efi	ile GR	APHIC	print - D	O NOT PROCESS	As Filed Data -					DLN:	93490134000049
	00			Return of Org	anization Exemp	t Fro	m Inc	ome T	ax		OMBNo 1545-0047
Forr	.99	U	Under	r section 501(c), 527, or	• 4947(a)(1) of the Intern enefit trust or private for	nal Reve	nue Code			lung	2007
Trea	asury rnal Re	t of the evenue	► The or		use a copy of this return			eporting i	require	ments	Open to Public Inspection
A F	or the	2007 ca	lendar yea	r, or tax year beginning C Name of organization	07-01-2007 and ending	06-30-2	2008		D Emp	lover id	entification number
_		pplicable	Please use IRS	SACRED HEART HEALTH S					•	•	
_	ddress ch		label or	Avera Sacred Heart Hospit Number and street (or P (	D box if mail is not delivered to	street ad	ldress) Ro	om/suite		022548 phone n	
_	ame cha		print or type. See	501 SUMMIT STREET			, í		(60!	5)668-	8000
	ntial retu		Specific Instruc-	City or town, state or cou	ntry, and ZIP + 4					•	thod Cash 🔽 Accrual
_	nal retur		tions.	YANKTON, SD 57078						ther (spe	
_	mended	_									
Aj	pplicatior	n pending			and 4947(a)(1) nonexempt schedule A (Form 990 or 99		le				ection 527 organizations r affiliates? 🔽 Yes 🔽 No
G V	Veb sit	e: 🕨 www	/ averasacı	redheart com				<ul> <li>b) If "Yes"</li> <li>c) Are all a</li> </ul>			f affiliates F ? Yes No
J C	Organiza	ation type	(check only	one) 🕨 🔽 😼 501(c) (3)	◀ (Insert no ) 「 4947(a)(1)	or 🔽 5		-			ee instructions )
	-				orting organization and its gross		— но	-	-	te return roup rulır	filed by an organization
n	ormally	<b>not</b> more t			If the organization chooses to f					· ·	umber 🕨 0928
							— <u> </u>	•			anization is <b>not</b> required to
-				5b, 8b, 9b, and 10b to li							), 990-EZ, or 990-PF)
Pa	art I 1			<b>Senses, and Chang</b> s, grants, and similar ar	es in Net Assets or	Fund I	Balanco	es (See	the	nstru	ctions.)
	a			onor advised funds		1a					
	b			ort (not included on line		1b		12	2,556		
	с	•		oport (not included on li		1c			,225		
	d	Governr	nent contri	contributions (grants) (not included on line 1a) 1d 100,740					),740		
	е	Total (a	dd lınes 1a	nes 1a through 1d) (cash \$ <u>127,521</u> noncash \$)						1e	127,521
	2			e revenue including government fees and contracts (from Part VII, line 93)					.	2	72,020,381
	3	Member	ship dues a	s and assessments					. [	3	
	4	Interest	on saving	ngs and temporary cash investments						4	
	5	Dividen	ds and inte	erest from securities .			• •		•	5	272,424
	6a					6a			9,712		
	Ь		•	ises		6b		431	,653	_	
.iu	c ,				b from line 6a		• •		-	6c -7	148,059
Revenue	7 8a			income (describe 🕨 🖼 n sales of assets	)	 I I		· · ·		7	8,277,406
Rey	0a			ry	(A) Securities	8a	(6	<b>3)</b> O ther	58,371		
	ь			sis and sales expenses		8b			, 25,415		
	c	Gaın or	(loss) (atta	ach schedule)		8c	<u>9</u>		32,956		
	d	Netgaır	n or (loss) (	Combine line 8c, colum	ns (A) and (B)					8d	32,956
	9	Special	events and	d activities (attach sche	edule) If any amount is fr	om <b>gam</b> i	<b>ing</b> , chec	k here 🕨	r [		
	а	Gross re	evenue (no	t including \$	of						
		contribu	itions repo	rted on line 1b)		9a					
	Ь			ises other than fundrais		9b					
	C 10-				Subtract line 9b from line	I I	• • •	• • •	•	9c	
	10a b			entory, less returns and Is sold		10a 10b					
	c		-		h schedule) Subtract line 10b fi		0a			10c	
	11				· · · · · · · ·				.	11	
	12				, 7 , 8d, 9c, 10c, and 11				- F	12	80,878,747
-	13				3))					13	61,340,179
х Х	14	Manage	ment and g	general (from line 44, co	olumn (C ))				• [	14	6,890,402
Expense	15								• [	15	
ű	16								ļ	16	
	17				mn (A)					17	68,230,581
ssels	18		. ,	•	ne 17 from line 12				ŀ	18	12,648,166
- L	19 20				of year (from line 73, colu ices (attach explanation)				- F	19 20	-7,318,137
Nel	20				ices (attach explanation) r Combine lines 18, 19, a				F	20	177,690,061
For					see the separate instruc			• • • • 11282			Form <b>990</b> (2007)

Form 990 (2007)

#### Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others *(See the instructions.)* 

	Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash \$) If this amount includes foreign grants, check here <b>F</b>	22a				
22Ь	Other grants and allocations (attach schedule) 🕏 (cash \$ 583,535 noncash \$) If this amount includes foreign grants, check here 🕨 🦵	22b	583,535	583,535		
23	Specific assistance to individuals (attach schedule)	23		-		
24	Benefits paid to or for members (attach schedule)	24				
25a	Compensation of current officers, directors, key employees etc Listed in Part V-A (attach schedule)	25a	197,837		197,837	
Ь	Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule)	25b				
С	Compensation and other distributions not icluded above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c	3,555	3,555		
26	Salaries and wages of employees not included on lines 25a, b and c	26	28,086,786	26,159,896	1,926,890	
27	Pension plan contributions not included on lines 25a, b and c	27	942,655	872,450	70,205	
28	Employee benefits not included on lines 25a - 27	28	4,409,078	4,098,899	310,179	
29	Payroll taxes	29	1,982,327	1,834,691	147,636	
30	Professional fundraising fees	30				
31	Accounting fees	31				
32	Legal fees	32	9,778		9,778	
33	Supplies	33	12,251,802	12,251,802		
34	Telephone	34	99,482	301	99,181	
35	Postage and shipping	35	99,253	16,956	82,297	
36	Occupancy	36	2,325,476	2,325,476		
37	Equipment rental and maintenance	37	963,042	910,763	52,279	
38	Printing and publications	38	656,980	446,508	210,472	
39	Travel	39	215,451	142,018	73,433	
40	Conferences, conventions, and meetings	40	166,667	97,631	69,036	
41	Interest	41	732,647	732,647		
42	Depreciation, depletion, etc 🛛 (attach schedule) 🔂	42	5,767,983	5,767,983		
43	Other expenses not covered above (Itemize)					
а	See Additional Data Table	43a				
b		43b				
с		43c				
d		43d				
е		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13—15)	44	68,230,581	61,340,179	6,890,402	0
Joint (	Costs. Check F / If you are following SOP 98-2	1 - •	55,255,551		5,550,152	<u>_</u>
Are ar If "Yes	iy joint costs from a combined educational campaign and fundraisin s," enter <b>(i)</b> the aggregate amount of these joint costs \$	, (		llocated to Prog	gram services \$_	Yes No

