name ▶ Eide Bailly LLP	Firm's EIN ▶ 45-0250958
Use Only	Firm's address ▶ 800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033	Phone no. 612-253-6500

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

632001 11-11-16

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2016)

9814

Part III Statement of Program Service Accomplishments

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

☒ X**1** Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the 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 \$ 164,873,708. including grants of \$ 196,298.) (Revenue \$ 183,248,136.)

Avera St. Luke's mission is to provide acute care and long-term healthcare services including skilled nursing, congregate living and assisted living (Medicaid certified), of which there were 14,376 acute patient days, 1,039 nursery patient days, 47,967 nursing home resident days, 168,612 clinic visits and 131,976 outpatient visits.

Avera St. Luke's 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 service revenue. The amount of charges foregone for services provided under the Organization's charity care policy was approximately

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses 164,873,708.

ABC DHI JLR

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)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
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? <i>If "Yes," complete Schedule C, Part II</i>	X	
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? <i>If "Yes," complete Schedule C, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
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? <i>If "Yes," complete Schedule D, Part VI</i>	X	
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? <i>If "Yes," complete Schedule D, Part VII</i>	X	
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? <i>If "Yes," complete Schedule D, Part VIII</i>		X
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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
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? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	X	
20b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
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	X	
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		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
25b 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		X
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 "Yes," complete Schedule L, Part II	X	
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		X
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)		
28a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	X	
28c 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		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
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		X
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	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
35b 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	X	
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		X
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		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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.	172	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
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.	1643	
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).	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O.	X	
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)?		X
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
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?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	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?		
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.		
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?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Form 990 (2016)

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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. 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.	17	
b Enter the number of voting members included in line 1a, above, who are independent	13	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
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	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
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	X
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	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
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	X

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	X
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	X
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	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
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	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
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	X
b Other officers or key employees of the organization	15b	X
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	X
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	X

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ☒ None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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, address, and telephone number of the person who possesses the organization's books and records ☒
 William E. Flett - 605-995-2251
 305 South State Street, Aberdeen, SD 57401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck 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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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			
(1) Josh Kraft Chair	1.00 0.00	X		X				0.	0.	0.
(2) Robert Foubert Vice Chair	1.00 0.00	X		X				0.	0.	0.
(3) Sr. Mary Kay Panowicz Director	1.00 7.00	X						0.	0.	0.
(4) Jean Gerber, MD Director	1.00 0.00	X						0.	0.	0.
(5) Lyle Biegler, MD Director	1.00 0.00	X						352,176.	0.	33,180.
(6) Bob Olson Director	1.00 0.00	X						0.	0.	0.
(7) Michael Evans Director	1.00 0.00	X						0.	0.	0.
(8) Marshall Lovrien Director	1.00 0.00	X						0.	0.	0.
(9) Carmen Meyer Director	1.00 0.00	X						0.	0.	0.
(10) Diana Reynen Director	1.00 0.00	X						0.	0.	0.
(11) Tom Seyer Director	1.00 0.00	X						0.	0.	0.
(12) Sr. Denette Leifeld, OSB Director	1.00 0.00	X						0.	0.	0.
(13) Stephen Peters, MD Director	1.00 0.00	X						694,995.	0.	28,789.
(14) Sr. Mary Thomas Director	1.00 0.00	X						0.	0.	0.
(15) Sr. Pam Donelan Director	1.00 0.00	X						0.	0.	0.
(16) Larry Sidaway Physician/Medical Staff Pr	1.00 0.00	X						482,068.	0.	26,864.
(17) Nadine Gropp Director (thru Sept 2016)	1.00 0.00	X						0.	0.	0.

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 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			
(18) Todd Forkel President & CEO	40.00 0.00	X		X				0.	652,545.	41,576.
(19) Geoffrey Durst Sec/Treas & SrVP Finance	36.00 6.00			X				256,540.	0.	23,682.
(20) Shahid Chaudhary CMO	40.00 0.00				X			1,140,582.	0.	35,230.
(21) Christopher Larson General Surgeon	40.00 0.00					X		1,343,770.	0.	28,484.
(22) James Macdougall Orthopedic Surgeon	40.00 0.00					X		830,403.	0.	13,810.
(23) Brandon Fites Orthopedic Surgeon	40.00 0.00					X		1,288,596.	0.	30,230.
(24) Roger Werth General Surgeon	40.00 0.00					X		1,270,593.	0.	28,083.
(25) Richard Conklin Oncologist	40.00 0.00					X		1,288,973.	0.	30,632.
1b Sub-total								8,948,696.	652,545.	320,560.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								8,948,696.	652,545.	320,560.

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 **132**

	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		X
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	X	
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		X

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 Health, 3900 W Avera Dr Ste 301, Sioux Falls, SD 57108-5721	Shared services	18,232,812.
Med-Trans Corporation, 209 State Hwy 121 Bypass, Lewisville, TX 75067	Helicopter Transportation Services	1,276,759.
JDH Construction Inc., 507 N Hyman Dr, Aberdeen, SD 57401	Construction	1,026,748.
Cardiosolution LLC, 4270 Glendale Milford Rd, Cincinnati, OH 45242	Physician Services	500,000.
Daniel S Shih 4301 W William Cannon Dr, Austin, TX 78749	Physician Services	474,181.

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 **32**

Part VIII Statement of RevenueCheck 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	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	830,937.			
	e Government grants (contributions)	1e	5,197.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	630,944.			
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f		1,467,078.			
	Program Service Revenue	2 a Net patient services	Business Code 621110	178,314,859.	178,314,859.	
b Pharmacy revenue		900099	2,475,000.	2,475,000.		
c Supporting revenue		624100	1,476,504.	883,364.	593,140.	
d Invest in partnership		900099	420,584.	420,584.		
e Invest AH Foundation		900099	366,616.	366,616.		
f All other program service revenue		900099	111,410.	111,410.		
g Total. Add lines 2a-2f			183,164,973.			
Other Revenue		3 Investment income (including dividends, interest, and other similar amounts)		124,922.		
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real 248,997.				
	b Less rental expenses	704,161.				
	c Rental income or (loss)	<455,164.>				
	d Net rental income or (loss)		<455,164.>			<455,164.>
	7 a Gross amount from sales of assets other than inventory	(i) Securities 1,761,814.	(ii) Other 116,618.			
	b Less cost or other basis and sales expenses	0.	0.			
	c Gain or (loss)	1,761,814.	116,618.			
	d Net gain or (loss)			1,878,432.		1,878,432.
	8 a 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					
	9 a Gross income from gaming activities See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10 a Gross sales of inventory, less returns and allowances	a	59,135.			
b Less cost of goods sold	b	39,498.				
c Net income or (loss) from sales of inventory		19,637.			19,637.	
Miscellaneous Revenue		Business Code				
11 a Interest Income	900099	83,163.	83,163.			
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		83,163.				
12 Total revenue. See instructions.		186,283,041.	182,654,996.	593,140.	1,567,827.	

