

Form 990-T

Department of the Treasury
Internal Revenue Service

Extended to August 15, 2018

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OMB No. 1545-0887

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))For calendar year 2016 or other tax year beginning OCT 1, 2016, and ending SEP 30, 2017

M09

2016

Open to Public Inspection for
501(c)(3) Organizations Only► Information about Form 990-T and its instructions is available at www.irs.gov/form990t.

► Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

A Check box if
address changed

B Exempt under section

- 501(c)(3) Q3
 408(e) 220(e)
 408A 530(a)
 529(a)

Print

or

Type

Name of organization (Check box if name changed and see instructions.)

Knute Nelson

D Employer identification number
(Employees' trust, see
instructions)

41-1263433

Number, street, and room or suite no. If a P.O. box, see instructions.

420 12th Avenue East

E Unrelated business activity codes
(See instructions)

City or town, state or province, country, and ZIP or foreign postal code

Alexandria, MN 56308

722210 722320

C Book value of all assets
at end of year

62,258,954.

F Group exemption number (See instructions.) ►

9386

G Check organization type ►

 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. ► See Statement 1

I 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. ►

J The books are in care of ► Marnie Gugisberg, SrVP/CFO

Telephone number ► (320) 763-1164

Part I Unrelated Trade or Business Income

		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales	289,437.		
b	Less returns and allowances		c Balance	
1c	289,437.			
2		99,184.		
3		190,253.		190,253.
4a				
4b				
4c				
5				
6				
7				
8				
9				
10				
11				
12	Other income (See instructions; attach schedule) Statement 3	146,000.		146,000.
13	Total. Combine lines 3 through 12	336,253.		336,253.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions)

(Except for contributions, deductions must be directly connected with the unrelated business income)

14 Compensation of officers, directors, and trustees (Schedule K)

14

352,347.

15 Salaries and wages

15

16

16 Repairs and maintenance

16

17

17 Bad debts

17

18

18 Interest (attach schedule)

18

19

19 Taxes and licenses

19

20

20 Charitable contributions (See instructions for limitation rules)

20

21

21 Depreciation (attach Form 4562)

21

22a

22 Less depreciation claimed on Schedule A and elsewhere on return

22b

23

23 Depletion

23

24

24 Contributions to deferred compensation plans

24

25

25 Employee benefit programs

25

26

26 Excess exempt expenses (Schedule I)

26

27

27 Excess readership costs (Schedule J)

27

28

28 Other deductions (attach schedule)

28

29

29 Total deductions. Add lines 14 through 28

29

30

30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13

See Statement 4

30

31

31 Net operating loss deduction (limited to the amount on line 30)

See Statement 5

31

32

32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30

32

33

33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)

33

34

34 Unrelated business taxable income Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32

34

-54,569.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation.

Controlled group members (sections 1561 and 1563) check here ► See Instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) (2) (3) b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$(2) Additional 3% tax (not more than \$100,000) \$

c Income tax on the amount on line 34

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:

 Tax rate schedule or Schedule D (Form 1041)

37 Proxy tax. See instructions

38 Alternative minimum tax

39 Tax on Non-Compliant Facility Income. See instructions

40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies

35c	0.
36	
37	
38	
39	
40	0.

Part IV Tax and Payments

41a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)

41a

b Other credits (see instructions)

41b

c General business credit. Attach Form 3800

41c

d Credit for prior year minimum tax (attach Form 8801 or 8827)

41d

e Total credits. Add lines 41a through 41d

41e

42 Subtract line 41e from line 40

42 0.43 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule)43

44 Total tax. Add lines 42 and 43

44 0.

45a Payments: A 2015 overpayment credited to 2016

45a

b 2016 estimated tax payments

45b

c Tax deposited with Form 8868

45c

d Foreign organizations: Tax paid or withheld at source (see instructions)

45d

e Backup withholding (see instructions)

45e

f Credit for small employer health insurance premiums (Attach Form 8941)

45f g Other credits and payments: Form 2439 45g Form 4136 Other

Total ►

46

46 Total payments. Add lines 45a through 45g

46 47 Estimated tax penalty (see instructions). Check if Form 2220 is attached ► 47

48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed

48 0.

49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid

49 0.

50 Enter the amount of line 49 you want Credited to 2017 estimated tax ►

Refunded

50 **Part V Statements Regarding Certain Activities and Other Information** (see instructions)

51 At any time during the 2016 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

52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.

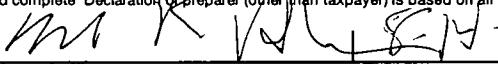
Yes

X

53 Enter the amount of tax-exempt interest received or accrued during the tax year ► \$

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

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

Sign Here			CEO	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Date	Title		
Paid Preparer Use Only	Print/Type preparer's name Deb Nelson, CPA	Preparer's signature Deb Nelson, CPA	Date 08/14/18	Check <input type="checkbox"/> if self-employed PTIN P01264758
	Firm's name ► Eide Bailly LLP		Firm's EIN ► 41-1765929	
	800 Nicollet Mall, Ste. 1300			
	Firm's address ► Minneapolis, MN 55402-7033		Phone no. 612-253-6500	

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ► **N/A**

1 Inventory at beginning of year	1	0.	6 Inventory at end of year	6	0.
2 Purchases	2				
3 Cost of labor	3				
4a Additional section 263A costs (attach schedule)	4a				
b Other costs (attach schedule)	4b	99,184.			
5 Total. Add lines 1 through 4b	5	99,184.			

7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2

8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

Yes	No
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Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)
(2)
(3)
(4)

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)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total

(c) Total income Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ► 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ► 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		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 schedule)	(b) Other deductions (attach schedule)	
(1)					
(2)					
(3)					
(4)					
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))	
(1)		%			
(2)		%			
(3)		%			
(4)		%			
Enter here and on page 1, Part I, line 7, column (A)			Enter here and on page 1, Part I, line 7, column (B)		
Totals ►			0. 0.		
Total dividends-received deductions included in column 8			0.		

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization		2. Employer identification number	Exempt Controlled Organizations		
			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
(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 page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)
Totals			0.	0.

Schedule G - 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 schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A)		
Totals		0.		0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26
Totals		0.	0.			0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I	► 0.	0.				0.
	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27
Totals, Part II (lines 1-5)	► 0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14	►		0.

Form 990-T Description of Organization's Primary Unrelated Business Activity Statement 1

restaurant/catering/room rental/management services

To Form 990-T, Page 1

Knute Nelson

41-1263433

Form 990-T	Other Income	Statement 3
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Description	Amount
Management Revenue	146,000.
Total to Form 990-T, Page 1, line 12	146,000.

Form 990-T	Other Deductions	Statement 4
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Description	Amount
Other Administrative Expenses	11,520.
Total to Form 990-T, Page 1, line 28	11,520.