

Public Disclosure Copy

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2021

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the **2021** calendar year, or tax year beginning **JUL 1, 2021** and ending **JUN 30, 2022**

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	C Name of organization CHILDREN'S CARE HOSPITAL AND SCHOOL		D Employer identification number 46-0233030
	Doing business as LIFESCAPE		E Telephone number 605-444-9500
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 34,870,446.
	2501 WEST 26TH STREET		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code SIOUX FALLS, SD 57105-2498		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
F Name and address of principal officer: STEVE WATKINS SAME AS C ABOVE			If "No," attach a list. See instructions
I 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			
J Website: WWW.LIFESCAPESD.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			L Year of formation: 1952 M State of legal domicile: SD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: EMPOWERING PEOPLE TO LIVE THEIR BEST LIFE.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5 Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	699
	6 Total number of volunteers (estimate if necessary)	6	548
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 3,936,144.	Current Year 1,388,888.
	9 Program service revenue (Part VIII, line 2g)	32,285,303.	32,792,484.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	244,588.	540,990.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	147,053.	147,915.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	36,613,088.	34,870,277.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
14 Benefits paid to or for members (Part IX, column (A), line 4)		0.	0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		23,456,954.	26,354,919.
16a Professional fundraising fees (Part IX, column (A), line 11e)		0.	0.
b Total fundraising expenses (Part IX, column (D), line 25)		0.	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		9,311,731.	9,981,182.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	32,768,685.	36,336,101.	
19 Revenue less expenses. Subtract line 18 from line 12	3,844,403.	-1,465,824.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 35,904,421.	End of Year 31,115,902.
	21 Total liabilities (Part X, line 26)	8,712,265.	7,601,995.
	22 Net assets or fund balances. Subtract line 21 from line 20	27,192,156.	23,513,907.

Part II Signature Block

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

Sign Here	Signature of officer		Date	
	STEVE WILSON, CFO Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON, CPA	Preparer's signature LAURIE HANSON, CPA	Date 04/28/23	Check if self-employed <input type="checkbox"/> PTIN P00851848
	Firm's name EIDE BAILLY LLP	Firm's address 200 E. 10TH ST., STE. 500 SIOUX FALLS, SD 57104-6375	Firm's EIN 45-0250958	Phone no. 605-339-1999

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: EMPOWERING PEOPLE TO LIVE THEIR BEST LIFE.

VISION STATEMENT: LIFESCAPE WILL BE AN INNOVATIVE ORGANIZATION, PROVIDING EXCEPTIONAL

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 30,172,895. including grants of \$) (Revenue \$ 32,792,484.) CHILDREN'S CARE HOSPITAL & SCHOOL (CCHS) PROVIDED SERVICES FOR OVER 3,090 INDIVIDUALS FROM BIRTH THROUGH AGE 21 WITH DISABILITIES OR REHABILITATION NEEDS IN ALL OF ITS PROGRAMS LAST FISCAL YEAR. CHILDREN SERVED WERE FROM 64 OF SOUTH DAKOTA'S 66 COUNTIES. OUTPATIENT AND OUTREACH SERVICES, WHICH ARE COMMUNITY BASED, SERVED MORE THAN 3,000 CHILDREN IN SIOUX FALLS AND RAPID CITY, SD. SERVICES INCLUDE, BUT ARE NOT LIMITED TO, THERAPIES RANGING FROM PHYSICAL AND OCCUPATIONAL TO SPEECH-LANGUAGE PATHOLOGY, BEHAVIORAL THERAPY, ASSISTIVE TECHNOLOGY, SEATING AND POSITIONING, AND POWERED MOBILITY SERVICES.

IN SIOUX FALLS AND RAPID CITY OUTPATIENT CLINICS, 262 CHILDREN RECEIVED FREE AUTISM SCREENINGS AND 142 CHILDREN WERE EVALUATED FOR AUTISM.

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

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

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

4e Total program service expenses 30,172,895.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i> See instructions		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
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
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 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
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 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
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 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	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
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>		X
36 Section 501(c)(3) organizations. 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
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations on 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

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 17 regarding employee counts, tax filings, and organizational compliance.

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 on Schedule O. See instructions.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	15		
b	Enter the number of voting members included on line 1a, above, who are independent		
	15		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official		X
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

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 (1024 or 1024-A, 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 on Schedule O)
- 19** Describe on 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 **STEVE WILSON - 605-444-9820**
4100 S. WESTERN AVE, SIOUX FALLS, SD 57105

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 the 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, Form 1099-MISC, and/or box 1 of Form 1099-NEC) 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. See the instructions for the order in which to list the persons above.

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/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(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) STEVEN WATKINS CEO	23.00 27.00			X			0.	285,408.	33,834.	
(2) STEVE WILSON CFO	22.00 28.00			X			0.	181,366.	29,021.	
(3) CHARLENE CONNELLY RN	40.00 0.00					X	165,875.	0.	4,079.	
(4) KRISTIN TUTTLE VP OF MED. & THERAPY SERVI	40.00 0.00					X	128,879.	0.	10,756.	
(5) VICKI ISLER DIRECTOR OF EDUCATION AND SUPERINTEN	40.00 0.00					X	112,705.	0.	13,672.	
(6) REBECCA WEELDREYER DIRECTOR OF NURSING	40.00 0.00					X	106,182.	0.	18,548.	
(7) KIMBERLY WINCKLER RN	40.00 0.00					X	102,790.	0.	9,850.	
(8) JASON HARRIS CHAIR/IMMEDIATE PAST CHAIR(BEG 01/22	1.00 3.50	X		X			0.	0.	0.	
(9) MARLI SCHIPPERS SECRETARY/CHAIR (BEG 01/22)	1.00 3.50	X		X			0.	0.	0.	
(10) LARRY FENTON VICE CHAIR	1.00 3.00	X		X			0.	0.	0.	
(11) JACK HOPKINS TREASURER/DIRECTOR (BEG 01/22)	1.00 3.00	X		X			0.	0.	0.	
(12) JAY SOUKUP DIRECTOR /TREASURER (BEG 01/2022)	1.00 3.00	X		X			0.	0.	0.	
(13) BOB MCNANEY DIRECTOR/SECRETARY (BEG 01/22)	1.00 3.00	X		X			0.	0.	0.	
(14) JOHN ROZELL MEMBER-AT-LARGE (JULY-DEC)	1.00 3.00	X		X			0.	0.	0.	
(15) DOUG BERKLAND DIRECTOR (BEG 01/22)	1.00 3.00	X					0.	0.	0.	
(16) P. DANIEL DONOHUE DIRECTOR (JULY-DEC)	1.00 3.00	X					0.	0.	0.	
(17) JOE HENKIN DIRECTOR (JULY-DEC)	1.00 3.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MOLLY MCCARTHY DIRECTOR (JULY-DEC)	1.00 3.00	X						0.	0.	0.
(19) JON SODERHOLM DIRECTOR (JULY-DEC)	1.00 3.00	X						0.	0.	0.
(20) MARK STERNHAGEN DIRECTOR/MEMBER AT LARGE (BEG 01/22)	1.00 3.00	X						0.	0.	0.
(21) AMY PREATOR DIRECTOR (JULY-DEC)	1.00 3.00	X						0.	0.	0.
(22) NAN BAKER DIRECTOR/PAST FOUNDATION CHAIR	1.00 3.00	X						0.	0.	0.
(23) DR. JOSH PAULI DIRECTOR	1.00 3.00	X						0.	0.	0.
(24) PATTY PETERS DIRECTOR	1.00 3.00	X						0.	0.	0.
(25) KIMBERLY NOONEY DIRECTOR	1.00 3.00	X						0.	0.	0.
(26) TYLER HAAHR FOUNDATION CHAIR	1.00 3.00	X						0.	0.	0.
1b Subtotal								616,431.	466,774.	119,760.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								616,431.	466,774.	119,760.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
LIFESCAPE 2501 W 26TH STREET, SIOUX FALLS, SD 57105	SHARED SERVICES	2,145,013.
SANFORD USD MEDICAL CENTER PO BOX 5064, SIOUX FALLS, SD 57117-5064	RESP. THERAPY; IT SVCS	481,668.
SANFORD CHILDREN'S SPECIALTY CLINIC 1600 W 22ND ST, SIOUX FALLS, SD 57117	PHYSICIAN SERVICES	282,036.
HENRY CARLSON CONSTRUCTION 1205 W. RUSSELL ST., SIOUX FALLS, SD 57104	CONSTRUCTION	193,283.
EIDE BAILLY, LLP P.O. BOX 5125, SIOUX FALLS, SD 57117-5125	AUDIT AND TAX SERVICES	102,480.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **5**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees <i>(continued)</i>										
(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) ERICA DEBOER DIRECTOR (BEG 04/22)	1.00 3.00	X						0.	0.	0.
(28) JASON HUBERS DIRECTOR (BEG 06/22)	1.00 3.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

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	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	1,136,914.				
	e Government grants (contributions)	1e	153,600.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	98,374.				
	g Noncash contributions included in lines 1a-1f	1g	\$ 4,707.				
	h Total. Add lines 1a-1f			1,388,888.			
Program Service Revenue	2 a PATIENT/RESIDENT FEES	Business Code	623000	32,495,558.	32495558.		
	b OTHER SERVICE REVENUE		900099	296,926.	296,926.		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			32,792,484.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			204,033.		204,033.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real	30,456.			
			(ii) Personal				
	b Less: rental expenses	6b		0.			
	c Rental income or (loss)	6c		30,456.			
	d Net rental income or (loss)			30,456.		30,456.	
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities	161,365.	175,592.		
			(ii) Other				
	b Less: cost or other basis and sales expenses	7b		0.	0.		
c Gain or (loss)	7c		161,365.	175,592.			
d Net gain or (loss)			336,957.		336,957.		
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a			202.			
b Less: direct expenses	8b			169.			
c Net income or (loss) from fundraising events			33.		33.		
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a INSURANCE PROCEEDS	Business Code	900099	117,426.		117,426.	
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			117,426.			
12 Total revenue. See instructions			34,870,277.	32792484.	0.	688,905.	

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 ...				
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				
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	20,437,406.	19,230,372.	1,207,034.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	419,918.	397,128.	22,790.	
9 Other employee benefits	3,918,537.	3,323,308.	595,229.	
10 Payroll taxes	1,579,058.	1,491,758.	87,300.	
11 Fees for services (nonemployees):				
a Management				
b Legal	38,136.		38,136.	
c Accounting	65,640.		65,640.	
d Lobbying	13,346.	13,346.		
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.)	3,498,949.	1,150,402.	2,348,547.	
12 Advertising and promotion	235,540.	4,167.	231,373.	
13 Office expenses	395,913.	229,658.	166,255.	
14 Information technology	3,864.		3,864.	
15 Royalties				
16 Occupancy	1,449,036.	959,435.	489,601.	
17 Travel	39,817.	29,132.	10,685.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	63,208.	34,850.	28,358.	
20 Interest	133,372.		133,372.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	928,554.	889,868.	38,686.	
23 Insurance	287,882.	238,211.	49,671.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a OTHER SUPPLIES	1,462,297.	1,289,452.	172,845.	
b MAINTENANCE AND REPAIR	479,200.	211,263.	267,937.	
c DUES AND SUBSCRIPTIONS	256,340.	73,032.	183,308.	
d _____				
e All other expenses _____	630,088.	607,513.	22,575.	
25 Total functional expenses. Add lines 1 through 24e	36,336,101.	30,172,895.	6,163,206.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	3,675,428.	2	1,611,310.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	6,036,384.	4	6,272,040.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	28,532.	8	29,700.
	9 Prepaid expenses and deferred charges	35,635.	9	41,158.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 30,900,828.		
	b Less: accumulated depreciation	10b 24,111,926.	10c	6,788,902.
	11 Investments - publicly traded securities	7,587,603.	11	14,043,878.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets	63,550.	14	0.
	15 Other assets. See Part IV, line 11	11,587,044.	15	2,328,914.
16 Total assets. Add lines 1 through 15 (must equal line 33)	35,904,421.	16	31,115,902.	
Liabilities	17 Accounts payable and accrued expenses	2,431,904.	17	2,304,601.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	4,211,371.	20	3,754,138.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	1,979,896.	23	1,458,328.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	89,094.	25	84,928.
	26 Total liabilities. Add lines 17 through 25	8,712,265.	26	7,601,995.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	26,884,529.	27	23,189,699.
	28 Net assets with donor restrictions	307,627.	28	324,208.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	27,192,156.	32	23,513,907.
	33 Total liabilities and net assets/fund balances	35,904,421.	33	31,115,902.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	34,870,277.
2	Total expenses (must equal Part IX, column (A), line 25)	2	36,336,101.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,465,824.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	27,192,156.
5	Net unrealized gains (losses) on investments	5	-2,167,546.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-44,879.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	23,513,907.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- 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 on Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

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

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations:
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2020 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<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) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2020 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2020 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2021. 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 - 2020. 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 box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <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>		
2 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>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
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>		
c 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>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
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>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <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>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c 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 Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as 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).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on 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>		
c Did a disqualified person (as defined on 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>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
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
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described on line 11a above?		
c A 35% controlled entity of a person described on line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
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 0.015 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 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<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)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2021 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2021	(iii) Distributable Amount for 2021
1 Distributable amount for 2021 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2021 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2021			
a From 2016			
b From 2017			
c From 2018			
d From 2019			
e From 2020			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2021 distributable amount			
i Carryover from 2016 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2021 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2021 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2022. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2017			
b Excess from 2018			
c Excess from 2019			
d Excess from 2020			
e Excess from 2021			

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990 or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Name of the organization

CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number

46-0233030

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), 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 (entering "N/A" in column (b) instead of the contributor name and address), 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), 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).

Name of organization CHILDREN'S CARE HOSPITAL AND SCHOOL	Employer identification number 46-0233030
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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/>	\$ <u>1,136,914.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization CHILDREN'S CARE HOSPITAL AND SCHOOL	Employer identification number 46-0233030
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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
<u>1</u>	VENDOR DISCOUNTS _____ _____ _____	\$ <u>4,707.</u>	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization CHILDREN'S CARE HOSPITAL AND SCHOOL	Employer identification number 46-0233030
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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
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2021

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
 ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
 ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

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

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

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

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

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

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

Name of organization CHILDREN'S CARE HOSPITAL AND SCHOOL	Employer identification number 46-0233030
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures ▶ \$ _____
- 3 Volunteer hours for political campaign activities _____

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)			
b Total lobbying expenditures to influence a legislative body (direct lobbying)			
c Total lobbying expenditures (add lines 1a and 1b)			
d Other exempt purpose expenditures			
e Total exempt purpose expenditures (add lines 1c and 1d)			
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.			
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:		
Not over \$500,000	20% of the amount on line 1e.		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.		
Over \$17,000,000	\$1,000,000.		
g Grassroots nontaxable amount (enter 25% of line 1f)			
h Subtract line 1g from line 1a. If zero or less, enter -0-			
i Subtract line 1f from line 1c. If zero or less, enter -0-			
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?	X		846.
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		12,500.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total. Add lines 1c through 1i			13,346.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

PART II-B, LINE 1, LOBBYING ACTIVITIES:

CHILDREN'S CARE HOSPITAL AND SCHOOL (CCHS) CONTRACTS FOR LOBBYING

SERVICES. THE LOBBYIST IS IN DIRECT CONTACT WITH LEGISLATORS, THEIR

STAFFS AND GOVERNMENT OFFICIALS DURING THE STATE'S 30-40 DAY

LEGISLATIVE SESSION. THE LOBBYIST HELPS CCHS DEFINE ISSUES AND MAKE

CONTACT WITH APPROPRIATE LEGISLATIVE AND EXECUTIVE BRANCH PERSONNEL TO

Part IV Supplemental Information *(continued)*

MAKE SURE THEY TRULY UNDERSTAND HOW ISSUES THAT MAY BE IN FRONT OF THEM
WILL AFFECT CCHS. LOBBYING REVOLVES AROUND PROPOSED BUDGETARY ISSUES AS
WELL AS ADVOCATING FOR THE WELFARE OF PEOPLE SERVED BY CCHS.

Multiple horizontal lines for supplemental information.

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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

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

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" 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 (for example, 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 7/25/06, 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?

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)?

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 FASB 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 FASB 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 FASB 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 make 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 program
 - 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____%
 - b Permanent endowment _____%
 - c Term endowment _____%
- 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:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,090,996.		1,090,996.
b Buildings		20,351,679.	17,076,467.	3,275,212.
c Leasehold improvements				
d Equipment		7,091,479.	6,237,954.	853,525.
e Other		2,366,674.	797,505.	1,569,169.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				6,788,902.

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)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) INTERCOMPANY RECEIVABLE	494,820.
(2) INVESTMENT IN DAKOTA TRUCK UNDERWRITERS	405,303.
(3) OPERATING LEASE RIGHT OF USE ASSET	1,428,791.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	2,328,914.