Page **2** 

#### Form 990 (2007)

#### Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

	1
What is the erganization's primary exempting $2 = 100000000000000000000000000000000000$	Program Service
What is the organization's primary exempt purpose? FTO PROVIDE HEALTH SERVICES All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served,	(Required for 501(c)(3) and
publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt	(4) orgs , and 4947(a)(1)
charitable trusts must also enter the amount of grants and allocations to others )	trusts, but optional for
	others )
<b>a</b> Avera Sacred Heart Hospital (Sacred Heart Health Services) leads delivery of healthcare to its region through	
over 900 employees (including 62 physicians on its active medical staff) which coordinate care to deliver patient	
care as an integrated unit Avera Sacred Heart and its affiliates (referred to collectively as Avera Sacred Heart	
Health Services) also work seamlessly to meet the needs of the communities they serve in southeast South Dakota and northeast Nebraska  In addition, Avera Sacred Heart includes two nursing homes and a congregate	
housing facility. It also manages three hospitals and two nursing homes. A vera Sacred Heart operates under the	
tenets of the Roman Catholic Church and in accordance with the philosophy and values established for Avera	
Health, a sponsored health ministry of the Benedictine and Presentation Sisters' Avera Sacred Heart engages in	
activities designed to improve the health of the individuals and communities that it serves in response to a	
calling to heal the sick, the elderly and the oppressed Requirements of the IRS community benefit standard for	
tax-exempt organizations are integral to Avera Sacred Heart Hospital's larger charitable mission of improving	
health and quality of life Specifically, Avera Sacred Heart is governed by an independent board including	
community leaders, business and clinical healthcare experts. The Board has a history of commitment to act with the highest integrity and has been proactively evaluating opportunities to voluntarily adopt governance best	
practices for the benefit of the community Avera Sacred Heart makes medical care accessible to the entire	
community it serves of which there were 14,394 hospital patient days and 67,317 nursing home resident days in	
FY'08 Avera Sacred Heart operates a full-time emergency department, which provides emergency care	
regardless of ability to pay In August 2006, Avera Sacred Heart opened a new, state-of-the-art Emergency	
Department, which provides faster service and more privacy for patients In FY '08, there were 9,893 visits	
Avera Sacred Heart provides clinical services needed to operate the Emergency Center and provides on-site	
emergency medical, rescue and medical transportation services. In addition, Avera Sacred Heart, through its	
integrated network of providers, provides non-emergency services to the community it serves. It makes these ser services accessible to the community through participation in government programs like Medicare and Medicaid	
Avera Sacred Heart's charity care policy provides discounted and free services to patients who lack the	
resources to be fully responsible for the health care they receive. The charity care policy is designed to ensure	
the entire community served by Avera Sacred Heart has access to needed healthcare services The Avera	
Sacred Heart Board of Directors oversees services delivered under the charity care policy including assessing	
community needs, approving eligibility criteria and monitoring the effectiveness of the program in providing	
community access to medical care. Eligibility for discounted or free services under the charity care policy is based on income levels and family size. Applications for coverage under the program may be obtained at any	
Avera Sacred Heart patient registration area or by calling the Avera Sacred Heart Business Office. Avera Sacred	
Heart maintains records to identify and monitor the level of care provided under the charity care policy. Avera	
Sacred Heart had charges forgone for charity for the year ended June 30, 2008 of approximately \$1,697,007	
Avera Sacred Heart takes its mission to improve the health and quality of life of the people it serves a step	
further by reaching out to meet the broad health needs of the community. It strives to identify community needs	
beyond basic health care, then respond to them, aiming to make a positive, life-enhancing difference in the community. Avera Sacred Heart takes a strategic, community needs-based approach to delivering benefits to	
the community Avera Sacred Heart Hospital demonstrates its commitment to providing community benefit	
through specific accomplishments EICU Avera Sacred Heart eICU Care is a telemedicine-based system that	
aids in the care of ICU patients at Avera Sacred Heart and across the Avera system Patients receive constant,	
around-the-clock monitoring and interventions from a remote care team in addition to the care they receive from	
their bedside team. This enables critical care patients to receive the highest quality care, close to home, with the	
support of family and friends. This extra layer of care has resulted in decreased mortality, decreased length of	
stay and decreased complication rates for ICU patients Teaching Hospital. Avera Sacred Heart is a teaching hospital, which reflects a strong commitment to education, research and a high level of care. In the summer of	
2007, the hospital opened the new Avera Professional Office Pavilion & Education Center to enhance their	
commitment to medical education. The Avera Pavilion is the new home of the unique Yankton Ambulatory	
Program for the third-year medical students of the Sanford School of Medicine of The University of South Dakota	
The program challenges medical students to solve clinical problems and experience the doctor-patient	
relationship through the year Yankton is only one of three communities in the state where a campus is provided	
for the Sanford School of Medicine. The office for the Dean of the Yankton Ambulatory Program of the Avera Sacred Heart Yankton Campus is now located on the first floor of the Pavilion. Study space for the medical	
students is adjacent to the ASHH Medical Library. A unique component to the Pavilion is the expansion and	
enhancement of educational facilities. Along with a 116-seat auditorium, there are also three conference rooms,	
all equipped with the latest in audiovisual technology Residency/Health Professions Training At any one time,	
10 to 15 Sanford School of Medicine of The University of South Dakota residents are in training at Avera Sacred	
Heart Hospital In addition, students in nursing, pharmacy, physician assistant programs, radiology and	
respiratory therapy also affiliate here. A vera Sacred Heart also has a Radiologic Technologist School, which graduates 6 to 8 new radiologic technologists each year Preventive Care a Priority. A vera Sacred Heart has	
taken steps to enhance preventive care for people of all ages through the many educational programs, health	
screenings and fairs that are held throughout the year. Avera Sacred Heart holds screenings throughout the	
region at their rural health clinics as well as in Yankton. The hospital is now connected to the Ask-A-Nurse	
program that provides general information concerning health-related topics. Our web site incorporates the	
'ADAM' software that provides a unique level of health-related information to the consumer Community	
Education Avera Sacred Heart reaches out to people and communities throughout southeastern South Dakota	
and northeastern Nebraska in a variety of ways  For the past four years, Avera Sacred Heart has partnered with HyVee Foods of Yankton and the Yankton Public School System to promote better eating habits for students and	
centered on the '5-to-9-a-Day' educational format. Community flu shot clinics are held throughout the region	
We are proud of our continuing 'To Be Well' health care educational series that provides education to the	
community on a variety of diseases and chronic conditions Educational sessions are offered to medical staff,	
students, employees, health care professionals, students of all levels and the general public. Now utilizing our	
new education center, hundreds of classes involving thousands of people are provided as a community service	
each year. Other examples of community education include our student/youth mentoring programs and parish nursing. Partnerships with schools, churches and other organizations make many of these programs possible.	
One of "Most Wired" Hospitals Avera and Avera Sacred Heart Hospital was named "Most Wired" by Hospitals &	
Health Networks magazine for the 10th year in a row. The award recognizes hospitals that successfully use	

	Health Networks magazine for the 10th year i technology to enhance patient care and quali leaders in the implementation of the electroni Communication System (PACS) allows instar another Continued on Statement 29 due to e			
	(Grants and allocations \$ 583,535)		If this amount includes foreign grants, check here 🕨 🦵	61,340,179
b				
с	(Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
	(Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
d				
	(Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
e	Other program services (attach schedule) (Grants and allocations \$	)	If this amount includes foreign grants, check here 🕨 🦵	
f	Total of Program Service Expenses (should ec	quallın	e 44, column (B), Program services) 🕨	61,340,179

**Part IV** Balance Sheets (See the instructions.)

#### Where required, attached schedules and amounts within the description Note: (A) (B) column should be for end-of-year amounts only. End of year Beginning of year 45 45 139,172 46 Savings and temporary cash investments . . . . . . . . . 46 325.389 47a 21,969,716 47a Accounts receivable 47b 12,140,946 8,810,618 9 828 770 b Less allowance for doubtful accounts 47c 48a Pledges receivable 48a Ь Less allowance for doubtful accounts 48b **48**c 49 49 Grants receivable . . . . . . . . . . . . . . . . 50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . . . . . . 50a Receivables from other disqualified persons (as defined under section h 50b 51a Other notes and loans receivable (attach schedule) . . . . . . . . 51a Less allowance for doubtful accounts 51b Assets b 51c 52 622.152 52 644.989 Inventories for sale or use . . . . . . . . . . 53 Prepaid expenses and deferred charges . . . . . . . . 225,271 53 187,248 114,963,732 117,426,704 54a Investments—publicly-traded securities . FMV 54a Investments—other securities (attach schedule) 🕨 🔽 Cost 🖵 FMV h 54h 55a Investments-land, buildings, and equipment basis . . . . 55a Less accumulated depreciation (attach b 55b 55c schedule) . . . . . . . . 95 16,894,964 17,831,263 56 Investments—other (attach schedule) . 56 . . . . . . . 116,377,413 57a Land, buildings, and equipment basis 57a Less accumulated depreciation (attach b 60.961.797 57b 55,588,700 255,415,616 57c schedule) . . . . . . . . Other assets, including program-related investments 58 (describe 🕨 2,145,684 $\overline{D}$ 2,367,424 58 204.027.403 199.390.293 59 Total assets (must equal line 74) Add lines 45 through 58 . . 59 8 335 372 8 046 406 60 60 Accounts payable and accrued expenses . . . 61 61 62 Deferred revenue . 62 . . . . . . . . . . . 63 Loans from officers, directors, trustees, and key employees (attach Ŷ 63 schedule) . . . . . . . . . . . . S :: 16,844,889 16.462.886 Tax-exempt bond liabilities (attach schedule) . . . . . 64a 64a Mortgages and other notes payable (attach schedule) . . . 64b b 1,850,000 65 $\mathcal{D}$ 1,828,050 65 Other liablilities (describe 🕨 27,030,261 26,337,342 66 Total liabilities Add lines 60 through 65 66 Organizations that follow SFAS 117, check here 🕨 🔽 and complete lines 67 through 69 and lines 73 and 74 Balances 67 161,770,076 166.972.406 Unrestricted . . . . . . . . . 67 Temporarily restricted . . . . . . . . 10,150,963 10,272,969 68 68 . . 69 Permanently restricted . . . . . . . . 438,993 69 444,686 Fund Organizations that do not follow SFAS 117, check here 🕨 🦵 and complete lines 70 through 74 70 Capital stock, trust principal, or current funds . . . . . . 70 Ъ As sets 71 71 Paid-in or capital surplus, or land, building, and equipment fund . . 72 Retained earnings, endowment, accumulated income, or other funds . 72 73 Total net assets or fund balances Add lines 67 through 69 or lines 70 Net through 72 (Column (A) **must** equal line 19 and column (B) **must** equal 172,360,032 73 177,690,061 line 21) . . . . . . . 199,390,293 204,027,403 74 Total liabilities and net assets / fund balances Add lines 66 and 73 . 74