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

☒ X

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 domestic organizations and domestic governments. See Part IV, line 21	193,298.	193,298.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	3,000.	3,000.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,935,108.	1,603,753.	1,331,355.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	24,036.	24,036.		
7 Other salaries and wages	88,357,886.	81,115,872.	7,189,167.	52,847.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,498,080.	4,993,344.	501,484.	3,252.
9 Other employee benefits	11,926,512.	10,822,744.	1,096,719.	7,049.
10 Payroll taxes	5,055,138.	4,574,721.	477,437.	2,980.
11 Fees for services (non-employees)				
a Management				
b Legal	167,035.		167,035.	
c Accounting	511.		511.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	23,512,997.	8,968,867.	14,544,130.	
12 Advertising and promotion	77,359.	51,851.	25,508.	
13 Office expenses	11,519,582.	9,535,442.	1,964,556.	19,584.
14 Information technology	96,063.	95,811.	252.	
15 Royalties				
16 Occupancy	2,213,821.	2,152,266.	52,414.	9,141.
17 Travel	439,243.	334,726.	104,296.	221.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	243,507.	236,693.	6,814.	
20 Interest	2,772,829.	2,772,829.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,913,504.	7,296,360.	617,144.	
23 Insurance	1,924,798.	1,909,894.	14,904.	
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	22,765,445.	22,761,050.	4,395.	
b Licenses and permits	3,138,439.	2,782,846.	355,593.	
c Equipment lease/rental	1,081,279.	1,046,683.	34,596.	
d Bad debt	1,074,036.	1,074,036.		
e All other expenses	722,104.	523,586.	151,229.	47,289.
25 Total functional expenses. Add lines 1 through 24e	193,655,610.	164,873,708.	28,639,539.	142,363.
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 SheetCheck 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	6,168,843.	2	4,069,006.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	23,073,419.	4	22,222,000.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	671,899.	5	389,174.
	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 instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net	1,024,173.	7	737,385.
	8 Inventories for sale or use	3,340,394.	8	3,260,391.
	9 Prepaid expenses and deferred charges	1,437,934.	9	1,795,377.
	10a Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a 193,029,262.		
	b Less: accumulated depreciation	10b 108,417,439.		
		86,755,796.	10c	84,611,823.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	27,130,037.	12	21,391,133.
	13 Investments - program-related. See Part IV, line 11	652,550.	13	729,869.
	14 Intangible assets	39,568,366.	14	39,307,676.
15 Other assets. See Part IV, line 11		15		
16 Total assets. Add lines 1 through 15 (must equal line 34)	189,823,411.	16	178,513,834.	
Liabilities	17 Accounts payable and accrued expenses	15,130,573.	17	15,335,239.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	74,282,422.	20	72,023,453.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	68,423.	21	67,349.
	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		23	
	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	2,733,868.	25	2,542,319.
	26 Total liabilities. Add lines 17 through 25	92,215,286.	26	89,968,360.
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	94,692,660.	27	85,717,167.
	28 Temporarily restricted net assets	2,424,784.	28	2,337,626.
	29 Permanently restricted net assets	490,681.	29	490,681.
	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	97,608,125.	33	88,545,474.
34 Total liabilities and net assets/fund balances	189,823,411.	34	178,513,834.	

Form 990 (2016)

Part XI Reconciliation 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	186,283,041.
2	Total expenses (must equal Part IX, column (A), line 25)	2	193,655,610.
3	Revenue less expenses Subtract line 2 from line 1	3	<7,372,569.>
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	97,608,125.
5	Net unrealized gains (losses) on investments	5	<568,132.>
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	<1,121,950.>
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	88,545,474.

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? 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		X
b Were the organization's financial statements audited by an independent accountant? 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	X	
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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
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?		X
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		

Form 990 (2016)

SCHEDULE A
(Form 990 or 990-EZ)

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.

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

OMB No 1545-0047

2016

**Open to Public
Inspection**

Name of the organization

Avera St. Luke's

Employer identification number

46-0224598

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

The organization is not a private foundation because it is (For lines 1 through 12, 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 (Form 990 or 990-EZ).)
- 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university _____
- 10 ☐ 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.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations 03
- g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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 VI.)						
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 section 501(c)(3) organization, check this box and stop here ☐						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2015 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2016. 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 - 2015. 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 - 2016. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
b 10% -facts-and-circumstances test - 2015. 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 VI 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 ☐		

Schedule A (Form 990 or 990-EZ) 2016

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(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 VI.)						
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 section 501(c)(3) organization, check this box and stop here ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2016. 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 - 2015. 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 Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a	☐ The organization satisfied the Activities Test. Complete line 2 below.	
b	☐ The organization is the parent of each of its supported organizations. Complete line 3 below.	
c	☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).	
2 Activities Test. Answer (a) and (b) below.		
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes No
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.	Yes No
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.	Yes No
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.	Yes No

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions)		

Schedule A (Form 990 or 990-EZ) 2016

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2016 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2016.			
a			
b			
c From 2013			
d From 2014			
e From 2015			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2016 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 For result greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 For result greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2017. Add lines 3j and 4c			
8 Breakdown of line 7:			
a			
b Excess from 2013			
c Excess from 2014			
d Excess from 2015			
e Excess from 2016			

Schedule A (Form 990 or 990-EZ) 2016

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10, Part II, line 17a or 17b, Part III, line 12, Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2, Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3, Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b, Part V, line 1, Part V, Section B, line 1e, Part V, Section D, lines 5, 6, and 8, and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information (See instructions.)

