

2018/08

Form 990-T

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

OMB No 1545-0687

For calendar year 2017 or other tax year beginning JUL 1, 2017, and ending JUN 30, 2018

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).

2017

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

Department of the Treasury
Internal Revenue Service

A <input type="checkbox"/> Check box if address changed		Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) ESSENTIA HEALTH	D Employer identification number (Employees' trust, see instructions) 20-0360007
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)		Print or Type 502 E 2ND ST DULUTH, MN 55805	E Unrelated business activity codes (See instructions) 900099

C Book value of all assets at end of year 396,118,323.	F Group exemption number (See instructions.)	G Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust
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H Describe the organization's primary unrelated business activity. **SYSTEM ACCESS/USE AND PARTNERSHIP ACTIVITY**
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 **TRACI MORRIS** Telephone number **218-786-8376**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales 379,262.	1c	379,262.	
b	Less returns and allowances	2		
2	Cost of goods sold (Schedule A, line 7)	3	379,262.	379,262.
3	Gross profit. Subtract line 2 from line 1c	4a		
4a	Capital gain net income (attach Schedule D)	4b	2,860,548.	2,860,548.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4c		
c	Capital loss deduction for trusts	5	-1,330,125.	-1,330,125.
5	Income (loss) from partnerships and S corporations (attach statement)	6		
6	Rent income (Schedule C)	7		
7	Unrelated debt-financed income (Schedule E)	8		
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	9		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	10		
10	Exploited exempt activity income (Schedule I)	11		
11	Advertising income (Schedule J)	12	1,165.	1,165.
12	Other income (See instructions; attach schedule) STATEMENT 1	13	1,910,850.	1,910,850.
13	Total. Combine lines 3 through 12			

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
15	Salaries and wages	15
16	Repairs and maintenance	16
17	Bad debts	17
18	Interest (attach schedule)	18
19	Taxes and licenses	19
20	Charitable contributions (See instructions for limitation rules)	20
21	Depreciation (attach Form 4562)	21
22	Less depreciation claimed on Schedule A and elsewhere on return	22b
23	Depletion	23
24	Contributions to deferred compensation plans	24
25	Employee benefit programs	25
26	Excess exempt expenses (Schedule I)	26
27	Excess readership costs (Schedule J)	27
28	Other deductions (attach schedule)	28
29	Total deductions. Add lines 14 through 28	29
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30
31	Net operating loss deduction (limited to the amount on line 30)	31
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33
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

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SEE STATEMENT 2

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

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.

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.	0.

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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.

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.

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FORM 990-T	OTHER INCOME	STATEMENT 1
DESCRIPTION		AMOUNT
		1,165.
TOTAL TO FORM 990-T, PAGE 1, LINE 12		1,165.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT 2
DESCRIPTION		AMOUNT
PURCHASED SERVICES		96,032.
INFORMATION TECHNOLOGY		66,734.
TRAVEL		5,952.
TOTAL TO FORM 990-T, PAGE 1, LINE 28		168,718.

FORM 990-T	INCOME (LOSS) FROM PARTNERSHIPS		STATEMENT 3
PARTNERSHIP NAME	GROSS INCOME	DEDUCTIONS	NET INCOME OR (LOSS)
ANDEAVOR LOGISTICS LP (FKA TESORO LOGISTICS)	-35,898.	0.	-35,898.
ANTERO MIDSTREAM PARTNERS LP	-20,036.	0.	-20,036.
BP MIDSTREAM PARTNERS	-2,254.	0.	-2,254.
BUCKEYE PARTNERS, L.P.	-18,523.	0.	-18,523.
ENBRIDGE ENERGY PARTNERS, L.P.	-25,370.	0.	-25,370.
ENERGY TRANSFER EQUITY LP	-62,547.	0.	-62,547.
ENERGY TRANSFER PARTNERS LP	-136,630.	0.	-136,630.
ENLINK MIDSTREAM PARTNERS, LP	-94,837.	0.	-94,837.
ENTERPRISE PRODUCTS PARTNERS LP	-307,912.	0.	-307,912.
EQT MIDSTREAM PARTNERS LP	-39,098.	0.	-39,098.
GENESIS ENERGY L.P.	-45,524.	0.	-45,524.
MAGELLAN MIDSTREAM PARTNERS LP	-74,509.	0.	-74,509.
MPLX LP	-194,903.	0.	-194,903.
NGL ENERGY PARTNERS LP	-4,944.	0.	-4,944.
ONEOK PARTNERS LP	-31,566.	0.	-31,566.
PHILLIPS 66 PARTNERS, L.P.	-32,536.	0.	-32,536.
PLAINS ALL AMERICAN PIPELINE LP	-147,719.	0.	-147,719.
RICE MIDSTREAM PARTNERS LP	-208.	0.	-208.
SHELL MIDSTREAM PARTNERS, L.P.	-32,437.	0.	-32,437.
SUNOCO LOGISTICS PARTNERS LP	-4,708.	0.	-4,708.
TALLGRASS ENERGY PARTNERS, LP	-40,821.	0.	-40,821.
WESTERN GAS EQUITY PARTNERS	-26,230.	0.	-26,230.
WILLIAMS PARTNERS, LP	-89,402.	0.	-89,402.
PIMCO TACTICAL OPPORTUNITIES			
ONSHORE FUND L.P.	138,487.	0.	138,487.
TOTAL TO FORM 990-T, PAGE 1, LINE 5	-1,330,125.	0.	-1,330,125.