	90 (2007) IV-A Reconciliation of Reve the instructions.)	nue per Audited Finan	icial Sta	tements V	Vith Reven	ue per f	Page <b>5</b> Return <i>(See</i>
а	Total revenue, gains, and other supp	ort per audited financial stat	ements			а	86,728,759
Ь	A mounts included on line <b>a</b> but not o						
1	Net unrealized gains on investments		b1				
2	Donated services and use of facilitie	s	b2				
3	Recoveries of prior year grants .		b3			1	
4	Other (specify) 🔨						
			<b>b</b> 4		5,985,227		
	Add lines <b>b1</b> through <b>b4</b>				• •	Ь	5,985,227
с	Subtract line <b>b</b> from line <b>a</b>					с	80,743,532
d	A mounts included on Part I, line 12,	but not on line <b>a</b>					
1	Investment expenses not included o	n Part I, line					
	6b		d1				
2	Other (specify) 💆						
			d2		135,215		
	Add lines <b>d1</b> and <b>d2</b>		• • •		• •	d	5,985,227
e	Total revenue (Part I, line 12) Add   d					e	80,878,747
Part	IV-B Reconciliation of Expe		ncial St	atements	With Expe	-	r Return
а	Total expenses and losses per audit					a	74,203,479
Ь	A mounts included on line <b>a</b> but not o						, ,
1	Donated services and use of facilitie		b1				
2	Prior year adjustments reported on F						
-	20	are 1, ma	b2				
3	Losses reported on Part I, line						
	20		b3				
4	Other (specify)		b4				
					5,972,898		F 072 000
_	Add lines <b>b1</b> through <b>b4</b>				• •	b	5,972,898
с	Subtract line <b>b</b> from line <b>a</b> .		• • •		• • •	с	68,230,581
d	A mounts included on Part I, line 17,		I	1			
1	Investment expenses not included o	n Part I, line	d1				
2	Other (specify)						
-			d2				
	Add lines <b>d1</b> and <b>d2</b> .					d	
e	Total expenses (Part I, line 17) Add	lines <b>c</b> and					68,230,581
	d	🕨				е	
Part	V-A Current Officers, Direct director, trustee, or key e instructions.)	mployee at any time dur	ing the y	ear even if	they were r		
	(A) Name and address	(B) Title and average hours per week devoted to position		npensation d, enter -0)	employee bene deferred com plans	pensation	account and other allowances
See A	dditional Data Table						

Form	990 (2007)			Page <b>6</b>
Par	V-A Current Officers, Directors, Trustees, and Key Employees (continued)		Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board			
	meetings			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V - A, or highest compensated			
	employees listed in Schedule A , Part I , or highest compensated professional and other independent			
	contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business			
	relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) 🗐 🔒	75b	Yes	
с	Do any officers, directors, trustees, or key employees listed in Form 990, Part V - A , or highest compensated			
	employees listed in Schedule A , Part I , or highest compensated professional and other independent			
	contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether			
	tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" 😼	75c	Yes	
	If "Yes," attach a statement that includes the information described in the instructions			
d	Does the organization have a written conflict of interest policy?	75d	Yes	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	( <b>B</b> ) Loans and Advances	<b>(C)</b> Compensation (If not paid enter -0- )	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances

Par	t VI Other Information (See the instructions.)		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a			
	detailed statement of each change	76		No
77	Were any changes made in the organizing or governing documents but not reported to the IRS? $$ . $$ .	77		No
	If "Yes," attach a conformed copy of the changes			
78a	Did the organization have unrelated business gross income of $1,000$ or more during the year covered by this return?	78a	Yes	
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	78b	Yes	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach			
	a statement	79		No
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership,			
	governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization?	80a	Yes	
b	If "Yes," enter the name of the organization 🕨 See Additional Data Table			
	and check whether it is 🔽 exempt <b>or</b> 🔽 nonexempt			
81a	Enter direct or indirect political expenditures (See line 81 instructions) 81a			
b	Did the organization file Form 1120-POL for this year?	81b		No

Form	m 990 (2007)				Page <b>7</b>
_	rt VI Other Information (continued)			Yes	No
	a Did the organization receive donated services or the use of materials, equipment, or facilities at no at substantially less than fair rental value?	charge or	82a	Yes	
Ь	<b>b</b> If "Yes," you may indicate the value of these items here Do not include this amount as revenue		020	163	<u> </u>
_	In Part I or as an expense in Part II (See instructions in Part III)				
83a	a Did the organization comply with the public inspection requirements for returns and exemption application application.	ications?	83a	Yes	
	<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions		83b		
84a	a Did the organization solicit any contributions or gifts that were not tax deductible?		84a		No
b	<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contrib	outions or			
	gıfts were not tax deductıble?		84b		
85	501(c)(4), (5), or (6) organizations. <b>a</b> Were substantially all dues nondeductible by members?		85a		
b	${f b}$ Did the organization make only in-house lobbying expenditures of \$2,000 or less?		85b		
	If "Yes," was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the org received a waiver for proxy tax owed the prior year	ganization			
с	c Dues assessments, and similar amounts from members				
d	d Section 162(e) lobbying and political expenditures				
е	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e				
f	f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f				
g	${f g}$ Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? $\cdot$ . $\cdot$		85g		
h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the fi- year?		85h		
86	501(c)(7) orgs. Enter <b>a</b> Initiation fees and capital contributions included on line 12 <b>86a</b>				
b	<b>b</b> Gross receipts, included on line 12, for public use of club facilities <b>86b</b>				
87	501(c)(12) orgs. Enter <b>a</b> Gross income from members or shareholders <b>87a</b>				
b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them )				
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corpora partnership, or an entity disregarded as separate from the organization under Regulations sections and 301 7701-3? If "Yes," complete Part IX		88a	Yes	
b	<b>b</b> At any time during the year, did the organization directly or indirectly own a controlled entity within of section 512(b)(13)? If yes complete Part XI	the meaning			
			88b	Yes	<u> </u>
89a	a 501(c)(3) organizations Enter A mount of tax imposed on the organization during the year under section 4911 ►0, section 4912 ►0, section 4955 ►	0			
Ь	b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transat the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach explaining each transaction	a statement	89b		No
с	c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	0			
d	d Enter Amount of tax on line 89c, above, reimbursed by the organization 🛛 . 🔹 🕨				
e	e All organizations. At any time during the tax year was the organization a party to a prohibited tax she transaction?				
	• All organizations. Did the organization pequips direct or indirect interaction and include	contro ct2	89e		No
•	<b>f</b> All organizations. Did the organization acquire direct or indirect interest in any applicable insurance	contract	89f		No
g	g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the su organization, or a fund maintained by a sponsoring organization, have excess business holdings at a during the year?	any time			
			89g		No
	<ul> <li>a List the states with which a copy of this return is filed </li> <li>b Number of employees employed in the pay period that includes March 12, 2007 (See instructions)</li> </ul>	90b			805
91a		(605)	668-8	776	
	The books are in care of ▶ Doug Doorn Telephone 501 S SUMMIT ST	eno <b>⊨</b> (883)	200-0		
-	Located at 🕨 Yankton, SD ZIP + 4 🕨				
b	b At any time during the calendar year, did the organization have an interest in or a signature or other over a financial account in a foreign country (such as a bank account, securities account, or other financial account is a signature or other financial account in a foreign country (such as a bank account is a signature or other financial account is a signature or other financial account is a signature or other financial account in a foreign country (such as a bank account is a signature or other financial account is a sig			Yes	No
			91b		No
	If "Yes," enter the name of the foreign country 🕨				
	See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Financial Accounts	Bank and			