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2016

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Inspection**

If the organization answered "Yes," on 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," on 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," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

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

Name of organization Avera St. Luke's	Employer identification number 46-0224598
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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 campaign activity expenditures ▶ \$ _____
- 3 Volunteer hours for political campaign activities _____

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-

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2016

LHA

632041 11-10-16

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			
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		
g Grassroots nontaxable amount (enter 25% of line 1f)			
h Subtract line 1g from line 1a. If zero or less, enter -0-			
i Subtract line 1f from line 1c. If zero or less, enter -0-			
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			

☐ Yes ☐ No

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(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					

Schedule C (Form 990 or 990-EZ) 2016

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 on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

	(a)		(b)
	Yes	No	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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		13,508.
j Total. Add lines 1c through 1i			13,508.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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 campaign activity 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, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Part II-B, Line 1, Lobbying Activities:

Avera St. Luke's paid dues to organizations which have a portion of the dues attributed to lobbying activities.

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016Open to Public
Inspection

Name of the organization

Avera St. Luke's

Employer identification number

46-0224598

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of 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" on 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 a 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 Tax 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, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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) Revenue included on 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 Revenue included on Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

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Schedule D (Form 990) 2016

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" on 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

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☒ Yes ☐ No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	3,036,970.	4,364,943.	3,963,040.	756,018.	1,159,121.
b Contributions	469,170.	462,040.	676,958.	3,133,989.	
c Net investment earnings, gains, and losses	351,817.	65,820.	153,521.	168,152.	4,051.
d Grants or scholarships					
e Other expenditures for facilities and programs	857,309.	1,837,645.	414,764.	73,620.	407,154.
f Administrative expenses	16,922.	18,188.	13,812.	21,499.	
g End of year balance	2,983,726.	3,036,970.	4,364,943.	3,963,040.	756,018.

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

a Board designated or quasi-endowment ☒ 23.07 %

b Permanent endowment ☒ 23.70 %

c Temporarily restricted endowment ☒ 53.23 %

The percentages on 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:

(i) unrelated organizations

(ii) related organizations

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

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

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" on 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	1,415,216.	4,775,784.		6,191,000.
b Buildings		131,514,310.	67,105,211.	64,409,099.
c Leasehold improvements				
d Equipment		52,740,197.	39,985,244.	12,754,953.
e Other		2,583,755.	1,326,984.	1,256,771.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				84,611,823.

Schedule D (Form 990) 2016

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on 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) Investment in Surgical Associates		
(B) Endoscopy Center LLC	71,812.	End-of-Year Market Value
(C) Assets limited to use - Avera pooled		
(D) investments	18,115,477.	End-of-Year Market Value
(E) Investment in Avera Health Foundation	3,203,844.	End-of-Year Market Value
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	21,391,133.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on 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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Estimated third-party payor settlements	1,127,500.
(3) Interest rate swap agreement	1,414,819.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	2,542,319.

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" on Form 990, Part IV, line 12a

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
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		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a

1	Total expenses and losses per audited financial statements		1	
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		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
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		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)		5	

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

Part IV, line 2b:

The organization holds funds in trust on behalf of its residents.

Part V, line 4:

The Organization's endowments consist of a portion of their interest in

the net assets of the Avera Health Foundation. The Avera Health Foundation

includes endowment funds which have been established for a variety of

purposes. As required by generally accepted accounting principles, net

assets associated with endowment funds, including funds designated by the

Board of Directors to function as endowments (if any), are classified and

reported based on the existence or absence of donor-imposed restrictions.

The Organization's permanently restricted endowment funds are donor

Part XIII Supplemental Information (continued)

restricted.

Part X, Line 2:

Avera Health and most of its sponsored organizations are considered nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. These organizations are required to file a Return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service (IRS). Avera Health and certain sponsored organizations also file an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report their unrelated business taxable income.

Avera Health and its sponsored organizations believe that they have 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 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 are incurred. The federal Form 990T filings and taxable subsidiary returns for consolidated subsidiaries are no longer subject to federal tax examinations by tax authorities for years before 2014.

Certain consolidated entities are subject to federal income taxes. Deferred income tax assets and liabilities are recognized for the differences between the financial and income tax reporting basis of assets and liabilities based on enacted tax rates and laws. Deferred tax assets

Part XIII Supplemental Information (continued)

and liabilities are not material as of June 30, 2017 and 2016. The

Organization paid an immaterial amount of federal and state income taxes

for the years ended June 30, 2017 and 2016.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

- **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
► **Attach to Form 990.**
► **Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization

Avera St. Luke's

Employer identification number

46-0224598

Part I Financial Assistance and Certain Other Community Benefits at Cost

- 1 a** Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a
- b** If "Yes," was it a written policy?
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
- 2** ☒ 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
☐ 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
☐ 200% ☐ 250% ☐ 300% ☐ 350% ☒ 400% ☐ Other _____ %
- c** If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used 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"?
- 5 a** Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?
- b** If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?
- c** If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?
- 6 a** Did the organization prepare a community benefit report during the tax year?
- b** If "Yes," did the organization make it available to the public?

	Yes	No
1a	X	
1b	X	
3a	X	
3b	X	
4	X	
5a	X	
5b	X	
5c		X
6a	X	
6b	X	

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

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)		5,942	2,429,013.		2,429,013.	1.26%
b Medicaid (from Worksheet 3, column a)		14,258	7,981,316.	3,663,589.	4,317,727.	2.24%
c Costs of other means-tested government programs (from Worksheet 3, column b)			748,709.		748,709.	.39%
d Total Financial Assistance and Means-Tested Government Programs		20,200	11,159,038.	3,663,589.	7,495,449.	3.89%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	6	593	181,592.		181,592.	.09%
f Health professions education (from Worksheet 5)	3	71	207,272.	1,750.	205,522.	.11%
g Subsidized health services (from Worksheet 6)	6	1,559	7,184,651.	3,998,001.	3,186,650.	1.65%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	5	16,034	543,508.		543,508.	.28%
j Total. Other Benefits	20	18,257	8,117,023.	3,999,751.	4,117,272.	2.13%
k Total. Add lines 7d and 7j	20	38,457	19,276,061.	7,663,340.	11,612,721.	6.02%

Part V	Facility Information
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Section A. Hospital Facilities

(list in order of size, from largest to smallest)

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

Name, address, primary website address, and state license number
(and if a group return, the name and EIN of the subordinate hospital
organization that operates the hospital facility)

[illegible]

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Avera St. Luke's:

Part V, Section B, Line 5: In late December 2015, Avera St. Luke's

conducted three focus groups representing community leaders and members,

health care providers, uninsured/underinsured persons and policy makers in

order to discuss health care needs and concerns in Brown County. The

hospital invited a vast array of individuals from all facets of the

community to participate in an on-line survey and also held focus groups.

