

# Avera Holy Family Hospital

2017 Return of Organization Exempt from Tax (Form 990)

Year-End June 30, 2017

*Public Disclosure*

## **STATEMENT THAT THIS IS A TAX RETURN NOT A FINANCIAL STATEMENT**

The accompanying federal income tax return does **NOT** constitute a financial statement. We have not audited, reviewed or compiled the accompanying income tax return and, accordingly, do not express an opinion or any other form of assurance on it.

An income tax return is not intended to constitute financial statements prepared in accordance with generally accepted accounting principles. Accordingly, it does not necessarily include all financial information or disclosures required by generally accepted accounting principles. If the omitted financial information or disclosures were included with the tax return, they might influence the users' conclusions about the taxpayer's financial position, results of operations and cash flows. Accordingly, this income tax return is not designed to be used in lieu of financial statements.

## **RECORD RETENTION**

Copies of your tax returns are enclosed for your files. It is your responsibility to retain copies of your tax information. We recommend the following guidelines:

- Tax returns – keep indefinitely.
- Supporting documentation – keep for 8 years.
- Records supporting your tax basis in personal, investment and business assets and gift documentation – keep indefinitely.

Please note: Eide Bailly retains copies of tax returns, workpapers and other tax information for a period of eight years. After that, we dispose of all records. If you have questions regarding retention of tax records, please contact us.

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2016**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ 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](http://www.irs.gov/form990).

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

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <p align="center"><b>Avera Holy Family</b></p> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <p align="center"><b>826 North 8th Street</b></p> City or town, state or province, country, and ZIP or foreign postal code <p align="center"><b>Estherville, IA 51334</b></p>	<b>D</b> Employer identification number <p align="center"><b>42-0680370</b></p>
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>E</b> Telephone number <p align="center"><b>712-362-6519</b></p>
<b>J</b> Website: ▶ <b>www.avera-holyfamily.org</b>		<b>G</b> Gross receipts \$ <b>29,303,635.</b> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶ <b>0928</b>
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1996</b> <b>M</b> State of legal domicile: <b>IA</b>

**Part I Summary**

	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>Promotion of Health</b>	
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
<b>Activities &amp; Governance</b>	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) .....	<b>10</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) .....	<b>10</b>
	<b>5</b>	Total number of individuals employed in calendar year 2016 (Part V, line 2a) .....	<b>253</b>
	<b>6</b>	Total number of volunteers (estimate if necessary) .....	<b>17</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12 .....	<b>0.</b>
	<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34 .....	<b>0.</b>
	<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h) .....
<b>9</b>		Program service revenue (Part VIII, line 2g) .....	<b>26,591,958.</b>
<b>10</b>		Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....	<b>241,151.</b>
<b>11</b>		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....	<b>39,742.</b>
<b>12</b>		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....	<b>26,923,647.</b>
<b>Expenses</b>		<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4) .....	<b>0.</b>
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....	<b>12,852,583.</b>
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e) .....	<b>0.</b>
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ .....	<b>0.</b>
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) .....	<b>12,089,654.</b>
	<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....	<b>24,970,011.</b>
	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12 .....	<b>1,953,636.</b>
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16) .....	<b>37,957,631.</b>
	<b>21</b>	Total liabilities (Part X, line 26) .....	<b>6,659,111.</b>
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20 .....	<b>31,298,520.</b>

**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.

<b>Sign Here</b>	Signature of officer <p align="center"><b>Dale Hustedt, President &amp; CEO</b></p> Type or print name and title	Date _____			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Kim Hunwardsen, CPA</b>	Preparer's signature <b>Kim Hunwardsen, CPA</b>	Date <b>05/09/18</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P00484560</b>
	Firm's name ▶ <b>Eide Bailly LLP</b>	Firm's address ▶ <b>800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033</b>	Firm's EIN ▶ <b>45-0250958</b>	Phone no. <b>612-253-6500</b>	

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [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 [X] 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 [X] 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 \$ 23,464,476. including grants of \$ 22,275. ) (Revenue \$ 27,809,874. )
Avera Holy Family Health operates a 25-bed critical access hospital and provider-based clinic located in Estherville, Iowa. Inpatient and outpatient medical services are provided. The hospital provided 2,538 inpatient bed days.

Avera Holy Family maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics. The amount of charges foregone, based on established rates, were \$746,578 for the year ended June 30, 2017.

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 23,464,476.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> 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	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
<b>3</b> 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
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
<b>5</b> 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
<b>6</b> 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
<b>7</b> 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
<b>8</b> 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
<b>9</b> 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
<b>10</b> 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
<b>11</b> 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.		
<b>a</b> 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>b</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	
<b>c</b> 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
<b>d</b> 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
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>f</b> 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	
<b>12a</b> 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>b</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	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		X
<b>b</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
<b>15</b> 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
<b>16</b> 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
<b>17</b> 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
<b>18</b> 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
<b>19</b> 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
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....	X	
<b>21</b> 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? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> 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? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> 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? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....	X	
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		X
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		X
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		X
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> 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? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> 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? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	X	
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> 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 Compliance

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

Input box for Schedule O

Table with columns for question number, description, and Yes/No checkboxes. Includes rows for backup withholding, employee reporting, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

**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
<b>1a</b>	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.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	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?		X
<b>3</b>	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?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?	X	
<b>7a</b>	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?	X	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	a The governing body?	X	
<b>8b</b>	b Each committee with authority to act on behalf of the governing body?		X
<b>9</b>	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		X

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>10b</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?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	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?		
<b>15a</b>	a The organization's CEO, Executive Director, or top management official		X
<b>15b</b>	b Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</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?		

**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: **Shannon Adams - 712-362-6519**  
**826 N 8th Street, Estherville, IA 51334**

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, 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) Kathy Preston Chair	1.00 0.00	X		X				0.	0.	0.
(2) Joe Greig Vice Chair	1.00 0.00	X		X				0.	0.	0.
(3) Dr. Anthony Cook Board Member	1.00 0.00	X					480,629.	0.	22,503.	
(4) Sr. Debra Kolecka Board Member	1.00 5.50	X					0.	0.	0.	
(5) Sr. Mary Jaeger Board Member	1.00 10.00	X					0.	0.	0.	
(6) Chris Schiltz Board Member	1.00 0.00	X					0.	0.	0.	
(7) Joe Fitzgibbons Board Member	1.00 0.00	X					0.	0.	0.	
(8) Sr. Sharon Haas Board Member	1.00 0.00	X					0.	0.	0.	
(9) Roslyn Gunderson Board Member	1.00 0.00	X					0.	0.	0.	
(10) Scott Stokes Board Member	1.00 1.00	X					0.	0.	0.	
(11) Dr. Randy Asman Board Member	1.00 0.00	X					271,086.	0.	23,880.	
(12) Dr. Douglas Stangl Board Member	1.00 0.00	X					208,765.	0.	24,878.	
(13) Dale Hustedt President & CEO	40.00 0.00			X			0.	174,922.	25,954.	
(14) Shannon Adams Sec/Treas & SrVP Finance	45.00 1.00			X			0.	104,515.	24,587.	
(15) Kristi Hough Pharmacy Manager	40.00 0.00				X		138,240.	0.	4,091.	
(16) April Krull Pharmacist	40.00 0.00				X		113,528.	0.	31,905.	