	990 (2007)								Page <b>8</b>
Par	<b>VI</b> Other Information (co	ntinued)						Yes	No
с	At any time during the calendar yea	ar, dıd the organızatıo	n maıntaır	an office outside o	of the United	States?	910	:	No
	If "Yes," enter the name of the fore	gn country 🕨							
92	Section 4947(a)(1) nonexempt charita							)	
	and enter the amount of tax-exemp					. 🕨 92			
	VIII Analysis of Income-P			the instruction d business income		ection 512, 513,	or 514	(5)	
Note	Enter gross amounts unless otherwi	se indicated.	(A)	(B)	(C)	(D)	01 314	(E) Relate	d or
			Business code	Amount	Exclusion code	Amount		exempt fu Incom	
93	Program service revenue								
а	Net patient service revenue		621500	240,828				70	,887,808
b	Other revenue								737,103
с	Income from invest in Benedictine	Health Fdtn							101,626
d	Rental income from related parties	<u> </u>							53,016
e	·								
f	Medicare/Medicaid payments .	· · · ·							
g	Fees and contracts from governme	ent agencies							
94	Membership dues and assessmen								
95 96	Interest on savings and temporary cash ir Dividends and interest from secur				14	27	2,424		
97	Net rental income or (loss) from re								
	debt-financed property								
b	non debt-financed property				16	14	8,059		
98	Net rental income or (loss) from personal	property							
99	Other investment income				14	8,27	7,406		
100	Gain or (loss) from sales of assets other t	· · –			18	3	2,956		
101	Net income or (loss) from special								
102 103	Gross profit or (loss) from sales of	· · F							
105 b	Otherrevenue <b>a</b>								
- c									
d									
е									
104	Subtotal (add columns (B), (D), an	d(E))		240,828		8,73	0,845	71	,779,553
	Total (add line 104, columns (B), (I		•••			· · · ►		80,7	51,226
	Line 105 plus line 1e, Part I, should e	•					<u> </u>		<u> </u>
	t VIIII Relationship of Acti No. Explain how each activity for wh								
Line T		-				inportantiy to		Jinpiisiini	ent
	Avera Sacred Heart provides a	-		•				-	
938	provided to patients include em services integral to patient car								
	providing health care without cl	narge or at reduced ra	ates to nee						
	participation in government fun Other revenue consists of misc			s sources such as	rehates cla	ass offerings i	hurchas	e discour	nts
	management fees, and cafeteria	a Avera Sacred Hear	t also has	an interest in a nu	mber of corp	orations that	operate	activities	related
931	<ul> <li>to the exempt purpose of provid operations, health management</li> </ul>								clinic
	consistent with the exempt pur								
	A vera Sacred Heart Hospital ha ministry of health and healing				•	-			
930	meet the health care needs of p		-				-	•	
	Sacred Heart Hospital's share								
930 <b>Par</b>									
	(A)	(B)							
N	ame, address, and EIN of corporation, partnership, or disregarded entity	Percentage of ownership interest		Na					
	Y HEALTH SERVICES INC								
Yankt	on, SD57078	10000 00 9	% MEDICA	LEQUIPN					
	57149 I Family Medicine								
403 E	ast Hynes Avenue , NE68763	5000 00 9	% Clinic						
	23930								
		%							
Pa	rt X Information Regardin		ociated	with					
	instructions.)								
(a)	Did the organization, during the year, recei	ve any funds, directly or ii	nd rectly, to	pay pren					

(b) Did the organization, during the year, pay premiums, directly or indirectly NOTE: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

**Part XI** Information Regarding Transfers To and From Controlled Entities Complete only if the organization is a controlling organization as defined in section 512(b)(13)

					Yes	No
106	Did the reporting organization <b>make</b> any the Code? if "Yes," complete the sched	•		•	Yes	
	(A ) Name and address of each controlled entity	(B) Employer Ident if icat ion Number	(C) Description of transfer	( A mount o	D) of tran	sfer
а	Sacred Heart Rural Health Clinics 501 Summit Street Yankton, SD 57078	460423930	Equity transfer - \$1,250,000A/R Collections - \$129,319STaff service and other - \$160,075		1,	.539,394
b	Health Management Services 501 Summit Street Yankton, SD 57078	460399291	Staff services			7,530
с	Benedictine Health Foundation 1017 West Fifth Street Yankton, SD 57078	410370373	Transfer of operating funds			24,555
d	Lewis and Clark Health Education and Service Agency 1000 W 4th Street Suite 9 Yankton, SD 57078	460337013	Staff services - \$177,0110ther reimbursements - \$221,272			398,283
	Totals				1,	969,762

107	<b>107</b> Did the reporting organization <b>receive</b> any transfers <b>from</b> a controlled entity as defined in section 512(b)(13) of the Code? if "Yes," complete the schedule below for each controlled entity							
			· · · · · · · · · · · · · · · · · · ·					
	(A ) Name and address of each cont rolled ent it y	(B) Employer Identification Number	(C) Description of transfer	A mount	(D) Amount of tran			
	Lewis and Clark Health Education and Service Agency	460337013	Rent - \$26,564Staff services - \$114,512Other reimbursements -			192.294		

	Totals			1,028,150
e	Sacred Heart Rural Health Clinics 501 Summit Street Yankton, SD 57078	460423930	Lab services/supplies - \$180,111Staff services - \$108,914Mgmt fees - \$43,5000ther - \$324,505	657,030
d	Benedictine Health Foundation 1017 West Fifth Street Yankton, SD 57078	460370373	Donation - \$9,4020ther reimbursements - \$13,221	22,623
с	Valley Health Services 501 Summit Street Yankton, SD 57078	460357149	Management fees - \$23,5500ther reimbursements - \$21,636	45,186
b	Health Management Services 501 Summit Street Yankton, SD 57078	460399291	Rent - \$19,457Staff services - \$65,714Other reimbursements - \$25,846	111,017
а	Yankton, SD 57078		\$51,218	

									Yes	No	
		Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?									
			, I declare that I have exam ct, and complete Declaration								
Please		*****					2009-05	13			
Sign		Signature of officer Date									
Here		Pamela Rezac CEO									
		Type or print name and	d title								
Paid Prepar	rer		unwardsen		Date		Check If self- empolyed 🕨 🦵	Preparer's SSN or PTIN (	See Gen	Inst W)	
Use Only		Firm's name (or yours if self-employed), address, and ZIP + 4 Eide Bailly LLP					EIN 🕨				
	5601 Green Valley Drive Ste 700				Phone no 🕨 (952) 944	-6166					
			Minneapolis, MN 5543711	45							

efile GRAPHIC print - DO NOT PR		DLN: 93	8490134000049			
(Form 990 or (Ex	cept Priva 501(n)	on Exempt Under te Foundation) and Sect , or 4947(a)(1) Nonexen / Information—(Se	ion 501(e), 501(f), 501 npt Charitable Trust	_(k),	<b>2007</b>	
Department of the Treasury Internal Revenue Service	eted by th	ne above organizations a	nd attached to their Fo	orm 990 or 990-EZ		
Name of the organization SACRED HEART HEALTH SERVICES				Employer identific	at ion number	
Avera Sacred Heart Hospital				46-0225483		
Part I Compensation of the F (See page 1 of the instruct					ind trustees	
<b>(a)</b> Name and address of each employe paid more than \$50,000		Title and average hours week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances	
Michael Schurrer 501 SUMMIT STREET Yankton, SD 57078	MD 40 00	0	265,947	24,366	0	
Scott Hiltunen 501 SUMMIT STREET Yankton, SD 57078	MD 40 00	0	227,306	24,242	0	
Gregory Erickson 501 SUMMIT STREET Yankton, SD 57078	MD 40 00	0	189,502	22,070	0	
Michael Peterson 501 SUMMIT STREET Yankton, SD 57078	Onco 40 00	logist D	204,215	6,380	0	
Douglas Ekeren 501 SUMMIT STREET Yankton, SD 57078		lannıng & Devel D	165,060	20,103	0	
Total number of other employees paid ove \$50,000	r	163	3			
Part II-A         Compensation of the (See page 2 of the ins "None.")           (a) Name and address of each independe           Avera Health	structions	s. List each one (whet	her individual or firn			
3900 West Avera Drive Sioux Falls, SD 57108			Management fee:	s	4,074,414	
Yankton Anesthesiology PC 1000 W 4th Street Suite 13 Yankton, SD 57078			Medical services	Medical services		
Avera McKennan Hospital 800 East 21st Street PO Box 5045 Sioux Falls,SD 57117			Medical services	Medical services		
CA Industries 13609 California Street Omaha, NE 68154			Nursing Staff	Nursing Staff		
Avera Education Staffing 1000 W 4th Street Suite 9 Yankton, SD 57078			Nursing Staff	Nursing Staff		
Total number of others receiving over \$50 professional services			10			
Part II-B Compensation of th (List each contractor v firms. If there are nor	vho perfo 1e, enter	ormed services other "None". See page 21	than professional se for instructions.)			
(a) Name and address of each independe Marshall Erdman Assoc	nt contrac	tor paid more than \$50,0	000 <b>(b)</b> Type	e of service	(c) Compensation	
5117 University Avenue Madison, WI 53705			Contractor		1,547,566	
Sioux Laundry Inc 510 Centennial Drive North Sioux City, IA 57049			Laundry		472,086	
Meditech Meditech Circle Westwood, MA 02090			Computer softwa	resupport	234,450	
Slowey Construction Inc West Hi Way 50 Box 113 Yankton, SD 57078			Contractor		131,106	
Henkin Scheultz Inc 6201 South Pinnacle Place			Advertising		115,209	
Sioux Falls, SD 57104 Total number of other contractors receivin \$50,000 for other services	•		3			

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Cat No 11285F Form 990-EZ.