Additionally, Avera St. Luke's held a focus group for approximately 20

individuals representing the uninsured and underinsured of our community.

Those individuals came to us through invitations from various community

programs. The hospital also held one of the focus group at the Salvation

Army following their noon meal.

Avera St. Luke's:

Part V, Section B, Line 11: The three major areas to focus on from the

completed 2015 CHNA were dental care, health care affordability and travel

and accessibility to health care. This decision was based on the severity

of the issue, our current involvement in these areas and our professional

outlook.

Three priorities have been identified through both primary and secondary

sources. Our first implementation strategy will focus on primarily on

education, good dental health, accessibility (transportation), and

affordability. After numerous meetings and research, we have come up with

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 letter of facility reporting group Avera St. Luke'sLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 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 12	X	
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 significant 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 ☒ The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j ☐ Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA <u>20 15</u>		
5 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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a ☒ Hospital facility's website (list url) <u>See Line 10a</u>		
b ☒ Other website (list url) <u>www.avera.org/about/community-health-needs-assessments/</u>		
c ☒ Made a paper copy available for public inspection without charge at the hospital facility		
d ☐ Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy <u>20 15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url) <u>www.avera.org/locations/st-lukes/</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
12a 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)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, 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 (FAP)**Name of hospital facility or letter of facility reporting group Avera St. Luke's

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP		
a ☒ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b ☐ Income level other than FPG (describe in Section C)		
c ☒ Asset level		
d ☒ Medical indigency		
e ☒ Insurance status		
f ☐ Underinsurance status		
g ☐ Residency		
h ☒ Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)		
a ☒ Described the information the hospital facility may require an individual to provide as part of his or her application		
b ☒ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c ☒ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d ☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e ☐ Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a ☒ The FAP was widely available on a website (list url) <u>See Part V, Page 8</u>		
b ☒ The FAP application form was widely available on a website (list url) <u>See Part V, Page 8</u>		
c ☒ A plain language summary of the FAP was widely available on a website (list url) <u>See Part V, Page 8</u>		
d ☒ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e ☒ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f ☒ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g ☒ Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h ☒ Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i ☒ The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j ☒ Other (describe in Section C)		

Schedule H (Form 990) 2016

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group Avera St. Luke's

	Yes	No
17 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 all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18 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(ies)		
b ☐ Selling an individual's debt to another party		
c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d ☐ Actions that require a legal or judicial process		
e ☐ Other similar actions (describe in Section C)		
f ☒ None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized 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?		X
If "Yes," check all actions in which the hospital facility or a third party engaged.		
a ☐ Reporting to credit agency(ies)		
b ☐ Selling an individual's debt to another party		
c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d ☐ Actions that require a legal or judicial process		
e ☐ Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a ☒ Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b ☒ Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c ☒ Processed incomplete and complete FAP applications		
d ☒ Made presumptive eligibility determinations		
e ☒ Other (describe in Section C)		
f ☐ None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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?	X	
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 Section C)		
d ☐ Other (describe in Section C)		

Schedule H (Form 990) 2016

Part V Facility Information (continued)**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group Avera St. Luke's**22** 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 a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d ☐ The hospital facility used a prospective Medicare or Medicaid method

23 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?

If "Yes," explain in Section C.

24 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?

If "Yes," explain in Section C.

	Yes	No
23		X
24	X	

Schedule H (Form 990) 2016

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility

a number of steps to begin moving forward on our plan to improve education

of and access to adult dental health. The subsequent points are details of

Avera St. Luke's plan:

1. Investigate a partnership with dentists in Brown County to determine

how we can work together to improve dental care.

FY2017 update: In collaboration with Avera St. Luke's, a partnership of

dentists with Delta Dental created a development of a triage processes

from Emergency Room to their dental practices for care. In the fiscal

year 2017, twenty-one patients received dental care who had no insurance

or funding.

2. Explore whether other local service and educational organizations have

interest in partnering to improve dental care.

FY2017 update: Service clubs and educational organizations are open to

Delta Dental providing education. Many believe it is the responsibility

of local dentists to lead this initiative as they are seen as the experts.

Avera has educated their leaders and Board of Directors as to the need

echoed by citizens in our community.

3. Develop an educational program to present at health fairs, local

service clubs, etc.

FY2017 update: In partnership with Delta Dental their educator provided

education at the Brown County Fair for two years consecutively on Senior

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Citizens Day.

4. Investigate initiating a dental health campaign for the area through

Dedicated Resource Investment

FY2017 update: We are in process of seeking a grant through Delta Dental.

Grant writers and Avera Foundation looking to Delta Dental for a \$25,000

to provide dollars to educate adults specifically on the care of their

oral hygiene. Receipt of Grant expected early summer of 2018.

Accessibility to Care

Our second implementation strategy, specifically as it relates to

transportation is noted and will address this need in collaboration with

Brown County and the City of Aberdeen in development of educational

materials on what is currently available for transportation and how to

access at minimal cost. Avera has formalized a Community Health Needs

committee to shepherd and facilitate community collaborations with city

and county officials. Avera St. Luke's commits on a yearly average \$3,500

in assistance to those in need, through the provision of gas cards, tokens

for community buses, taxies and in some cases bus fare to return them to

their home of origin. Our long term care facility provides a shuttle to

all residents for appointments and day programs, and commits \$50,000

annually to this service. The Avera Foundation has granted \$12,960

annually toward transportation as well.

FY2017 update: Avera Foundation committed upwards of \$10,500 through

provision of gas cards, community bus tokens, taxies to return them to

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

their home of origin over the past three years. Avera Foundation granted

upwards of \$38,880 toward city Ride Line over the past three years. Avera

Long Term Care provides shuttle service for residents to appointments and

day programs and contributed \$150,000 over the past three years.

Affordable Care

Our third implementation strategy concerning affordable care programs is

in place and will be addressed through the programs listed. With the

implementation of the Affordable Health Care Act and the opening of the

health insurance exchanges, along with bundled payment programs and rural

Accountable Care Organization designation and through Avera MAAP (Medical

Application Assistance program) a full time social worker assists patients

on navigation through Medicare, Medicaid, Disability and insurance

exchange programs. Access and navigation assistance to medication

programs, medical equipment needs are also available.

FY2017 update: Avera St. Luke's is now part of three ACO's with 8,500

covered lives and continues to grow allowing us to manage care and cost.