TENTATIVE MINIMUM TAX (TMT) PRORATION		STATEMENT 4
TENTATIVE MINIMUM TAX FOR THE ENTIRE YEAR . . .	31,416.	
TMT IN EFFECT BEFORE 01/01/2018	31,416.	
TMT IN EFFECT AFTER 12/31/2017	0.	
DAYS		
TMT PRORATED FOR NUMBER OF DAYS IN 2017 . . 184	15,837.	
TMT PRORATED FOR NUMBER OF DAYS IN 2018 . . 181	0.	
TMT PRORATED	365	15,837.

FORM 990T

PART II - LINE 31 - NET OPERATING LOSS DEDUCTION

STATEMENT 5

NET OPERATING LOSS CARRYFORWARD:

<u>YEAR GENERATED</u>	<u>AMOUNT GENERATED</u>	<u>AMOUNT UTILIZED</u>	<u>NOL REMAINING</u>
6/30/2009	13,892	-	13,892
6/30/2010	24,704	-	38,596
6/30/2011	16,015	-	54,611
6/30/2012	1,274	-	55,885
6/30/2013	479	-	56,364
6/30/2014	-	56,364	-
6/30/2015	875,667	-	875,667
6/30/2016	1,868,715	-	2,744,382
6/30/2017	1,047,068	-	3,791,450
6/30/2018	-	1,570,802	2,220,648
TOTAL	3,847,814	1,627,166	2,220,648

AMT NET OPERATING LOSS CARRYFORWARD

<u>YEAR GENERATED</u>	<u>AMOUNT GENERATED</u>	<u>AMOUNT UTILIZED</u>	<u>NOL REMAINING</u>
6/30/2009	13,892	-	13,892
6/30/2010	24,704	-	38,596
6/30/2011	16,015	-	54,611
6/30/2012	1,274	-	55,885
6/30/2013	479	-	56,364
6/30/2014	-	56,364	-
6/30/2015	875,667	-	875,667
6/30/2016	1,868,715	-	2,744,382
6/30/2017	1,047,068	-	3,791,450
6/30/2018	-	1,413,722	2,377,728
TOTAL	3,847,814	1,470,086	2,377,728

Essentia Health
20-0360007
Statement 6

Essentia Health elects under IRC Sec. 168(k)(2)(D)(iii) to not claim the additional 100% first-year bonus depreciation deduction for all classes of property, including 3, 5, 7, 10, 15, and 20-year recovery period classes; (2) depreciable computer software; and (3) qualified leasehold improvement property placed in service during the tax year ended June 30, 2018.

Alternative Minimum Tax - Corporations

▶ Attach to the corporation's tax return.
▶ Go to www.irs.gov/Form4626 for instructions and the latest information.

