

Form **990-T****Exempt Organization Business Income Tax Return**
(and proxy tax under section 6033(e))

OMB No 1545-0687

2018Open to Public Inspection for
501(c)(3) Organizations OnlyDepartment of the Treasury
Internal Revenue Service

For calendar year 2018 or other tax year beginning _____, and ending _____

▶ 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).

A <input type="checkbox"/> Check box if address changed		Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.)		D Employer identification number (Employees' trust, see instructions) 36-3261413	
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 ALLINA HEALTH SYSTEM Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 43, MR 10890 City or town, state or province, country, and ZIP or foreign postal code MINNEAPOLIS, MN 55440-0043		E Unrelated business activity code (See instructions) 621500	
C Book value of all assets at end of year 4,545,342,711.		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	

H Enter the number of the organization's unrelated trades or businesses. ▶ **8** Describe the only (or first) unrelated trade or business here ▶ **REFERENCE LAB**. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

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

J The books are in care of ▶ **TAX SERVICES MAIL ROUTE 10890** Telephone number ▶ **612-262-0660**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales 12,771,369.	1c	12,771,369.	
b	Less returns and allowances	2		
2	Cost of goods sold (Schedule A, line 7)	3	12,771,369.	12,771,369.
3	Gross profit. Subtract line 2 from line 1c	4a		
4a	Capital gain net income (attach Schedule D)	4b		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4c		
c	Capital loss deduction for trusts	5		
5	Income (loss) from a partnership or an S corporation (attach statement)	6		
6	Rent income (Schedule C)	7		
7	Unrelated debt-financed income (Schedule E)	8		
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	9		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	10		
10	Exploited exempt activity income (Schedule H)	11		
11	Advertising income (Schedule J)	12		
12	Other income (See instructions; attach schedule)	13	12,771,369.	12,771,369.
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	3,686,291.
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule) (see instructions)	18	
19	Taxes and licenses	19	238,363.
20	Charitable contributions (See instructions for limitation rules) STATEMENT 3 SEE STATEMENT 1	20	621,008.
21	Depreciation (attach Form 4562)	21	120,360.
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	
23	Depletion	22b	120,360.
24	Contributions to deferred compensation plans	23	
25	Employee benefit programs	24	
26	Excess exempt expenses (Schedule I)	25	
27	Excess readership costs (Schedule J)	26	
28	Other deductions (attach schedule) SEE STATEMENT 2	27	
29	Total deductions. Add lines 14 through 28	28	5,810,775.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	29	10,476,797.
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30	2,294,572.
32	Unrelated business taxable income. Subtract line 31 from line 30	31	
		32	2,294,572.

G2p

Part III Total Unrelated Business Taxable Income

33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	33	4,446,179.
34	Amounts paid for disallowed fringes	34	3,295,502.
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	35	
36	Total of unrelated business taxable income before specific deduction. Subtract line 35 from the sum of lines 33 and 34	36	7,741,681.
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions)	37	1,000.
38	Unrelated business taxable income. Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36	38	7,740,681.

Part IV Tax Computation

39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21)	39	1,625,543.
40	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 38 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	40	
41	Proxy tax. See instructions	41	
42	Alternative minimum tax (trusts only)	42	
43	Tax on Noncompliant Facility Income. See instructions	43	
44	Total. Add lines 41, 42, and 43 to line 39 or 40, whichever applies	44	1,625,543.

Part V Tax and Payments

45a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	45a	
b	Other credits (see instructions)	45b	
c	General business credit. Attach Form 3800	45c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	45d	
e	Total credits. Add lines 45a through 45d	45e	
46	Subtract line 45e from line 44	46	1,625,543.
47	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)	47	
48	Total tax. Add lines 46 and 47 (see instructions)	48	1,625,543.
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2	49	0.
50a	Payments: A 2017 overpayment credited to 2018	50a	395,241.
b	2018 estimated tax payments	50b	1,625,000.
c	Tax deposited with Form 8868	50c	
d	Foreign organizations: Tax paid or withheld at source (see instructions)	50d	
e	Backup withholding (see instructions)	50e	
f	Credit for small employer health insurance premiums (attach Form 8941)	50f	
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	50g	
51	Total payments. Add lines 50a through 50g	51	2,020,241.
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	52	
53	Tax due. If line 51 is less than the total of lines 48, 49, and 52, enter amount owed	53	
54	Overpayment. If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid	54	394,698.
55	Enter the amount of line 54 you want: Credited to 2019 estimated tax 394,698. Refunded	55	0.