The ACO's are reducing in-patient hospital stays and preventing a lower

incident of further developing chronic disease. Avera St. Luke's also

participated in the Orthopedic Bundle payment program based on quality

metrics lowering costs to the patient bringing greater value and

satisfaction. Through end of the year 2017 number of patients through the

bundle project is 596. Average length of stay for these 596 patients is

3.19 days reducing cost to patient.

Our Avera MAAP (Medical Application Assistance) program has assisted

patients through insurance exchange programs helping them to cover

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

\$1,068,000 dollars year to date over the past three years. This program

keeps patients from filing chapter 11 bankruptcy and our social work

services department assists individuals with paperwork for Social Security

Disability to prevent further financial distress.

Avera St. Luke's:

Part V, Section B, Line 13h: Presumptive charity care may be applied in

situations where all other avenues of financial assistance have been

exhausted. The facility has the discretion to weigh extenuating

circumstances when determining eligibility for and the amount of charity

care to provide.

Avera St. Luke's

Part V, line 16a, FAP website:

<http://www.avera.org/experience/ah/financial-assistance-charity-care/>

Avera St. Luke's

Part V, line 16b, FAP Application website:

<http://www.avera.org/experience/ah/financial-assistance-charity-care/>

Avera St. Luke's

Part V, line 16c, FAP Plain Language Summary website:

<http://www.avera.org/experience/ah/financial-assistance-charity-care/>

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3i, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc) and name of hospital facility.

Avera St. Luke's:

Part V, Section B, Line 16j: A summary of the financial assistance policy

is posted in the Hospital facility's emergency rooms, waiting rooms, and

admissions office and is included in the billing statement. In addition,

the financial assistance policy is discussed with the patient upon

admission to the facility.

Avera St. Luke's:

Part V, Section B, Line 20e: If a patient is self-pay and has a large

balance, an Avera patient advocate will help them apply for other forms of

assistance. If they are not eligible for any other coverage, the patient

is given a financial assistance application to complete and return to the

facility.

Avera St. Luke's:

Part V, Section B, Line 24: 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.

Part VI Supplemental Information

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Part I, Line 3c:

The methodology used to determine eligibility for financial assistance takes into consideration income, net assets, family size and resources available to pay for care. In addition, presumptive charity care may be applied in situations where all other avenues have been exhausted.

Part I, Line 6a:

Our community benefit report is contained in a report prepared by Avera Health, a related organization. It is available through the website and requested mailing, and is filed with the Catholic Health Association.

Part I, Line 7:

A combination of costing methodologies were used to calculate the amounts reported in the table. A cost-to-charge ratio derived from Worksheet 2, ratio of patient care cost-to-charges was used to calculate charity care at cost, unreimbursed Medicaid and Means-Tested Government Program expenses. Subsidized health was calculated based on actual cost/loss. For all other amounts, costs and revenues as reflected by the general ledger

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system were used.

Part I, Ln 7 Col(f):

Bad debt expense of \$1,074,036 is included on Form 990, Part IX, line 25,

column (A) but excluded for purposes of calculating this percentage.

Part II, Community Building Activities:

NATIONAL NIGHT OUT - National Night Out is an annual community-building

campaign that promotes police-community partnerships and neighborhood

camaraderie to make our neighborhoods safer, more caring places to live.

National Night Out enhances the relationship between neighbors and law

enforcement. Our local sponsors, the Aberdeen Police Department, invite

local organizations to participate each year in this event held on the

first Tuesday of August at Melgaard Park. A free meal is served by

volunteers from many organizations and entertainment is offered all free

of charge. Avera St. Luke's has participated by offering a booth with

games and prizes with our focus on child safety - recent focuses have been

on back to school safety with walking, bike riding and outdoor play. The

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event brings out around 1,500 to 2,000 children and families for a fun evening.

ASPIRE/SD DEPT OF VOC REHAB - Project SEARCH providers internships for high school students in their last year of eligibility and assists in helping students attain work skills and prepare them for a job. Students are chosen for the program who are ready to join the workforce and do not have plans to go to college but have skills that would enable them to be gainfully employed. We want to assist in meeting the community workforce needs as well as help these students obtain employment vs. being on federal assistance.

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 is reported at charges as recorded by the organization.

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Part III, Line 3:

Avera St. Luke's does not believe that any portion of bad debt expense could reasonably be attributed to patients who may qualify for financial assistance since evaluations are completed to determine those amounts due and will be reclassified from bad debt expense to charity care within 30 days following the evaluation of the amount.

Part III, Line 4:

The footnote to the Organization's financial statements that describes bad debt expenses can be found on page 10 of the attached audited financial statements.

Part III, Line 8:

Medicare allowable costs of care are based on the Medicare cost report. The Medicare Cost Report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services.

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Avera St. Luke's follows the CHA guidelines in reporting community benefits and therefore any Medicare shortfall (as calculated including our non-cost report entities) is excluded from our community benefit report. However, Medicare is the organization's largest payer and patients with Medicare coverage are accepted regardless of whether or not a surplus or deficit is realized from providing the services. This basis therefore means providing Medicare services promotes access to healthcare services which is a key advantage for our community.

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 current self-pay collection policy guidelines and timeframes, the organization or its agent shall not send, nor intimate that it will send, the unpaid bill to any outside collection agency. Avera organizations will allow all individuals 120 days from the first post discharge statement to apply for financial assistance before sending the uncollected account to

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an outside collection agency. Avera will provide the patient with a statement or final notice that contains a listing of the specific collection action(s) it intends to initiate, and a deadline after which they may be initiated no earlier than 30 days before action is initiated.

If the patient qualifies for 100% charity care, no further bills will be sent. A letter will be sent instead indicating that the patient's bill has been completely forgiven.

Part VI, Line 2:

Health care needs are assessed through various methods. Given Aberdeen is a regional center/hub and the third largest city in South Dakota, Avera St. Luke's is integrally involved with community organizations, universities/colleges, schools, state programs and local governments.

Although another smaller hospital opened in Aberdeen during FY 2013, the next largest hospital is 100 miles from Aberdeen and most of the towns within our region have a population of less than 2,000. By working with all in our region, we are able to determine health needs and provide programs and solutions where possible. Our second community health needs

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assessment (CHNA) was completed and posted to our website by June 30, 2016. The three major areas initially highlighted for further research and comparison were dental care, health care affordability and travel and accessibility to health care.