**Part VIII Statement of Revenue**

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>	39,769.				
	<b>e</b> Government grants (contributions)	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$						
	<b>h Total.</b> Add lines 1a-1f		39,769.				
<b>Program Service Revenue</b>	<b>2 a</b> Patient Service Revenue	<b>Business Code</b> 622110	25,809,537.	25,809,537.			
	<b>b</b> Pharmacy Revenue	900099	1,476,504.	1,476,504.			
	<b>c</b> Change in Foundation	900099	239,591.	239,591.			
	<b>d</b> Other Revenue	900099	166,872.	166,872.			
	<b>e</b> Collaborative Agreement	900099	70,090.	70,090.			
	<b>f</b> All other program service revenue	900099	47,280.	47,280.			
	<b>g Total.</b> Add lines 2a-2f		27,809,874.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		9,175.			9,175.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	32,827.				
		(ii) Personal					
		<b>b</b> Less: rental expenses	0.				
	<b>c</b> Rental income or (loss)		32,827.				
	<b>d</b> Net rental income or (loss)		32,827.			32,827.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	1,411,990.				
		(ii) Other					
		<b>b</b> Less: cost or other basis and sales expenses	0.	34,398.			
		<b>c</b> Gain or (loss)	1,411,990.	-34,398.			
<b>d</b> Net gain or (loss)		1,377,592.			1,377,592.		
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>						
	<b>b</b> Less: direct expenses						
	<b>c</b> Net income or (loss) from fundraising events						
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>						
	<b>b</b> Less: direct expenses						
	<b>c</b> Net income or (loss) from gaming activities						
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>						
	<b>b</b> Less: cost of goods sold						
	<b>c</b> Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> _____							
	<b>b</b> _____						
	<b>c</b> _____						
	<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d							
<b>12 Total revenue.</b> See instructions.			29,269,237.	27,809,874.	0.	1,419,594.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	22,275.	22,275.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
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	998,532.	998,532.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	9,919,167.	8,923,821.	995,346.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	590,445.	188,945.	401,500.	
9 Other employee benefits	1,642,611.	1,474,609.	168,002.	
10 Payroll taxes	753,682.	672,303.	81,379.	
11 Fees for services (non-employees):				
a Management	362,188.	30,100.	332,088.	
b Legal				
c Accounting	37,340.		37,340.	
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.)	1,861,288.	1,793,645.	67,643.	
12 Advertising and promotion	28,936.	1,333.	27,603.	
13 Office expenses	387,041.	253,162.	133,879.	
14 Information technology	108,382.	54,840.	53,542.	
15 Royalties				
16 Occupancy	397,527.	397,527.		
17 Travel	17,255.	8,806.	8,449.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	82,192.	66,534.	15,658.	
20 Interest	99,055.	99,055.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,497,141.	1,497,141.		
23 Insurance	322,255.	74,377.	247,878.	
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 <b>Medical Supplies</b>	4,083,018.	4,083,018.		
b <b>Locum Fees</b>	1,419,099.	1,419,099.		
c <b>Bad Debt Expense</b>	1,075,913.	1,075,913.		
d				
e All other expenses	588,265.	329,441.	258,824.	
25 <b>Total functional expenses.</b> Add lines 1 through 24e	26,293,607.	23,464,476.	2,829,131.	0.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	2,965,166.	<b>2</b>	2,788,478.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	3,481,778.	<b>4</b>	3,004,144.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> 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 .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....	716,064.	<b>8</b>	794,867.
	<b>9</b> Prepaid expenses and deferred charges .....	159,508.	<b>9</b>	322,260.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 28,745,287.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 15,690,007.		
	<b>11</b> Investments - publicly traded securities .....	296,976.	<b>11</b>	295,163.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	15,935,234.	<b>12</b>	21,117,582.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	247,052.	<b>13</b>	184,141.
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	646,233.	<b>15</b>	0.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	37,957,631.	<b>16</b>	41,561,915.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	1,828,403.	<b>17</b>	2,101,122.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....	3,010,157.	<b>20</b>	2,768,824.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> 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 .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> 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 .....	1,820,551.	<b>25</b>	2,161,279.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	6,659,111.	<b>26</b>	7,031,225.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	31,029,292.	<b>27</b>	34,199,641.
	<b>28</b> Temporarily restricted net assets .....	246,686.	<b>28</b>	308,507.
	<b>29</b> Permanently restricted net assets .....	22,542.	<b>29</b>	22,542.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
	<b>33</b> Total net assets or fund balances .....	31,298,520.	<b>33</b>	34,530,690.
	<b>34</b> Total liabilities and net assets/fund balances .....	37,957,631.	<b>34</b>	41,561,915.

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	29,269,237.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	26,293,607.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	2,975,630.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	31,298,520.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	255,896.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	644.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	34,530,690.

**Part XII Financial Statements and Reporting**

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

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> 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: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>b</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: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	X	
<b>c</b> 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	
<b>3a</b> 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>b</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 _____		



**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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> 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
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2015 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2016.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2015.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2016.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2015.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

**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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (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
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (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**

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

**Section D. Computation of Investment Income Percentage**

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

**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
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>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.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
<b>c</b> 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)? <i>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.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> 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? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> 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))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</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? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> 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? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> 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)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> 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>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in <b>Part VI</b> .		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> 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 <b>Part VI</b> 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.		
<b>2</b> 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 <b>Part VI</b> 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
<b>1</b> 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 <b>Part VI</b> 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
<b>1</b> 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?		
<b>2</b> 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 <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b> 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 <b>Part VI</b> the role the organization's supported organizations played in this regard.		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> 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 <b>Part VI</b> 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.		
<b>b</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 <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> 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 <b>Part VI</b> .		
<b>b</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 <b>Part VI</b> the role played by the organization in this regard.		

**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.

<b>Section A - Adjusted Net Income</b>		(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	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
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	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			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	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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

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

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



**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Name of the organization

Avera Holy Family

Employer identification number

42-0680370

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization  <b>Avera Holy Family</b>	Employer identification number  <b>42-0680370</b>
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**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/> <hr/>	\$ 39,769.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization  <b>Avera Holy Family</b>	Employer identification number  <b>42-0680370</b>
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**Part II Noncash Property** (See instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	



Name of organization <b>Avera Holy Family</b>	Employer identification number <b>42-0680370</b>
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**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

**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](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2016**

**Open to Public Inspection**

**Name of the organization** Avera Holy Family **Employer identification number** 42-0680370

**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? .....		<input type="checkbox"/> Yes <input type="checkbox"/> 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? .....		<input type="checkbox"/> Yes <input type="checkbox"/> 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 .....

▶ \$ \_\_\_\_\_

**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:

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

2a Did the organization include an amount on Form 990, Part X, line 21, 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	1,055,754.	908,995.	823,825.	721,217.	680,404.
b Contributions					
c Net investment earnings, gains, and losses	442,798.	146,759.	85,170.	102,608.	40,813.
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	8,145.				
g End of year balance	1,490,407.	1,055,754.	908,995.	823,825.	721,217.

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

- a Board designated or quasi-endowment  97.03 %
- b Permanent endowment  1.51 %
- c Temporarily restricted endowment  1.46 %

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

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

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

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		470,340.		470,340.
b Buildings		17,376,988.	9,453,579.	7,923,409.
c Leasehold improvements				
d Equipment		9,732,130.	5,916,759.	3,815,371.
e Other		1,165,829.	319,669.	846,160.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				13,055,280.

**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) Assets Limited as to Use		
(B) - Avera Pooled		
(C) Investments	18,816,369.	End-of-Year Market Value
(D) Investment in Foundation	2,301,213.	End-of-Year Market Value
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	<b>21,117,582.</b>	

**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)		
<b>Total.</b> (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)	
<b>Total.</b> (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) Due to Related Party	1,750,461.
(3) Estimated Third Party Payor	
(4) Settlements	410,818.
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	<b>2,161,279.</b>

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.

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	28,387,399.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	255,896.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	-1,075,913.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	-820,017.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	29,207,416.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	61,821.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	61,821.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	29,269,237.

**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.

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	25,217,694.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	25,217,694.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	1,075,913.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	1,075,913.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	26,293,607.

**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 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.

**Part X, Line 2:**

The Organization is an Iowa nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes

**Part XIII** Supplemental Information (continued)

under Internal Revenue Code Section 501(c)(3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the 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.

Part XI, Line 2d - Other Adjustments:

Provision for Bad Debts Reported in Revenue on Financial Statements	-1,075,913.
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Part XI, Line 4b - Other Adjustments:

Change in Interest in Net Assets Avera Health Fdtn in Fund Balance for F/S	61,821.
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Part XII, Line 4b - Other Adjustments:

Provision for Bad Debts Reported in Revenue on Financial Statements	1,075,913.
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**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2016**

Department of the Treasury  
Internal Revenue Service

- ▶ 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](http://www.irs.gov/form990).