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

56	At any time during the 2018 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
	CAYMAN ISLANDS	X	
57	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
58	Enter the amount of tax-exempt interest received or accrued during the tax year		\$

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 11/6/19

CHIEF FINANCIAL OFFICER

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

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

Firm's EIN

Firm's address

Phone no.

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		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		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b Other costs (attach schedule)	4b				
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		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(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)	
(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)	
(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)		%		
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) ►
Total dividends-received deductions included in column 8			0 .	0 .

Form 990-T (2018)

ALLINA HEALTH SYSTEM

36-3261413

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	165,841.	7 Cost of goods sold Subtract line 6 from line 5. Enter here and in Part I, line 2	7	165,841.
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs (attach schedule)	4a				
4b Other costs (attach schedule)	4b				X
5 Total Add lines 1 through 4b	5	165,841.			

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)		%		
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)
Total dividends-received deductions included in column 8			0.	0.

ALLINA HEALTH SYSTEM

36-3261413

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	10,442,282.	7 Cost of goods sold Subtract line 6 from line 5. Enter here and in Part I, line 2	7	10,442,282.
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs (attach schedule)	4a				
4b Other costs (attach schedule)	4b				X
5 Total Add lines 1 through 4b	5	10,442,282.			

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)	
(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)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A) 0.	Enter here and on page 1, Part I, line 7, column (B) 0.
Total dividends-received deductions included in column 8			0.	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.

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)	Enter here and on page 1, Part I, line 11, col (A) 0.	Enter here and on page 1, Part I, line 11, col (B) 0.				Enter here and on page 1, Part II, line 27 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 (2018)

FORM 990-T	CONTRIBUTIONS	STATEMENT	1
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DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTION FOR 2018	N/A	872,852.
TOTAL TO FORM 990-T, PAGE 1, LINE 20		872,852.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	2
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DESCRIPTION	AMOUNT
PROFESSIONAL FEES	2,392,245.
OTHER SUPPLIES	1,578,018.
MEDICAL SUPPLIES	787.
MISCELLANEOUS	154,452.
OVERHEAD	1,685,273.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	5,810,775.

FORM 990-T

CONTRIBUTIONS SUMMARY

STATEMENT

3

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

FOR TAX YEAR 2013	976,667
FOR TAX YEAR 2014	244,439
FOR TAX YEAR 2015	190,887
FOR TAX YEAR 2016	180,771
FOR TAX YEAR 2017	81,067

TOTAL CARRYOVER	1,673,831
TOTAL CURRENT YEAR 10% CONTRIBUTIONS	872,852

TOTAL CONTRIBUTIONS AVAILABLE	2,546,683
TAXABLE INCOME LIMITATION AS ADJUSTED	621,008

EXCESS 10% CONTRIBUTIONS	1,925,675
EXCESS 100% CONTRIBUTIONS	0
TOTAL EXCESS CONTRIBUTIONS	1,925,675

ALLOWABLE CONTRIBUTIONS DEDUCTION	621,008
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TOTAL CONTRIBUTION DEDUCTION	621,008
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SCHEDULE M
(Form 990-T)

Unrelated Business Taxable Income for
Unrelated Trade or Business

ENTITY 2

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service (99)

For calendar year 2018 or other tax year beginning _____, and ending _____

► 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

Name of the organization

ALLINA HEALTH SYSTEM

Employer identification number

36-3261413

Unrelated business activity code (see instructions) ► **446199**

Describe the unrelated trade or business ► **OPTICAL**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	491,415.			
b Less returns and allowances		1 c		
		491,415.		
2 Cost of goods sold (Schedule A, line 7)		2		
		165,841.		
3 Gross profit Subtract line 2 from line 1c		3		325,574.
4 a Capital gain net income (attach Schedule D)		4 a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4 b		
c Capital loss deduction for trusts		4 c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13	325,574.	325,574.