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Schedule A (Form 990 or 990-EZ) 2007

year

Part III Statements About Activities (See page 2 of the instructions.) Yes No During the year, has the organization attempted to influence national, state, or local legislation, include any attempt 1 to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities 🕨\$ 12,697 (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) 1 Yes Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any 2 substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) 🕏 Sale, exchange, or leasing property? 2a Yes Lending of money or other extension of credit? 2b Νo Furnishing of goods, services, or facilities? 2c Yes с Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? 2d Yes d Transfer of any part of its income or assets? 2e Νo e Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation 3a of how the organization determines that recipients qualify to receive payments.) 💁 3a Yes Did the organization have a section 403(b) annuity plan for its employees? Зb Yes b  $m{c}$  Did the organization receive or hold an easement for conservation purposes, including easements to preserve open 3c Νo space, the environment , historic land areas or structures? If "Yes" attach a detailed statement d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? 3d Νo Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4a 4a Yes 4f and 4a **b** Did the organization make any taxable distributions under section 4966? 4b Did the organization make a distribution to a donor, donor advisor, or related person? **4c** С Enter the total number of donor advised funds owned at the end of the tax year d Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year  ${f f}$  Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or -0 investment of amounts in such funds or accounts Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax

Page **2** 

14

Pá	art I\	V	Reason for Non-Private F	oundation Status (	(See pages 4 th	rough 7 of the	instructions.)		
	ify tha		organization is not a private foun		-		) x )		
5	, 	A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)							
6	Г	A school Section 170(b)(1)(A)(ii) (Also complete Part V )							
7	ম	A ho	spital or a cooperative hospital s	ervice organization Sec	tıon 170(b)(1)(A)(	(111)			
8	Г	A fec	eral, state, or local government o	or governmental unit Se	ction 170(b)(1)(A	)(v)			
9	A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state								
10	Γ		ganization operated for the bene on 170(b)(1)(A)(iv) (Also comp	-		ated by a govern	mental unıt		
11a	Γ	An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)							
11b	Г	A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)							
12	Г	An organization that normally receives <b>(1) more than 331/3%</b> of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and <b>(2) no more than 331/3%</b> of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2) (Also complete the <b>Support Schedule</b> in Part IV-A.)							
13	Г		ganization that is not controlled rements of section 509(a)(3) Cl		•	-	•	e meets the	
		ΓΤ	ре I Гуре II Гуре	e III - Functionally Integ	grated <b>Г</b> Т	ype III - Other			
			Provide the following informa	tion about the supported	d organizations. (s	ee page 7 of the	instructions.)		
Name(s) of supported organization(s) identification lines 5 through governing documents? support?						A mount of			
					12 above or IRC section)	Yes	No		
Tota							•		

An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions )

Schedule	Δ	(Form	990	or 990.	F7	12007
Scheuule	~		550	01 9 90		,200/

**Part IV-A** Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting. Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

	rou may use the worksheet in the instructions for co		1		-		
Cale	ndar year (or fiscal year beginning in) 📃 🕨 🕨	<b>(a)</b> 2006	(b) 2005	(c) 2004	(d)	2003	(e) Total
15	Gifts, grants, and contributions received (Do not						
	include unusual grants See line 28 )						
16	Membership fees received						
17	Gross receipts from admissions, merchandise sold or services performed, or furnishing of						
	facilities in any activity that is related to the						
	organization's charitable, etc , purpose						
18	Gross income from interest, dividends, amounts						
	received from payments on securities loans						
	(section 512(a)(5)), rents, royalties, and						
	unrelated business taxable income (less section						
	511 taxes) from businesses acquired by the organization after June 30, 1975						
19	Net income from unrelated business activities						
	not included in line 18						
20	Tax revenues levied for the organization's benefit						
	and either paid to it or expended on its						
	behalf The value of common on feasilities formula to the						
21	The value of services or facilities furnished to the organization by a governmental unit without						
	charge Do not include the value of services or						
	facilities generally furnished to the public without						
	charge						
22	Other income Attach a schedule Do not include						
23	gain or (loss) from sale of capital assets Total of lines 15 through 22						
23	Line 23 minus line 17						
25	Enter 1% of line 23						
26	Organizations described on lines 10 or 11: a Er	l hter 2% of amoun	Lin column (e)	ine 24	26a	1	
	Prepare a list for your records to show the name of				200		
	than a governmental unit or publicly supported org						
	2005 exceeded the amount shown in line 26a <b>Do</b>	not file this list w	ith your return.	Enter the total			
	of all these excess amounts			•	26b		0
c	Total support for section 509(a)(1) test Enter line	e 24, column (e)		•	26c		
d	Add Amounts from column (e) for lines 18 _		19				
	22		26b	►	26d		
e	Public support (line 26c minus line 26d total)			•	26e		
f	Public support percentage (line 26e (numerator) d	ivided by line 26c	(denominator))	•	26f		
27	Organizations described on line 12: a For amou	ınts ıncluded ın lı	nes 15, 16, and	17 that were receiv	ed from	ia "dis	qualified person,"
	prepare a list for your records to show the name of	, and total amoun	ts received in ea	ach year from, each	"dısqua	alified p	erson "
	Do not file this list with your return. Enter the sun						
	(2006) (2005)		(2004)	(	2003)		
H	(2006) (2005) For any amount included in line 17 that was receiv	ed from each pers	son (other than "	disqualified persons	s"), pre	pare a	list for your
-	records to show the name of, and amount received						
	or (2) \$5,000 (Include in the list organizations de	• •					•
	return. After computing the difference between the						
	these differences (the excess amounts) for each y		and the larger a		(_) 01	<b>(_)</b> , em	
	(2006) (2005)		(2004)	(	2003)		
	(2000)(2000)			(	2005,		
_	Add Amounts from column (e) for lines 15		16				
Ľ	17 20		21			27c	
-	Add Line 27a total	and line 27b tot				27C	
-						<u> </u>	
	Public support (line 27c total minus line 27d total)		column (c) 🕨	276	-	27e	
f	Total support for section 509(a)(2) test Enter am			27f	1		
g	Public support percentage (line 27e (numerator) d				27g		
	Investment income percentage (line 18, column (e				27h		
28	Unusual Grants: For an organization described in li				-		
	prepare a list for your records to show, for each ye	ar, the name of th	e contributor, th	e date and amount o	of the g	rant, ar	nd a brief

Page **4** 

description of the nature of the grant **Do not file this list with your return.** Do not include these grants in line 15

Sche	dule A (Form 990 or 990-EZ) 2007		Pa	age <b>5</b>
Ра	rt V Private School Questionnaire (See page 7 of the instructions.) (To be completed ONLY by schools that checked the box on line 6 in Part IV)			
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws,		Yes	No
	other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its			
	brochures, catalogues, and other written communications with the public dealing with student admissions,			
	programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during			
	the period of solicitation for students, or during the registration period if it has no solicitation program, in a way			
	that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )			
32	Does the organization maintain the following	_		
а	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing			
	with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )			
33	Does the organization discriminate by race in any way with respect to	_		
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	: Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
	Athletic programs?	33g		
3				
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explaın (If you need more space, attach a separate statement )			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
-	Has the every methods well to such and over been revelled an every stade 2	346		
b	) Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	346		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05			
	of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Schedule A (Form 990 or 990-EZ) 2007

Schedule A	Form	٥٥٨	or 990-E7	2007
Schedule A		990	01990-EZ	12007

## **Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.) (To be completed **ONLY** by an eligible organization that filed Form 5768)

Che	ck 🕨 a 🦵 ıf the organızatıon belong	s to an affiliated group 🦳 Check 🏲 b 🦵 if you	uchecked	"a" and "limited con	trol" provisions apply
		<b>bbying Expenditures</b>		<b>(a)</b> Affiliated group totals	(b) To be completed for all electing
36	Total lobbying expenditures to influe	nce public opinion (grassroots lobbying)	36		organizations
37		nce a legislative body (direct lobbying)	37		
38	Total lobbying expenditures (add line	es 36 and 37)	38		
39	Other exempt purpose expenditures	39			
40	Total exempt purpose expenditures	add lines 38 and 39)	40		
41	Lobbying nontaxable amount Enter t	he amount from the following table—			
	If the amount on line 40 is—	The lobbying nontaxable amount is—			
	Not over \$500,000	20% of the amount on line 40			
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000			
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41		
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000			
	Over \$17,000,000	\$1,000,000			
42	Grassroots nontaxable amount (enter 25% of line 41)		42		
43	Subtract line 42 from line 36 Enter	0- If line 42 is more than line 36	43		
44	Subtract line 41 from line 38 Enter	0- If line 41 is more than line 38	44		

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

#### 4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions )

		Lo	bbying Expendit (	ıres During 4-Yea	ır Averaging Peri	od
	Calendar year (or fiscal year beginning in) ▶	<b>(a)</b> 2007	(b) 2006	(c) 2005	<b>(d)</b> 2004	<b>(e)</b> Total
45	Lobbying nontaxable amount					
46	Lobbying ceiling amount (150% of line 45(e))					
47	Total lobbying expenditures					
48	Grassroots nontaxable amount					
49	Grassroots ceiling amount (150% of line 48(e))					
50	Grassroots lobbying expenditures					

#### Part VI-B Lobbying Activity by Nonelecting Public Charities

	(For reporting only by organizations that did not complete Part VI-A) (See page 11	. of th	e inst	ructions.) 🖾 🔡
	ng the year, did the organization attempt to influence national, state or local legislation, including any npt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	A mount
а	Volunteers		No	
b	Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h.</b> )		No	
с	Media advertisements		No	0
d	Mailings to members, legislators, or the public		No	0
е	Publications, or published or broadcast statements		No	0
f	Grants to other organizations for lobbying purposes		No	0
g	Direct contact with legislators, their staffs, government officials, or a legislative body	Yes		12,697
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		No	0
i	Total lobbying expenditures (Add lines <b>c</b> through <b>h.</b> )			12,697
	If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activit	es		

