

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

OMB No. 1545-0687

For calendar year 2016 or other tax year beginning OCT 1, 2016, and ending SEP 30, 2017

2016

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

Department of the Treasury Internal Revenue Service

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)

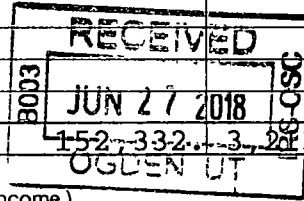
Header section containing organization name (AUGUSTANA CARE), address (1007 EAST 14TH STREET, MINNEAPOLIS, MN 55404), and identification numbers.

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? No

J The books are in care of CRAIG KITTELSON - AUGUSTANA CARE Telephone number 612-238-5205

Table for Part I: Unrelated Trade or Business Income. Columns include (A) Income, (B) Expenses, and (C) Net. Rows include Gross receipts, Cost of goods sold, and Total income of 3,365,534.



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

Table for Part II: Deductions Not Taken Elsewhere. Rows include Salaries and wages (2,882,486), Charitable contributions, and Total deductions (3,098,068).

Handwritten number 914 and 10.

Part III Tax Computation

35	Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input checked="" type="checkbox"/> See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ 8,593. (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 SEE STATEMENT 4	35c	1,289.
36	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37	Proxy tax. See instructions	37	
38	Alternative minimum tax	38	
39	Tax on Non-Compliant Facility Income. See instructions	39	
40	Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies	40	1,289.

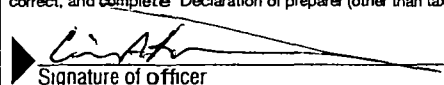
Part IV Tax and Payments

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	1,289.
43	Other taxes. 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 schedule)	43	
44	Total tax. Add lines 42 and 43	44	1,289.
45a	Payments: A 2015 overpayment credited to 2016	45a	40,682.
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: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	45g	
46	Total payments. Add lines 45a through 45g	46	40,682.
47	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	47	
48	Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed	48	
49	Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	49	39,393.
50	Enter the amount of line 49 you want Credited to 2017 estimated tax Refunded	50	0.

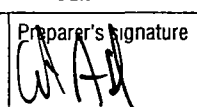
Part V Statements Regarding Certain Activities and Other Information (see instructions)

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
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.		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.

Sign Here:  | 6/21/18 | Date | VP - FINANCE/CFO | Title

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

Paid Preparer Use Only: Print/Type preparer's name: EMILY SCHEEL; Preparer's signature: ; Date: 6/21/18; Check if self-employed; PTIN: P01814921; Firm's name: CLIFTONLARSONALLEN LLP; Firm's address: 220 SOUTH SIXTH STREET, SUITE 300 MINNEAPOLIS, MN 55402; Firm's EIN: 41-0746749; Phone no.: 612-376-4500

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

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

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 0.

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

(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)
			STATEMENT 6	STATEMENT 7
(1)				
(2)				
(3)				
(4)	SEE STATEMENT 5			
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))
STATEMENT 8	STATEMENT 9			
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
			74,175.	152,332.
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	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 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).	Enter here and on page 1, Part I, line 9, column (B).
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.
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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.
Totals, Part II (lines 1-5)	0. <small>Enter here and on page 1, Part I, line 11, col (A).</small>	0. <small>Enter here and on page 1, Part I, line 11, col (B).</small>				0. <small>Enter here and on page 1, Part II, line 27</small>

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

ADMINISTRATIVE AND MANAGEMENT CONSULTING AND REAL ESTATE RENTAL

TO FORM 990-T, PAGE 1

FORM 990-T OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
ACCOUNTING FEES	5,730.
LEGAL FEES	12,419.
TRAINING & EDUCATION	1,161.
MEETINGS AND SEMINARS	11,756.
INSURANCE	2,633.
ADVERTISING	3,455.
CONTRACTORS & CONSULTANTS	60,012.
MANAGEMENT FEES	26,745.
OFFICE SUPPLIES	23,403.
LICENSES & PERMITS	3,211.
OFFICE RENT	7,473.
MISCELLANEOUS	58.
PREADMISSION SCREENING	1,933.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	159,989.

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 3

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
09/30/15	92,199.	0.	92,199.	92,199.
09/30/16	13,342.	0.	13,342.	13,342.
TOTAL CARRYOVER AVAILABLE THIS YEAR			105,541.	105,541.