Open to Public Inspection

Name of the organization **Avera Holy Family** Employer identification number **42-0680370**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .....	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," was it a written policy? .....	<input checked="" type="checkbox"/>	
<b>2</b> 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. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> 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.		
<b>a</b> 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: .....	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
<b>b</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: .....	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
<b>c</b> If the organization 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.		
<b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? .....	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? .....	<input checked="" type="checkbox"/>	
<b>c</b> 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? .....		<input checked="" type="checkbox"/>
<b>6a</b> Did the organization prepare a community benefit report during the tax year? .....	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization make it available to the public? .....	<input checked="" type="checkbox"/>	

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
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....		5,885	416,000.		416,000.	1.65%
<b>b</b> Medicaid (from Worksheet 3, column a) .....			3691537.	2689962.	1001575.	3.97%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....						
<b>d Total</b> Financial Assistance and Means-Tested Government Programs .....		5,885	4107537.	2689962.	1417575.	5.62%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....	7		34,829.		34,829.	.14%
<b>f</b> Health professions education (from Worksheet 5) .....	2	5	37,866.		37,866.	.15%
<b>g</b> Subsidized health services (from Worksheet 6) .....	2		447,040.		447,040.	1.77%
<b>h</b> Research (from Worksheet 7) .....	1		585.		585.	.00%
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....	4		8,734.		8,734.	.03%
<b>j Total.</b> Other Benefits .....	16	5	529,054.		529,054.	2.09%
<b>k Total.</b> Add lines 7d and 7j .....	16	5,890	4636591.	2689962.	1946629.	7.71%







**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 Holy Family

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b>		
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 <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>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 <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>http://www.avera.org/holy-family-hospital</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>See Part V statement</u>		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> 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: 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>See Part V statement</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 Holy Family

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

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group Avera Holy Family

	Yes	No
<b>17</b> 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	
<b>18</b> 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:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> 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		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
<b>19</b> 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:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> 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		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>20</b> 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):		
<b>a</b> <input checked="" type="checkbox"/> 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>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
<b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
<b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
<b>e</b> <input checked="" type="checkbox"/> Other (describe in Section C)		
<b>f</b> <input type="checkbox"/> None of these efforts were made		

**Policy Relating to Emergency Medical Care**

<b>21</b> 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? .....	21	X	
If "No," indicate why:			
<b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
<b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing			
<b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
<b>d</b> <input type="checkbox"/> Other (describe in Section C)			

**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 Holy Family

		Yes	No
<b>22</b>	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.		
	<b>a</b> <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
	<b>b</b> <input checked="" type="checkbox"/> 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		
	<b>c</b> <input type="checkbox"/> 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		
<b>d</b> <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method			
<b>23</b>	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? .....		<b>X</b>
	If "Yes," explain in Section C.		
<b>24</b>	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? .....	<b>X</b>	
	If "Yes," explain in Section C.		

**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 Holy Family:

Part V, Section B, Line 5: Avera Holy Family utilized data gathered through input from community partners and services groups, survey responses, community leader interviews, and results from focus groups. Avera Holy Family and Emmet County Public Health collaborated with a number of community partners in the completion of the community health needs assessment. Multiple sources of data were analyzed in the needs assessment including public health reports, U.S. Census data related to population, housing and economics, and other labor force data. A community health needs assessment survey was conducted using Survey Monkey.

Community input was gathered through community partners and service groups who represent the broad interests of the community. The following groups were involved in the community health needs assessment: Emmet County Public Health; Avera Holy Family Medical Staff; Emmet County Wellness Coalition; the Free Clinic Board; Nursing Home Leaders; Fire, Law Enforcement, Ambulance and Support Services (FLEAS); Compass Pointe Alcohol, Drug & Gambling Behavioral Health Services; and Emmet County Mental Health. Members from these community groups participated in meetings and/or completed a community health needs survey.

Avera Holy Family:

Part V, Section B, Line 11: The Emmet County Iowa Community Health Needs Assessment priorities include: Obesity, Diabetes, Cardiovascular Disease and Falls in Older Adults. Health needs identified but not being addressed

**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.

include Transportation, Mental Health Services and Alcohol Consumption.

These needs are not being addressed due to competing priorities and projects, lack of professional resources and/or the need is being addressed by another community partner.

The annual Lifestyle Challenge was conducted January 5 through March 30 2017. Two hundred and thirty eight individuals participated in the event. There were 54 teams competing with each other. The average weight loss was 4.43 pounds per person. The average steps per team was 385,000.

Planet Heart is a screening program for cardiovascular disease. Planet Heart participants benefit from a cardiovascular risk assessment and health education including tobacco cessation, nutrition counseling and cardiovascular disease prevention.

During fiscal year 2017, 106 individuals were screened for cardiovascular disease. Seven individuals were found to be at significant risk and fifteen were found to be at moderate risk of cardiovascular disease. These individuals were encouraged to seek further care and treatment. Other participants were encouraged to continue lifestyle choices that reduce risk of cardiovascular disease.

A Prediabetes Program was conducted during fiscal year. Eight individuals participated in the program. The group lost 25 pounds and reported an average of 150 minutes of exercise per participant. The Pre-Diabetes Education Program provides information on lifestyle choices that impact the risk of diabetes, being physically active, healthy cooking and eating,

**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.

dealing with stress and the importance of adequate sleep.

Other activities supporting community wellness during fiscal year 2017 include: Wellness Week at the Regional Wellness Center October 22-27, The Wellness Expo on 10/24/2017, and the Farm Safety Day 9/21/17.

The hospital disseminates health information through the local media. The CEO writes a monthly newsletter for the paper which provides health awareness information as well as information about the hospital services available to the community. In November 2017 the diabetes educators wrote an article for the paper on Diabetes Awareness. In December 2017, the hospital collaborated with the Regional Wellness Center on development of an article for the local paper on the activities and benefits of the Lifestyle Challenge.

The hospital participates in MOXSY, a community partnership to address underage and binge drinking.

The Matter of Balance Program was offered twice during fiscal year 2017. This program is designed to reduce the fear of falling and increase activity levels of older adults. There were not enough interested community members to conduct the program. The hospital and Emmet County Public health are currently collaborating on development of a referral process for this program to encourage more interest and participation in the program. Participants of the program in previous years were very pleased with the education and support provided during the Matter of Balance Program.



**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 Holy Family:

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 Holy Family

Part V, line 16a, FAP website:

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

Avera Holy Family

Part V, line 16b, FAP Application website:

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

Avera Holy Family

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

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

Avera Holy Family:

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 included in the billing statement. In addition, the

**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.

financial assistance policy is discussed with the patient upon admission to the facility.

Avera Holy Family:

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 Holy Family:

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.

Schedule H, Part V, Section B, Line 7b:

[www.avera.org/about/community-health-needs-assessments/](http://www.avera.org/about/community-health-needs-assessments/)



**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.

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Part I, Line 3c:

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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.

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Part I, Line 6a:

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Our community benefit report is contained within 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.

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Part I, Line 7:

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Charity care and Medicaid were converted to cost using an overall cost-to-charge ratio addressing all patient segments. Community health improvement services, health professions education, subsidized health services, research and cash and in-kind contributions are reported based on actual expenses recorded to the general ledger.

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**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.
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- 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 I, Ln 7 Col(f):

The amount of bad debt removed from the denominator of the calculation was \$1,075,913.

Part II, Community Building Activities:

The Organization supports the free clinic in the community; conducts public health screenings; participates in community health fairs; provides health education to community and schools; conducts a lifestyle challenge for the community; donates to various community organizations and health care scholarships; provides tours for school children; utilizes telecare; and provides Meals on Wheels.

Part III, Line 4:

The footnote to the Organization's financial statements that describes bad debt expenses can be found on pages 7 and 8 of the attached financial statements.

Part III, Line 8:

**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.

Medicare allowable costs of care are based on the Medicare cost report. The Medicare cost report is completed based on the rules set forth by Centers for Medicare and Medicaid Services. Avera Holy Family follows the CHA guidelines in reporting community benefits and therefore any Medicare shortfall 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

**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.

allow all individuals 120 days from the first post discharge statement to apply for financial assistance before sending the uncollected account to 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:

The hospital utilizes the Health Stream Patient Experience Survey to gather information about patients' perceptions of their care experiences. The survey helps us know how to improve care and services to better meet the needs of our community.

The Professional Activities Committee of the Medical Staff meets eight times a year to discuss patient needs, evaluate care & services and

**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.

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identify opportunities to enhance care and services. The Medical Staff meets quarterly to discuss these same topics.

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The Critical Access CAH Committee meets quarterly to review and approve care and service policies and procedures and to evaluate care and services.

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Part VI, Line 3:

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Information regarding charity care is made available to patients via their billing statements. The Finance Department also informs patients of the policy through their contact with patients. Brochures regarding financial assistance are located in the lobby of the Hospital and the Clinic.