Schedule A (Form 990 or 990-EZ) 2007

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of				
(i)	Cash	51a(i)		No
(ii)	O ther assets	a(ii)		No
<b>b</b> Other	b Other transactions			
(i)	Sales or exchanges of assets with a noncharitable exempt organization	b(i)		No
(ii)	Purchases of assets from a noncharitable exempt organization	b(ii)		No
(iii)	Rental of facilities, equipment, or other assets	b(iii)		No
(iv)	Reimbursement arrangements	b(iv)		No
(v)	Loans or loan guarantees	b(v)		Νo
(vi)	Performance of services or membership or fundraising solicitations	b(vi)		No
<b>c</b> Sharıı	c Sharing of facilities, equipment, mailing lists, other assets, or paid employees c			

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

<b>(a)</b> Line no	<b>(b)</b> A mount involved	<b>(c)</b> Name of noncharitable exempt organization	<b>(d)</b> Description of transfers, transactions, and sharing arrangements
ED- Ishka		an indicate the second south an indicate data and an indicate the	

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations

	described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?	Þ	Yes	~	No
h	If "Yes," complete the following schedule				

If "Yes," complete the following schedule

(a) Name of organization	<b>(b)</b> Type of organization	<b>(c)</b> Description of relationship

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	<b>7</b>	П	oprociatio	on and	1 Am	ortiz	ation	•			OMBNo 1545-
Form 4562-FY			epreciatio								2007
		(Incl	uding Infor	mation	on Li	sted I	Prope	rty)			2007
Department of the Treasury Internal Revenue Service											
		See se	parate instruct	tions.	🕨 Atta	ch to y	our tax	ret urn.			Attachment Sequence No <b>67</b>
Name(s) shown on return			Business or a			_			Iden	tifvin	g number
SACRED HEART HEALTH	SERVICES			,							-
Avera Sacred Heart Hospit			Form 990 Pag	-		. = 0			46-0	2254	83
	o Expense C a have any lis		• •				com	lete Part	T		
<b>1</b> Maximum amount See									<u>.</u>	1	125,000
2 Total cost of section 17		-								2	
3 Threshold cost of section			-	-	• •	•	• •	• •	•	3	500,000
4 Reduction in limitation					.0.	• •	•			4	
<b>5</b> Dollar limitation for tax						• • Ifma	••••	· ·	•	-	
separately, see instruct				01 1633, 6	inter o		-		_	5	
		<u> </u>			•	· ·	•	<u> </u>	•	-	
( <b>-</b> ) D	scription of pro	norty		(b)	Cost (	busines	s use	(c) Elec	atad	t	
(a) De	is cription of pro	perty			0	nly)		(C) Elec	lea	COSL	_
6											_
		1					_ 1				rJ
7 Listed property Enter t			• • •	• •	•••	• [	7			-	4
8 Total elected cost of se				umn (c), l	ines 6 a	and 7	• •	• •	•	8	
9 Tentative deduction Er				• •	•••	• •	•	• • •	• •	9	
10 Carryover of disallowed			-			•	•••	• •	•	10	
<b>11</b> Business income limitation E								• •	•	11	
<b>12</b> Section 179 expense d						line 11	. •	• •	•	12	
13 Carryover of disallowed							13				
Note: Do not use Part I											
										operty	y <b>)</b> (See instructions ) I
14 Special depreciation all tax year (see instructio		ified prope	erty (other than	n listea pr	operty)	placed	in serv	/ice auring	the	14	
15 Property subject to sec		lection								15	
<b>16</b> Other depreciation (inc				••••	•	• •	•			16	
	preciation ([		· · · ·			• •		••••	•	10	
MACKO DE				ection A				5.7			
17 MACRS deductions for	assets placed II	nservice i	n tax years beg	ginning be	efore 20	07				17	
18 If you are electing to	o group any a	ssets pla	ced in service	e durına	the ta	ix yeai	r into d	one or m	ore		1
general asset accou		-		-		•			_		
Section B—Asse	ts Placed in								Эер	recia	tion System
											-
	( <b>b)</b> Month and		Basıs for reciation								
(a) Classification of	year placed in		s/investment	( <b>d)</b> Rec		<b>(e)</b> Co	nventio	on (f) M	letho	d	(g)Depreciation
property	service		use	perio	oa						deduction
103 3-VOOT BEODOT		only—see	instructions)								
<b>19a</b> 3-year property <b>b</b> 5-year property											
c 7-year property											
d 10-year property										-+	
e 15-year property											
<b>f</b> 20-year property											
<b>g</b> 25-year property				2.5 yr	rs			S	/L		
<b>h</b> Residential rental				275 y	rs	М	М	S,	/L		
property				275 y		М	М	S,			
i Nonresidential real				39 yr	s	М		S,			
property	· · · · · ·		in put and	 7 <b>7</b>		M		S,			
	n C—Assets Plac	ea in Serv	rice During 2007	/ тах Yea	ar Using	τne Al	ernat i	_		syste	em
20a Class life b 12-year				12 yr	rs				/L /L		
c 40-year				40 yr		м	м		/L /L		
· · ·	y (see instruc	tions)		<u> </u>	-				, -	1	
21 Listed property Enter a										21	
22 Total. Add amounts from			h 17, lines 19	and 20 in	n colum	n (g), ai	nd line	21 Enterl	here		
and on the appropriate	•	-					•	• •		22	5,767,983
23 For assets shown above			-	t year, er	nter the	Γ	,,				
portion of the basis attr	ibutable to sect	ion 263A	costs		•		23				

For Paperwork Reduction Act Notice, see separate instructions.  $\hfill\square Cat\hfill\hfilt\hfill\h$ 

Form 4562-FY (2007)															Page <b>2</b>
		<b>ty</b> (Include au							ular t	elephon	es, ce	rtaın c	ompu	iters,	and
		or entertainme													
		vehicle for wh													
		24a, 24b, colu													
Section A—Deprecia					_										
24a Doyou have evidence t	to support	the business/invest	tment us	e claimed	d? <b>Ye</b>	s IN	0	24	<b>b</b> If "Y∉	es," is the	ev idence	written	γΙ γe	sl N	0
					-			_							
		(c)				(e)								(i)	
(a) Type of property (list Date	(b) e placed in	Business/	(d) Cost or o		Basis fo	r depre		<b>(f)</b> Recovery		g) hod/		<b>1)</b> :iation/		Electe	ed
	service	use	base		(busines	ss/inves se only)		period		ention		ction		section cost	
		percentage				,c only j								030	-
25 Special depreciation allowar			placed i	n service	during the	e tax ye	ar and	used more	e than						
50% in a qualified business	•	,								25					
26 Property used more th	an 50%		sinessi	use											
		%											_		
		%													
27 Property used 50% or	lessina	a qualified busine	ess use					I I							
		%							S/L -						
		%							S/L -						
		%						I I	S/L -						
28 Add amounts in colur	mn (h), lu	nes 25 through 2	27 Ente	er here a	and on li	ne 21	, page	1.	28						
29 Add amounts in colur	mn (ı), lın	e 26 Enter here	and on	ılıne 7,	page 1	•					29				
								of Vehi							
Complete this section for If you provided vehicles to you	vehicles	s used by a sole	proprie	tor, part	iner, or o	other"	more	than 5%	owne	r," or rela	ited pe	rson n for the	co vohu		
ii you piovided venicles to you	пепрюуе	es, filst answer the t			a)		(b)		(c)		(d)		<u>e)</u>		(f)
<b>30</b> Total business/inves		-	g the	Vehi	-		nicle 2		hicle 3		nicle 4	-	cle 5		icle 6
year ( <b>do not</b> include o	commuti	ng miles) .	·												
<b>31</b> Total commuting mile	es driven	during the year	. Ի												
<b>32</b> Total other personal(								_				+			
<b>33</b> Total miles driven du through 32	ring the '	year Add lines 3													
<b>34</b> Was the vehicle avail	able for	personal use	· · F	Yes	No	Yes	No	Yes	N	yes	No	Yes	No	Yes	No
during off-duty hours			F			1.00						+			
<b>35</b> Was the vehicle used		••••••••••••••••••••••••••••••••••••••	·				+		-						
owner or related pers	•	y by a more than													
<b>36</b> Is another vehicle av		or personal use?	. [												
Section	C_0ue	stions for En	nnlov	ers W	l ho Pro	vide	Vehi	icles fo	r lle	e by Ti	leir F	mnlos			
Answer these questions t														not mo	ore than
5% owners or related per				•	•	5				,	•				
<b>37</b> Do you maintain a wri	itten poli	cy statement tha	at prohi	bits all j	persona	luseo	fvehi	cles, inc	ludıng	commut	ıng, by	your	<b>\</b>	/es	No
employees?			• •	• •	•	• •	•	• •	•			•			
<b>20</b> D															
38 Do you maintain a wri employees? See the i		1	•					, ,							
						ers, ui	rector	5,01170	or me		5.		• ⊢		
<b>39</b> Do you treat all use o	fvehicle	s by employees	as pers	onal us	e? .	•	• •	•	• •	• •	•	• •			
<b>40</b> Do you provide more vehicles, and retain the second s		•	r emplo •	yees, ol	otaın info	ormatı •	on fror	myoure •••	mploy • •	eesabou 	t the u	se of th •	e		
<b>41</b> Do you meet the requ	urements	concerning qua	lified au	utomobi	le demo	nstrat	ion us	e? (See i	Instru	ctions )					
Note: If your answer t	to 37.38	8.39.40.or41 ı	ıs "Yes.	." do not	t comple	ete Se	ction E	3 for the	covere	ed vehicl	es				
Part VI Amortiz			,	·	•										
									-						
		(b)		(c	.)			(d)		(e)			(f)		
(a)		Date	1	A morti			C	Code		ortizatio	n	A mo	ortizati	on for	
Description of cost	.5	amortızatıon begıns		amo	unt		se	ection	· · ·	eriod or rcentage		t	his ye	ar	
									1 66	. soncage					