FORM 990-T

TAX COMPUTATION

STATEMENT 4

1.	TAXABLE INCOME	8,593	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT .	8,593	
3.	LINE 1 LESS LINE 2	0	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT .	0	
5.	LINE 3 LESS LINE 4	0	
6.	INCOME SUBJECT TO 34% TAX RATE	0	
7.	INCOME SUBJECT TO 35% TAX RATE	0	
8.	15 PERCENT OF LINE 2	1,289	
9.	25 PERCENT OF LINE 4	0	
10.	34 PERCENT OF LINE 6	0	
11.	35 PERCENT OF LINE 7	0	
12.	ADDITIONAL 5% SURTAX.	0	
13.	ADDITIONAL 3% SURTAX	0	
14.	TOTAL OF LINES 8 THROUGH 13 TO FORM 990-T, PAGE 2, LINE 35C		1,289

FORM 990-T SCHEDULE E - UNRELATED DEBT-FINANCED INCOME STATEMENT 5

1. DESCRIPTION OF PROPERTY	ACTIVITY NUMBER	2. GROSS INCOME	3A. DEPRECIATION EXPENSE	3B. OTHER DEDUCTIONS
710 WILLIS STREET	1	12,210.	17,241.	9,349.
4. AVERAGE ACQ DEBT	5. AVERAGE ADJUSTED BASIS	6. PERCENT (COL 4/COL 5)	7. REPORTABLE GROSS INCOME	8. ALLOCABLE DEDUCTIONS
71,852.	225,026.	31.93	3,899.	8,490.

1. DESCRIPTION OF PROPERTY	ACTIVITY NUMBER	2. GROSS INCOME	3A. DEPRECIATION EXPENSE	3B. OTHER DEDUCTIONS
1609 11 AVENUE S, MINNEAPOLIS	2	16,800.	15,363.	14,475.
4. AVERAGE ACQ DEBT	5. AVERAGE ADJUSTED BASIS	6. PERCENT (COL 4/COL 5)	7. REPORTABLE GROSS INCOME	8. ALLOCABLE DEDUCTIONS
60,721.	183,384.	33.11	5,562.	9,879.

1. DESCRIPTION OF PROPERTY	ACTIVITY NUMBER	2. GROSS INCOME	3A. DEPRECIATION EXPENSE	3B. OTHER DEDUCTIONS
1521/1523 11 AVENUE S, MINNEAPOLIS	3	50,047.	30,378.	34,581.
4. AVERAGE ACQ DEBT	5. AVERAGE ADJUSTED BASIS	6. PERCENT (COL 4/COL 5)	7. REPORTABLE GROSS INCOME	8. ALLOCABLE DEDUCTIONS
178,084.	429,556.	41.46	20,749.	26,932.

1. DESCRIPTION OF PROPERTY	ACTIVITY NUMBER	2. GROSS INCOME	3A. DEPRECIATION EXPENSE	3B. OTHER DEDUCTIONS
1517 11TH AVE MINNEAPOLIS, MN	4	36,687.	23,818.	27,099.
4. AVERAGE ACQ DEBT	5. AVERAGE ADJUSTED BASIS	6. PERCENT (COL 4/COL 5)	7. REPORTABLE GROSS INCOME	8. ALLOCABLE DEDUCTIONS
207,500.	393,967.	52.67	19,323.	26,818.

1. DESCRIPTION OF PROPERTY	ACTIVITY NUMBER	2. GROSS INCOME	3A. DEPRECIATION EXPENSE	3B. OTHER DEDUCTIONS
509 HOPKINS HOUSE	5	20,947.	13,467.	26,931.
4. AVERAGE ACQ DEBT	5. AVERAGE ADJUSTED BASIS	6. PERCENT (COL 4/COL 5)	7. REPORTABLE GROSS INCOME	8. ALLOCABLE DEDUCTIONS
278,926.	327,993.	85.04	17,813.	34,354.

1. DESCRIPTION OF PROPERTY	ACTIVITY NUMBER	2. GROSS INCOME	3A. DEPRECIATION EXPENSE	3B. OTHER DEDUCTIONS
30 FREESTONE RD, EAGLE, CO	6	10,200.	29,801.	38,696.
4. AVERAGE ACQ DEBT	5. AVERAGE ADJUSTED BASIS	6. PERCENT (COL 4/COL 5)	7. REPORTABLE GROSS INCOME	8. ALLOCABLE DEDUCTIONS
189,784.	283,478.	66.95	6,829.	45,859.

TOTALS TO FORM 990-T, SCHEDULE E			74,175.	152,332.
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FORM 990-T

SCHEDULE E - DEPRECIATION DEDUCTION

STATEMENT 6

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		17,241.	
- SUBTOTAL -	1		17,241.
DEPRECIATION		15,363.	
- SUBTOTAL -	2		15,363.
DEPRECIATION		30,378.	
- SUBTOTAL -	3		30,378.
DEPRECIATION		23,818.	
- SUBTOTAL -	4		23,818.
DEPRECIATION		13,467.	
- SUBTOTAL -	5		13,467.
DEPRECIATION		29,801.	
- SUBTOTAL -	6		29,801.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)			130,068.