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Part VI, Line 4:

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Avera Holy Family Health operates a 25-bed critical access hospital and provider-based clinic located in Estherville, Iowa. Avera Holy Family's service area includes Emmet County and surrounding counties in Iowa. In 2014, the population for Emmet County was 9,990. Approximately 19.2% of

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**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.
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- 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.

the population is age 65 or older. The average per capita income is \$28,293 and approximately 11.3% of the population is below the federal poverty level. The nearest hospital in the area is approximately 15 miles from Avera Holy Family's main campus.

Part VI, Line 5:

The Organization's governing body is comprised of volunteer members who reside in the community. Medical staff privileges are extended to all qualified physicians in the community. Surplus funds are reinvested in facilities to improve patient care.

The Organization supports the free clinic in the community; conducts public health screenings; participates in community health fairs; provides health education to community and schools; conducts a lifestyle challenge for the community; donates to various community organizations and health care scholarships; provides tours for school children; utilizes telecare; and provides Meals on Wheels.

**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.
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- 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.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

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

**2016**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

**Avera Holy Family**

Employer identification number

**42-0680370**

**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.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence    |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> 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.

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> 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
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2016

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

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

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Dr. Anthony Cook Board Member	(i)	478,961.	0.	1,668.	0.	23,309.	503,938.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Dr. Randy Asman Board Member	(i)	265,489.	0.	5,597.	0.	24,686.	295,772.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Dr. Douglas Stangl Board Member	(i)	204,108.	0.	4,657.	0.	25,684.	234,449.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Dale Hustedt President & CEO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	172,423.	0.	2,499.	3,574.	23,451.	201,947.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**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 McKennan. Avera Holy Family relied on the related organization  
for determining the compensation for the President/CEO using the  
methods described in Part I, Line 3.

**Supplemental Information on Tax-Exempt Bonds**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

▶ **Attach to Form 990.** ▶ **Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization **Avera Holy Family** Employer identification number **42-0680370**

Part I	Bond Issues	See Part VI for Column (f) Continuations											
		(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
								Yes	No	Yes	No	Yes	No
	A	The City of Estherville, Iowa	42-6004647	297542BG6	06/21/12	3,840,000.	Refund the Series 2000 Bonds issue		X		X		X
	B												
	C												
	D												

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	975,000.							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	3,840,000.							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	76,800.							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds	3,763,200.							
12	Other unspent proceeds								
13	Year of substantial completion	2000							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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

**Part III Private Business Use** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X						
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? .....								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X						
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? .....								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government .....		.00 %		%		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government .....		.00 %		%		%		%
<b>6</b> Total of lines 4 and 5 .....		.00 %		%		%		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		X						
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued? .....		X						
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? .....		X						

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? .....		X						
<b>2</b> If "No" to line 1, did the following apply? .....								
<b>a</b> Rebate not due yet? .....		X						
<b>b</b> Exception to rebate? .....	X							
<b>c</b> No rebate due? .....		X						
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed .....								
<b>3</b> Is the bond issue a variable rate issue? .....		X						
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		X						
<b>b</b> Name of provider .....								
<b>c</b> Term of hedge .....								
<b>d</b> Was the hedge superintegrated? .....								
<b>e</b> Was the hedge terminated? .....								

**Part IV Arbitrage** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)? .....		X						
<b>b</b> Name of provider .....								
<b>c</b> Term of GIC .....								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>6</b> Were any gross proceeds invested beyond an available temporary period? .....		X						
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148? .....		X						

**Part V Procedures To Undertake Corrective Action**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations? .....		X						

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K. See instructions

**Schedule K, Part I, Bond Issues:**

(a) Issuer Name: The City of Estherville, Iowa

(f) Description of Purpose: Refund the Series 2000 Bonds issued 12/14/2000



**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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

Avera Holy Family

Employer identification number

42-0680370

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

The Hospital also provides community benefit health activities at less than or at no cost to support those in the area served. These activities include community education programs; special programs for the elderly, handicapped, and medically underserved; and a variety of broad community support activities. For the years ended June 30, 2017, specific activities included meals delivered to residential homes; meeting facilities; and programs for patients and families suffering from cancer, diabetes, breathing disorders, and others; assistance to health educators; emergency health care providers; and wellness programs.

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 has the following rights as the Member:

1) To approve the adoption, amendment or repeal of the statements of philosophy, mission and values of the Corporation;

Name of the organization Avera Holy Family	Employer identification number 42-0680370
---	--

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, SD ("Presentation Sisters"), or the Benedictine Sisters of Sacred Heart Monastery ("Benedictine Sisters"), pursuant to the policies established by the Member;

4) To approve any plan of merger, consolidation or dissolution of the corporation, or the divestiture of a sponsored work or ministry associated with the Corporation;

5) To approve the creation of new sponsored works or ministries to be conducted by or under the authority of the Corporation;

6) To appoint and remove, with or without cause, the Board of Directors of the Corporation;

7) To appoint and/or remove, with or without cause, the President and CEO of the Corporation;

8) To approve the 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;

Name of the organization

Avera Holy Family

Employer identification number

42-0680370

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 is no committee with authority to act on behalf of the Board.

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

The CEO reviews the 990 in detail. After the CEO's review, the 990 is provided to each Board Member.

Form 990, Part VI, Section B, Line 12c:

The conflict of interest policy covers board members, officers and key employees. At each board meeting, a request is made for all board members to disclose any potential conflict of interest pertaining to any item listed on the agenda or pertaining to any potential item that could be discussed during the course of the meeting. The declaration of conflict of interest is recorded in the meeting minutes. The board makes a determination of whether there is a conflict of interest and if so, implements the procedure for evaluating the issue or transaction involved. The board member or officer with the conflict must refrain from voting.

A statement of conflict of interest disclosure is made on an annual basis by officers and directors. The information is maintained in a database and a report is provided to the board.

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

The CEO and officers are compensated by Avera McKennan. Avera McKennan has

Name of the organization <b>Avera Holy Family</b>	Employer identification number <b>42-0680370</b>
--	---

a process in place for determining compensation for these individuals.

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 available to the general public.

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

Equity Transfers	644.
------------------	------

Form 990, Part XII, Line 2c:

The Audit Committee of Avera Health, parent organization, selects the auditor and reviews the audited financial statements for Avera Holy Family.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public Inspection

Name of the organization

**Avera Holy Family**

Employer identification number

**42-0680370**

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Avera Health - 46-0422673 3900 W Avera Drive Suite 300 Sioux Falls, SD 57108	Promotion of Health	South Dakota	501(c)(3)	Line 10	N/A		X
Avera Holy Family Foundation - 42-1317452 826 N 8th Street Estherville, IA 51334	Support of Holy Family Hospital and Home Health Agency	Iowa	501(c)(3)	Line 10	Avera Holy Family	X	
Avera St. Anthony's Hospital - 47-0463911 300 N 2nd Street O'Neill, NE 68763	Healthcare Services	Nebraska	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

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

Schedule R (Form 990) 2016

**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
St. Benedict Health Center Foundation - 46-0458725, 401 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 Street 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 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 St. Luke's - 46-0224598 305 South State Street Aberdeen, SD 57401	Healthcare Services	South Dakota	501(c)(3)	Line 3	Avera Health		X
Avera Marshall - 41-0919153 300 S Bruce St Marshall, MN 56258	Healthcare Services	Minnesota	501(c)(3)	Line 3	Avera Health		X
Avera Gettysburg - 46-0234354 606 East Garfield Gettysburg, SD 57442	Healthcare Services	South Dakota	501(c)(3)	Line 3	Avera St. Mary's		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 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 W 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	
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 Av #102, Sioux Falls, SD	Medical Services - home medical equipment	SD	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
Q&M Properties, LLC - 73-1652049, 525 North Foster, Mitchell, SD 57301	Medical clinic building	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 Avenue, 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 510 W 23rd Street 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, 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?