Part VI, Line 3:

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

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Part VI, Line 4:

Aberdeen is the third largest city in South Dakota. Using South Dakota

estimated data for July 2015, census reflected a population of

approximately 28,102. Our primary service area consists of the following

counties: Brown, Marshall, Day, Faulk, Edmunds, McPherson, and Spink in

South Dakota and Dickey County in North Dakota. The population of this

area is approximately 64,000. Our secondary service area includes other

nearby counties. This large service area is due to outreach and the scope

of specialty services offered by Avera St. Luke's for which if not

offered, a patient would travel up to 200 miles for the same service.

Given we are a rural community in the truest sense, we have a very aged

population. Many of the patients within this region are Medicare age.

Other than the hospital that opened in Aberdeen during FY 2013, the next

closest hospitals are 40 to 100 miles away and have limited services and

are Critical Access Hospitals served by limited physicians. Patient

demographics within the region would indicate that after you consider

those patients admitted to the smaller hospitals, the majority of the rest

seek services at Avera St. Luke's and the other hospital in Aberdeen. The

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population in the primary service counties range from 2,337 to 38,785.

South Dakota Census data estimates for 2015-2016 contains many data

elements, therefore, will comment on Brown County (location of Avera St.

Luke's), Spink County (second largest in primary service area with growth)

and McPherson County (due to aged population).

	% change in Pop.	% over 65	Non-White Pop. %
State of SD	6.3%	16.0%	14.80%
Brown County	7.1%	16.2%	10.10%
Spink County	0.1%	20.4%	3.60%
McPherson County	-0.9%	27.9%	1.6%

Median Household Income

State of SD	50,957
Brown County	53,100
Spink County	48,217

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McPherson County 36,375

As the above indicate, our region has experienced essentially little growth with the exception of Brown County and the percent over 65 years old is high compared to the State average. The high average age correlates with Medicare admissions being 47.14% of total admissions. Medicaid admissions totaled 8.48%, and newborn admissions totaled 10.65% of all admissions. In addition to Medicare and Medicaid, there is a County Indigent Program which resulted in approximately \$5,752,715 of assistance at charge and was for 331 Inpatient patients and 595 Out patients.

From an unemployment standpoint, South Dakota (3.0%) and our region has fared much better than the US. Within the primary service area, current unemployment rates range from a low of 2.6% in Brown County to a high of 3.7% in Day County.

Part VI, Line 5:

632100 11-02-16

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Avera St. Luke's is a regional facility within Avera Health System. We are a health ministry cosponsored by the Benedictine Sisters of Yankton, South Dakota and the Presentation Sisters of Aberdeen, South Dakota. Our health ministry is rooted in the Gospel and requires us to make a positive impact in the lives and health of persons and communities by providing quality services guided by Christian values. Avera St. Luke's vision is to be an exceptional health care organization for patients to receive care, physicians to practice and employees to work. The Organization's values are Compassion, Hospitality and Stewardship.

Our governing body consists of 17 members who are physicians, community and regional residents and Sister representatives from the Presentation and Benedictine Orders. In addition, four employees (three physicians and the CEO) serve on the board. The governing body included one Sister who represents both orders and is a System Representative. In addition to the governing body, we have one advisory board. This includes Northern State University Business School.

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Medical Staff privileges can be extended to qualified physicians based on receiving approval of their application and credentials by the Medical Staff and the Hospital governing body. The Hospital's governing body takes into account other factors related to overall community need and how a physician would impact the Hospital's overall ability to fulfill the mission.

Avera St. Luke's mission and values ensure our focus is on the patient, family, employees, physician, those in need, visitors and our region as a whole. The value of Stewardship requires the organization to use all resources in a way that fulfills the mission and values. Each year, our operating and capital budgets are based on various assumptions that in the end provide the needed resources and take into account Charity Care, patient care, technology, education, community services, employee benefit and compensation plans and programs for meeting the region's needs. All surplus funds are used and maintained to provide for both current and future needs.

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Specific examples of how we further our exempt purpose include but are not limited to the following:

a. The only inpatient psychiatric unit within 200 miles

b. Interventional Cardiology and Radiology services. These services allow us to meet patient needs when care is critical to their survival and must be delivered on a very timely basis.

c. Air Ambulance to transport patients to our facility or 200 miles to tertiary facilities.

d. End Stage Renal Disease program which serves our broad region with the next closest facility being 100 miles away. Additionally, we employ a full-time Nephrologist to care for the patients along with others who require intensive physician care.

e. A 24 hour Emergency Room which treats all patients without regard to the ability to pay. The ER is staffed by physicians 24 hours per day.

f. Provision of a multitude of educational and training programs for healthcare professionals and regional residents. The region was awarded

an Area Health Education Center by the South Dakota School of Medicine and

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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.

will be located in Aberdeen. The award was based on applications and

interviews within the State and was a collaborative effort of many

healthcare and non-healthcare organizations within the region with two

being 100 miles from Aberdeen.

g. Avera St. Luke's is currently a Rural Referral Center. The nearest

hospitals are tertiary facilities 200 miles away by ground and

approximately 140 miles by air.

h. Avera St. Luke's participates in many community organizations and

efforts to better the region. Leadership of the organization is on boards

of many exempt organizations (Chamber of Commerce, United Way, Aberdeen

Development Corporation, College/University Advisory Boards, Kiwanis Club

Board, Lake Area Technical Institute Alumni Board).

i. Our Auxiliary and Volunteers provide opportunities for over 115

individuals. The Auxiliary provides annual scholarships of \$500 for

students entering higher education in health related fields. In fiscal

year 2017, 1,450 hours of service were provided to Avera St. Luke's by

volunteers which reduces costs.

j. Provide assistance to small rural hospitals (Critical Access Hospitals)

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

within the region through various programs, management agreements, computer systems, education and other services to assist in keeping their area's patients in the local community when possible.

k. Recruitment of specialists in nephrology, neurosurgery, neurology, cardiology and psychiatry to meet the region's need in order to eliminate travel of 200 miles to obtain these services.

l. Development and subsidy of various rural clinics to meet needs in those communities.

n. Chemical Addiction services on an outpatient basis are provided to the region and State. Our Worthmore program is well known and respected within the region and state and is the closest program within 150-200 miles. We contract with the State for patients who meet their qualification guidelines and work with governmental agencies within the region and State.

o. Provide drug and alcohol prevention programs to the local schools through various contracts. Our involvement started when the previous provider discontinued their contract.

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.

Part VI, Line 6:

The communities in which Avera operates all have unique health and

community benefit needs and in keeping with the Catholic Healthcare

Association guidelines each Hospital strives to meet its community's

identified needs. The Avera Central Office advocates for all on community

benefit related matters of state, regional, and national importance.