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) ASSETS HELD IN TRUST	84,928.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	84,928.

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 FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

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

1	Total revenue, gains, and other support per audited financial statements	1	32,578,654.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-2,167,546.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	-44,879.
e	Add lines 2a through 2d	2e	-2,212,425.
3	Subtract line 2e from line 1	3	34,791,079.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	79,198.
c	Add lines 4a and 4b	4c	79,198.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	34,870,277.

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

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

1	Total expenses and losses per audited financial statements	1	36,257,132.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	36,257,132.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	78,969.
c	Add lines 4a and 4b	4c	78,969.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	36,336,101.

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 X, LINE 2:

THE ORGANIZATION BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS. THE ORGANIZATION WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

NET ASSETS RELEASED FROM RESTRICTION -44,879.

Part XIII Supplemental Information *(continued)*

PART XI, LINE 4B - OTHER ADJUSTMENTS:

AUXILIARY REVENUE	1,141.
BANK FEES RECLASSIFIED FOR 990	78,057.
OTHER CHANGE IN NET ASSETS	
TOTAL TO SCHEDULE D, PART XI, LINE 4B	79,198.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

AUXILIARY EXPENSES	912.
BANK FEES RECLASSIFIED FOR 990	78,057.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	78,969.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

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

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <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		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>175</u> %	<input checked="" type="checkbox"/>	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a 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 If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?		<input checked="" type="checkbox"/>
b If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)						
b Medicaid (from Worksheet 3, column a)			22586118.	17548341.	5037777.	13.86%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			22586118.	17548341.	5037777.	13.86%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j			22586118.	17548341.	5037777.	13.86%

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	1	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2		
		120,000.	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	51,586.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	132,327.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-80,741.
8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information

Section A. Hospital Facilities

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

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

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

1 CHILDREN'S CARE HOSPITAL & SCHOOL
2501 W 26TH, 1020 W 18TH, 7220 W 41ST
SIOUX FALLS, SD 57105
WWW.LIFESCAPESD.ORG
10562

Table with 8 columns: Licensed hospital, gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1: X, X, , , , , , , , .

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 CHILDREN'S CARE HOSPITAL & SCHOOL

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

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <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>21</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>SEE 7D</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" 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>21</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE 7D</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 CHILDREN'S CARE HOSPITAL & SCHOOL

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100</u> % and FPG family income limit for eligibility for discounted care of <u>175</u> %		
b	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input checked="" type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
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		
c	<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		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>HTTPS://WWW.LIFESCAPESD.ORG/FINANCIAL-ASSISTANCE</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
c	<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>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<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)		
f	<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)		
g	<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		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group CHILDREN'S CARE HOSPITAL & SCHOOL

	Yes	No
<p>17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?</p>	X	
<p>18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:</p> <p>a <input type="checkbox"/> Reporting to credit agency(ies)</p> <p>b <input type="checkbox"/> Selling an individual's debt to another party</p> <p>c <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</p> <p>d <input type="checkbox"/> Actions that require a legal or judicial process</p> <p>e <input type="checkbox"/> Other similar actions (describe in Section C)</p> <p>f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted</p>		
<p>19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?</p> <p>If "Yes," check all actions in which the hospital facility or a third party engaged:</p> <p>a <input type="checkbox"/> Reporting to credit agency(ies)</p> <p>b <input type="checkbox"/> Selling an individual's debt to another party</p> <p>c <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</p> <p>d <input type="checkbox"/> Actions that require a legal or judicial process</p> <p>e <input type="checkbox"/> Other similar actions (describe in Section C)</p>		X
<p>20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):</p> <p>a <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 (if not, describe in Section C)</p> <p>b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)</p> <p>c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)</p> <p>d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p> <p>f <input type="checkbox"/> None of these efforts were made</p>		

Policy Relating to Emergency Medical Care

<p>21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?</p> <p>If "No," indicate why:</p> <p>a <input checked="" type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions</p> <p>b <input type="checkbox"/> The hospital facility's policy was not in writing</p> <p>c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)</p> <p>d <input type="checkbox"/> Other (describe in Section C)</p>	21	X
---	-----------	----------

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 CHILDREN'S CARE HOSPITAL & SCHOOL

	Yes	No
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a <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 <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		
c <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		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	23	X
If "Yes," explain in Section C.		
24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	X
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, 20a, 20b, 20c, 20d, 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.

CHILDREN'S CARE HOSPITAL & SCHOOL:

PART V, SECTION B, LINE 5: KEY INFORMATIONAL INTERVIEWS/SURVEYS WERE CONDUCTED. THE LIFESCAPE ADVISORY COMMITTEE SELECTED INDIVIDUALS WITH A WIDE RANGE OF BACKGROUNDS IN HEALTH-RELATED AGENCIES AND WITH HEALTH-RELATED QUALIFICATIONS TO PARTICIPATE IN THE INTERVIEWS. THESE INDIVIDUALS REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY LIFESCAPE. INTERVIEWS AND SURVEYS WERE PROVIDED FEBRUARY 23RD- MARCH 15TH, 2022. UNDERSERVED POPULATIONS THAT WE REACHED OUT TO FOR FEEDBACK INCLUDE: PEOPLE WITH AUTISM, NON-AUTISM RELATED MENTAL HEALTH DIAGNOSES AND CONCERNS, MEDICALLY COMPLEX NEEDS AND PARENTS OR CAREGIVERS OF THOSE WITH COMPLEX NEEDS.

CHILDREN'S CARE HOSPITAL & SCHOOL:

PART V, SECTION B, LINE 7D: [HTTPS://WWW.LIFESCAPESD.ORG/ABOUT](https://www.lifescapesd.org/about)

THE IMPLEMENTATION STRATEGY CAN BE FOUND ON PAGE 16 OF THE CHNA REPORT.

CHILDREN'S CARE HOSPITAL & SCHOOL:

PART V, SECTION B, LINE 11: THE 2021 COMMUNITY HEALTH NEEDS ASSESSMENT REVEALED THE FOLLOWING PRIORITY NEEDS:

1. ACCESSING SPECIALTY HOSPITAL AND OUTPATIENT SERVICES:
2. LACK OF COMMUNITY AND CAREGIVER EDUCATION ON LIFESCAPE SERVICES AND COMMUNITY RESOURCES:

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, 20a, 20b, 20c, 20d, 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.

3. INADEQUATE AVAILABILITY OF APPROPRIATE MEDICAL AND COMMUNITY-BASED**SERVICES IN IDENTIFIED AREAS: PEDIATRIC SKILLED NURSING/PEDIATRIC HOME****HEALTH/RESPIRE CARE; MENTAL HEALTH; AND AUTISM/ABA.****MANY OF THE IDENTIFIED NEEDS ARE A CONTINUATION OF NEEDS IDENTIFIED IN THE
PRIOR COMMUNITY HEALTH NEEDS ASSESSMENT.****THE ORGANIZATION ADDRESSED THE 2018 IDENTIFIED PRIORITY NEEDS AS FOLLOWS:****1. DEVELOPED ONLINE PARENT TRAINING FORMAT THAT IS FOUND ON OUR WEBSITE,
AWARDED 2 GRANTS TO HELP SUPPORT ONLINE EDUCATIONAL PLATFORMS, DIRECTORY
OF SERVICES WAS DEVELOPED FOR HOSPITAL SERVICES AND DISSEMINATED TO
COMMUNITY RESOURCES AND PROVIDERS.****2. A NEW HOSPITAL FAMILY HANDBOOK WAS DEVELOPED AND IS BEING PROVIDED TO
FAMILIES UPON ADMISSION.****3. WE WERE ABLE TO INCREASE OUR NUMBER OF AUTISM EVALUATIONS AND FREE
SCREENINGS TO HELP MEET GROWING DEMAND. THE OUTPATIENT AUTISM TEAM
DEVELOPED A SCREENING TOOL FOR ADOLESCENTS TO BETTER GUIDE APPROPRIATE
RESOURCES FOR PATIENTS.****TRANSPORTATION AND INSURANCE COVERAGE WERE NEEDS THAT WE CHOSE NOT TO
ADDRESS AS WE DON'T HAVE THE ABILITY TO DIRECTLY IMPACT THESE AREAS. WE
ALSO WERE NOT ABLE TO ADDRESS THE NEED FOR ADDITIONAL LOCATIONS FOR THOSE
AGING OUT OF SERVICES WITH HIGH MEDICAL NEEDS DUE TO FINANCIAL CONSTRAINTS
OF DEVELOPING A NEW LOCATION.****CHILDREN'S CARE HOSPITAL & SCHOOL:**

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, 20a, 20b, 20c, 20d, 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.

PART V, SECTION B, LINE 13B: THERE ARE INSTANCES WHEN A PATIENT MAY APPEAR ELIGIBLE FOR CHARITY CARE DISCOUNTS, BUT THERE IS NO FINANCIAL ASSISTANCE FORM ON FILE DUE TO A LACK OF SUPPORTING DOCUMENTATION. OFTEN THERE IS ADEQUATE INFORMATION PROVIDED BY THE PATIENT THROUGH OTHER SOURCES, WHICH COULD PROVIDE SUFFICIENT EVIDENCE TO PROVIDE THE PATIENT WITH CHARITY CARE ASSISTANCE. IN THE EVENT THERE IS NO EVIDENCE TO SUPPORT A PATIENT'S ELIGIBILITY FOR CHARITY CARE, CHILDREN'S CARE HOSPITAL AND SCHOOL COULD USE OUTSIDE AGENCIES IN DETERMINING ESTIMATED INCOME AMOUNTS FOR THE BASIS OF DETERMINING CHARITY CARE ELIGIBILITY AND POTENTIAL DISCOUNT AMOUNTS. PRESUMPTIVE ELIGIBILITY MAY BE DETERMINED ON THE BASIS OF INDIVIDUAL LIFE CIRCUMSTANCES THAT MAY INCLUDE:

1. STATE-FUNDED PRESCRIPTION PROGRAMS;
2. HOMELESS OR RECEIVED CARE FROM A HOMELESS CLINIC;
3. PARTICIPATION IN WOMEN, INFANTS AND CHILDREN PROGRAMS (WIC);
4. FOOD STAMP ELIGIBILITY;
5. SUBSIDIZED SCHOOL LUNCH PROGRAM ELIGIBILITY;
6. ELIGIBILITY FOR OTHER STATE OR LOCAL ASSISTANCE PROGRAM THAT ARE UNFUNDED (E.G., MEDICAID SPEND-DOWN);
7. LOW INCOME/SUBSIDIZED HOUSING IS PROVIDED AS A VALID ADDRESS; AND,
8. PATIENT IS DECEASED WITH NO KNOWN ESTATE.

CHILDREN'S CARE HOSPITAL & SCHOOL:

PART V, SECTION B, LINE 13H: PRESUMPTIVE ELIGIBILITY FOR FINANCIAL ASSISTANCE MAY BE USED IF NECESSARY.

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, 20a, 20b, 20c, 20d, 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.

CHILDREN'S CARE HOSPITAL & SCHOOL

PART V, LINE 16B, FAP APPLICATION WEBSITE:

[HTTPS://WWW.LIFESCAPESD.ORG/FINANCIAL-ASSISTANCE](https://www.lifescapesd.org/financial-assistance)

CHILDREN'S CARE HOSPITAL & SCHOOL

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

[HTTPS://WWW.LIFESCAPESD.ORG/FINANCIAL-ASSISTANCE](https://www.lifescapesd.org/financial-assistance)

CHILDREN'S CARE HOSPITAL & SCHOOL:

PART V, SECTION B, LINE 24: THE POLICY DOES NOT COVER ELECTIVE PROCEDURES AND NO FAP-ELIGIBLE PATIENTS HAD ELECTIVE PROCEDURES.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

How many non-hospital health care facilities did the organization operate during the tax year? 2

Name and address	Type of Facility (describe)
1 CHILDREN'S CARE HOSPITAL & SCHOOL 7110 JORDAN DRIVE RAPID CITY, SD 57702	OUTPATIENT REHABILITATION CENTER
2 CHILDREN'S CARE HOSPITAL AND SCHOOL 2524 GLENN AVENUE SIOUX CITY, IA 51106	OCCUPATIONAL, PHYSICAL, AND SPEECH THERAPY

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

IN ADDITION TO FEDERAL POVERTY GUIDELINES TO DETERMINE FAP ELIGIBILITY, CCHS USES AN ASSET TEST, REVIEWS INSURANCE STATUS, CONSIDERS MEDICAL INDIGENCY, AND REVIEWS INFORMATION TO DETERMINE PRESUMPTIVE ELIGIBILITY FOR FINANCIAL ASSISTANCE.

PART I, LINE 7:

LINE 7B UNREIMBURSED MEDICAID IS THE COST OF MEDICAID PROVIDED FOR INPATIENTS, PATIENTS AT THE RAPID CITY REHAB CENTER, RAPID CITY OUTREACH, SIOUX FALLS OUTREACH, AND SIOUX CITY OUTPATIENT CENTER. THE COST IS CALCULATED BY MULTIPLYING THE MEDICAID CHARGES TIMES THE COST-TO-CHARGE RATIO, AS DETERMINED THROUGH USE OF THE GENERAL LEDGER.

PART III, LINE 2:

THE AMOUNT ON LINE 2 REPRESENTS IMPLICIT PRICE CONCESSIONS. THE ORGANIZATION DETERMINES ITS ESTIMATE OF IMPLICIT PRICE CONCESSION BASED ON ITS HISTORICAL COLLECTION EXPERIENCE WITH THIS CLASS OF PATIENTS.

Part VI Supplemental Information (Continuation)

PART III, LINE 3:

NO PART OF THE AMOUNT ON LINE 2 WAS DETERMINED TO BE CHARITY CARE ELIGIBLE.

PART III, LINE 4:

THE FINANCIAL STATEMENT FOOTNOTE THAT DESCRIBES IMPLICIT PRICE CONCESSION IS AT NOTE 1 PAGES 16-17.

PART III, LINE 8:

NO PART OF THE SHORTFALL ON LINE 7 IS TREATED AS COMMUNITY BENEFIT. THE HOSPITAL HAS MEDICARE CERTIFICATION BECAUSE IT IS REQUIRED IN ORDER TO OPERATE. THE OVERALL COST-TO-CHARGE RATIO BASED ON AUDITED FINANCIAL STATEMENTS WAS USED TO CALCULATE COST.

PART III, LINE 9B:

PRIOR TO ENGAGING IN ECAS, LIFESCAPE'S REVENUE CYCLE STAFF WILL IDENTIFY WHETHER REASONABLE EFFORTS WERE MADE TO DETERMINE WHETHER AN INDIVIDUAL IS ELIGIBLE FOR FINANCIAL ASSISTANCE. IF A PATIENT SUBMITS A COMPLETE HOSPITAL FINANCIAL ASSISTANCE APPLICATION DURING THE APPLICATION PERIOD, LIFESCAPE WILL SUSPEND ECAS AND MAKE AN ELIGIBILITY DETERMINATION BEFORE RESUMING ECA ACTIVITY.

PART VI, LINE 2:

CCHS RELIES ON ITS BOARD MEMBERS AND BOARD MEMBERS OF LIFESCAPE FOUNDATION WHO REPRESENT ALL REGIONS OF THE STATE, ITS MEDICAL STAFF, AND SCHOOL DISTRICTS WHOSE STUDENTS IT SERVES TO HELP ADVISE OF HEALTH CARE NEEDS OF THEIR RESPECTIVE COMMUNITIES. CCHS ALSO CONDUCTS REGULAR MEETINGS WITH PARENTS AND PATIENTS TO HELP ASSESS THE HEALTH CARE NEEDS OF THE

Part VI Supplemental Information (Continuation)

COMMUNITIES IT SERVES.

PART VI, LINE 3:

RESIDENTIAL AND INPATIENT SERVICES ARE ALWAYS PRE-AUTHORIZED BY A THIRD PARTY PAYER AND ANY PATIENT RESPONSIBILITY IS DISCUSSED WITH THE RESIDENT'S GUARANTOR UPON ADMISSION. FINANCIAL COUNSELING IS AVAILABLE FOR OUTPATIENT SERVICES. THIS STARTS WITH CCHS VERIFYING THAT PATIENT'S INSURANCE IS EFFECTIVE AND CONTACTING INSURANCE WITH DIAGNOSIS AND PROCEDURE CODES TO CHECK COVERAGE. NEXT, THE PARENT/GUARANTOR IS CONTACTED TO INFORM THEM OF THE APPROXIMATE AMOUNT FOR WHICH THEY'LL BE FINANCIALLY RESPONSIBLE. THEY ARE ASKED TO SIGN A PRIVATE PAY AGREEMENT BEFORE SERVICES ARE PROVIDED. BECAUSE CCHS DOES NOT PROVIDE EMERGENCY SERVICES, THERE IS ALWAYS TIME TO GET FORMS SIGNED BEFORE SERVICES ARE RENDERED.