	Yes	No
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	X	
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....	X	
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	X	
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		X

**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)			
(2)			
(3)			
(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:

Avera Home Medical Equipment of Spencer Hospital, LLC

EIN: 80-0619999

2400 S Minnesota Av #102

Sioux Falls, SD 57117

# Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868) .**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile), click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
<b>Type or print</b>  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.  <b>Avera Holy Family</b>	Employer identification number (EIN) or  <b>42-0680370</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>826 North 8th Street</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Estherville, IA 51334</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**Shannon Adams**

• The books are in the care of ▶ **826 N 8th Street - Estherville, IA 51334**  
 Telephone No. ▶ **712-362-6519** Fax No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 6-month extension of time until **May 15, 2018**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year \_\_\_\_\_ or  
 ▶  tax year beginning **JUL 1, 2016**, and ending **JUN 30, 2017**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Mail to: Department of the Treasury  
 Internal Revenue Service Center  
 Ogden, UT 84201-0045

Electronic Filing PDF Attachment



Financial Statements  
June 30, 2017 and 2016

# Avera Holy Family Health

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## Independent Auditor's Report

The Board of Directors  
Avera Holy Family Health  
Estherville, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of Avera Holy Family Health (Organization), which comprise the balance sheets as of June 30, 2017 and 2016, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avera Holy Family Health as of June 30, 2017 and 2016, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Eide Bailly LLP*

Sioux Falls, South Dakota  
October 4, 2017

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	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,788,478	\$ 2,965,165
Assets limited as to use	294,439	296,636
Receivables		
Patient, net	2,747,687	3,290,560
Estimated third-party payor settlements	-	646,233
Other	273,273	204,013
Supplies	794,867	716,064
Prepaid expenses	322,260	159,508
Total current assets	<u>7,221,004</u>	<u>8,278,179</u>
Assets Limited as to Use		
Under indenture agreement	295,163	296,976
By Board for capital improvements and debt redemption	18,816,369	13,943,357
Interest in net assets of foundations	2,301,213	1,991,877
	<u>21,412,745</u>	<u>16,232,210</u>
Less portion in current assets	<u>(294,439)</u>	<u>(296,636)</u>
Noncurrent assets limited as to use	<u>21,118,306</u>	<u>15,935,574</u>
Property and Equipment, Net	<u>13,055,280</u>	<u>13,509,620</u>
Other Assets		
Other receivables	<u>167,325</u>	<u>234,258</u>
	<u>\$ 41,561,915</u>	<u>\$ 37,957,631</u>

See Notes to Financial Statements

Avera Holy Family Health

Balance Sheets

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 250,000	\$ 250,000
Accounts payable		
Trade	957,071	961,154
Estimated third-party payor settlements	410,818	-
Accrued expenses		
Salaries and wages	304,586	253,262
Compensated absences	602,862	473,352
Benefits, taxes, and withholdings	129,298	33,772
Interest	44,439	46,636
Other	62,866	60,227
Total current liabilities	<u>2,761,940</u>	<u>2,078,403</u>
Long-Term Debt, Net of Unamortized Debt Issuance Costs	2,518,824	2,760,157
Other Liabilities		
Due to related party		
Clinic collaborative arrangement	500,461	570,551
Avera McKennan payable	<u>1,250,000</u>	<u>1,250,000</u>
Total liabilities	<u>7,031,225</u>	<u>6,659,111</u>
Net Assets		
Unrestricted	34,199,641	31,029,292
Temporarily restricted	308,507	246,686
Permanently restricted	<u>22,542</u>	<u>22,542</u>
Total net assets	<u>34,530,690</u>	<u>31,298,520</u>
	<u>\$ 41,561,915</u>	<u>\$ 37,957,631</u>

Avera Holy Family Health  
Statements of Operations  
Years Ended June 30, 2017 and 2016

	2017	2016
<b>Unrestricted Revenues, Gains, and Other Support</b>		
Net patient service revenue	\$ 25,809,537	\$ 25,481,822
Provision for bad debts	(1,075,913)	(1,014,242)
	24,733,624	24,467,580
Net patient service revenue less provision for bad debts		
Other revenue	1,700,911	1,079,121
	26,434,535	25,546,701
<b>Expenses</b>		
Salaries and wages	10,825,571	10,025,783
Employee benefits	3,073,866	2,821,800
Professional fees	2,427,320	2,288,119
Supplies	3,023,798	3,034,612
Purchased services	1,041,357	1,035,810
Repairs and maintenance	685,525	554,810
Other expenses	1,783,754	1,812,879
Insurance	322,256	329,376
Utilities and telephone	438,051	421,685
Interest	99,055	104,408
Depreciation	1,497,141	1,526,487
	25,217,694	23,955,769
Total expenses		
Operating Income	1,216,841	1,590,932
<b>Other Income (Loss)</b>		
Investment income (loss)	1,668,662	(48,841)
Net gain from collaborative arrangement	70,090	48,655
Change in interest in net assets of foundations	205,713	55,565
Other gains and losses, net	8,399	31,035
	1,952,864	86,414
Total other income, net		
Revenues in Excess of Expenses	3,169,705	1,677,346
Equity Transfers	644	(184,003)
	3,170,349	1,493,343
Increase in Unrestricted Net Assets	\$ 3,170,349	\$ 1,493,343

Avera Holy Family Health  
Statements of Changes in Net Assets  
Years Ended June 30, 2017 and 2016

	2017	2016
Unrestricted Net Assets		
Revenues in excess of expenses	\$ 3,169,705	\$ 1,677,346
Equity transfers	644	(184,003)
Change in unrestricted net assets	3,170,349	1,493,343
Temporarily Restricted Net Assets		
Change in interest in net assets of foundations	61,821	16,339
Increase in Net Assets	3,232,170	1,509,682
Net Assets, Beginning of Year	31,298,520	29,788,838
Net Assets, End of Year	\$ 34,530,690	\$ 31,298,520

Avera Holy Family Health  
Statements of Cash Flows  
Years Ended June 30, 2017 and 2016

	2017	2016
Operating Activities		
Change in net assets	\$ 3,232,170	\$ 1,509,682
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized (gains) losses on investments	(1,667,886)	45,679
Depreciation	1,497,141	1,526,487
Interest expense attributable to amortization of debt issuance costs	10,168	10,168
Net gain from clinic collaborative arrangement	(70,090)	(48,655)
Gain from equity method investee	-	(4,216)
Gain on disposal of fixed assets	-	(16,019)
Change in interest in net assets of foundations	(309,336)	(79,220)
Equity transfer (from) to affiliate	(644)	184,003
Change in assets and liabilities		
Receivables	1,186,779	(628,359)
Supplies	(78,803)	33,621
Prepaid expenses	(162,752)	(14,447)
Accounts payable	406,735	(476,313)
Accrued expenses	276,802	(60,320)
Net Cash from Operating Activities	4,320,284	1,982,091
Investing Activities		
Purchase of property and equipment	(1,042,157)	(1,780,036)
Purchases of assets limited as to use	(3,203,313)	(224,526)
Net Cash used for Investing Activities	(4,245,470)	(2,004,562)
Financing Activities		
Principal payments on long-term debt	(251,501)	(301,474)
Net Decrease in Cash and Cash Equivalents	(176,687)	(323,945)
Cash and Cash Equivalents, Beginning of Year	2,965,165	3,289,110
Cash and Cash Equivalents, End of Year	\$ 2,788,478	\$ 2,965,165
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 91,084	\$ 96,078
Supplemental Disclosure of Noncash Investing and Financing Activities		
Non-cash equity transfers	\$ 644	\$ (184,003)



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

### **Organization**

Avera Holy Family Health (“Organization”) operates a 25-bed critical access hospital and provider-based clinic located in Estherville, Iowa. The Organization operates under the tenets of the Roman Catholic Church and in accordance with the philosophy and values established for Avera Health, the sole member of the Organization and a sponsored ministry of the Benedictine and Presentation Sisters.

### **Income Taxes**

The Organization is an Iowa nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the 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.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Net patient service revenues increased approximately \$282,000, and \$302,000 for the years ended June 30, 2017 and June 30, 2016, respectively, due to adjustments of original estimated cost report settlements and results of tentative and final settlements for open cost reporting years and changes to collection trends on receivables outstanding as of the prior year balance sheet date.

### **Cash and Cash Equivalents**

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

### **Patient Receivables**

Patient receivables are uncollateralized patient and third-party payor obligations. For the years ended June 30, 2017 and 2016, the Organization did not charge interest on its delinquent patient receivables. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Organization's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from June 30, 2016 to June 30, 2017. The Organization has not significantly changed its charity care or uninsured discount policies during fiscal years 2016 or 2017. Patient receivables are shown net of estimated uncollectibles, charity, and other allowances of approximately \$3,430,000 and \$3,270,000 at June 30, 2017 and 2016, respectively.