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

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

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

Employer identification number
46-0224598

Part I	General Information on Grants and Assistance
--------	--

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

☒ Yes ☐ No

3.	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table	▲
0.	Enter total number of other organizations listed in the line 1 table	▲

Schedule I (Form 990) (2016)

**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" on Form 990, Part IV, line 23.

► Attach to Form 990.

► Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public
Inspection

Name of the organization

Avera St. Luke's

Employer identification number

46-0224598

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on 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 (such as, maid, chauffeur, chef) |

b If any of the boxes on 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.

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

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 on 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on 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?
- b** Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported on Form 990, Part VII, paid or accrued 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.

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

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.

Schedule J, Part I Line 3:

The President/CEO's compensation is paid by a related organization,

Avera Health. Avera St. Luke's relied on the related organization for

determining the compensation for the President/CEO using the methods

described in Part I, Line 3.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

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

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**Open To Public
Inspection**

Name of the organization

Avera St. Luke's

Employer identification number

46-0224598

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) 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 the organization managers or disqualified persons during the year under section 4958

▶ \$ _____

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

▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-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?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Richard Conklin	Employee	Client B		X	140,231.	103,021.		X	X		X	
Richard Conklin	Employee	Communit		X	100,000.	10,000.		X	X		X	
Christopher Lar	Employee	Communit		X	250,000.	105,769.		X	X		X	
Roger Werth	Employee	Communit		X	250,000.	105,769.		X	X		X	
Brandon Fites	Employee	Communit		X	200,000.	64,615.		X	X		X	
Total						▶ \$ 389,174.						

Part III Grants or Assistance Benefiting 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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2016

See Part V for Continuations

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
Megan Biegler	Wife of board membe	24,036.	Compensatio		X

Part V Supplemental Information

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

Schedule L, Part II, Loans To and From Interested Persons:

(a) Name of Person: Richard Conklin

(c) Purpose of Loan: Client Billing

(a) Name of Person: Richard Conklin

(c) Purpose of Loan: Community Needs Loan

(a) Name of Person: Christopher Larson

(c) Purpose of Loan: Community Needs Loan

(a) Name of Person: Roger Werth

(c) Purpose of Loan: Community Needs Loan

(a) Name of Person: Brandon Fites

(c) Purpose of Loan: Community Needs Loan

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: Megan Biegler

(b) Relationship Between Interested Person and Organization:

Wife of board member Lyle Biegler

Part V Supplemental Information

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

(c) Amount of Transaction \$ 24,036.

(d) Description of Transaction: Compensation and benefits as an employee

(e) Sharing of Organization Revenues? = No

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 990-EZ 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.

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Avera St. Luke's

Employer identification number

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Form 990, Part III, Line 4a, Program Service Accomplishments:

\$7,201,984 for the year ended June 30, 2017. The estimated cost of
providing these services was \$2,429,013 for the year ended June 30,
2017, calculated by multiplying the ratio of cost to gross charges for
the Organization by the gross uncompensated charges associated with
providing charity care to its patients.

Avera St. Luke's also provides community benefit health activities at
less than or at no cost to support those in the area served. These
activities include: donations/grants/educational scholarships,
community education programs; special programs for the elderly,
handicapped, and medically underserved; support for rural clinics;
nursing staff for health centers serving minority populations; and a
variety of broad community support activities. During the year ended
June 30, 2017, specific activities included meals delivered to
residential homes; senior resource programs for billing assistance;
meeting facilities and programs for patients and families; assistance
to health educators; emergency healthcare providers; wellness programs;
and housing families of hospitalized patients.

As a member of the Avera Health System, Avera St. Luke's upholds the
vision of the Presentation and Benedictine Sisters to work through
collaboration to provide a quality, effective health ministry and to
improve the health care of individuals and our communities through a
regionally integrated network of persons and institutions. Avera St.

Luke's engages in activities (including a Community Health Needs

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2016)

Name of the organization Avera St. Luke's	Employer identification number 46-0224598
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Assessment) designed to improve the health of individuals and communities in response to a calling to heal the sick, the elderly, and the oppressed.

Form 990, Part VI, Section A, line 6:

The sole member of the organization is Avera Health, a nonprofit corporation organized and existing under the laws of the state of South Dakota and exempt under 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Form 990, Part VI, Section A, line 7a:

Avera Health, as the sole member, has the power to appoint and remove, with or without cause, members of the board of directors.

Form 990, Part VI, Section A, line 7b:

Avera Health, as the sole member, 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

Name of the organization

Avera St. Luke's

Employer identification number
46-0224598

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.

Form 990, Part VI, Section A, line 8b:

There are no committees with the authority to act on behalf of the governing body.

Form 990, Part VI, Section B, line 11b:

The Form 990 is reviewed by the CEO and CFO. After initial reviews, a draft is provided to the finance committee for final review. The return is provided to the board prior to filing.

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

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

Form 990, Part VI, Section B, Line 15b:

The CEO is compensated by Avera Health. Annually the Compensation Committee of Avera Health, which is comprised of six (6) system members appointed by the religious orders, meets with an independent consultant regarding fair market value of officers and key employees. The Compensation Committee approves all salaries based on comparable data and documents the basis for their decision in meeting minutes.

The organization has a Physician Relations/Executive Compensation Committee to review physician related transactions and compensation related to physicians, other officers and key employees of the Organization. The Committee meets as needed with respect to physician compensation. With respect to leadership positions we contract with an outside consultant to gather wage and market data. Information is provided to the consultant for leadership positions that reflects the leader's area of responsibilities including the position title and education requirements, reporting

structure, number of FTE's, total revenue and expenses and years of

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

Form 990, Part VI, Section C, Line 19:

The organization's governing documents and conflict of interest policy are not available to the general public. The organization's financial statements are attached to the Form 990 per IRS instructions and therefore are available to the general public.

Form 990, Part IX, Line 11g, Other Fees:

Repairs and maintenance:

Program service expenses	2,751,695.
Management and general expenses	49,806.
Fundraising expenses	0.
Total expenses	2,801,501.

Other fees:

Program service expenses	6,217,172.
Management and general expenses	1,457,560.
Fundraising expenses	0.
Total expenses	7,674,732.

ACS fees:

Program service expenses	0.
Management and general expenses	13,036,764.
Fundraising expenses	0.
Total expenses	13,036,764.