OMB No 1545-0123

2017

Name ESSENTIA HEALTH		Employer identification number 20-0360007	
<p>Note See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).</p>			
1	Taxable income or (loss) before net operating loss deduction	1	1,570,802.
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	
f	Long-term contracts	2f	
g	Merchant marine capital construction funds	2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i	Tax shelter farm activities (personal service corporations only)	2i	
j	Passive activities (closely held corporations and personal service corporations only)	2j	
k	Loss limitations	2k	
l	Depletion	2l	
m	Tax-exempt interest income from specified private activity bonds	2m	
n	Intangible drilling costs	2n	
o	Other adjustments and preferences	2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	1,570,802.
4	Adjusted current earnings (ACE) adjustment:		
a	ACE from line 10 of the ACE worksheet in the instructions	4a	1,570,802.
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See instructions	4b	0.
c	Multiply line 4b by 75% (0.75). Enter the result as a positive amount	4c	
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments. See instructions. Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	
e	ACE adjustment. <ul style="list-style-type: none"> If line 4b is zero or more, enter the amount from line 4c If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount 	4e	0.
5	Combine lines 3 and 4e. If zero or less, stop here, the corporation does not owe any AMT	5	1,570,802.
6	Alternative tax net operating loss deduction. See instructions	6	1,413,722.
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	157,080.
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
a	Subtract \$150,000 from line 7. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8a	0.
b	Multiply line 8a by 25% (0.25)	8b	0.
c	Exemption. Subtract line 8b from \$40,000. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8c	0.
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	157,080.
10	Multiply line 9 by 20% (0.20)	10	31,416.
11	Alternative minimum tax foreign tax credit (AMTFTC). See instructions	11	
12	Tentative minimum tax. Subtract line 11 from line 10 STMT 4 BLENDED RATE	12	15,837.
13	Regular tax liability before applying all credits except the foreign tax credit	13	
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	15,837.

JWA For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (2017)

Essentia Health

Section 1.263(a)-1(f) de minimis safe harbor election

EIN: 20-0360007

**Tax Year Ending 6/30/2018
Statement 7**

Section 1.263(a)-1(f) de minimis safe harbor election statement

Taxpayer Name: Essentia Health ("Taxpayer")

Taxpayer Address: 502 E 2nd Street, Duluth, MN 55805

EIN: 20-0360007

The above-referenced Taxpayer is making the de minimis safe harbor election under Section 1.263(a)-1(f) for its tax year ending 6/30/2018.

Essentia Health
20-0360007
Statement 8

IRC Section 751 Statement

The taxpayer has reported ordinary income upon the disposition of units in the investment partnerships listed below, as provided by the investment partnerships' General Partner or Managing Member for each partnership. The amount was determined in accordance with Internal Revenue Code Section 751 and the detailed information is available in the offices of the General Partner or Managing Member upon request.

<u>EIN</u>	<u>Partnership Name</u>
27-4151603	Andeavor Logistics LP
23-2432497	Buckeye Partners, L.P
39-1715850	Enbridge Energy Partners, L.P.
73-1493906	Energy Transfer Partners LP
76-0568219	Enterprise Products Partners LP
37-1661577	EQT Midstream Partners LP
76-0513049	Genesis Energy L.P
73-1599053	Magellan Midstream Partners LP
27-0005456	MPLX LP
27-3427920	NGL Energy Partners LP
93-1120873	Oneok Partners LP
76-0582150	Plains All American Pipeline LP
46-5223743	Shell Midstream Partners, L.P.
26-1075808	Western Gas Partners, LP
20-2485124	Williams Partners, LP

Essentia Health
20-0360007
Statement 9

IRC Section 754 Statement

The Taxpayer is a transferee partner in the following partnerships that have made a special adjustment under Internal Revenue Code Section 743(B) pursuant to the IRC Section 754 election made by the partnerships. The special basis adjustment was made in accordance with the rules provided in IRC Section 743 and 755 and the regulations thereunder. Detailed information is available in the Offices of The General Partners upon request.

Following is the list of partnerships to which the 754 statement applies:

<u>EIN</u>	<u>Partnership Name</u>
23-2432497	Buckeye Partners, L.P.
30-0108820	Energy Transfer Equity LP
73-1493906	Energy Transfer Partners LP
76-0568219	Enterprise Products Partners LP
76-0513049	Genesis Energy L.P.
27-3427920	NGL Energy Partners LP
76-0582150	Plains All American Pipeline LP
46-5223743	Shell Midstream Partners, L.P.
23-3096839	Sunoco Logistics Partners LP
46-1972941	Tallgrass Energy Partners, LP