### **Physician Loans**

The Organization created a community needs loan program to recruit physicians to provide services to the Estherville community. The Organization enters into employment agreements with physicians, whereby the Organization provides a loan to the physician, and the physician agrees to establish and maintain a practice in the community for a minimum number of years. The Organization will forgive the loan over the period that the practice is maintained. The Organization amortizes each loan on a straight-line basis over the minimum number of years the practice must be maintained.

At June 30, 2017 and 2016, community needs loans due to the Organization totaled approximately \$167,000 and \$234,000, respectively. Community need loans have terms ranging from two to five years, with annual interest rates at prime plus 2%, and are included in other receivables within the balance sheets.

### **Supplies**

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

### **Investment in Affiliated Organization**

Investments in partnerships and joint ventures in which the Organization has the ability to exercise significant influence over operating and financial policies but does not have operational control are recorded under the equity method of accounting. Under the equity method, the initial investment is recorded at cost and adjusted annually to recognize the Organization's share of earnings and losses of those entities, net of any additional investments or distributions. The Organization's share of net earnings or losses of the entities is included in other operating revenue. The Organization's ownership interest in its affiliate was transferred to a related party during the year ended June 30, 2016.

### **Investments and Investment Income**

Investments with readily determinable market values are stated at fair value. The fair value of all debt and equity securities with readily determinable fair values are based on quotations obtained from national and foreign securities exchanges. All investments are classified as trading securities, therefore investment income or loss (including interest income, dividends, net changes in unrealized gains and losses, and net realized gains and losses) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law.

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

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

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

### **Fair Value Measurements**

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

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

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

### **Property and Equipment**

Property and equipment acquisitions in excess of \$3,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. The estimated useful lives of property and equipment are as follows:

Land improvements	8-25 years
Buildings and improvements	5-40 years
Equipment	2-25 years

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

### **Impairment of Long-lived Assets**

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended June 30, 2017 and 2016.

### **Debt Issuance Costs**

Unamortized debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method which is reasonable in comparison to the effective interest method. Amortization of deferred financing costs is included in interest expense in the financial statements.

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

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

### **Interest in Net Assets of Foundations**

Avera Health Foundation and Holy Family Hospital Foundation, affiliates of the Organization, solicit contributions and hold funds on behalf of the Organization. The Organization's interest in these funds is recorded in assets limited as to use in the accompanying financial statements. Changes in the funds held by the Foundation are recorded as change in interest in net assets of foundations in the accompanying financial statements.

### Collaborative Arrangement

Accounting Standards Codification Section 808, *Collaborative Arrangements*, defines collaborative arrangements and establishes reporting requirements for transactions between participants and third parties in a collaborative arrangement. The Organization operates a provider based clinic under a joint operating agreement with Avera McKennan, a related party, which falls under the scope of ASC 808. The Organization has classified Avera McKennan's economic interest in the provider based clinic as a liability. The terms of the joint venture agreement generally provide for the equal allocation of profits and losses amongst the participants. The Organization's statements of operations include the revenues and expenses of the provider based clinic as it is considered the principal in the operating activity.

The following table presents amounts attributable to the provider based clinic included in the Organization's statements of operations for the years ended June 30, 2017 and 2016:

	2017	2016
Net revenues	\$ 4,291,761	\$ 4,366,831
Operating expenses	(4,431,946)	(4,436,654)
Decrease in net assets	\$ (140,184)	\$ (69,823)

### Revenues in Excess of Expenses

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

### Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include reimbursed costs, prospectively determined rates, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Net patient service revenue, before the provision for bad debts, recognized for the years ended June 30, 2017 and 2016 from these major payor sources, is as follows:

	2017	2016
Net patient service revenue		
Third-party payors	\$ 25,500,867	\$ 24,762,275
Uninsured	308,670	719,547
	\$ 25,809,537	\$ 25,481,822

### Charity Care

To fulfill its mission of community service, the Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$416,000 and \$232,000 for the years ended June 30, 2017 and 2016, respectively, 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.

### Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the statement of operations.

### Advertising Costs

The Organization expenses advertising costs as they are incurred.

### Subsequent Events

The Organization has evaluated subsequent events through October 4, 2017, the date which the financial statements were available to be issued.

## Note 2 - Net Patient Service Revenue

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

**Medicare:** (52% and 53% of gross patient charges for the years ended June 30, 2017 and 2016, respectively). The Organization is licensed as a Critical Access Hospital (CAH). The Organization is reimbursed for most inpatient and outpatient services on a cost-based methodology with final settlement determined after submission of annual cost reports by the Organization and are subject to audits thereof by the Medicare Administrative Contractor (MAC). The Organization's Medicare cost reports have been audited by the MAC through the year ended June 30, 2015.

**Medicaid:** (14% and 12% of gross patient charges for the years ended June 30, 2017 and 2016, respectively). Prior to April 1, 2016, inpatient, outpatient, and clinic services rendered to Medicaid program beneficiaries were paid based on a cost reimbursement methodology. The Organization was reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicaid fiscal intermediary. The Organization's Medicaid cost reports have been processed by the Medicaid fiscal intermediary through June 30, 2015. As of April 1, 2016, inpatient, outpatient, and clinic services rendered to Medicaid program beneficiaries are primarily based on a prospective payment methodology through Medicaid Managed Care Organizations.

**Blue Cross:** (20% and 21% of gross patient charges for the years ended June 30, 2017 and 2016, respectively). Inpatient services rendered to Blue Cross subscribers are paid under a prospective cost reimbursed methodology. Outpatient services rendered to Blue Cross subscribers are paid at prospectively determined rates per ambulatory encounter or visit.

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

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

**Note 3 - Investments and Investment Income**

**Assets Limited as to Use**

The composition of assets limited as to use at June 30, 2017 and 2016, is set forth in the following table.

	2017	2016
Under indenture agreement - held by trustee		
Cash and cash equivalents	\$ 295,163	\$ 296,976
Less amount shown as current	(294,439)	(296,636)
	\$ 724	\$ 340
By Board for capital improvements and debt redemption		
Pooled Investment Fund *	\$ 18,816,369	\$ 13,943,357
Interest in net assets of foundations		
Stocks and mutual funds	\$ 244,689	\$ 209,115
Pooled Investment Fund *	2,056,524	1,782,762
	\$ 2,301,213	\$ 1,991,877

**Pooled Investment Fund \***

As discussed in the policy for investments and investment income in Note 1, the Organization is a participant in the Avera Pooled Investment Fund, a fund administered by Avera Health that is maintained for the benefit of facilities that are sponsored, operated, or managed by Avera Health. Investments are made in conformity with the objectives and guidelines of the Avera Health Pooled Investment Committee. Within the fund, facilities share in a pool of investments that are managed by various fund managers. Asset valuation and income and losses of the fund are allocated to participating members based on the carrying amount of their investment in the fund. Substantially all investment holdings in the Pooled Investment Fund are recorded at fair value.



As of June 30, 2017 and 2016, the Avera Pooled Investment Fund assets consisted of the following types of investments:

	2017	2016
Equity mutual funds	32.0%	30.8%
Non-publicly traded alternative investments		
Hedge fund	16.1%	15.1%
Real asset	2.0%	2.0%
Fixed income mutual funds	17.4%	14.1%
Corporate bonds	6.2%	7.0%
Cash and short-term investments	6.1%	6.6%
Foreign equities	5.8%	5.3%
Publicly traded equity securities	5.3%	8.8%
Balanced mutual funds	4.7%	4.5%
Other fixed income	2.4%	2.5%
U.S. government issues	2.0%	1.9%
Cost method investments	0.0%	1.4%
	100.0%	100.0%

#### Investment Income

Investment income and gains and losses on assets limited as to use (excluding foundation activity), cash equivalents, and other investments consists of the following for the years ended June 30, 2017 and 2016:

	2017	2016
Other revenue		
Interest income	\$ 8,399	\$ 10,800
Other income (loss)		
Interest income	\$ 776	\$ 334
Realized gains on investments, net	1,411,990	210,776
Change in unrealized gains and losses on investments	255,896	(259,951)
	\$ 1,668,662	\$ (48,841)

#### Note 4 - Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis at June 30, 2017 and 2016, are as follows:

	2017	2016
Assets limited as to use		
Cash equivalents	\$ 295,163	\$ 296,976
Stocks and mutual funds	244,689	209,115
	\$ 539,852	\$ 506,091

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

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>June 30, 2017</u>			
Cash equivalents	\$ 295,163	\$ -	\$ -
Stocks and mutual funds	244,689	-	-
	<u>\$ 539,852</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2016</u>			
Cash equivalents	\$ 296,976	\$ -	\$ -
Stocks and mutual funds	209,115	-	-
	<u>\$ 506,091</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of cash equivalents and stocks and mutual funds is determined by reference to quoted market prices.