PART VI, LINE 4:

CCHS SERVES APPROXIMATELY 3,000 CHILDREN AND THEIR FAMILIES IN 64 COUNTIES THROUGHOUT SOUTH DAKOTA EVERY YEAR. ADDITIONAL CHILDREN AND FAMILIES ARE SERVED THROUGHOUT MINNESOTA, IOWA AND NORTH DAKOTA. APPROXIMATELY 65 SOUTH DAKOTA PUBLIC AND TRIBAL SCHOOL DISTRICTS ALSO RELY ON CCHS AND CHILDREN FROM SEVERAL PUBLIC OR PRIVATE AGENCIES AND PROGRAMS ARE ALSO SERVED. NO OTHER HOSPITALS IN THE AREA PROVIDE SIMILAR SERVICES.

PART VI, LINE 5:

- ALL CCHS GOVERNING BODY MEMBERS RESIDE IN DIFFERENT PARTS OF ITS PRIMARY SERVICE AREA IN SOUTH DAKOTA. ALL BOARD MEMBERS ARE INDEPENDENT OF CCHS AND SERVE IN A VOLUNTEER CAPACITY.

- CCHS EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITIES.

Part VI Supplemental Information (Continuation)

- CCHS USES SURPLUS FUNDS TO ENHANCE SERVICES TO PATIENTS, FUND BUILDING IMPROVEMENTS OR EXPANSIONS, AND IMPROVE CARE BY PROVIDING ADDITIONAL TRAINING TO STAFF.
- CCHS IS THE ONLY PROVIDER IN SOUTH DAKOTA OFFERING 24-HOUR, INTEGRATED MEDICAL, BEHAVIORAL, AND SPECIAL EDUCATION SERVICES FOR CHILDREN AGES BIRTH TO 21. CCHS SERVES FAMILIES AND SCHOOLS WHO ARE UNABLE TO SUPPORT CHILDREN WITH SEVERE BEHAVIORS WHO MAY HARM THEMSELVES OR OTHERS. MEDICAL PROGRAMMING IS PROVIDED TO FILL THE GAP BETWEEN SERVICES PROVIDED IN THE HOME AND SCHOOL DISTRICT AND SERVICES PROVIDED AT ACUTE CARE HOSPITALS.
- CCHS HAS SEVERAL CLINICAL AFFILIATION AGREEMENTS WITH SURROUNDING AREA SCHOOLS TO PROVIDE TRAINING EXPERIENCE FOR PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS, NURSES AND PSYCHOLOGY STUDENTS.
- CCHS PARTICIPATES IN THE MEDICARE PROGRAM, SEVERAL STATE MEDICAID PROGRAMS, AND THE BIRTH TO 3 PROGRAM.
- 548 VOLUNTEERS ASSISTED WITH ALL ASPECTS OF CCHS OPERATIONS. VOLUNTEERS ASSIST CCHS STAFF WITH ADMINISTRATIVE TASKS IN RECEPTION, MEDICAL RECORDS AND FUNDRAISING, AND PROVIDE SUPPORT TO PROFESSIONALS IN RESIDENTIAL AREAS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

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

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 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
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2021

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 and/or 1099-NEC 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) STEVEN WATKINS CEO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	284,892.	0.	516.	7,269.	26,995.	319,672.	0.
(2) STEVE WILSON CFO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	180,800.	0.	566.	4,692.	24,758.	210,816.	0.
(3) CHARLENE CONNELLY RN	(i)	163,517.	2,106.	252.	4,079.	169.	170,123.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(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.

PART I, LINE 3:

THE ORGANIZATION RELIED ON A RELATED PARTY, LIFESCAPE, TO DETERMINE
COMPENSATION FOR THE CEO AND CFO. LIFESCAPE USES THE METHODS LISTED IN PART
I, LINE 3 TO DETERMINE COMPENSATION.

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.** ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization
CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number
46-0233030

Part I	Bond Issues	SEE PART VI FOR COLUMN (A) 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	SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES A	48-0315509	83755VJ47	11/01/17	5,736,456.	REFINANCING OF 2007 BONDS		X		X		X
	B												
	C												
	D												

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	2,186,456.							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	5,736,456.							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	106,780.							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	597,971.							
11	Other spent proceeds	5,031,805.							
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	X							
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, 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						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
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?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d 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? ...								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test?		X						
8a 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 If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 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
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?		X						
c No rebate due?		X						
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						

Part IV Arbitrage (continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 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: SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

**SCHEDULE O
(Form 990)**

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 Form 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number

46-0233030

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

SERVICES AND CREATIVE SOLUTIONS FOR PEOPLE WITH VARIED NEEDS AND
COMPLEX CARE ACROSS THEIR LIFE SPAN. KEY FACTORS IN ACCOMPLISHING THIS
ARE COLLABORATIVE PARTNERSHIPS, STRIVING TO BECOME A DESTINATION FOR
RESEARCH, AS WELL AS DEVELOPING, IMPLEMENTING, AND TRAINING OF
TECHNOLOGY-BASED SOLUTIONS TO IMPROVE THE LIVES OF PEOPLE WE SUPPORT.

FORM 990, PART III, LINE 3, CHANGES IN PROGRAM SERVICES:

WE DISCONTINUED OPERATIONS AT ABLEKIDS OUTPATIENT CLINIC IN SIOUX CITY,
IOWA AS OF JUNE 3, 2022.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

LIFESCAPE HAS 10 BOARD CERTIFIED BEHAVIOR ANALYSTS IN THE STATE, FIVE
OF WHOM WERE HIRED IN FY22 AT OUR SIOUX FALLS AUTISM AND CHILD
DEVELOPMENT CENTER AND 26TH STREET CHILDREN'S CAMPUS. WITH THE NUMBER
OF CHILDREN WHO NEED BEHAVIORAL SERVICES INCREASING, LIFESCAPE ALSO
WORKED TO HIRE MORE REGISTERED BEHAVIOR TECHNICIANS (RBTS). IN FY22, 11
FULL-TIME RBTS WERE HIRED IN SIOUX FALLS, ALONG WITH 1 PART-TIME AND
ONE UNSCHEDULED PART-TIME RBT. IN RAPID CITY, 5 FULL-TIME RBTS AND ONE
UPT WERE HIRED.

LIFESCAPE'S CHILDREN'S SPECIALTY HOSPITAL CONTINUES TO BE THE ONLY
PEDIATRIC REHABILITATION HOSPITAL IN SOUTH DAKOTA. IN FY22, 37 CHILDREN
WERE SERVED IN THE HOSPITAL. IN THE RESIDENTIAL PROGRAM AND
INTERMEDIATE CARE FACILITY, 56 CHILDREN WERE SERVED, MOST OF WHOM ALSO
ATTENDED LIFESCAPE'S SPECIALTY SCHOOLS. IN ADDITION, THERE WERE OVER

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

58-DAY STUDENTS AT THE 26TH STREET CAMPUS AND PATHWAYS TO LIFE SCHOOL.

WHILE CHILDREN SERVED WERE PRIMARILY FROM SOUTH DAKOTA, MANY WERE ALSO FROM NEIGHBORING STATES. ALL HAD ACCESS TO LIFESCAPE'S MANY EXPERTS THAT INCLUDE BOARD CERTIFIED BEHAVIOR ANALYSTS, SOCIAL WORKERS, CASE MANAGERS, DIETITIANS, PSYCHOLOGISTS AND MORE.

FORM 990, PART VI, SECTION A, LINE 1A:

THE EXECUTIVE COMMITTEE IS COMPRISED OF THE CHAIR, VICE CHAIR, SECRETARY, TREASURER, IMMEDIATE PAST CHAIR, CHIEF EXECUTIVE OFFICER, AND ONE DIRECTOR. THE COMMITTEE CAN ACT ON BEHALF OF THE BOARD BETWEEN BOARD MEETINGS. ALL ACTIONS TAKEN BY THE EXECUTIVE COMMITTEE MUST BE RATIFIED BY THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 2:

STEVE WATKINS HAS A BUSINESS RELATIONSHIP WITH PATTY PETERS, JOHN ROZELL, JAY SOUKUP, JACK HOPKINS, JASON HARRIS, P. DANIEL DONOHUE, JOE HENKIN, MOLLY MCCARTHY, JON SODERHOLM, LARRY FENTON, MARK STERNHAGEN, KIMBERLY NOONEY, MARLI SCHIPPERS, JOSH PAULI, NAN BAKER, AMY PREATOR, BOB MCNANEY, TYLER HAAHR, DOUG BERKLAND, ERICA DEBOER AND JASON HUBERS. THE BUSINESS RELATIONSHIP EXISTS BECAUSE STEVE WATKINS WAS PAID BY LIFESCAPE. PERSONS LISTED AS HAVING A BUSINESS RELATIONSHIP WITH HIM SERVE ON THE BOARD OF LIFESCAPE. ADDITIONALLY, STEVE WATKINS AND STEVE WILSON HAVE A BUSINESS RELATIONSHIP.

FORM 990, PART VI, SECTION A, LINE 6:

THE SOLE MEMBER OF THE ORGANIZATION IS LIFESCAPE, A SOUTH DAKOTA NON-PROFIT, EXEMPT UNDER INTERNAL REVENUE CODE 501(C)(3).

Name of the organization

CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number

46-0233030

FORM 990, PART VI, SECTION A, LINE 7A:

THE DIRECTORS SHALL BE ELECTED BY THE MEMBER AND SHALL BE THE SAME PERSONS WHO SERVE AS THE DIRECTORS OF THE MEMBER.

FORM 990, PART VI, SECTION B, LINE 11B:

THE 990 IS REVIEWED BY THE CHIEF FINANCIAL OFFICER AND A FINAL COPY OF THE 990 IS SHARED WITH THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 12C:

LIFESCAPE HAS A CONFLICT OF INTEREST POLICY THAT IS SIGNED ANNUALLY BY EACH MEMBER OF THE BOARD OF DIRECTORS. IN ADDITION, A CONFLICT LETTER IS SENT TO ALL BOARD MEMBERS AND SENIOR LEADERS OF LIFESCAPE TO COMPLETE AND TO DISCLOSE ANY POTENTIAL CONFLICTS.

FORM 990, PART VI, SECTION B, LINE 15:

THE CEO AND CFO OF CCHS ARE COMPENSATED BY LIFESCAPE, A RELATED ORGANIZATION.

FORM 990, PART VI, SECTION C, LINE 19:

DOCUMENTS AVAILABLE UPON REQUEST.

FORM 990, PART X, LINE 20:

THE ISSUE PRICE OF THE BONDS INCLUDES THE FILING ORGANIZATION'S SHARE OF THE ENTIRE BOND ISSUE, WHICH WAS ISSUED TO LIFESCAPE ON BEHALF OF THE LIFESCAPE OBLIGATED GROUP. THE LIFESCAPE OBLIGATED GROUP CONSISTS OF LIFESCAPE, CHILDREN'S CARE HOSPITAL AND SCHOOL D/B/A LIFESCAPE, SOUTH DAKOTA ACHIEVE D/B/A LIFESCAPE, AND LIFESCAPE FOUNDATION.

Name of the organization

CHILDREN'S CARE HOSPITAL AND SCHOOL

Employer identification number

46-0233030

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

NET ASSETS RELEASED FROM RESTRICTION

-44,879.

**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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

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

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

(a) Name, address, and EIN (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
LIFESCAPE - 46-5151247 4100 S WESTERN AVE SIOUX FALLS, SD 57105	ASSIST CHILDREN'S CARE HOSPITAL & SCHOOL AND SD ACHIEVE	SOUTH DAKOTA	501(C)(3)	LINE 12A, I	N/A		X
SOUTH DAKOTA ACHIEVE DBA LIFESCAPE - 23-7072116, 4100 S WESTERN AVE, SIOUX FALLS, SD 57105	PROVIDE SUPPORT SERVICES TO PEOPLE WITH DEVELOPMENTAL DISABILITIES	SOUTH DAKOTA	501(C)(3)	LINE 2	LIFESCAPE		X
LIFESCAPE FOUNDATION - 46-0353254 2501 WEST 26TH STREET SIOUX FALLS, SD 57105	SUPPORT PROGRAMS & SERVICES OF LIFESCAPE ENTITIES	SOUTH DAKOTA	501(C)(3)	LINE 12A, I	LIFESCAPE		X
SIOUX RESIDENTIAL SERVICES INC - AKA HARVEST APARTMENTS - 46-0378935, 4100 S WESTERN AVE, SIOUX FALLS, SD 57105	HUD PROPERTY FOR INDIVIDUALS SUPPORTED BY SDA	SOUTH DAKOTA	501(C)(3)	LINE 10	SOUTH DAKOTA ACHIEVE DBA LIFESCAPE		X

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

Schedule R (Form 990) 2021

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
HAYWARD MEMORIAL TESTAMENTARY TRUST - 46-6010897, 100 S PHILIPS AVE, SIOUX FALLS, SD 57104	PROVIDE BENEFITS TO ORGANIZATIONS THAT PROMOTE CHARITABLE PURPOSES	SOUTH DAKOTA	501(C)(3)	LINE 12A, I	N/A		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	
BEACON APARTMENTS LIMITED PARTNERSHIP - 47-1232136, 4100 S WESTERN AVE, SIOUX FALLS, SD 57105	LOW INCOME HOUSING	SD	N/A	N/A	N/A	N/A		X	N/A		X	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
REHABILITATION MEDICAL SUPPLY - 41-1936988 1020 W 18TH ST SIOUX FALLS, SD 57104	SALES & SERVICE OF DURABLE MEDICAL EQUIPMENT, ORTHOTICS,	SD	CHILDREN'S CARE HOSPITAL AND SCHOOL	C CORP	2,176,694.	1,843,349.	100%	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
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s 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) REHABILITATION MEDICAL SUPPLY	Q	1,885,446.	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

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

PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:

NAME OF RELATED ORGANIZATION:

REHABILITATION MEDICAL SUPPLY

PRIMARY ACTIVITY: SALES & SERVICE OF DURABLE MEDICAL EQUIPMENT, ORTHOTICS,
& PROSTHETICS

IRS e-file Signature Authorization for a Tax Exempt Entity

Form 8879-TE

For calendar year 2021, or fiscal year beginning JUL 1, 2021, and ending JUN 30, 2022

2021

Department of the Treasury Internal Revenue Service

Do not send to the IRS. Keep for your records. Go to www.irs.gov/Form8879TE for the latest information.

Name of filer: CHILDREN'S CARE HOSPITAL AND SCHOOL; EIN or SSN: 46-0233030; Name and title of officer or person subject to tax: STEVE WILSON CFO

Part I Type of Return and Return Information

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only.

Form 990 check here; Form 990-EZ check here; Form 1120-POL check here; Form 990-PF check here; Form 8868 check here; Form 990-T check here; Form 4720 check here; Form 5227 check here; Form 5330 check here; Form 8038-CP check here; Total revenue; Total tax; Tax based on investment income; Balance due; Total tax; Total tax; FMV of assets at end of tax year; Tax due; Amount of credit payment requested

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that I am an officer of the above entity or I am a person subject to tax with respect to (name of entity) EIDE BAILLY LLP, (EIN) 07715 and that I have examined a copy of the 2021 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete.

PIN: check one box only

I authorize EIDE BAILLY LLP to enter my PIN 07715. Enter five numbers, but do not enter all zeros

as my signature on the tax year 2021 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2021 electronically filed return.

Signature of officer or person subject to tax: ***** THIS IS NOT A FILEABLE COPY ***** Date

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

46123305537 Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2021 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature: LAURIE HANSON, CPA Date: 04/28/23

ERO Must Retain This Form - See Instructions Do Not Submit This Form to the IRS Unless Requested To Do So

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.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

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/e-file-providers/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.

Type or print	Name of exempt organization or other filer, see instructions. CHILDREN'S CARE HOSPITAL AND SCHOOL	Taxpayer identification number (TIN) 46-0233030
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2501 WEST 26TH STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SIOUX FALLS, SD 57105-2498	

Enter the Return Code for the return that this application is for (file a separate application for each return) 07

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	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
Form 990-T (corporation)	07		

STEVE WILSON

• The books are in the care of ▶ **4100 S. WESTERN AVE - SIOUX FALLS, SD 57105**

Telephone No. ▶ **605-444-9820** 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 TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 15, 2023**, 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, 2021**, and ending **JUN 30, 2022**.