42 A mortization of costs that begins during your 2007 tax year (see instructions)

<b>43</b> A mortization of costs that be	43 A mortization of costs that began before your 2007 tax year								
44 Total. Add amounts in colum	44 Total. Add amounts in column (f) See the instructions for where to report 44								

#### Software ID:

#### Software Version:

**EIN:** 46-0225483

Name: SACRED HEART HEALTH SERVICES Avera Sacred Heart Hospital

#### Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising			
a Medical Professional Fees	43a	3,452,447	3,452,447					
<b>b</b> Provision for Bad Debts	43b	883,099	883,099					
c Property Taxes	43c	46,872	46,872					
d Patient and Staff Education	43d	279,171	18,277	260,894				
e Purchased Services	43e	3,943,046	686,128	3,256,918				
f Insurance	43f	7,205	7,205					
g Data processing charges	43g	123,367		123,367				
<b>h</b> Unrelated business income tax	43h	1,040	1,040					

#### Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0- .)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JIM MEANS 501 Summit St YANKTON, SD 57078	Chairman 2 00	0	0	0
MARY PAT BIERLE 501 Summit St YANKTON, SD 57078	Vice ChairmanSecretary 2 00	0	0	0
DAN EISENBRAUN 501 Summit St YANKTON, SD 57078	Member 200	0	0	0
PAUL STEFFEN 501 Summit St yankton, SD 57078	Member 200	0	0	0
SR Kevin Irwin OSB 501 Summit St yANKTON,SD 57078	MEMBER 2 00	0	0	0
Rob Stephenson 501 Summit St YANKTON, SD 57078	MEMBER 2 00	0	0	0
Delwyn Nagengast MD 501 Summit St YANKTON, SD 57078	MEMBER 2 00	0	0	0
Sr Joan Reichelt PBVM 501 Summit St YANKTON, SD 57078	MEMBER 2 00	0	0	0
Dan Wallbaum 501 Summit St YANKTON, SD 57078	MEMBER 2 00	0	0	0
Amy Freeburg 501 Summit St YANKTON, SD 57078	MEMBER 2 00	0	0	0

#### Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0- .)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and ot her allowances
Sr Lucille Welbig 501 Summit St YANKTON, SD 57078	MEMBER 2 00	0	0	0
Joe Janssen 501 Summit St yANKTON,SD 57078	MEMBER 200	0	0	0
Sr Corenne Lemmer OSB 501 Summit St YANKTON, SD 57078	MEMBER 2 00	0	0	0
JOHN PORTER 501 Summit St YANKTON, SD 57078	Ex-Officio Member 2 00	0	0	0
PAMELA REZAC 501 Summit St YANKTON, SD 57078	MEMBER & ceo 60 00	0	0	0
Mike Healy 501 Summit St YANKTON, SD 57078	CFO 52 00	178,180	19,657	0

## Form 990, Part VI, Line 80b - If "Yes", enter the name of the organization and whether it is exempt or nonexempt:

Name of the Organization	Exempt	Nonexempt
AVERA HEALTH	х	
Sacred Heart Rural Health Clinics	х	
Health Management Services	х	
Lewis and Clark Health Education and Service Agency	x	
Valley Health Services		Х
Benedictine Health Foundation	х	
O'Neill Family Medicine		x

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## TY 2007 Cash Grants Paid Schedule

## Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Class of Activity	Recipient's name	Address	Amount	Relationship
Donation	Mount Marty College	1105 W 8th St Yankton, SD 57078	240,000	none
Donation	USD Foundation	414 E Clark St Vermillion, SD 57069	150,000	none
Donation	Avera Health	3900 WEST AVERA DRIVE SUITE 300 Sloux Falls, SD 57108	24,000	none
Donation	Misc donations 2500		169,535	None

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

# TY 2007 Compensation Schedule

Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Name	Relate	d Organization	Relationship	Compensation	Benefit Plan	Expense Account	Compensation Description		
Name	Name	EIN	Relationship	A mount	A mount Contributions				
Pamela Rezac	A vera Health	46-0422673	affiliated organization	316,168	89,232	0	THE COMPENSATION PLAN OF Avera Health IS DESIGNED TO PROVIDE SALARIES and benefits THAT ARE MARKET COMPETITIVE and BENEFITS THAT PROMOTE THE HEALTH AND WELL-BEING OF ITS WORKFORCE IN SUPPORT OF THE ORGANIZATION'S MISSION AND GOALS AVERA Health COMPARES ITS COMPENSATION PLAN TO OTHER HEALTHCARE ORGANIZATIONS SIMILAR IN SIZE AND COMPLEXITY ON A NATIONAL BASIS TO ENSURE COMPENSATION IS COMPARABLE INDIVIDUAL SALARIES REFLECT RELATED EDUCATION AND EXPERIENCE TO ASSURE AMOUNTS PAID ARE REASONABLE The compensation package, including benefits reported and described below, is approved by the compensation committee of Avera Health The compensation committee includes only independent system members of the corporation who have engaged an independent compensation consultant The committee approves compensation based on market data for comparable services rendered to comparable organizations THE BENEFITS AMOUNT REPORTED INCLUDES HEALTH, DENTAL, LIFE INSURANCE, DISABILITY, PENSION, AND DEFERRED COMPENSATION		
John Porter	A vera H ealth	46-0422673	affiliated organization	814,150	246,297	0	THE COMPENSATION PLAN OF Avera Health IS DESIGNED TO PROVIDE SALARIES and benefits THAT ARE MARKET COMPETITIVE and BENEFITS THAT PROMOTE THE HEALTH AND WELL-BEING OF ITS WORKFORCE IN SUPPORT OF THE ORGANIZATION'S MISSION AND GOALS AVERA Health COMPARES ITS COMPENSATION PLAN TO OTHER HEALTHCARE ORGANIZATIONS SIMILAR IN SIZE AND COMPLEXITY ON A NATIONAL BASIS TO ENSURE COMPENSATION IS COMPARABLE INDIVIDUAL SALARIES REFLECT RELATED EDUCATION AND EXPERIENCE TO ASSURE AMOUNTS PAID ARE REASONABLE The compensation package, including benefits reported and described below, is approved by the compensation committee of Avera Health The compensation committee includes only independent system members of the corporation who have engaged an independent compensation consultant The committee approves compensation based on market data for comparable services rendered to comparable organizations THE BENEFITS AMOUNT REPORTED INCLUDES HEALTH, DENTAL, LIFE INSURANCE, DISABILITY, PENSION, AND DEFERRED COMPENSATION		

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

### TY 2007 Gain/Loss from Sale of Other Assets Schedule

Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Met hod	Sales Expenses	Total (net)	A ccumulated Depreciation
Gain on disposal of equipment	2007-12	PURCHASED	2007-12		58,371	1,499,587		0	32,956	1,474,172

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## **TY 2007 General Explanation Attachment**