#### **Note 5 - Fair Value of Financial Instruments**

The Organization considers the carrying amount of significant classes of financial instruments on the balance sheets including cash and cash equivalents; net accounts and notes receivable; assets limited as to use; accounts payable; accrued liabilities; due to other organizations; and other current liabilities to be reasonable estimates of fair value either due to their length of maturity or the existence of underlying considerations that approximate prevailing market rates at June 30, 2017 and 2016.

The Organization's fixed rate long-term debt, including current portion, has a carrying amount that differs from its estimated fair value. The fair value of the Organization's fixed rate long-term debt is determined by references to trading activity of the underlying bonds or if unavailable, estimated using discounted cash flow analyses, based on the Organization's effective borrowing rates at respective reporting dates for similar types of arrangements. The carrying value of the Organization's fixed rate debt is \$2,865,000 and \$3,115,000 as of June 30, 2017 and 2016, respectively. The fair value of the Organization's fixed rate debt is approximately \$2,967,000 and \$3,214,000 as of June 30, 2017 and 2016, respectively, which was determined based on Level 2 inputs under the fair value hierarchy.

#### **Note 6 - Investment in Affiliated Organization**

The Organization was a 50% participant in Estherville Home Medical Equipment, a joint venture with Avera Home Medical Equipment LLC. The Organization's investment in Estherville Home Medical Equipment was recorded on the equity method that approximated the net book value of the organization. As of January 1, 2016, the Organization's ownership in the joint venture was transferred to Avera@Home at the book value of the equity investment at that date.

**Note 7 - Leases**

The Organization leases certain equipment under a non-cancelable long-term lease agreement whereas other equipment is leased with terms of less than one year or cancelable upon written notice. Total lease expense under operating leases was \$76,551 and \$138,838 for the years ended June 30, 2017 and 2016, respectively.

**Note 8 - Property and Equipment**

A summary of property and equipment at June 30, 2017 and 2016, is as follows:

	2017		2016	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 470,340	\$ -	\$ 470,340	\$ -
Land improvements	1,031,188	319,669	1,036,838	275,789
Buildings and improvements	17,376,988	9,453,579	17,293,189	9,214,596
Equipment	9,732,130	5,916,759	10,657,715	6,586,524
Construction in progress	134,641	-	128,447	-
	\$ 28,745,287	\$ 15,690,007	\$ 29,586,529	\$ 16,076,909
Net property and equipment		\$ 13,055,280		\$ 13,509,620

Construction in progress as of June 30, 2017, is related to a re-piping project, updates to same day surgery space, and accumulated deposits for the installation of medical equipment. There were no significant commitments related to these projects.

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

Temporarily restricted net assets are available for the following purposes at June 30, 2017 and 2016:

	2017	2016
Purchases of fixed assets and various other programs	\$ 308,507	\$ 246,686

Permanently restricted net assets at June 30, 2017 and 2016, are restricted to:

	2017	2016
Investments to be held in perpetuity, the income from which is expendable to support various health care services	\$ 22,542	\$ 22,542

**Note 10 - Long-Term Debt**

Long-term debt as of June 30, 2017 and 2016 consists of:

	2017	2016
Series 2012 revenue refunding bonds, 2.05% to 3.75% (effective interest rate of 3.34%) due annually in increasing amounts to July 1, 2026	\$ 2,865,000	\$ 3,115,000
Unamortized debt issuance costs	(96,176)	(104,843)
	2,768,824	3,010,157
Less current maturities	(250,000)	(250,000)
	\$ 2,518,824	\$ 2,760,157

Long-term debt maturities are as follows:

<u>Years Ending June 30,</u>			
2018		\$	250,000
2019			255,000
2020			265,000
2021			270,000
2022			280,000
Thereafter			1,545,000
			2,865,000
Less unamortized debt issuance costs			(96,176)
		\$	2,768,824

Substantially all of the Organization's assets and net revenues at June 30, 2017 and 2016 are pledged as collateral for the bond obligations.

Under the terms of the revenue bonds loan agreement, the Organization is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use in the financial statements. The loan agreement also places limits on the incurrence of additional borrowings and requires that the Organization satisfy certain financial covenants as long as the bonds are outstanding.

## **Note 11 - Endowments**

The Organization's endowments consist of a portion of their interest in the net assets of the Avera Health Foundation. The Avera Health Foundation includes endowment funds which have been established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments (if any), are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's permanently restricted endowment funds are donor restricted and totaled \$22,542 at June 30, 2017 and 2016. The Organization's temporarily restricted portion of endowment funds for unappropriated earnings totaled \$21,788 and \$18,376, for the years ended June 30, 2017 and 2016, respectively. The Organization's board designated endowment funds totaled \$1,446,077 and \$1,190,319 for years ended June 30, 2017 and 2016, respectively.

### **Interpretation of Relevant Law**

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

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

Changes in endowment net assets for the year ending June 30, 2017 and 2016, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2015	\$ 1,138,861	\$ 18,838	\$ 22,542	\$ 1,180,241
Change in interest in net assets of Avera Health Foundation	<u>51,458</u>	<u>(462)</u>	<u>-</u>	<u>50,996</u>
Endowment net assets, June 30, 2016	1,190,319	18,376	22,542	1,231,237
Change in interest in net assets of Avera Health Foundation	<u>255,758</u>	<u>3,412</u>	<u>-</u>	<u>259,170</u>
Endowment net assets, June 30, 2017	<u>\$ 1,446,077</u>	<u>\$ 21,788</u>	<u>\$ 22,542</u>	<u>\$ 1,490,407</u>

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies that were deemed material as of June 30, 2017 and 2016.

### Return Objectives and Risk Parameters

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

### Strategies Employed for Achieving Objectives

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

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

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

**Note 12 - Self-Insurance Programs**

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

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

The programs include a combination of self-insurance and commercial insurance. The expenses of the Organization for contributions to the self-insurance portion of the programs were as follows for the years ended June 30, 2017 and 2016:

	2017	2016
Health and dental	\$ 1,629,074	\$ 1,543,374
Professional liability	115,719	110,208
Workers' compensation	40,110	42,975
	\$ 1,784,903	\$ 1,696,557

Professional liability and workers' compensation claims have been asserted against the participating facilities and the program by various claimants. The claims are in various stages of processing and some may ultimately be brought to trial. Counsel is unable to conclude as to the ultimate outcome of the actions. There are other known incidents occurring through June 30, 2017, that may result in the assertion of additional claims and other claims may be asserted arising from services provided to patients in the past.

There are also known health insurance claims that have been submitted subsequent to June 30, 2017, and it is likely there are also other claims that still have not been submitted for services provided prior to June 30, 2017.

While it is possible that the settlement of asserted claims and claims which may be asserted in the future could result in liabilities in excess of amounts for which the programs have provided, management believes that the excess liability, if any, should not materially affect the financial position of the Organization at June 30, 2017.

## **Note 13 - Contingencies**

### **Malpractice Insurance**

As discussed in Note 12, the Organization participates in a self-insured professional liability and general liability program which provides malpractice and general insurance coverage for professional and general liability losses subject to a self-insured retention of \$2 million per claim and \$6 million annual aggregate. The Organization is also insured under an excess umbrella liability claims-made policy with a limit of \$10 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be insured subject to the self-insured retention only.

### **Litigation, Regulatory and Compliance Matters**

The healthcare industry is subject to voluminous and complex laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, the rules governing licensure, accreditation, government healthcare program participation, government reimbursement, antitrust, anti-kickback and anti-referral by physicians, false claims prohibitions, and in the case of tax-exempt organizations, the requirements of tax exemption. In recent years, government activity has increased with respect to investigations and allegations concerning possible violations by healthcare providers of reimbursement, false claims, anti-kickback and anti-referral statutes and regulations, quality of care provided to patients, and handling of controlled substances. In addition, during the course of business, Avera Holy Family Health becomes involved in litigation. Management assesses the probable outcome of unresolved litigation and investigations and determines the appropriate accounting recognition or disclosure based on their assessment. As of June 30, 2017 and 2016, management feels there are no asserted or unasserted claims that would have a material impact on the financial position, results of operations, or cash flows of the Organization.