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

3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
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.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

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

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2021 or other tax year beginning JUL 1, 2021, and ending JUN 30, 2022

2021

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form990T for instructions and the latest information.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed.</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a) <input type="checkbox"/> 529A</p>	Print or Type	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) CHILDREN'S CARE HOSPITAL AND SCHOOL</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 2501 WEST 26TH STREET</p> <p>City or town, state or province, country, and ZIP or foreign postal code SIOUX FALLS, SD 57105-2498</p>	<p>D Employer identification number 46-0233030</p> <p>E Group exemption number (see instructions)</p> <p>F <input type="checkbox"/> Check box if an amended return.</p>
<p>C Book value of all assets at end of year ▶ 30,621,082.</p>			

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Check if filing only to ▶ Claim credit from Form 8941 Claim a refund shown on Form 2439

I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation ▶

J Enter the number of attached Schedules A (Form 990-T) ▶ **1**

K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

L The books are in care of ▶ **STEVE WILSON** Telephone number ▶ **605-444-9820**

Part I Total Unrelated Business Taxable Income

1 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	1	0.
2 Reserved	2	
3 Add lines 1 and 2	3	
4 Charitable contributions (see instructions for limitation rules)	4	0.
5 Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3	5	
6 Deduction for net operating loss. See instructions	6	
7 Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5	7	
8 Specific deduction (generally \$1,000, but see instructions for exceptions)	8	1,000.
9 Trusts. Section 199A deduction. See instructions	9	
10 Total deductions. Add lines 8 and 9	10	1,000.
11 Unrelated business taxable income. Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero	11	0.

Part II Tax Computation

1 Organizations taxable as corporations. Multiply Part I, line 11 by 21% (0.21)	1	0.
2 Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	2	
3 Proxy tax. See instructions	3	
4 Other tax amounts. See instructions	4	
5 Alternative minimum tax (trusts only)	5	
6 Tax on noncompliant facility income. See instructions	6	
7 Total. Add lines 3 through 6 to line 1 or 2, whichever applies	7	0.

LHA For Paperwork Reduction Act Notice, see instructions.

Part III Tax and Payments				
1a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	1a			
b Other credits (see instructions)	1b			
c General business credit. Attach Form 3800 (see instructions)	1c			
d Credit for prior year minimum tax (attach Form 8801 or 8827)	1d			
e Total credits. Add lines 1a through 1d		1e		
2 Subtract line 1e from Part II, line 7		2		0.
3 Other amounts due. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement)		3		
4 Total tax. Add lines 2 and 3 (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here		4		0.
5 Current net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 4		5		0.
6a Payments: A 2020 overpayment credited to 2021	6a			
b 2021 estimated tax payments. Check if section 643(g) election applies	6b			
c Tax deposited with Form 8868	6c			
d Foreign organizations: Tax paid or withheld at source (see instructions)	6d			
e Backup withholding (see instructions)	6e			
f Credit for small employer health insurance premiums (attach Form 8941)	6f			
g Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439				
<input checked="" type="checkbox"/> Form 4136 <u>1,480.</u> <input type="checkbox"/> Other				
Total	6g		1,480.	
7 Total payments. Add lines 6a through 6g		7		1,480.
8 Estimated tax penalty (see instructions). Check if Form 2220 is attached		8		
9 Tax due. If line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed		9		
10 Overpayment. If line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid		10		1,480.
11 Enter the amount of line 10 you want: Credited to 2022 estimated tax		11		1,480.
			Refunded	

Part IV Statements Regarding Certain Activities and Other Information (see instructions)			
1 At any time during the 2021 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here		Yes	No
			X
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?			X
If "Yes," see instructions for other forms the organization may have to file.			
3 Enter the amount of tax-exempt interest received or accrued during the tax year			
4 Enter available pre-2018 NOL carryovers here			
5 Post-2017 NOL carryovers. Enter available Business Activity Code and post-2017 NOL carryovers. Don't reduce the amounts shown below by any NOL claimed on any Schedule A, Part II, line 17 for the tax year. See instructions.			
Business Activity Code	Available post-2017 NOL carryover		
	\$		
	\$		
6a Did the organization change its method of accounting? (see instructions)			X
b If 6a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1128? If "No," explain in Part V			

Part V Supplemental Information

Provide the explanation required by Part IV, line 6b. Also, provide any other additional information. See instructions.

Sign Here	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 taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer _____ Date _____	Title CFO	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	LAURIE HANSON, CPA	LAURIE HANSON, CPA	04/28/23	P00851848
	Firm's name EIDE BAILLY LLP	Firm's EIN 45-0250958		
Firm's address 200 E. 10TH ST., STE. 500	Phone no. 605-339-1999			
Firm's address SIOUX FALLS, SD 57104-6375				

SECTION 1.263(A)-1(F) DE MINIMIS SAFE HARBOR ELECTION

THE ORGANIZATION IS MAKING THE DE MINIMIS SAFE HARBOR
ELECTION UNDER REG. SEC. 1.263(A)-1(F).

**SCHEDULE A
(Form 990-T)**

Department of the Treasury
Internal Revenue Service

**Unrelated Business Taxable Income
From an Unrelated Trade or Business**

▶ Go to www.irs.gov/Form990T for instructions and the latest information.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

1
OMB No. 1545-0047

2021

Open to Public Inspection for
501(c)(3) Organizations Only

A Name of the organization CHILDREN ' S CARE HOSPITAL AND SCHOOL	B Employer identification number 46-0233030
C Unrelated business activity code (see instructions) ▶ 900000	D Sequence: 1 of 1

E Describe the unrelated trade or business ▶ **TO CLAIM REFUNDABLE FUEL CREDIT**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales _____				
b Less returns and allowances _____ c Balance ▶	1c			
2 Cost of goods sold (Part III, line 8)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4 a Capital gain net income (attach Sch D (Form 1041 or Form 1120)). See instructions	4a			
b Net gain (loss) (Form 4797) (attach Form 4797). See instructions)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from a partnership or an S corporation (attach statement)	5			
6 Rent income (Part IV)	6			
7 Unrelated debt-financed income (Part V)	7			
8 Interest, annuities, royalties, and rents from a controlled organization (Part VI)	8			
9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)	9			
10 Exploited exempt activity income (Part VIII)	10			
11 Advertising income (Part IX)	11			
12 Other income (see instructions; attach statement)	12			
13 Total. Combine lines 3 through 12	13	0.		

Part II Deductions Not Taken Elsewhere See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income

1 Compensation of officers, directors, and trustees (Part X)							
2 Salaries and wages							
3 Repairs and maintenance							
4 Bad debts							
5 Interest (attach statement). See instructions							
6 Taxes and licenses							
7 Depreciation (attach Form 4562). See instructions		7					
8 Less depreciation claimed in Part III and elsewhere on return		8a				8b	
9 Depletion							
10 Contributions to deferred compensation plans							
11 Employee benefit programs							
12 Excess exempt expenses (Part VIII)							
13 Excess readership costs (Part IX)							
14 Other deductions (attach statement)							
15 Total deductions. Add lines 1 through 14							0.
16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)							0.
17 Deduction for net operating loss. See instructions							0.
18 Unrelated business taxable income. Subtract line 17 from line 16							

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule A (Form 990-T) 2021

Part III Cost of Goods Sold Enter method of inventory valuation ▶

1 Inventory at beginning of year	1	
2 Purchases	2	
3 Cost of labor	3	
4 Additional section 263A costs (attach statement)	4	
5 Other costs (attach statement)	5	
6 Total. Add lines 1 through 5	6	
7 Inventory at end of year	7	
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and in Part I, line 2	8	
9 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)

1 Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions.

A _____

B _____

C _____

D _____

	A	B	C	D
2 Rent received or accrued				
a From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)				
b From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)				
c Total rents received or accrued by property. Add lines 2a and 2b, columns A through D				
3 Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A) ▶ 0.				
4 Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement)				
5 Total deductions. Add line 4 columns A through D. Enter here and on Part I, line 6, column (B) ▶ 0.				

Part V Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions.

A _____

B _____

C _____

D _____

	A	B	C	D
2 Gross income from or allocable to debt-financed property				
3 Deductions directly connected with or allocable to debt-financed property				
a Straight line depreciation (attach statement)				
b Other deductions (attach statement)				
c Total deductions (add lines 3a and 3b, columns A through D)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach statement)				
5 Average adjusted basis of or allocable to debt-financed property (attach statement)				
6 Divide line 4 by line 5	%	%	%	%
7 Gross income reportable. Multiply line 2 by line 6				
8 Total gross income (add line 7, columns A through D). Enter here and on Part I, line 7, column (A) ▶ 0.				
9 Allocable deductions. Multiply line 3c by line 6				
10 Total allocable deductions. Add line 9, columns A through D. Enter here and on Part I, line 7, column (B) ▶ 0.				
11 Total dividends-received deductions included in line 10 ▶ 0.				

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

		Exempt Controlled Organizations			
1. Name of controlled organization	2. Employer identification number	3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
			Add columns 5 and 10. Enter here and on Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on Part I, line 8, column (B)	
Totals			0.	0.	

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add cols 3 and 4)
(1)				
(2)				
(3)				
(4)				
		Add amounts in column 2. Enter here and on Part I, line 9, column (A)		Add amounts in column 5. Enter here and on Part I, line 9, column (B)
Totals		0.		0.

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1	Description of exploited activity: _____		
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A)	2	
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B)	3	
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7	4	
5	Gross income from activity that is not unrelated business income	5	
6	Expenses attributable to income entered on line 5	6	
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12	7	

Part IX Advertising Income

1 Name(s) of periodical(s). Check box if reporting two or more periodicals on a consolidated basis.

- A
B
C
D

Enter amounts for each periodical listed above in the corresponding column.

Table with 4 columns (A, B, C, D) for Gross advertising income. Total 0.

Table with 4 columns (A, B, C, D) for Direct advertising costs by periodical. Total 0.

Table with 4 columns (A, B, C, D) for Advertising gain (loss), Readership costs, Circulation income, Excess readership costs.

a Add line 8, columns A through D. Enter the greater of the line 8a, columns total or zero here and on Part II, line 13

Part X Compensation of Officers, Directors, and Trustees (see instructions)

Table with 4 columns: 1. Name, 2. Title, 3. Percentage of time devoted to business, 4. Compensation attributable to unrelated business. Rows (1)-(4).

Total. Enter here and on Part II, line 1

Part XI Supplemental Information (see instructions)

Multiple horizontal lines for supplemental information input.

Credit for Federal Tax Paid on Fuels

▶ Go to www.irs.gov/Form4136 for instructions and the latest information.

Name (as shown on your income tax return)

Taxpayer identification number

CHILDREN'S CARE HOSPITAL AND SCHOOL

46-0233030

Caution: Claimant has the name and address of the person who sold the fuel to the claimant and the dates of purchase. For claims on lines 1c and 2b (type of use 13 or 14), 3d, 4c, and 5, claimant has not waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 or 14), claimant certifies that a certificate has not been provided to the credit card issuer.

1 Nontaxable Use of Gasoline

Note: CRN is credit reference number.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	\$.183		\$ 1,480.	362
b	Use on a farm for farming purposes	.183			
c	Other nontaxable use (see Caution above line 1)	13 .183	8,086		
d	Exported	.184			411

2 Nontaxable Use of Aviation Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	\$.15		\$	354
b	Other nontaxable use (see Caution above line 1)	.193			324
c	Exported	.194			412
d	LUST tax on aviation fuels used in foreign trade	.001			433

3 Nontaxable Use of Undyed Diesel Fuel

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	\$.243		\$	360
b	Use on a farm for farming purposes	.243			
c	Use in trains	.243			353
d	Use in certain intercity and local buses (see Caution above line 1)	.17			350
e	Exported	.244			413

4 Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use taxed at \$.244	\$.243		\$	346
b	Use on a farm for farming purposes	.243			
c	Use in certain intercity and local buses (see Caution above line 1)	.17			347
d	Exported	.244			414
e	Nontaxable use taxed at \$.044	.043			377
f	Nontaxable use taxed at \$.219	.218			369

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

5 Kerosene Used in Aviation

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200		\$	417
b	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219	.175			355
c	Nontaxable use (other than use by state or local government) taxed at \$.244	.243			346
d	Nontaxable use (other than use by state or local government) taxed at \$.219	.218			369
e	LUST tax on aviation fuels used in foreign trade	.001			433

6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel

Registration No. ►

Claimant certifies that it sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use by a state or local government	\$.243	\$	360
b	Use in certain intercity and local buses	.17		350

7 Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene For Use in Aviation)

Registration No. ►

Claimant certifies that it sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use by a state or local government	\$.243	\$	346
b	Sales from a blocked pump	.243		
c	Use in certain intercity and local buses	.17		

8 Sales by Registered Ultimate Vendors of Kerosene For Use in Aviation.

Registration No. ►

Claimant sold the kerosene for use in aviation at a tax-excluded price and has not collected the amount of tax from the buyer, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. See the instructions for additional information to be submitted.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade) taxed at \$.219	\$.175		\$	355
b	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200			417
c	Nonexempt use in noncommercial aviation	.025			418
d	Other nontaxable uses taxed at \$.244	.243			346
e	Other nontaxable uses taxed at \$.219	.218			369
f	LUST tax on aviation fuels used in foreign trade	.001			433

9 Reserved for future use

Registration No. ►

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
a Reserved for future use			\$	
b Reserved for future use				

10 Biodiesel or Renewable Diesel Mixture Credit

Registration No. ►

Biodiesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with liquid fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller, both of which have been edited as discussed in the instructions for line 10. See the instructions for line 10 for information about renewable diesel used in aviation.

	(b) Rate	(c) Gallons of biodiesel or renewable diesel	(d) Amount of credit	(e) CRN
a Biodiesel (other than agri-biodiesel) mixtures	\$ 1.00		\$	388
b Agri-biodiesel mixtures	1.00			390
c Renewable diesel mixtures	1.00			307

11 Nontaxable Use of Alternative Fuel**Caution:** There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.

	(a) Type of use	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG)		\$.183		\$	419
b "P Series" fuels		.183			420
c Compressed natural gas (CNG)		.183			421
d Liquefied hydrogen		.183			422
e Fischer-Tropsch process liquid fuel from coal (including peat)		.243			423
f Liquid fuel derived from biomass		.243			424
g Liquefied natural gas (LNG)		.243			425
h Liquefied gas derived from biomass		.183			435

12 Alternative Fuel Credit

Registration No. ►

	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG) (see instructions)	\$.50		\$	426
b "P Series" fuels	.50			427
c Compressed natural gas (CNG) (see instructions)	.50			428
d Liquefied hydrogen	.50			429
e Fischer-Tropsch process liquid fuel from coal (including peat)	.50			430
f Liquid fuel derived from biomass	.50			431
g Liquefied natural gas (LNG) (see instructions)	.50			432
h Liquefied gas derived from biomass	.50			436
i Compressed gas derived from biomass	.50			437

Form 4136 (2021)

13 Registered Credit Card Issuers

		Registration No. ▶		
	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Diesel fuel sold for the exclusive use of a state or local government	\$.243		\$	360
b Kerosene sold for the exclusive use of a state or local government	.243			346
c Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219	.218			369

14 Nontaxable Use of a Diesel-Water Fuel Emulsion

Caution: There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Nontaxable use		\$.197		\$	309
b Exported		.198			306

15 Diesel-Water Fuel Emulsion Blending

		Registration No. ▶		
	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Blender credit	\$.046		\$	310

16 Exported Dyed Fuels and Exported Gasoline Blendstocks

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Exported dyed diesel fuel and exported gasoline blendstocks taxed at \$.001	\$.001		\$	415
b Exported dyed kerosene	.001			416

17 Total income tax credit claimed. Add lines 1 through 16, column (d). Enter here and on Schedule 3 (Form 1040), line 12; Form 1120, Schedule J, line 20b; Form 1120-S, line 23c; Form 1041, Schedule G, line 16b; or the proper line of other returns	▶	17	\$	1,480.	
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Electronic Filing PDF Attachment



Consolidated Financial Statements
Years Ended June 30, 2022 and 2021
LifeScape

Independent Auditor’s Report	1
Consolidated Financial Statements	
Consolidated Balance Sheets	4
Consolidated Statements of Operations.....	6
Consolidated Statements of Changes in Net Assets.....	7
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements	10
Independent Auditor’s Report on Supplementary Information	34
Consolidating Supplementary Information	
Consolidating Balance Sheets	35
Consolidating Statements of Operations.....	37
Consolidating Statements of Changes in Net Assets	38
Schedule A South Dakota Achieve - Expenses	39
Schedule B South Dakota Achieve - Revenues.....	40
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41



Independent Auditor's Report

The Board of Directors
LifeScape
Sioux Falls, South Dakota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of LifeScape (the Organization), which comprise the consolidated balance sheets as of June 30, 2022 and 2021 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of LifeScape as of June 30, 2022 and 2021, and the consolidated results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and our 2022 audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). The 2021 audit was not required to be conducted in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our audit. We are required to be independent of LifeScape and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LifeScape's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 LifeScape's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LifeScape's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, on our consideration of LifeScape's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LifeScape's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LifeScape's internal control over financial reporting and compliance.