[

## Name: SACRED HEART HEALTH SERVICES Avera Sacred Heart Hospital

ldentifier	Return Reference	Explanation
		Form 990, Part II, Line 42 Depreciation is calculated using straight-line method over esti mated useful life of assets

ldentifier	Return Reference	Explanation		
		SCHEDULE A, PAGE 1, PART I - COMPENSATION OF THE FIVE HIGHEST PAIDEMPLOYEES THE COMPENSATION PLAN of Avera Sacred Heart IS DESIGNED TO PROVIDE SALARIES and benefits THAT ARE MARKET COMPETITIVE and BENEFITS THAT PROMOTE THE HEALTH AND WELL-BEING OF ITS WORKFORCE IN SUPPO RT OF THE ORGANIZATION'S MISSION AND GOALS AVERA Sacred Heart COMPARES ITS COMPENSATION P LAN TO OTHER HEALTHCARE ORGANIZATIONS SIMILAR IN SIZE AND COMPLEXITY ON A NATIONAL BASIS T O ENSURE COMPENSATION IS COMPARABLE INDIVIDUAL SALARIES REFLECT RELATED EDUCATION AND EXP ERIENCE TO ASSURE AMOUNTS PAID ARE REASONABLE THE BENEFITS AMOUNT REPORTED INCLUDES HEALT H, DENTAL, LIFE INSURANCE, DISABILITY, PENSION, AND DEFERRED COMPENSATION		

ldentifier	Return Reference	Explanation
		PART V-A - COMPENSATION OF KEY EMPLOY EES THE COMPENSATION PLAN of Avera Sacred Heart IS DE SIGNED TO PROVIDE SALARIES and benefits THAT ARE MARKET COMPETITIVE and BENEFITS THAT PROM OTE THE HEALTH AND WELL-BEING OF ITS WORKFORCE IN SUPPORT OF THE ORGANIZATION'S MISSION AN D GOALS AVERA Sacred Heart COMPARES ITS COMPENSATION PLAN TO OTHER HEALTHCARE ORGANIZATIO NS SIMILAR IN SIZE AND COMPLEXITY ON A NATIONAL BASIS TO ENSURE COMPENSATION IS COMPARABLE INDIVIDUAL SALARIES REFLECT RELATED EDUCATION AND EXPERIENCE TO ASSURE AMOUNTS PAID ARE REASONABLE THE BENEFITS AMOUNT REPORTED INCLUDES HEALTH, DENTAL, LIFE INSURANCE, DISABILI TY, PENSION, AND DEFERRED COMPENSATION

ldentifier	Return Reference	Explanation
		Continuation of Statement 8, program service accomplishments Commitment To Quality Avera Sacred Heart is accredited by the Joint Commission and just received another three-year a ccreditation in 2008 in 2007, the hospital was named one of only six hospitals in the nation to achieve top decile rankings in three clinical focus areas in the CMS/Premier quality project based on its second-year scores in heart attack, heart failure and pneumonia Tr ansforming Care at the Bedside Selected as one of only 68 hospitals in the nation in 2008 to participate in a national study entitled Transforming Care at the Bedside, Avera Sacre d Heart nurses focus on spending more time with patients Avera Sacred Heart Hospital is o ne of only two South Dakota hospitals participating in the project Quality in Home Care S ervices The South Dakota Foundation for Medical Care aw arded Avera Sacred Heart Home Care Service the 2008 Quality Aw ard for Achievement in Home Care, recognizing their commitment to providing high quality home care services and achievement in clinical areas designated important by the Centers for Medicare & Medicaid Services (CMS) Safety in the Workplace Two Avera Sacred Heart facilities earned high praise from the South Dakota Governor's off ice in 2006 The South Dakota Safety Council's Governor's Workplace Safety Aw ards program aw arded the "Meritorious" Achievement Aw ard in Occupational Safety for the second year in row the Avera Yankton Care Center Avera Sacred Heart Hospital' received the "OutStanding" Achievement Aw ard in Occupational Safety", up a level from "Meritorious" the previous year QUEST for the Best Avera Sacred Heart Hospital', as well as three other Avera hospitals, is taking its vision of delivering world-class health care to new heights through the "QU EST High Performing Hospitals" program QUEST-which stands for Quality, Efficiency, Safet' y and Transparency-is a three-year voluntary program where participating hospitals and heal th systems work together to develop and share best practices fo

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## **TY 2007 Investments - Other Schedule**

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Description	Book Value	Cost/FMV
assets limited to use - Accrued interest receivable	6,197	F
Interest in net assets of Benedictine Health Foundation	10,797,841	F
Investment in Sacred Heart Rural Health Clinics	1,376,821	С
Investment in Health Management Services	795,672	С
Investment in Lewis and Clark Health Education and Service Agency	632,327	С
Investment in Valley Health Services	4,222,405	С

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## TY 2007 Land etc. Schedule

## Name: SACRED HEART HEALTH SERVICES Avera Sacred Heart Hospital EIN: 46-0225483

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
land and improvements	8,427,035	2,422,608	6,004,427
buildings	75,298,343	40,209,289	35,089,054
equipment	30,037,161	18,329,900	11,707,261
construction in progress	2,614,874		2,614,874

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## **TY 2007 Other Assets Schedule**

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Description	Beginning of Year Amount	End of Year Amount
Deferred financing costs	476,242	434,618
Goodwill	823,391	759,646
Program related investments	402,954	290,720
other assets	443,097	418,638
Other receivables	0	74,520
Due from related party	0	389,282

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## TY 2007 Other Changes in Net Assets Schedule

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Description	Amount
Change in unrealized gains on investments	-7,108,065
Capital Transfers net	-15,085
Change in fair value of interest rate sw ap	-187,471
Partnership income not recorded for book purposes	-7,516

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## **TY 2007 Other Expenses Included Schedule**

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Description	Amount
Expenses of consolidated subsidiaries	5,972,898

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## **TY 2007 Other Investment Income Schedule**

## Name: SACRED HEART HEALTH SERVICES Avera Sacred Heart Hospital

Description	Amount
Allocable income from Avera Pooled Investments	8,277,406

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## **TY 2007 Other Liabilities Schedule**

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Description	Beginning of Year Amount	End of Year Amount
Estimated third-party payor settlements	1,850,000	1,620,519
Debt swap	0	207,531

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## **TY 2007 Other Revenues Included Schedule**

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Description	Amount
Revenues of consolidated subsidiaries	5,985,227

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## TY 2007 Other Revenues Not Included Schedule

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Description	Amount	
in fund balanance for financial statements	127,699	
Partnership income not recorded for book purposes	7,516	

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## TY 2007 Relationship Schedule

## Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Person Name / Business Name	Title or Role	Person Name 2 / Business Name 2	Title or Role 2	Relationship
Pamela Rezac	CEO	Avera Health	management company	employment
John Porter	Board member	Avera Health	management company	employment

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## TY 2007 Tax-Exempt Bond Liabilities Schedule

Name: SACRED HEART HEALTH SERVICES Avera Sacred Heart HospitalEIN: 46-0225483

Item No.	1
Name of Issue	
Purpose	Series 2002
Amount Outstanding	13362886
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2027-07
Repayment Terms	Due in varying installments
Interest Rate	350.00 %
Security	

Item No.	2
Name of Issue	
Purpose	Series 2006
Amount Outstanding	3100000
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2033-07
Repayment Terms	due in varying installments
Interest Rate	400.00 %
Security	corporate assets

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DLN: 93490134000049

## **TY 2007 Non Electing Public Charities Statement**

Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

- **EIN:** 46-0225483
- **Statement:** THE AMOUNT LISTED ABOVE IS THE LOBBYING PORTION OF DUES PAID TO THE SOUTH DAKOTA ASSOCIATION OF HEALTHCARE ORGANIZATIONS, THE AMERICAN HOSPTIAL ASSOCIATION, THE CATHOLIC HEALTH ASSOCIATION, the National hospice & Palliative Care organization, and other organizations who conduct lobbying on behalf of the organization.

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#### **TY 2007 Scholarship Award Statement**

Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

- **EIN:** 46-0225483
- Statement: THE GOVERNING BOARD AND MANAGEMENT OF THE EXEMPT ORGANIZATION DEVELOPS PROGRAMS WHICH ENHANCE THE FUTURE CHARITABLE MISSION OF THE ORGANIZATION. DISBURSEMENT FOR GRANTS OR LOANS FOR THESE PROGRAMS ARE MADE IN ACCORDANCE WITH PRESCRIBED PROCEDURES AND ARE SUBJECT TO CONDITIONS ESTABLISHED BY THE ORGANIZATION'S GOVERNING BOARD AND MANAGEMENT, DESIGNED TO INSURE THAT INDIVIDUALS AND ORGANIZATIONS RECEIVING GRANTS OR LOANS FROM THE ORGANIZATION ARE ADEQUATELY INVESTIGATED TO INSURE THAT THEY ARE QUALIFIED RECIPIENTS. THE TERMS OF ANY LOAN ARE COMMENSURATE WITH THOSE PROVIDED BY FINANCIAL INSTITUTIONS. ALL LOANS AND GRANTS ARE AWARDED ON A NONDISCRIMINATORY BASIS.

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## TY 2007 Self Dealing Statement

#### Name: SACRED HEART HEALTH SERVICES

Avera Sacred Heart Hospital

Line Number	Explanation
2a	Sacred Heart Health Services leases 57.9 acres of farm land to Bob Rezac, spouse of CEO Pamela Rezac. The lease is a recurring one-year lease with rent set at market rate. This lease arrangement was in effect many years prior to Pam Rezac's employment at Sacred Heart Health Services.Pursuant to the organization's conflict of interest policy, the above individuals were not involved in any decisions made by the board with respect to these transactions. The transactions between the organization and these parties were entered into under market based terms and conditions.
2c	Sacred Heart Health Services purchased services from Eisenbraun & Associates. Dan Eisenbraun, board member, has an ownership interest in Eisenbraun & Associates.Pursuant to the organization's conflict of interest policy, the above individuals were not involved in any decisions made by the board with respect to these transactions. The transactions between the organization and these parties were entered into under market based terms and conditions.
2d	In addition to compensation and benefits reported on Form 990, Part V, board members and key employees are reimbursed under an accountable plan for various expenses related to their role with the organization.