## **Note 14 - Employee Retirement Plans**

Until December 31, 2016, eligible employees of Avera Holy Family Health participated in either the Retirement Plan for Employees of the Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota (“Defined Benefit Pension Plan – Career Average”) or the Cash Balance Retirement Plan for Employees of the Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen South Dakota (“Defined Benefit Pension Plan – Cash Balance”), (collectively, the “Plans”). The Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota, sponsor these multiemployer retirement plans. In July 2000, qualified employees under the Defined Benefit Pension Plan – Career Average plan were provided a one-time irrevocable election to continue to participate in the Defined Benefit Pension Plan – Career Average plan or, alternatively, participate in the Defined Benefit Pension Plan – Cash Balance plan. The Plans are not subject to regulations requiring the filing of IRS Form 5500. The Plans’ fiscal years are from January 1 to December 31. On December 31, 2016, these Plans were frozen to new entrants and benefit accruals for existing participants. Existing participants will continue to retain all benefits in the plans and will accrue interest as determined by the plan documents. As of January 1, 2017, all employees meeting eligibility requirements participate in only the 403b plan, which was amended as of that date with different eligibility and benefit provisions.



**Defined Benefit Pension Plan (Career Average)**

Under the Career Average plan, employees in an eligible class who were in service on or after January 1, 1988 became active members on the first day of the month coinciding with or next following the date they met the eligibility requirements of age 21 and one year of service. Pension benefits are based on a percentage of the employee’s eligible earnings and are payable at retirement under several annuitized payment options. The Organization recorded expenses for the Career Average plan for the years ended June 30, 2017 and 2016, in the amounts of \$242,279 and \$279,741.

**Defined Benefit Pension Plan (Cash Balance)**

Under the Cash Balance plan, employees first employed or reemployed after June 30, 2000 become active members on the first day of the month coinciding with or next following the date they meet the eligibility requirements of age 21 and one year of service. Pension benefits are based on a percentage of the employee’s eligible earnings and are payable at retirement under several annuitized payment options. The Organization recorded expenses for the Cash Balance plan for the years ended June 30, 2017 and 2016, in the amounts of \$54,816 and \$104,246, respectively.

The latest available financial information for the Plans is as follows:

<u>Pension Plan</u>	<u>EIN</u>	<u>December 31, 2016 Plan Assets</u>	<u>December 31, 2016 Actuarial Present Value of Accumulated Plan Benefits</u>	<u>Year Ended December 31, 2016 Total Plan Contributions</u>
Defined Benefit Pension Plan – Career Average	46-0253283	\$ 351,742,242	\$ 429,655,272	\$ 21,213,310
Defined Benefit Pension Plan – Cash Balance	46-0253283	<u>98,067,227</u>	<u>105,036,035</u>	<u>11,302,983</u>
		<u>\$ 449,809,469</u>	<u>\$ 534,691,307</u>	<u>\$ 32,516,293</u>

The contributions made by Avera Holy Family Health represented less than 5% of the total contributions made to the Plans during the plan year ended December 31, 2016. As of December 31, 2016, the Plans were more than 80% funded. To the extent the Plans may become underfunded, future contributions to the Plans may increase.

**Defined Contribution Pension Plan**

Eligible employees that participate in the Cash Balance Plan discussed above were also eligible to participate in a defined contribution pension plan (“403(b) Plan”). Additionally, as of January 1, 2017, the 403(b) Plan was amended where all employees meeting the eligibility requirements now participate in the 403(b) Plan. Under the 403(b) Plan, participant contributions are matched up to 5% (2% through December 31, 2016) of eligible employee compensation. In addition, employees of the defined benefit plans noted above are eligible to receive an additional contribution (“bridge payment”) over the next five years based on specified age and employed tenure requirements determined based on their employment as of December 31 annually. The estimated bridge payment has been accrued as of June 30, 2017.

The Organization recognized total 403(b) Plan expenses of \$319,341 and \$100,556 as part of employee benefits for the years ended June 30, 2017 and 2016, respectively.

**Note 15 - Concentrations of Credit Risk**

The Organization grants credit without collateral to its patients, most of who are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at June 30, 2017 and 2016, is as follows:

	2017	2016
Medicare	33%	37%
Blue Cross	7%	21%
Medicaid	19%	9%
Commercial insurance and managed care	12%	15%
Other third-party payors and patients	29%	18%
	100%	100%

The Organization's cash balances are maintained in various bank deposit accounts. At times during the years ended June 30, 2017 and 2016, the balances of these deposits were in excess of federally-insured limits.

**Note 16 - Related Party Transactions**

Avera Health and its sponsors, the Benedictine and Presentation Sisters, operate various health care related entities in addition to the Organization. Material transactions between the Organization and these related organizations were as follows for the years ended June 30, 2017 and 2016:

	2017	2016
Payments to related organizations recorded by the Organization		
Management fees	\$ 332,088	\$ 331,282
Purchased services, supplies, and other	948,588	1,015,788
Salaries, wages and benefits	2,427,279	2,323,307
Employee benefit programs	1,878,560	1,755,473
Professional liability and workers' compensation insurance programs	155,829	153,183
Balance sheet items		
Accounts payable	329,765	464,110
Payable for clinic collaborative arrangement	500,461	570,552
Payable to Avera McKennan (payable only upon change in sponsorship / membership)	1,250,000	1,250,000
Transfers		
Equity transfers	(644)	184,003

**Note 17 - Functional Expenses**

The Organization provides health care services to residents within its geographic location. Expenses related to providing these services by functional class are as follows:

	<u>2017</u>	<u>2016</u>
Health care services	\$ 22,388,563	\$ 21,078,948
General and administrative	<u>2,829,131</u>	<u>2,876,821</u>
	<u>\$ 25,217,694</u>	<u>\$ 23,955,769</u>



Supplementary Information  
June 30, 2017 and 2016

# Avera Holy Family Health



## Independent Auditor's Report on Supplementary Information

The Board of Directors  
Avera Holy Family Health  
Estherville, Iowa

We have audited the financial statements of Avera Holy Family Health as of and for the years ended June 30, 2017 and 2016 and our report thereon dated October 4, 2017, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statistical and financial highlights on page 27, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sioux Falls, South Dakota  
October 4, 2017

Avera Holy Family Health  
Statistical and Financial Highlights – Unaudited

	Years ended June 30,				
	2017	2016	2015	2014	2013
Patient Days (1)					
Medicare	956	994	1,166	1,081	1,248
Non-Medicare	638	575	684	602	589
Total	<u>1,594</u>	<u>1,569</u>	<u>1,850</u>	<u>1,683</u>	<u>1,837</u>
Newborn Patient Days	<u>158</u>	<u>174</u>	<u>206</u>	<u>173</u>	<u>157</u>
Swing-Bed Days	<u>756</u>	<u>642</u>	<u>759</u>	<u>850</u>	<u>844</u>
Discharges					
Medicare	571	483	591	569	615
Non-Medicare	289	314	339	332	316
Total	<u>860</u>	<u>797</u>	<u>930</u>	<u>901</u>	<u>931</u>
Average Length of Stay	2.9	3.0	3.0	3.0	3.0
Most Frequent Year-End Routine Service Rate					
Basic room charge	\$ 1,246.00	\$ 1,186.00	\$ 1,129.00	\$ 1,075.00	\$ 1,023.00
Collection Statistics					
Number of days gross charges outstanding	52	59	54	56	60
Uncollectible accounts (2)	\$ 1,893,693	\$ 1,455,782	\$ 1,190,258	\$ 1,365,515	\$ 988,933
Percentage of uncollectible accounts to total charges	4.5%	3.7%	3.0%	3.6%	2.9%
Financial Statistics					
Percentage of operating income to total unrestricted revenues, gains, and other support	4.6%	6.2%	6.4%	5.7%	4.2%
Percentage of revenues in excess of expenses to total unrestricted revenues, gains, and other support	12.0%	6.6%	6.3%	12.9%	8.4%

(1) Excludes newborn, swing-bed and hospice.

(2) Includes collection fees, provision for bad debts and charity allowances based on charges.