Eide Sully LLP

Sioux Falls, South Dakota
November 4, 2022

LifeScape
Consolidated Balance Sheets
June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 13,774,599	\$ 4,938,590
Receivables		
Patient	6,872,489	6,409,454
Accounts receivable	2,718,311	2,563,000
Promises to give	703,846	250,370
Other	628,829	1,113,240
Supplies	399,315	350,150
Prepaid expenses	258,158	244,631
Total current assets	25,355,547	15,869,435
Assets Limited as to Use		
Under indenture agreements	176,038	477,388
By Board for capital improvements and debt redemption	16,552,253	19,435,150
Donor restricted investments	48,753,913	46,375,997
Beneficial interest in remainder trusts	3,049,491	3,206,889
Beneficial interest in perpetual trusts	387,748	539,161
Total assets limited as to use	68,919,443	70,034,585
Investments	58,145,841	71,464,331
Property and Equipment, Net	16,759,739	15,232,792
Other Assets		
Goodwill, net	-	33,550
Intangible assets, net	-	30,000
Promises to give, net	660,671	859,480
Operating lease right of use assets	2,351,963	3,162,522
Other	467,351	464,042
Total other assets	3,479,985	4,549,594
Total assets	\$ 172,660,555	\$ 177,150,737

LifeScape
Consolidated Balance Sheets
June 30, 2022 and 2021

	2022	2021
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 664,733	\$ 706,369
Current portion of operating lease liability	901,666	844,422
Accounts payable		
Trade	1,460,678	1,383,889
Insurance loss liabilities	444,536	945,530
Annuities payable	101,228	110,201
Accrued expenses		
Salaries and wages	1,678,931	1,461,041
Vacation	1,887,737	1,696,822
Interest	31,648	36,012
Refundable advance	10,503,388	-
Payroll taxes and other	283,451	270,948
Total current liabilities	17,957,996	7,455,234
Long-term Liabilities		
Long-term debt, net of current maturities, unamortized debt issue costs, and bond premiums	5,860,523	5,668,890
Operating lease liability, net of current portion	1,528,196	2,318,100
Total long-term liabilities	7,388,719	7,986,990
Total liabilities	25,346,715	15,442,224
Net Assets		
Without donor restrictions		
Undesignated	92,361,781	108,747,094
Non-controlling interest	1,034,115	1,070,573
Total net assets without donor restrictions	93,395,896	109,817,667
With donor restrictions		
Total net assets	53,917,944	51,890,846
Total net assets	147,313,840	161,708,513
Total liabilities and net assets	\$ 172,660,555	\$ 177,150,737

LifeScope
Consolidated Statements of Operations
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient service revenue	\$ 36,460,781	\$ 36,370,875
Program service fees	29,899,599	25,236,560
Contributions and bequests	948,953	345,424
Other revenue	2,400,505	11,520,604
Net assets released from restrictions for operations	<u>1,323,871</u>	<u>731,869</u>
Total revenues, gains, and other support	<u>71,033,709</u>	<u>74,205,332</u>
Expenses		
Salaries	48,568,115	43,628,271
Employee benefits and payroll taxes	10,971,920	9,867,919
Contract labor	1,257,105	1,161,101
Professional and contract services	2,027,381	1,427,933
Supplies	4,055,523	4,274,231
Occupancy	1,886,830	1,667,383
Travel and transportation	767,742	546,926
Repairs and maintenance	947,803	886,628
Provider and sales tax	600,951	569,842
Insurance	604,464	531,299
Contributions	46,360	249,070
Interest	209,727	255,728
Depreciation and amortization	2,150,042	2,030,347
Operating leases	1,034,980	969,168
Other	<u>256,594</u>	<u>368,427</u>
Total expenses	<u>75,385,537</u>	<u>68,434,273</u>
Operating (Loss) Income	<u>(4,351,828)</u>	<u>5,771,059</u>
Other Income (Expense)		
Investment returns	(12,541,556)	20,918,686
Gain on disposal of property and equipment	<u>391,693</u>	<u>133,446</u>
Other income, net	<u>(12,149,863)</u>	<u>21,052,132</u>
Revenues (Less Than) In Excess of Expenses	(16,501,691)	26,823,191
Contributions Restricted for Capital Purposes	<u>79,920</u>	<u>101,215</u>
Change in Net Assets Without Donor Restrictions	<u>\$ (16,421,771)</u>	<u>\$ 26,924,406</u>

LifeScape
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions		
Revenues (less than) in excess of expenses	\$ (16,501,691)	\$ 26,823,191
Contributions restricted for capital purposes	79,920	101,215
	<u>(16,421,771)</u>	<u>26,924,406</u>
Change in net assets without donor restrictions		
Net Assets With Donor Restrictions		
Contributions and grants for specific purposes	1,168,244	1,067,746
Contributions restricted for capital purposes	2,403,200	36,428,165
Contributions for endowment funds	88,336	21,944
Change in split interest agreements	(308,811)	280,341
Net assets released from restrictions	(1,323,871)	(731,869)
	<u>2,027,098</u>	<u>37,066,327</u>
Change in net assets with donor restrictions		
Change in Net Assets	(14,394,673)	63,990,733
Net Assets, Beginning of Year	<u>161,708,513</u>	<u>97,717,780</u>
Net Assets, End of Year	<u>\$ 147,313,840</u>	<u>\$ 161,708,513</u>

LifeScape
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ (14,394,673)	\$ 63,990,733
Adjustments to reconcile change in net assets to cash from operating activities		
Depreciation and amortization	2,150,042	2,030,347
Net realized and unrealized loss (gain) on investments	14,141,023	(19,715,865)
Gain on disposal of property and equipment	(391,693)	(133,446)
Change in beneficial interest in remainder trusts	157,398	(185,424)
Change in beneficial interest in perpetual trusts	151,413	(94,917)
Contributions restricted by donors	(3,739,700)	(37,619,070)
Interest expense attributable to amortization of debt issuance costs	19,422	19,422
Changes in assets and liabilities		
Receivables	1,355,779	1,100
Supplies	(49,165)	(32,739)
Prepaid expenses and other assets	(16,836)	(92,951)
Operating lease assets and liabilities	77,899	-
Accounts payable	(349,192)	355,444
Annuities payable	(8,973)	(10,224)
Refundable advance	10,503,388	-
Accrued expenses	416,944	525,810
Net Cash from Operating Activities	<u>10,023,076</u>	<u>9,038,220</u>
Investing Activities		
Purchase of property and equipment	(3,940,201)	(2,185,388)
Proceeds from disposal of property and equipment	643,442	220,574
Purchase of investments and assets limited as to use	(7,628,903)	(21,205,694)
Sales and maturities of investments and assets limited as to use	8,671,691	8,289,188
Net Cash used for Investing Activities	<u>(2,253,971)</u>	<u>(14,881,320)</u>
Financing Activities		
Collection of contributions restricted by donors	1,995,319	36,545,555
Principal payments on long-term debt	(755,705)	(1,558,123)
Proceeds from issuance of long-term debt	886,280	792,534
Net Cash from Financing Activities	<u>2,125,894</u>	<u>35,779,966</u>
Net Change in Cash and Cash Equivalents	9,894,999	29,936,866
Cash and Cash Equivalents, Beginning of Year	<u>43,847,683</u>	<u>13,910,817</u>
Cash and Cash Equivalents, End of Year	<u>\$ 53,742,682</u>	<u>\$ 43,847,683</u>

LifeScape
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash and cash equivalents	\$ 13,774,599	\$ 4,938,590
Under indenture agreements	176,038	477,388
Cash and cash equivalents included in investments	38,639,152	37,542,239
Cash and cash equivalents included in assets limited as to use	1,152,893	889,466
Total cash and cash equivalents	\$ 53,742,682	\$ 43,847,683
 Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 194,669	\$ 238,560
 Supplemental Disclosure of Non-Cash Investing and Financing Activity		
Equipment financed through capital lease arrangement	\$ -	\$ 109,468
Accounts payable for property and equipment	10,350	85,363

Note 1 - Summary of Significant Accounting Policies

Organization

LifeScape (the Organization) is a non-profit corporation that was established through the affiliation of South Dakota Achieve and Children’s Care Hospital and School (both non-profit corporations). LifeScape offers support for all individuals with disabilities by offering a large range of programs and services to empower people to live their best life.

Principles of Consolidation

The consolidated financial statements include the accounts of LifeScape, South Dakota Achieve, Children’s Care Hospital and School, LifeScape Foundation, LifeScape Foundation Legacy Land Holding I, LLC, Rehabilitation Medical Supply d/b/a RISE Custom Solutions, Sioux Residential Services, Inc., Horizon Apartments, Hospitality Apartments, and Beacon Apartments Limited Partnership. All significant intercompany accounts and transactions have been eliminated. Unless otherwise noted, these consolidated entities are hereinafter referred to as “LifeScape” or “Organization.”

On December 1, 2021, Hospitality Apartments equity was transferred from HUD projects to South Dakota Achieve and all activity after December 1, 2021 will be included with South Dakota Achieve.

Beacon Apartments Limited Partnership was formed as a limited partnership between South Dakota Achieve and Midwest Housing Equity Group, Inc. to acquire an interest in property located in Sioux Falls, South Dakota, and to construct and operate housing complexes for persons of low or moderate income. The Partnership consists of South Dakota Achieve as the .01% general partner and Midwest Housing Equity Group, Inc. as the 99.99% limited partner. South Dakota Achieve is the managing member and makes all management decisions. A reconciliation of the non-controlling interest is as follows:

	<u>2022</u>	<u>2021</u>
Non-controlling interest - beginning of year	\$ 1,070,573	\$ 1,108,116
Expenses in excess of revenues	<u>(36,458)</u>	<u>(37,543)</u>
Non-controlling interest - end of year	<u>\$ 1,034,115</u>	<u>\$ 1,070,573</u>

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less.

Patient and Accounts Receivables

Patient and accounts receivables are uncollateralized patient and third-party payor obligations. Payments of patient and accounts receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient and accounts receivable are stated net of any explicit and implicit price concessions and then further reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization analyzes accounts for adverse changes in patient's, resident's, or third-party payor's ability to pay that may have occurred subsequent to recognition to estimate the appropriate allowance for doubtful accounts and provision for bad debts. As of June 30, 2022 and 2021, the Organization did not have an allowance for doubtful accounts.

The Organization has elected to not adjust the promised amount of consideration from patients, residents and third-party payors for the effects of a significant financial component due to the Organization's expectation that the period between the time the service is provided to a patient or resident and the time that the patient, resident or third-party payor pays for that service will be one year or less.

As of July 1, 2020, patient and accounts receivable balances were \$6,407,617 and \$2,142,396, respectively.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of operations. Allowance for uncollectible promises to give are determined based on historical experience, an assessment of economic conditions, and review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2022 and 2021, the allowance was \$76,329 and \$62,549, respectively.

Supplies

Supplies are stated at the lower of cost or net realizable value determined by the first-in first-out method.

Investments

Investment purchases are recorded at cost or if donated at fair value on the date of donation. Thereafter, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investments in certificates of deposit that are not publicly traded are recorded at cost plus accrued interest. Cash values of life insurance policies are recorded at cost. Thereafter the cash values are updated based on policies' stated values. Investment returns (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues (less than) in excess of expenses unless the income or loss is restricted by donor or law.

Endowment earnings appropriated for spending and spent in the same year as they are earned are recorded in net assets without restrictions on the accompanying consolidated statements of operations.

Fair Value Measurements

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

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

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

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset or liability.

Assets Limited as to Use

Assets limited as to use include assets set aside by the Organization's 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 limited as to use also includes assets restricted under indenture agreements; investments restricted by donors; and the Organization's interest in perpetual and remainder trusts maintained by independent trustees.

Beneficial Interests in Perpetual Trusts

The Organization has been named as an irrevocable beneficiary of several perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trusts to the Organization; however, the Organization will never receive the assets of the trusts. At the date that a notice of a beneficial interest is received, a contribution with donor restrictions of a perpetual nature is recorded in the consolidated statements of changes in net assets, and a beneficial interest in perpetual trust is recorded in the consolidated balance sheets at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the consolidated balance sheets, with trust distributions and changes in fair value recognized in the consolidated statements of changes in net assets.

Beneficial Interests in Remainder Trusts

The Organization has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Organization has neither possession nor control over the assets of the trusts. At the date the Organization receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statements of changes in net assets, and a beneficial interest in remainder trusts is recorded in the consolidated balance sheets at fair value. Thereafter, beneficial interests in the trust are reported at fair value in the consolidated balance sheets, with trust distributions and changes in fair value recognized in the consolidated statements of operations and the consolidated statements of changes in net assets. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions.

Beneficial Interests in Assets Held by Community Foundations

The Organization has a beneficial interest in several trust funds established directly by donors with the South Dakota Community Foundation and the Sioux Falls Area Community Foundation (Foundations). In donating these funds to the Foundations, donors have granted the Governing Boards of the Foundations variance power. Variance power gives the Foundations the right to modify the terms of the agreement if, in the judgment of the Foundations' Boards of Trustees, the restrictions and conditions of the agreement become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. All contributions are irrevocable gifts to the Foundations. Earnings are to be distributed annually. The Organization recognized contribution revenue of \$53,943 and \$51,745 in the 2022 and 2021 consolidated statements of operations as distributions from the Foundations were received. As of June 30, 2022 and 2021, the Organization had a beneficial interest of \$1,434,544 and \$1,641,581 made up of gifts made directly to the Foundations and related accumulated investment earnings. This beneficial interest, in accordance with generally accepted accounting principles, is not reported as an asset in the accompanying consolidated balance sheets.

Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	5 - 20 years
Buildings and fixed equipment	5 - 69 years
Major movable equipment	3 - 25 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions and are excluded from revenues in excess of (less than) 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 net assets with donor restrictions. 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.

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, 2022 and 2021.

Operating Lease Right of Use Assets and Liabilities

Right of use (ROU) assets represents the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date and are based on the present value of lease payments over the lease term. Lease expense is recognized on a straight-line basis over the lease term.

Intangibles

Intangible assets consist of patient records, non-compete agreements, and other identifiable intangibles associated with business combinations. Intangible assets are amortized over their estimated economic life of 3 years. Intangible assets are considered annually for indicators of impairment. There was no impairment loss recognized for the years ended June 30, 2022 and 2021. On June 3, 2022, the Organization discontinued the services related to this business combination and wrote off the remaining intangible balance of \$30,000, which is included in depreciation and amortization on the consolidated statements of operations.

Goodwill

Goodwill represents the excess of cost over the fair value of the assets acquired from business combinations. The Organization amortizes goodwill over a 10-year life. Goodwill is considered annually for indicators of impairment. There was no impairment loss recognized for the years ended June 30, 2022 and 2021. On June 3, 2022, the Organization discontinued the services related to this business combination and wrote off the goodwill balance of \$33,500, which is included in depreciation and amortization on the consolidated statements of operations.

Income Taxes

LifeScape and most of its affiliated organizations are organized as South Dakota nonprofit corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). These Organizations are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Together these Organizations have determined that they are not subject to unrelated business income tax and have not filed an exempt organization business income tax return (Form 990T) with the IRS. RISE Custom Solutions is a taxable organization and is subject to Federal income taxes.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Annuities Payable

The Organization has entered into gift annuity agreements, which provide that the Organization shall pay periodic amounts to designated beneficiaries until their death. The payments continue even if the assets gifted or acquired as a result of the gift have been exhausted. The Organization recorded these gifts at market value with a corresponding liability recorded for the present value of payments to be made to the designated beneficiaries. Upon the death of the beneficiaries, the remaining assets are held or disposed of in accordance with the annuity agreements.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Restrictions – Net assets subject to donor or (certain grantor) restrictions. Some donor (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method which is a reasonable estimate of the effective interest method. Debt issuance costs are included within long-term debt on the consolidated balance sheet. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at respective fair values of the services received.

Performance Indicator

Revenues (less than) in excess of expenses excludes changes in net assets attributable to noncontrolling interests and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

Patient and Program Service Revenue

Patient and program service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Organization bills the patients and third-party payors after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligations based on the inputs needed to satisfy the obligation. Generally, performance obligations related to patient and program services are satisfied over time, as the patients receive inpatient, outpatient or clinic care services. The Organization measures the performance obligation associated with inpatient services from admission to the point when it is no longer required to provide services which is generally at the time of discharge.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient services at the end of the reporting period. The performance obligations for these contracts are generally completed within days or weeks of the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and/or implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations.

Consistent with the Organization's mission, care is provided to individuals regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured individuals and individuals with other uninsured balances (for example, co-pays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

A large portion of the Organization's patient and program services are provided to Medicaid program beneficiaries. Revenue from the Medicaid programs accounted for approximately 57% and 56% of the Organization's patient and program service revenue for the years ended June 30, 2022 and 2021, respectively.

Contract Costs

The Organization expenses all incremental customer contract acquisition costs as they are incurred as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates. Investments are made by an investment manager whose performance is monitored by management and the Board of Directors. Although the fair value of the investments is subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in Note 17 which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated such as rent and other occupancy costs, are allocated on a square footage basis. Other expenses such as employee benefits and supplies are allocated on the basis of salaries.