FORM 990-T

SCHEDULE E - OTHER DEDUCTIONS

STATEMENT 7

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
INTEREST		2,812.	
SALARIES			
REPAIRS & MAINTENANCE		600.	
BAD DEBT EXPENSE		358.	
ACCOUNTING FEES		10.	
MANAGEMENT FEES		732.	
LICENSES & PERMITS		79.	
INSURANCE		120.	
MORTIZATION			
FRINGE BENEFITS			
REAL ESTATE TAXES		4,638.	
UTILITIES			
- SUBTOTAL -	1		9,349.
INTEREST		2,377.	
UTILITIES		4,154.	
REPAIRS & MAINTENANCE			
BAD DEBT EXPENSE		492.	
ACCOUNTING FEES		14.	
MANAGEMENT FEES		1,008.	
CONTRACTED SERVICES		2,009.	
LICENSES & PERMITS		109.	
INSURANCE		165.	
MORTIZATION			

REAL ESTATE TAXES			4,147.	
- SUBTOTAL -	2			14,475.
INTEREST			6,007.	
UTILITIES			12,299.	
REPAIRS & MAINTENANCE			1,182.	
BAD DEBT EXPENSE			1,466.	
ACCOUNTING FEES			42.	
MANAGEMENT FEES			3,003.	
LICENSES & PERMITS			324.	
INSURANCE			494.	
AMORTIZATION				
CONTRACTED SERVICES			3,187.	
REAL ESTATE TAXES			6,577.	
- SUBTOTAL -	3			34,581.
INTEREST			7,506.	
UTILITIES			5,155.	
REPAIRS & MAINTENANCE			4,100.	
BAD DEBT EXPENSE			1,075.	
ACCOUNTING FEES			31.	
MANAGEMENT FEES			2,201.	
CONTRACTED SERVICES			-2.	
LICENSES & PERMITS			237.	
INSURANCE			362.	
AMORTIZATION				
REAL ESTATE TAXES			6,434.	
- SUBTOTAL -	4			27,099.
INTEREST			13,178.	
SALARIES			19.	
BENEFITS			7.	
UTILITIES			682.	
REPAIRS & MAINTENANCE			572.	
BAD DEBT EXPENSE			613.	
ACCOUNTING FEES			18.	
MANAGEMENT FEES			1,257.	
LICENSES & PERMITS			136.	
INSURANCE			206.	
AMORTIZATION				
CONTRACTED SERVICES			5,788.	
REAL ESTATE TAXES			4,455.	
- SUBTOTAL -	5			26,931.
INTEREST			17,472.	
UTILITIES			6,511.	
SALARIES			150.	
BENEFITS			11.	
REPAIRS & MAINTENANCE			1,120.	
BAD DEBT EXPENSE			299.	
ACCOUNTING FEES			9.	
MANAGEMENT FEES			612.	
LICENSES & PERMITS			9,370.	
INSURANCE			100.	
AMORTIZATION				
CONTRACTED SERVICES			-200.	
REAL ESTATE TAXES			3,242.	

- SUBTOTAL - 6

38,696.

TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)

151,131.

FORM 990-T

AVERAGE ACQUISITION DEBT ON OR
ALLOCABLE TO DEBT-FINANCED PROPERTY

STATEMENT 8

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE ACQUISITION INDEBTEDNESS		71,852.	
- SUBTOTAL -	1		71,852.
AVERAGE ACQUISITION INDEBTEDNESS		60,721.	
- SUBTOTAL -	2		60,721.
AVERAGE ACQUISITION INDEBTEDNESS		178,084.	
- SUBTOTAL -	3		178,084.
AVERAGE ACQUISITION INDEBTEDNESS		207,500.	
- SUBTOTAL -	4		207,500.
AVERAGE ACQUISITION INDEBTEDNESS		278,926.	
- SUBTOTAL -	5		278,926.
AVERAGE ACQUISITION INDEBTEDNESS		189,784.	
- SUBTOTAL -	6		189,784.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 4			986,867.

FORM 990-T

AVERAGE ADJUSTED BASIS OF OR
ALLOCABLE TO DEBT-FINANCED PROPERTY

STATEMENT 9

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE BASIS		225,026.	
- SUBTOTAL -	1		225,026.
AVERAGE BASIS		183,384.	
- SUBTOTAL -	2		183,384.
AVERAGE BASIS		429,556.	
- SUBTOTAL -	3		429,556.
AVERAGE BASIS		393,967.	
- SUBTOTAL -	4		393,967.
AVERAGE BASIS		327,993.	
- SUBTOTAL -	5		327,993.
AVERAGE BASIS		283,478.	
- SUBTOTAL -	6		283,478.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 5			1,843,404.