Total Other Fees on Form 990, Part IX, line 11g, Col A	23,512,997.
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Name of the organization	Employer identification number
Avera St. Luke's	46-0224598

Form 990, Part XI, line 9, Changes in Net Assets:

Capital Transfer -1,710,822.

Change in fair value of interest rate swap 588,872.

Total to Form 990, Part XI, Line 9 -1,121,950.

Form 990, Part XII, Line 2c:

The Audit Committee of Avera Health, parent organization, selects the auditor and reviews the consolidated audited financial statements for Avera Health, which includes Avera St. Luke's.

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 St. Mary's, Avera Sacred Heart, 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.

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
Avera Holy Family Foundation - 42-1317452 826 North 8th Street Estherville, IA 51334	Fundraising	Iowa	501(c)(3)	Line 10	Avera Holy Family		X
Avera Marshall - 41-0919153 300 S Bruce Street Marshall, MN 56258	Healthcare services	Minnesota	501(c)(3)	Line 3	Avera Health		X
St. Benedict Health Center - 46-0226738 401 West Glynn Drive Parkston, SD 57366	Healthcare services	South Dakota	501(c)(3)	Line 3	Avera Health		X
St. Benedict Health Center Foundation - 46-0458725, West Glynn Drive PO Box B, Parkston, SD 57366	Support health related services	South Dakota	501(c)(3)	Line 12a, I	St. Benedict Health Center		X
Avera McKennan - 46-0224743 1325 S Cliff Ave PO Box 5045 Sioux Falls, SD 57117	Healthcare services	South Dakota	501(c)(3)	Line 3	Avera Health		X
Avera Queen of Peace Hospital - 46-0224604 525 North Foster Mitchell, SD 57301	Healthcare services	South Dakota	501(c)(3)	Line 3	Avera Health		X
Sacred Heart Health Services - 46-0225483 501 Summit Street Yankton, SD 57078	Healthcare services	South Dakota	501(c)(3)	Line 3	Avera Health		X
Avera St. Mary's - 46-0230199 801 East Sioux Avenue Pierre, SD 57501	Healthcare services	South Dakota	501(c)(3)	Line 3	Avera Health		X
Avera at Home - 46-0399291 5116 S Solberg Ave Sioux Falls, SD 57108	Home services	South Dakota	501(c)(3)	Line 10	Avera Health		X
Lewis and Clark Health Education and Service Agency - 46-0337013, 1000 W 4th Street Suite 9, Yankton, SD 57078	Healthcare education	South Dakota	501(c)(3)	Line 10	Sacred Heart Health Services		X
Avera Tyler - 41-0853163 240 Willow Street Tyler, MN 56178	Healthcare services	Minnesota	501(c)(3)	Line 3	Avera Marshall		X
Avera Health Plans, Inc. - 46-0451539 3900 West Avera Drive, Suite 101 Sioux Falls, SD 57108	Health financing and health plan admin	South Dakota	501(c)(4)		Avera Health		X

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
Surgical Associates Endoscopy Center, LLC - 46-0461429, 310 S Penn, Aberdeen, SD 57401	Surgical associates/Endo services	SD	Avera St. Luke's	Related	852,238.	89,067.		X	N/A		X	51.00%
Avera Home Medical Equipment of Floyd Valley Hospital, LLC - 82-0582350, 714 Lincoln St NE, Lemars, IA 51031	Medical services - home medical equipment	SD	N/A	N/A	N/A	N/A		N/A	N/A		N/A	N/A
Avera Home Medical Equipment of Sioux Center, LLC - 75-3203100, 38 19th St Sw, Sioux Center, IA 51250	Medical services - home medical equipment	SD	N/A	N/A	N/A	N/A		N/A	N/A		N/A	N/A
Avera Home Medical Equipment of Spencer Hospital, LLC - 80-0619999, 2400 S Minnesota Ave, Sioux Falls, SD 57117	Medical services - home medical equipment	SD	N/A	N/A	N/A	N/A		N/A	N/A		N/A	N/A

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	No
Accounts Management Inc. - 46-0373021 5132 S Cliff Ave, Suite 101 Sioux Falls, SD 57108	Collection agency	SD	N/A	C CORP	N/A	N/A	N/A		X
Avera Property Insurance Inc. - 46-0463155 610 W 23rd St., Ste 1, PO Box 38 Yankton, SD 57078	Insurance	SD	N/A	C CORP	N/A	N/A	N/A		X
Valley Health Services - 46-0357149 501 Summit Street Yankton, SD 57078	Rental Real Estate	SD	N/A	C CORP	N/A	N/A	N/A		X
Alucent Medical, Inc. - 47-1818349 1325 S Cliff Avenue, PO Box 5045 Sioux Falls, SD 57117-5045	Biotech Research	SD	N/A	C CORP	N/A	N/A	N/A		X
South Dakota State Medical Holding Company, Inc. - 46-0401087, 2600 W 49th Street, Sioux Falls, SD 57105	Insurance	SD	N/A	C CORP	N/A	N/A	N/A		X

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36**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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to related organization(s)**c** Gift, grant, or capital contribution from related organization(s)**d** Loans or loan guarantees to or for related organization(s)**e** Loans or loan guarantees by related organization(s)**f** Dividends from related organization(s)**g** Sale of assets to related organization(s)**h** Purchase of assets from related organization(s)**i** Exchange of assets with related organization(s)**j** Lease of facilities, equipment, or other assets to related organization(s)**k** Lease of facilities, equipment, or other assets from related organization(s)**l** Performance of services or membership or fundraising solicitations for related organization(s)**m** Performance of services or membership or fundraising solicitations by related organization(s)**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)**o** Sharing of paid employees with related organization(s)**p** Reimbursement paid to related organization(s) for expenses**q** Reimbursement paid by related organization(s) for expenses**r** Other transfer of cash or property to related organization(s)**s** Other transfer of cash or property from related organization(s)**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
(1) Surgical Associates Endoscopy Clinic, LLC	L	577,530, General Ledger	
(2) Surgical Associates Endoscopy Clinic, LLC	S	765,000, K-1 distribution	
(3) Surgical Associates Endoscopy Clinic, LLC	A	88,103, General Ledger	
(4)			
(5)			
(6)			

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Part III, Identification of Related Organizations Taxable as Partnership:**Name, Address, and EIN of Related Organization:**

Brookings Health System - Avera Home Medical Equipment, LLC

EIN: 45-3204123

101 22nd Ave, Suite 101

Brookings, SD 57006