Advertising Costs

The Organization expenses advertising costs as incurred.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated subsequent events through November 4, 2022, the date the consolidated financial statements were available to be issued.

Note 2 - COVID-19 Stimulus Programs

Provider Relief Funds

The Organization received funds as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has varying deadlines to incur eligible expenses, based on the date the funds were received. Unspent funds will be expected to be repaid.

The funds are recorded as a refundable advance when received and recognized as revenues in the accompanying consolidated statements of operations as all terms and conditions are considered met. The terms and conditions are subject to interpretation, changes and future clarification, the most recent of which have been considered through the date that the consolidated financial statements were available to be issued. In addition, this program may be subject to oversight, monitoring and audit. Failure by a provider that received a payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. During the years ended June 30, 2022 and 2021, the Organization recognized \$0 and \$468,355, respectively, as revenue and is included as other revenue on the consolidated statements of operations.

Other Stimulus Grants

During the year ended June 30, 2021, the Organization received \$8,872,015 from the State of South Dakota. These funds are subject to terms and conditions imposed by the grantor. The Organization recognized \$8,872,015 in other revenue on the consolidated statements of operations.

During 2022, the Organization received \$10,646,805 in Home and Community Based Services American Rescue Plan Act of 2021 (HCBS ARPA) funding from the South Dakota Department of Social Services. During 2022, \$143,417 was recognized as revenue and \$10,503,388 is recorded as a refundable advance on the consolidated balances as the terms and conditions have not been met as of June 30, 2022. The HCBS ARPA funding will be recorded as revenue when the performance requirements are met.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor-restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

	2022	2021
Cash and cash equivalents	\$ 13,774,599	\$ 4,938,590
Patient receivables	6,872,489	6,409,454
Accounts receivable	2,718,311	2,563,000
Other receivables	628,829	1,113,240
	<u>\$ 23,994,228</u>	<u>\$ 15,024,284</u>

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditures. In addition, the Foundation does not consider investments held for long term purposes to be available for general expenditures, however these funds could be made available if necessary.

Additionally, the Organization maintains lines of credit which total \$5,000,000, as discussed in more detail in Note 10. As of June 30, 2022, the entire balance of these credit lines were available to the Organization.

Note 4 - Assets Limited as to Use and Investments

The composition of assets limited as to use - under indenture agreements and by the Board for capital improvements and debt redemption at June 30, 2022 and 2021, is shown in the following table:

	<u>2022</u>	<u>2021</u>
Under bond indenture agreements - held by trustee		
Cash and cash equivalents	\$ 176,038	\$ 477,388
By Board for capital improvements and debt redemption		
Cash and cash equivalents	\$ 1,152,893	\$ 889,466
Certificates of deposit	52,750	52,750
US Government obligations	23,854	35,935
Municipal bonds	189,969	202,809
Mutual funds - fixed income	7,607,926	8,427,678
Mutual funds - equity	7,524,861	9,826,512
	<u>\$ 16,552,253</u>	<u>\$ 19,435,150</u>

The composition of assets limited as to use - donor restricted investments and investments at June 30, 2022 and 2021, is shown in the following table.

	<u>2022</u>	<u>2021</u>
Donor restricted investments and investments		
Cash and cash equivalents	\$ 38,639,152	\$ 37,542,239
Certificates of deposit	789,468	756,051
Corporate bonds	795,382	870,966
US Government obligations	1,749,431	1,930,291
US Treasury notes and bonds	961,898	-
Municipal bonds	2,872,456	2,852,442
Mutual funds - fixed income	13,304,495	13,916,644
Mutual funds - equity	47,312,031	59,512,480
Cash value of life insurance policies	475,441	459,215
	<u>\$ 106,899,754</u>	<u>\$ 117,840,328</u>

Investment returns on assets limited as to use, cash equivalents, and other investments consists of the following for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 1,599,467	\$ 1,202,821
Realized gains on investments	3,726,543	4,201,354
Unrealized (losses) gains on investments	(17,867,566)	15,514,511
	<u>\$ (12,541,556)</u>	<u>\$ 20,918,686</u>

Note 5 - Fair Value Measurements

Assets measured on a recurring basis at June 30, 2022 and 2021 are as follows:

	<u>Total</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
<u>June 30, 2022</u>				
Cash and cash equivalents	\$ 39,792,133	\$ -	\$ 39,792,133	\$ -
Certificates of deposit	842,218	-	842,218	-
Corporate bonds	795,382	-	795,382	-
Municipal bonds	3,062,425	-	3,062,425	-
US Government obligations	1,773,285	-	1,773,285	-
US Treasury notes and bonds	961,898	-	961,898	-
Mutual funds - fixed income	20,912,421	20,912,421	-	-
Mutual funds - equity	54,836,892	54,836,892	-	-
Beneficial interest in remainder and perpetual trusts	<u>3,437,239</u>	<u>-</u>	<u>-</u>	<u>3,437,239</u>
Total assets	<u>\$ 126,413,893</u>	<u>\$ 75,749,313</u>	<u>\$ 47,227,341</u>	<u>\$ 3,437,239</u>
	<u>Total</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
<u>June 30, 2021</u>				
Cash and cash equivalents	\$ 38,431,972	\$ -	\$ 38,431,972	\$ -
Certificates of deposit	808,801	-	808,801	-
Corporate bonds	870,966	-	870,966	-
Municipal bonds	3,055,251	-	3,055,251	-
US Government obligations	1,966,226	-	1,966,226	-
Mutual funds - fixed income	22,344,322	22,344,322	-	-
Mutual funds - equity	69,338,992	69,338,992	-	-
Beneficial interest in remainder and perpetual trusts	<u>3,746,050</u>	<u>-</u>	<u>-</u>	<u>3,746,050</u>
Total assets	<u>\$ 140,562,580</u>	<u>\$ 91,683,314</u>	<u>\$ 45,133,216</u>	<u>\$ 3,746,050</u>

The fair value of equity and fixed income mutual funds and preferred stock is determined by reference to quoted market prices. The fair value of cash and cash equivalents, certificates of deposit, corporate bonds, municipal and government bonds are based on level 2 inputs for similar securities with comparable terms. The beneficial interest in trusts is based on the underlying assets in the trust as reported by the trustee using the terms of the trust agreement.

Following is a reconciliation of activity for the years ended June 30, 2022 and 2021 for assets and liabilities measured at fair value based upon significant unobservable (non-market) information.

	2022	2021
<u>Beneficial interests in trusts</u>		
Balance, beginning of year	\$ 3,746,050	\$ 3,465,709
Total gains and losses included in changes in net assets, net	(308,811)	280,341
Balance, end of year	\$ 3,437,239	\$ 3,746,050

The Organization considers the carrying amount of significant classes of financial instruments on the balance sheets, including cash and cash equivalents, receivables, other assets, accounts payable, and accrued expenses to be reasonable estimates of fair value due to the short-term nature of the items at June 30, 2022 and 2021.

The Organization's fixed rate Series 2017 bonds have a carrying amount that differs from its estimated fair value. The fair value of the Organization's Series 2017 bonds is determined by references to trading activity of the underlying bonds. The fair value of the Series 2017 bonds was \$3,693,767 and \$4,431,877 and the carrying value was \$3,550,000 and \$3,975,000 as of June 30, 2022 and 2021.

The remaining fixed rate long term debt has a carrying amount that also differs from its estimated fair value. The fair value of the Organization's remaining fixed rate long term debt is estimated using a discounted cash flow analysis based on the Organization's effective borrowing rate at respective reporting dates. The fair value of the Organization's remaining fixed rate debt is approximately \$2,771,727 and \$2,111,856 with a carrying value of \$2,673,388 and \$2,166,929 as of June 30, 2022 and 2021.

Note 6 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2022 and 2021:

	2022	2021
Within one year	\$ 703,846	\$ 250,370
In one to five years	823,798	1,036,941
	1,527,644	1,287,311
Less discount to net present value at rate of 3.0%	(86,798)	(114,912)
Less uncollectible promises to give	(76,329)	(62,549)
	\$ 1,364,517	\$ 1,109,850

At June 30, 2022, four donors accounted for 57% of total promises to give. As of June 30, 2022 and 2021, \$198,000 and \$275,000 of the total promises to give are from board members and key employees of the Organization, respectively. Two contributors accounted for approximately 96% of total contribution revenue for the year ended June 30, 2021. Total contributions from board members and key employees for the years ending June 30, 2022 and 2021 were \$183,000 and \$346,000, respectively.

Note 7 - Property and Equipment

A summary of property and equipment at June 30, 2022 and 2021 is as follows:

	2022	2021
Land and land improvements	\$ 4,476,529	\$ 3,695,970
Buildings and leasehold improvements	38,238,635	36,279,709
Equipment	13,479,437	13,420,887
Construction in progress	461,398	237,431
	56,655,999	53,633,997
Less accumulated depreciation	(39,896,260)	(38,401,205)
Net property and equipment	\$ 16,759,739	\$ 15,232,792

Construction in progress as of June 30, 2022, represents architecture costs for construction of a new building. Construction in progress as of June 30, 2021, represents costs for building and remodeling projects on the Organization's properties. The Organization does not have any future commitments related to these projects as of June 30, 2022.

Note 8 - Endowments

The Organization's endowment consists of funds established for the benefit of LifeScape. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original donor-restricted endowment fund gift as of the date received absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) changes in the fair value of the beneficial interest in perpetual trusts. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

As of June 30, 2022, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 8,546,028	\$ 8,546,028
Accumulated investment gains	-	245,272	245,272
	<u>\$ -</u>	<u>\$ 8,791,300</u>	<u>\$ 8,791,300</u>

As of June 30, 2021, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 8,480,960	\$ 8,480,960
Accumulated investment gains	-	245,272	245,272
	<u>\$ -</u>	<u>\$ 8,726,232</u>	<u>\$ 8,726,232</u>

Changes in Endowment net assets for the year ended June 30, 2022 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 8,726,232	\$ 8,726,232
Contributions	-	65,068	65,068
Net investment income	(813,185)	-	(813,185)
Appropriated for distributions	813,185	-	813,185
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 8,791,300</u>	<u>\$ 8,791,300</u>

Changes in Endowment net assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 8,704,411	\$ 8,704,411
Contributions	-	21,821	21,821
Net investment income	1,346,810	-	1,346,810
Appropriated for distributions	<u>(1,346,810)</u>	<u>-</u>	<u>(1,346,810)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 8,726,232</u>	<u>\$ 8,726,232</u>

Investment and Spending Policies

The Organization has adopted investment and spending policies that attempt to provide a predictable stream of income for the funding of programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that seeks both preservation of capital and growth of capital on a real return basis. Asset allocation guidelines have been established for the endowment based on liquidity needs and time horizons. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a policy for an annual distribution of an amount up to 4% of the average market value of the Foundation's total investment account, including non-endowment investments for the trailing 16 quarters. Under special circumstances, the Organization will accept special requests for funding beyond the annual disbursement amount. This policy is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Note 9 - Leases

The Organization leases office and storage space and equipment under various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2027 and provide for renewal options ranging from one to three years. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal option when the options are reasonably certain to be exercised. The Organization's operating leases provides for increases in future and minimum annual rental payments. In addition, the Organization elected the practical expedient to not separate lease and non-lease components for real estate and equipment leases.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Organization estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the Organization's applicable borrowing rates and the contractual lease term.

The Organization defines a short-term lease as any lease arrangement with a lease term of 12 months or less that does not include an option to purchase the underlying asset. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and obligation for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the year ended June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Operating lease cost	\$ 1,034,980	\$ 969,168

The following table summarizes the supplemental cash flow information for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 871,628	\$ 869,630
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	\$ 138,968	\$ -

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	<u>2022</u>	<u>2021</u>
Weighted-average remaining lease term in years	3.12	3.50
Discount rate used for operating lease liabilities	3.00%	3.00%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2022.

<u>Years Ending June 30,</u>	<u>Operating</u>
2023	\$ 962,013
2024	745,640
2025	377,626
2026	360,016
2027	109,506
Total lease payments	2,554,801
Less interest	(124,939)
Present value of lease liabilities	<u>\$ 2,429,862</u>

Note 10 - Lines of Credit

The Organization has two revolving lines of credit as of June 30, 2022 which are secured by an interest in the assets of the Organization that is secondary to the security interest the Organization's bondholders have in these assets. One of the lines of credit, in the amount of \$2,500,000 matures on February 1, 2023 with the other line of credit, in the amount of \$2,500,000, maturing on May 1, 2023. As of June 30, 2022 and 2021, the Organization did not have any outstanding balances due on these lines of credit.

Note 11 - Long-Term Debt

Long-term debt consists of:

	<u>2022</u>	<u>2021</u>
9.65% note payable, due in monthly installments of \$3,797 including interest, through November 2021	\$ -	\$ 18,462
4.25% note payable, due in monthly installments of \$7,335, including interest, through December 2022 Unamortized debt issuance costs based on effective interest rate of 5.08%	30,639 (609)	115,346 (3,040)
9.25% note payable, due in monthly installments of \$12,471 including interest, through August 2024	282,585	400,127
9.25% note payable, due in monthly installments of \$5,764 including interest, through November 2026	250,021	293,835
Series 2017, revenue bonds, 2.75% - 5.00% due in varying installments through November 2028 Unamortized bond premium Unamortized debt issuance costs based on effective interest rate of 5.75%	3,550,000 311,748 (107,610)	3,975,000 360,971 (124,601)
6.25% note payable, due in monthly installments of \$2,345 including interest, through August 2030	205,367	219,924
0.00% note payable, due in varying monthly installments through January 2044	324,301	326,701
South Dakota Housing Development Authority forgivable loans - Note 12	<u>1,678,814</u>	<u>792,534</u>
Total long-term debt	6,525,256	6,375,259
Less current maturities	<u>(664,733)</u>	<u>(706,369)</u>
Long-term debt, less current maturities	<u>\$ 5,860,523</u>	<u>\$ 5,668,890</u>

Long-term debt maturities are as follows:

Years Ending June 30,	Amount
2023	\$ 664,733
2024	667,770
2025	569,949
2026	589,275
2027	580,319
Thereafter	3,249,681
	6,321,727
Unamortized bond premium	311,748
Unamortized debt issuance costs	(108,219)
	\$ 6,525,256

Substantially all of the Organization's assets are pledged as collateral for the debt obligations.

Under the terms of the Organization's loan agreements, the Organization is required to maintain certain deposits. Such deposits are included with assets limited as to use in the consolidated financial statements. Assets that are required for obligations classified as current liabilities are reported in current assets. The loan agreement also places limits on the incurrence of additional borrowings and requires that the Organization satisfy certain measures of financial performance.

Note 12 - South Dakota Housing Development Authority

The Organization has two interest free mortgage notes payable to the South Dakota Housing Development Authority (the Authority) funded with proceeds from the United States Department of Housing and Urban Development's (HUD) Housing Trust Fund Program (HTF). Payments will not be required throughout the term of the loans as long as the property is operated and maintained as an affordable special needs housing facility and then will be forgiven on the maturity dates of December 31, 2062 and December 31, 2063. As of June 30, 2022 and 2021, the balance of the mortgage note payables were \$1,464,080 and \$676,800, respectively.

The Organization has two additional interest free mortgage note payables to the South Dakota Housing Development Authority (the Authority) funded with proceeds from the United State Department of Housing and Urban Development's (HUD) Housing Opportunity Fund (HOF). The mortgage note payables will be forgiven 20 years from the placed in-service, which were February 21, 2021 and March 21, 2022, date as long as the Organization is compliant with the HOF Program during this period. Maturity date would be February 21, 2041 and March 21, 2042. As of June 30, 2022 and 2021, the balance of the mortgage notes payable was \$214,734 and \$115,734, respectively.

These loans subject the Organization to various provisions and requirements set forth by HUD and the Authority regarding operations of entities receiving these funds. Compliance with these provisions and requirements is monitored and enforced by the Authority. Failure to correct identified compliance violations can result in the Authority's request for immediate repayment of the mortgage, subject to the terms of the mortgage.

Note 13 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose		
Building project	\$ 38,825,542	\$ 36,428,165
Programs and services for the benefit of children and adults with disabilities	1,512,216	1,556,893
Transportation services	67,928	149,787
	<u>40,405,686</u>	<u>38,134,845</u>
Subject to the Passage of Time		
Beneficial interest in remainder trusts	<u>3,049,491</u>	<u>3,206,889</u>
Endowments		
Subject to appropriation and expenditures when a specified event occurs and restricted by donors:		
Unreleased endowment fund investment return	<u>245,272</u>	<u>245,272</u>
Subject to endowment spending policy and appropriation		
Endowment fund	<u>8,546,028</u>	<u>8,480,960</u>
Total endowments	<u>8,791,300</u>	<u>8,726,232</u>
Not subject to spending policy or appropriation		
Community development block grants	1,266,948	1,266,948
Beneficial interest in perpetual trusts	387,748	539,161
Investments to be held in perpetuity, the income for which is expendable for the purchase of artwork	<u>16,771</u>	<u>16,771</u>
	<u>1,671,467</u>	<u>1,822,880</u>
	<u>\$ 53,917,944</u>	<u>\$ 51,890,846</u>

Net assets released from restrictions were as follows during the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions		
Adult and children's projects and programs	\$ 1,242,012	\$ 640,608
Transportation services	<u>81,859</u>	<u>91,261</u>
	<u>\$ 1,323,871</u>	<u>\$ 731,869</u>

Community Development Block Grants are in the form of zero percent loans with mortgages on the property. The grants were used for various construction projects. The total amount of the grants accumulated through June 30, 2022 and 2021, was \$1,266,948. The grants are refundable upon noncompliance with the intended purpose of the funds, as defined in the agreement, or upon sale of the property. Since the probability of repaying the grants is considered remote, the grants have been recognized as net assets with restrictions.

Note 14 - Retirement Plans

The Organization has a defined contribution plan under which employees become participants upon reaching age 18 and completion of one year of service. Employer matching contributions up to 2.25% of annual compensation are deposited with the plan trustee who invests the plan assets. Total expenses under the plan were \$717,817 and \$661,574 for the years ended June 30, 2022 and 2021, respectively.

Children’s Care Hospital and School employees who hold a teaching certificate and meet plan enrollment qualifications participate in the South Dakota Retirement System, a multiple employer defined benefit pension plan administrated by the State of South Dakota. The tax ID number for the South Dakota Retirement System plan is 46-6000364 and their plan number is 001. Children’s Care Hospital and School contributes less than 5% of the total contributions made to the plan from all employees. As of June 30, 2021, the South Dakota Retirement System had a net position restricted for pension benefits of \$14,632,199,039 and a total actuarial accrued liability of \$13,865,352,058. Total expenses under the plan were \$86,191 and \$95,024 for the years ended June 30, 2022 and 2021, respectively.

Note 15 - Restricted Assets

Pursuant to the regulatory and mortgage agreements with the South Dakota Housing and Development Authority and the U.S. Department of Housing and Urban Development, the Organization is required to establish escrow accounts to fund repairs and maintenance expenses, insurance expenses, development costs, and residual receipts. Total restricted assets under these agreements as of June 30, 2022 and 2021, was \$175,949 and \$477,121, respectively.

These regulatory and mortgage agreements also provide for restrictive operating procedures and various loan covenants. As of June 30, 2022 management believes the Organization was in compliance with these agreements.

Note 16 - Concentrations of Credit Risk

LifeScape grants credit without collateral to its patients, residents and other customers, most of who are insured under third-party payor agreements. The mix of receivables from third-party payors, patients, residents and other customers at June 30, 2022 and 2021 is as follows:

	2022	2021
Medicaid	63%	68%
Private pay	13%	13%
Commercial insurance and other	15%	11%
Blue Cross	8%	7%
Medicare	1%	1%
	100%	100%

The Organization manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates. Investments are made by an investment manager whose performance is monitored by management and the Finance Committee of the Board of Directors. Although the fair value of the investments are subject to fluctuation on a year-to-year basis, management and the Finance Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Note 17 - Functional Expenses

The Organization provides health care, educational, and housing services to children and adults within its geographic location. The following schedule presents the natural classification of expenses by function for the year ended June 30, 2022:

	Health Care Services				Total Program	General and Administrative	Total
	Adult	Children	Housing Services	RISE Custom Solutions			
Salaries	\$ 20,324,607	\$ 20,342,984	\$ 21,672	\$ 1,297,846	\$ 41,987,109	\$ 6,581,006	\$ 48,568,115
Employee benefits and payroll taxes	4,573,007	4,100,034	6,829	292,036	8,971,906	2,000,014	10,971,920
Contract labor	-	1,127,032	-	20,716	1,147,748	109,357	1,257,105
Professional and contract services	511,212	115,611	15,751	65,183	707,757	1,319,624	2,027,381
Supplies	676,911	899,858	34,238	1,833,818	3,444,825	610,698	4,055,523
Occupancy	397,226	432,736	164,805	49,817	1,044,584	842,246	1,886,830
Travel and transportation	656,205	63,799	-	7,900	727,904	39,838	767,742
Repairs and maintenance	91,188	253,728	62,224	39,642	446,782	501,021	947,803
Provider and sales tax	-	595,793	-	2,078	597,871	3,080	600,951
Insurance	220,732	238,211	27,699	-	486,642	117,822	604,464
Contributions	-	-	-	-	-	46,360	46,360
Interest	5,745	-	69,815	-	75,560	134,167	209,727
Depreciation and amortization	841,980	889,868	146,187	55,801	1,933,836	216,206	2,150,042
Operating leases	111,812	750,739	-	74,806	937,357	97,623	1,034,980
Other	34,016	23,401	1,896	-	59,313	197,281	256,594
	<u>\$ 28,444,641</u>	<u>\$ 29,833,794</u>	<u>\$ 551,116</u>	<u>\$ 3,739,643</u>	<u>\$ 62,569,194</u>	<u>\$ 12,816,343</u>	<u>\$ 75,385,537</u>

Expenses related to providing these services by functional class for the year ended June 30, 2021 are as follows:

	Health Care Services				Total Program	General and Administrative	Total
	Adult	Children	Housing Services	RISE Custom Solutions			
Salaries	\$ 17,835,267	\$ 18,033,644	\$ 24,507	\$ 1,325,242	\$ 37,218,660	\$ 6,409,611	\$ 43,628,271
Employee benefits and payroll taxes	4,156,841	3,637,508	6,244	289,210	8,089,803	1,778,116	9,867,919
Contract labor	-	1,011,995	-	22,535	1,034,530	126,571	1,161,101
Professional and contract services	353,993	81,230	24,118	52,206	511,547	916,386	1,427,933
Supplies	609,926	1,026,174	27,141	2,043,443	3,706,684	628,056	4,334,740
Occupancy	277,715	439,934	165,152	49,443	932,244	735,139	1,667,383
Travel and transportation	448,479	44,728	-	16,757	509,964	36,962	546,926
Repairs and maintenance	108,892	240,680	55,309	35,238	440,119	446,509	886,628
Provider and sales tax	10	563,750	-	2,106	565,866	3,976	569,842
Insurance	199,283	214,146	23,477	-	436,906	94,393	531,299
Contributions	-	-	-	-	-	249,070	249,070
Interest	16,056	64	88,690	-	104,810	150,918	255,728
Depreciation and amortization	750,158	863,254	155,711	50,086	1,819,209	211,138	2,030,347
Operating leases	83,820	643,017	-	70,279	797,116	111,543	908,659
Other	7,040	27,142	2,510	-	36,692	331,735	368,427
	<u>\$ 24,847,480</u>	<u>\$ 26,827,266</u>	<u>\$ 572,859</u>	<u>\$ 3,956,545</u>	<u>\$ 56,204,150</u>	<u>\$ 12,230,123</u>	<u>\$ 68,434,273</u>

Note 18 - Commitments and Contingencies

Malpractice Insurance

The Organization has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$3 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 uninsured unless tail insurance was purchased for the estimated liability.

Litigation, Claims and Disputes

The Organization is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. Management assesses the ultimate settlement of any litigations, claims, and disputes in process in determining whether a liability should be recorded or a disclosure should be presented.

The Organization is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity with respect to investigations and allegations concerning possible violations by health care providers of regulations could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient (and resident) services.

COVID-19 Pandemic

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains and created significant uncertainty, volatility and disruption across economies and financial markets. The Organization is closely monitoring its operations, investment portfolio, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of the issuance of these consolidated financial statements, the full impact to the Organization's financial position is not known.



Supplementary Information
Year Ended June 30, 2022

LifeScape



Independent Auditor's Report on Supplementary Information

The Board of Directors
LifeScape
Sioux Falls, South Dakota

We have audited the consolidated financial statements of LifeScape as of and for the years ended June 30, 2022 and 2021, and our report thereon dated November 4, 2022, which expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

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

Sioux Falls, South Dakota
November 4, 2022

LifeScape
Consolidating Balance Sheets
June 30, 2022

	LifeScape	Children's Care Hospital and School	South Dakota Achieve	LifeScape Foundation	Elimination Entries	LifeScape Obligated Group	RISE Custom Solutions	HUD Projects	Beacon Apartments Limited Partnership	Elimination Entries	Consolidated Totals
Assets											
Current Assets											
Cash and cash equivalents	\$ 24,759	\$ 1,609,431	\$ 11,075,944	\$ 272,886	\$ -	\$ 12,983,020	\$ 764,364	\$ 18,656	\$ 8,559	\$ -	\$ 13,774,599
Receivables											
Patient	-	6,079,876	-	-	-	6,079,876	792,613	-	-	-	6,872,489
Accounts receivable	-	-	2,715,222	-	-	2,715,222	-	3,089	-	-	2,718,311
Promises to give	-	-	-	703,846	-	703,846	-	-	-	-	703,846
Other	215	192,165	372,748	94,278	-	659,406	-	-	-	(30,577)	628,829
Supplies	87,723	29,700	37,973	-	-	155,396	243,919	-	-	-	399,315
Prepaid expenses	132,246	41,158	66,469	1,468	-	241,341	-	10,346	6,471	-	258,158
Total current assets	244,943	7,952,330	14,268,356	1,072,478	-	23,538,107	1,800,896	32,091	15,030	(30,577)	25,355,547
Assets Limited as to Use											
Under indenture agreements By Board for capital improvements and debt redemption	-	88	47,483	-	-	47,571	-	92,007	36,460	-	176,038
Donor restricted investments	-	-	-	48,753,913	-	48,753,913	-	-	-	-	48,753,913
Beneficial interest in remainder trusts	-	-	-	3,049,491	-	3,049,491	-	-	-	-	3,049,491
Beneficial interest in perpetual trusts	-	-	-	387,748	-	387,748	-	-	-	-	387,748
Total assets limited as to use	-	14,043,878	2,555,946	52,191,152	-	68,790,976	-	92,007	36,460	-	68,919,443
Investments	-	-	-	58,145,841	-	58,145,841	-	-	-	-	58,145,841
Property and Equipment, Net	170,945	6,788,902	6,693,177	407,369	-	14,060,393	42,453	834,161	1,822,732	-	16,759,739
Other Assets											
Interest in low income housing	-	-	218,840	-	-	218,840	-	-	-	(218,840)	-
Promises to give, net	-	-	-	660,671	-	660,671	-	-	-	-	660,671
Operating lease right of use assets	-	1,428,791	896,212	26,960	-	2,351,963	-	-	-	-	2,351,963
Goodwill, net	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other	-	405,303	-	52,653	-	457,956	-	-	9,395	-	467,351
Total other assets	-	1,834,094	1,115,052	740,284	-	3,689,430	-	-	9,395	(218,840)	3,479,985
Total assets	\$ 415,888	\$ 30,619,204	\$ 24,632,531	\$112,557,124	\$ -	\$168,224,747	\$ 1,843,349	\$ 958,259	\$ 1,883,617	\$ (249,417)	\$172,660,555

LifeScape
Consolidating Balance Sheets
June 30, 2022

	LifeScape	Children's Care Hospital and School	South Dakota Achieve	LifeScape Foundation	Elimination Entries	LifeScape Obligated Group	RISE Custom Solutions	HUD Projects	Beacon Apartments Limited Partnership	Elimination Entries	Consolidated Totals
Liabilities and Net Assets											
Current Liabilities											
Current maturities of long-term debt	\$ -	\$ 440,000	\$ 30,030	\$ -	\$ -	\$ 470,030	\$ -	\$ 176,930	\$ 17,773	\$ -	\$ 664,733
Current portion of operating lease liability	-	670,372	204,334	26,960	-	901,666	-	-	-	-	901,666
Accounts payable											
Trade	152,098	598,453	238,641	77,389	-	1,066,581	312,602	17,566	63,929	-	1,460,678
Insurance loss liabilities	-	149,362	295,174	-	-	444,536	-	-	-	-	444,536
Annuities payable	-	-	-	101,228	-	101,228	-	-	-	-	101,228
Accrued expenses											
Salaries and wages	134,543	757,891	735,244	-	-	1,627,678	51,253	-	-	-	1,678,931
Vacation	310,841	681,084	839,388	-	-	1,831,313	56,424	-	-	-	1,887,737
Interest	-	26,656	-	-	-	26,656	-	4,105	887	-	31,648
Refundable advance	-	-	10,503,388	-	-	10,503,388	-	-	-	-	10,503,388
Payroll taxes and other	3,595	176,083	86,691	3,300	-	269,669	136	8,045	36,178	(30,577)	283,451
Due (to) from affiliates	174,367	(494,820)	(179,009)	1,368,495	-	869,033	(973,293)	104,260	-	-	-
Total current liabilities	775,444	3,005,081	12,753,881	1,577,372	-	18,111,778	(552,878)	310,906	118,767	(30,577)	17,957,996
Long-term Liabilities											
Long-term debt, less current maturities	-	3,314,138	1,678,814	-	-	4,992,952	-	355,676	511,895	-	5,860,523
Operating lease liability, net of current portion	-	787,956	740,240	-	-	1,528,196	-	-	-	-	1,528,196
Total long-term liabilities	-	4,102,094	2,419,054	-	-	6,521,148	-	355,676	511,895	-	7,388,719
Total liabilities	775,444	7,107,175	15,172,935	1,577,372	-	23,104,730	(552,878)	666,582	630,662	(30,577)	25,346,715
Net Assets											
Without donor restrictions											
Undesignated	(359,556)	23,187,820	8,325,139	58,788,597	-	89,942,000	2,396,227	23,554	218,840	(218,840)	92,361,781
Non-controlling interest	-	-	-	-	-	-	-	-	1,034,115	-	1,034,115
Total net assets without donor restrictions	(359,556)	23,187,820	8,325,139	58,788,597	-	89,942,000	2,396,227	23,554	1,252,955	(218,840)	93,395,896
With donor restrictions											
	-	324,209	1,134,457	52,191,155	-	53,649,821	-	268,123	-	-	53,917,944
Total net assets	(359,556)	23,512,029	9,459,596	110,979,752	-	143,591,821	2,396,227	291,677	1,252,955	(218,840)	147,313,840
Total liabilities and net assets	\$ 415,888	\$ 30,619,204	\$ 24,632,531	\$112,557,124	\$ -	\$168,224,747	\$1,843,349	\$ 958,259	\$ 1,883,617	\$ (249,417)	\$172,660,555

LifeScape
Consolidating Statements of Operations
Year Ended June 30, 2022

	LifeScape	Children's Care Hospital and School	South Dakota Achieve	LifeScape Foundation	Elimination Entries	LifeScape Obligated Group	RISE Custom Solutions	HUD Projects	Beacon Apartments Limited Partnership	Elimination Entries	Consolidated Totals
Revenues, Gains, and Other Support Without Donor Restrictions											
Patient service revenue	\$ -	\$ 32,495,558	\$ -	\$ -	\$ -	\$ 32,495,558	\$ 3,965,223	\$ -	\$ -	\$ -	\$ 36,460,781
Program service fees	-	-	29,899,599	-	-	29,899,599	-	-	-	-	29,899,599
Contributions and bequests	-	-	-	948,953	-	948,953	-	-	-	-	948,953
Other revenue	4,639,970	1,668,077	3,818,423	121,283	(8,099,812)	2,147,941	-	674,449	140,215	(562,100)	2,400,505
Net assets released from restrictions for operations	-	73,965	81,859	1,168,047	-	1,323,871	-	-	-	-	1,323,871
Total revenues, gains, and other support	4,639,970	34,237,600	33,799,881	2,238,283	(8,099,812)	66,815,922	3,965,223	674,449	140,215	(562,100)	71,033,709
Expenses											
Salaries	3,925,380	21,547,932	21,200,944	524,973	-	47,199,229	1,297,846	67,179	3,861	-	48,568,115
Employee benefits and payroll taxes	759,772	4,807,439	5,007,449	81,548	-	10,656,208	292,036	22,691	985	-	10,971,920
Contract labor	-	1,236,389	-	-	-	1,236,389	20,716	-	-	-	1,257,105
Professional and contract services	32,118	2,915,281	3,252,650	131,744	(4,453,353)	1,878,440	316,036	66,772	21,003	(254,870)	2,027,381
Supplies	-	1,444,100	795,051	4,750	(60,509)	2,183,392	1,833,818	34,479	3,834	-	4,055,523
Occupancy	-	935,352	697,929	25,076	-	1,658,357	49,817	134,363	44,293	-	1,886,830
Travel and transportation	-	80,370	679,472	-	-	759,842	7,900	-	-	-	767,742
Repairs and maintenance	-	596,201	230,442	19,294	-	845,937	39,642	45,800	16,424	-	947,803
Provider and sales tax	-	598,914	(41)	-	-	598,873	2,078	-	-	-	600,951
Insurance	-	287,883	288,300	-	-	576,183	-	18,467	9,814	-	604,464
Contributions	-	-	-	3,757,055	(3,710,695)	46,360	-	-	-	-	46,360
Interest	-	133,372	6,540	-	-	139,912	-	56,370	13,445	-	209,727
Depreciation and amortization	35,202	928,554	954,050	30,248	-	1,948,054	55,801	84,840	61,347	-	2,150,042
Intercompany operating leases	-	-	307,230	-	-	307,230	-	-	-	(307,230)	-
Operating leases	-	720,843	142,425	36,397	60,509	960,174	74,806	-	-	-	1,034,980
Other	-	24,502	38,220	136,566	-	199,288	51,904	3,735	1,667	-	256,594
Total expenses	4,752,472	36,257,132	33,600,661	4,747,651	(8,164,048)	71,193,868	4,042,400	534,696	176,673	(562,100)	75,385,537
Operating (Loss) Income	(112,502)	(2,019,532)	199,220	(2,509,368)	64,236	(4,377,946)	(77,177)	139,753	(36,458)	-	(4,351,828)
Other Income (expense)											
Investment return	-	(1,880,205)	(348,344)	(10,313,007)	-	(12,541,556)	-	-	-	-	(12,541,556)
Gain on disposal of property and equipment	-	175,592	214,346	-	-	389,938	1,755	-	-	-	391,693
Total other income (expense), net	-	(1,704,613)	(133,998)	(10,313,007)	-	(12,151,618)	1,755	-	-	-	(12,149,863)
Revenues (Less Than) in Excess of Expenses	(112,502)	(3,724,145)	65,222	(12,822,375)	64,236	(16,529,564)	(75,422)	139,753	(36,458)	-	(16,501,691)
Contributed Services	32,118	-	-	32,118	(64,236)	-	-	-	-	-	-
Contributions Restricted for Capital Purposes	-	29,086	50,834	-	-	79,920	-	-	-	-	79,920
Equity transfer	-	-	340,299	-	-	340,299	-	(340,299)	-	-	-
Change in Net Assets Without Donor Restrictions	\$ (80,384)	\$ (3,695,059)	\$ 456,355	\$ (12,790,257)	\$ -	\$ (16,109,345)	\$ (75,422)	\$ (200,546)	\$ (36,458)	\$ -	\$ (16,421,771)

LifeScape
Consolidating Statements of Changes in Net Assets
Year Ended June 30, 2022

	LifeScape	Children's Care Hospital and School	South Dakota Achieve	LifeScape Foundation	Elimination Entries	LifeScape Obligated Group	RISE Custom Solutions	HUD Projects	Beacon Apartments Limited Partnership	Elimination Entries	Consolidated Totals
Net Assets Without Donor Restrictions											
Revenues (less than) in excess of expenses	\$ (112,502)	\$ (3,724,145)	\$ 65,222	\$ (12,822,375)	\$ 64,236	\$ (16,529,564)	\$ (75,422)	\$ 139,753	\$ (36,458)	\$ -	\$ (16,501,691)
Contributed services	32,118	-	-	32,118	(64,236)	-	-	-	-	-	-
Equity transfer	-	-	340,299	-	-	340,299	-	(340,299)	-	-	-
Net assets released from restrictions for capital acquisition	-	29,086	50,834	-	-	79,920	-	-	-	-	79,920
Change in net assets without donor restrictions	(80,384)	(3,695,059)	456,355	(12,790,257)	-	(16,109,345)	(75,422)	(200,546)	(36,458)	-	(16,421,771)
Net Assets With Donor Restrictions											
Contributions and grants for specific purposes	-	90,546	-	1,077,698	-	1,168,244	-	-	-	-	1,168,244
Contributions restricted for capital purposes	-	-	-	2,403,200	-	2,403,200	-	-	-	-	2,403,200
Contributions for endowment funds	-	-	23,268	65,068	-	88,336	-	-	-	-	88,336
Change in split interest agreements	-	-	-	(308,811)	-	(308,811)	-	-	-	-	(308,811)
Equity transfer	-	-	50,885	-	-	50,885	-	(50,885)	-	-	-
Net assets released from restrictions	-	(73,965)	(81,859)	(1,168,047)	-	(1,323,871)	-	-	-	-	(1,323,871)
Change in net assets with donor restrictions	-	16,581	(7,706)	2,069,108	-	2,077,983	-	(50,885)	-	-	2,027,098
Change in Net Assets	(80,384)	(3,678,478)	448,649	(10,721,149)	-	(14,031,362)	(75,422)	(251,431)	(36,458)	-	(14,394,673)
Net Assets, Beginning of Year	(279,172)	27,190,507	9,010,947	121,700,901	-	157,623,183	2,471,649	543,108	1,289,413	(218,840)	161,708,513
Net Assets, End of Year	\$ (359,556)	\$ 23,512,029	\$ 9,459,596	\$ 110,979,752	\$ -	\$ 143,591,821	\$ 2,396,227	\$ 291,677	\$ 1,252,955	\$ (218,840)	\$ 147,313,840

Schedule A - Expenses

	DHS Services																	
	Support Services				Division of Developmental Disabilities (DDD)													
	Total	Adjustments	Admin and Support	Fund Raising	Other-Please Specify in Row 7	CHOICES Residential	CHOICES Day Habilitation	CHOICES Career Exploration	CHOICES Individual Supported Employment	CHOICES Group Supported Employment	CHOICES Speech Hearing & Drugs	CHOICES Medical Equipment & Drugs	CHOICES Nursing	CHOICES Case Management	Food Services	Housing services	FS360 Service Coordination	Agency With Choice
1000 PERSONNEL SERVICES:																		
1010 Administrative	\$0																	
1020 Professional/Program Staff	\$20,610,347				\$732,803	\$14,631,070	\$2,798,463		\$364,445	\$6,826	\$14,384	\$1,789	\$1,316,794	\$200,865	\$184,959		\$205,832	\$152,117
1040 Support Staff	\$570,495		\$468,066												\$84,000			\$18,429
1050 Client Wages	\$140,005								\$129,918						\$10,087			
TOTAL PERSONNEL SERVICES	\$21,320,847	\$0	\$468,066	\$0	\$732,803	\$14,631,070	\$2,798,463	\$0	\$364,445	\$136,744	\$14,384	\$1,789	\$1,316,794	\$200,865	\$279,046	\$0	\$205,832	\$170,546
1100 PERSONNEL BENEFITS AND TAXES:																		
1110 Retirement Plans	\$308,832		\$15,793		\$13,930	\$228,194	\$46,244		\$2,761	\$715	\$358	\$86	\$19,290	\$3,531	\$4,725		\$4,791	
1120 Insurance Benefits	\$2,492,503		\$135,757		\$1,656,102	\$464,734			\$9,973				\$106,384		\$70,841		\$39,516	
1130 Other Benefits	\$208,803	\$1,622	\$161,074		\$963	\$36,911	\$5,155		\$253				\$1,456	\$256	\$373		\$280	
1140 FICA Taxes	\$1,557,203		\$44,251		\$52,448	\$1,099,689	\$208,708		\$12,766	\$12,141	\$1,045		\$276	\$65,693	\$14,510	\$19,690	\$14,304	\$11,682
1150 Unemployment Insurance	\$3,234																	
1160 Worker's Comp. Insurance	\$345,048		\$41,640		\$15,533	\$205,612	\$58,741			\$824			\$12,300		\$7,101		\$3,297	
1170 Prof. Liability Insurance	\$0																	
1190 Other	\$0																	
TOTAL PERSONNEL BENEFITS AND TAXES	\$4,915,321	\$1,622	\$370,163	\$0	\$82,874	\$3,236,508	\$782,534	\$0	\$15,780	\$23,653	\$1,403	\$362	\$205,723	\$18,297	\$102,730	\$0	\$61,990	\$11,682
1200 PROF FEES & CONTRACT SVCS:																		
1210 Administrative/Financial	\$979,222	\$15,662	\$487,073			\$463,390	\$6,383						\$4,788		\$1,588		\$398	
1220 Habilitation/Rehabilitation	\$0																	
1230 Medical	\$0																	
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)	\$0																	
1237 Physician/Nursing Services	\$0																	
1238 Psychiatric Services	\$0																	
1290 Other	\$2,251,651	\$0	\$2,236,727		\$800	\$3,915	\$678		\$759	\$8,352		\$45	\$100	\$175		\$100	\$100	\$100
TOTAL PROF FEES & CONTRACT SVCS	\$3,230,873	\$15,662	\$2,723,800	\$0	\$800	\$467,305	\$7,061	\$0	\$759	\$8,352	\$0	\$45	\$4,788	\$100	\$1,763	\$0	\$436	\$0
1300 TRAVEL/TRANSPORTATION:																		
1390 Other	\$156,135	\$0	\$12,846		\$750	\$126,680	\$28,439		\$2,488	\$3,459		\$140	\$2,029	\$1,111	\$2,278		\$1,607	\$0
TOTAL TRAVEL/TRANSPORTATION	\$156,135	\$0	\$12,846	\$0	\$750	\$126,680	\$28,439	\$0	\$2,488	\$3,459	\$0	\$140	\$2,029	\$1,111	\$2,278	\$0	\$1,607	\$0
1400 SUPPLIES:																		
1440 Food	\$628,637		\$14,386			\$1,376	\$4,303					\$142,897			\$465,675			
1490 Other	\$383,472	\$0	\$47,667		\$1,283	\$61,083	\$18,807		\$220	\$9,171		\$15	\$678	\$114	\$7,441		\$236,993	\$0
TOTAL SUPPLIES	\$1,012,109	\$0	\$62,053	\$0	\$1,283	\$62,459	\$23,110	\$0	\$220	\$9,171	\$0	\$142,912	\$678	\$114	\$473,116	\$0	\$236,993	\$0
1500 OCCUPANCY:																		
1510 Rent of Space	\$229,533	\$0	\$42,416			\$93,323	\$84,734											\$3,065
1520 Utilities & Telephone	\$400,650	\$0	\$45,619		\$12,885	\$165,030	\$105,845		\$4,067	\$5,145			\$11,829	\$1,262	\$45,483		\$2,515	\$970
1590 Other	\$216,666		\$76,637		\$3,578	\$53,087	\$38,818		\$297	\$13,099			\$10,114	\$932	\$20,104		\$932	\$0
TOTAL OCCUPANCY:	\$846,849	\$0	\$164,672	\$0	\$16,463	\$311,440	\$229,397	\$0	\$4,364	\$18,244	\$0	\$0	\$21,943	\$1,262	\$65,587	\$0	\$6,507	\$970
1600 EQUIPMENT:																		
1600 Equipment	\$322,021	\$0	\$163,366		\$4,878	\$93,843	\$27,029		\$1,136	\$391		\$305	\$6,209		\$24,837		\$27	\$0
1700 DEPRECIATION:																		
1710 Building	\$433,841		\$43,101		\$9,660	\$142,032	\$169,403		\$3,954				\$13,124		\$51,190		\$1,377	\$0
1720 Equipment	\$520,208		\$120,372			\$274,588	\$102,758		\$594			\$657			\$21,238			\$0
TOTAL DEPRECIATION	\$954,049	\$0	\$163,473	\$0	\$9,660	\$416,620	\$272,161	\$0	\$3,954	\$594	\$0	\$657	\$13,124	\$0	\$72,429	\$0	\$1,377	\$0
1800 MISCELLANEOUS:																		
1810 Clothing	\$0																	
1860 Bad Debt	\$30,000	\$30,000	\$0															
1890 Other	\$844,556		\$95,678		\$2,350	\$668,040	\$58,773		\$1,365	\$19	\$19	\$1,377	\$3,362	\$546	\$12,496		\$531	\$0
TOTAL MISCELLANEOUS	\$874,556	\$30,000	\$95,678	\$0	\$2,350	\$668,040	\$58,773	\$0	\$1,365	\$19	\$19	\$1,377	\$3,362	\$546	\$12,496	\$0	\$531	\$0
Expenditure Subtotal	\$33,626,761	\$47,284	\$4,198,425	\$0	\$851,861	\$20,013,965	\$4,226,967	\$0	\$394,511	\$200,627	\$15,806	\$147,587	\$1,574,650	\$222,295	\$1,034,282	\$0	\$515,302	\$183,198
Admin. and Support Allocation	\$0		\$0															
TOTAL EXPENDITURES	\$33,626,761	\$47,284	\$4,198,425	\$0	\$851,861	\$20,013,965	\$4,226,967	\$0	\$394,511	\$200,627	\$15,806	\$147,587	\$1,574,650	\$222,295	\$1,034,282	\$0	\$515,302	\$183,198

Schedule B - Revenues

DHS Services

Division of Developmental Disabilities (DDD)

Account Number and Title	Total	Adjustments	Admin and Support	Fund Raising	Other- Please Specify in Row 7	CHOICES Residential	CHOICES Day Habilitation	CHOICES Career Exploration	CHOICES Individual Supported Employment	CHOICES Group Supported Employment	CHOICES Speech Hearing & Drugs	CHOICES Medical Equipment & Drugs	CHOICES Nursing	CHOICES Case Management	Food Services	Housing services	FS360 Service Coordination	Agency With Choice
					Service Coordination													
2000 FEES:																		
2020 Title XIX	\$27,898,354					\$18,982,159	\$4,331,139		\$155,019	\$33,754		\$460,638	\$2,799,695	\$336,545			\$604,240	\$195,165
2025 Title VII, Ch 1 Part B	\$0																	
2030 Title VII, Ch 1 Part C	\$0																	
2045 SD Department of Education	-\$1,760					-\$1,760												
2050 Dept of Corrections	\$0																	
2055 Client Pay (Fee for Service)	\$517,306					\$404,979	\$58,979		\$345	\$476		\$7713	\$44,812					
2060 Insurance	\$0																	
2065 Other States	\$0																	
2070 Room and Board	\$953,033					\$728,208									\$224,825			
2075 Bureau of Indian Affairs	\$0																	
2080 Department of Human Services	\$0																	
2085 Department of Social Services	\$0																	
2090 Other-Specify on Notes to Schedule B: (e.g. Other Federal Funds, County Funds, Unified Judicial System)	\$165,628					\$80,685	\$67,248			\$17,695								
TOTAL FEES	\$29,532,561	\$0	\$0	\$0	\$0	\$20,194,271	\$4,457,366	\$0	\$155,364	\$51,927	\$0	\$468,351	\$2,844,507	\$336,545	\$224,825	\$0	\$604,240	\$195,165
2100 GRANTS (Foundations, corporations or Trusts)																		
2110 Grants (Used for Capital Expenditures)	\$0																	
2120 Grants (Used for Non-Capital Expenditures)	\$204,505					\$204,505												
2100 TOTAL GRANTS	\$204,505	\$0	\$0	\$0	\$0	\$204,505	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2200 CONTRIBUTIONS (Donation, In Kind, Fund Raising)																		
2210 Contributions (Used for Capital Expenditures)	\$0																	
2220 Contributions (Used for Non-Capital Expenditures)	\$2,484,276			\$2,453,429	\$100	\$24,251	\$6,396						\$100					
2200 TOTAL CONTRIBUTIONS	\$2,484,276	\$0	\$0	\$2,453,429	\$100	\$24,251	\$6,396	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$0	\$0	\$0
2300 OTHER INCOME:																		
2310 Commodities, Food Stamps, National School Lunch	\$92,067														\$92,067			
2340 FMHA Rent Subsidy	\$0																	
2341 Section 8 Rental Assistance	\$13,081					\$13,081												
2350 Transportation	\$0																	
2360 Production/Farm Revenue	\$0																	
2370 Investment Income/Interest	-\$107,897		-\$307,886			\$198,111	-\$1,880					\$3,758						
2380 County Per Capita	\$0																	
2390 Other-Specify	\$1,391,530		\$211,235			\$61,119				\$339,768		\$0			\$777,208		\$0	\$0
TOTAL OTHER INCOME	\$1,388,781	\$0	-\$96,651	\$0	\$0	\$272,311	-\$1,880	\$0	\$0	\$339,768	\$0	\$3,758	\$2,200	\$0	\$869,275	\$0	\$0	\$0
TOTAL REVENUES	\$33,610,123	\$0	-\$96,651	\$2,453,429	\$100	\$20,695,338	\$4,461,882	\$0	\$155,364	\$391,695	\$0	\$472,109	\$2,846,807	\$336,545	\$1,094,100	\$0	\$604,240	\$195,165



**Independent Auditor’s Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
LifeScape
Sioux Falls, South Dakota

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of LifeScape, which comprise the LifeScape’s consolidated balance sheets as of June 30, 2022, and the related consolidated statements of changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated November 4, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered LifeScape’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of LifeScape’s internal control. Accordingly, we do not express an opinion on the effectiveness of LifeScape’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LifeScape's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eric Sully LLP". The signature is written in black ink and is positioned to the left of the typed address and date.

Sioux Falls, South Dakota
November 4, 2022