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	157,297.
16 Repairs and maintenance	16	21.
17 Bad debts	17	
18 Interest (attach schedule) (see instructions)	18	
19 Taxes and licenses	19	13,172.
20 Charitable contributions (See instructions for limitation rules) STATEMENT 4 STMT 5	20	2,133.
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22 a	22 b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	39,634.
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule) SEE STATEMENT 6	28	94,117.
29 Total deductions. Add lines 14 through 28	29	306,374.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	19,200.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31	
32 Unrelated business taxable income Subtract line 31 from line 30	32	19,200.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FORM 990-T (M)	CONTRIBUTIONS	STATEMENT	4
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DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTION FOR 2018	N/A	6,387.
TOTAL TO SCHEDULE M, PART II, LINE 20		6,387.

FORM 990-T (M)	CONTRIBUTION LIMITATIONS	STATEMENT	5
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	CONTRIBUTIONS SUBJECT TO THE 10% LIMIT	QUALIFIED DISASTER RELIEF CONTRIBUTIONS	TOTAL CONTRIBUTIONS
TOTAL CONTRIBUTIONS	6,387.	0.	6,387.
10% TAXABLE INCOME	2,133.		
CURRENT YEAR AMOUNT	2,133.		2,133.

FORM 990-T (M)	OTHER DEDUCTIONS	STATEMENT	6
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DESCRIPTION	AMOUNT
RENTAL	16,347.
OVERHEAD	54,349.
FEES	1,129.
MEDICAL SUPPLIES	22,129.
MISCELLANEOUS	135.
OTHER SUPPLIES	28.
TOTAL TO SCHEDULE M, PART II, LINE 28	94,117.

SCHEDULE M
(Form 990-T)

Unrelated Business Taxable Income for
Unrelated Trade or Business

ENTITY 3

OMB No 1545-0087

2018

Department of the Treasury
Internal Revenue Service (99)

For calendar year 2018 or other tax year beginning _____, and ending _____

▶ 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

Name of the organization

ALLINA HEALTH SYSTEM

Employer identification number

36-3261413

Unrelated business activity code (see instructions) ▶ **525990**

Describe the unrelated trade or business ▶ **ACCOUNTS RECEIVABLE SERVICES, LLC**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales	626,167.			
b Less returns and allowances		1c 626,167.		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit Subtract line 2 from line 1c		3 626,167.		626,167.
4a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13 626,167.		626,167.

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	164,687.
16 Repairs and maintenance		16	618.
17 Bad debts		17	
18 Interest (attach schedule) (see instructions)		18	
19 Taxes and licenses		19	25,144.
20 Charitable contributions (See instructions for limitation rules) STATEMENT 7 STMT 8		20	30,298.
21 Depreciation (attach Form 4562)	21	21	782.
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	782.
23 Depletion		23	
24 Contributions to deferred compensation plans		24	
25 Employee benefit programs		25	50,804.
26 Excess exempt expenses (Schedule I)		26	
27 Excess readership costs (Schedule J)		27	
28 Other deductions (attach schedule) SEE STATEMENT 9		28	81,152.
29 Total deductions. Add lines 14 through 28		29	353,485.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		30	272,682.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		31	
32 Unrelated business taxable income Subtract line 31 from line 30		32	272,682.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

ALLINA HEALTH SYSTEM

36-3261413

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		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b Other costs (attach schedule)	4b				X
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		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(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)	
(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)**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)		%		
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)
Total dividends-received deductions included in column 8			0.	0.

FORM 990-T (M)	CONTRIBUTIONS	STATEMENT	7
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DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTION FOR 2018	N/A	90,705.
TOTAL TO SCHEDULE M, PART II, LINE 20		90,705.

FORM 990-T (M)	CONTRIBUTION LIMITATIONS	STATEMENT	8
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	CONTRIBUTIONS SUBJECT TO THE 10% LIMIT	QUALIFIED DISASTER RELIEF CONTRIBUTIONS	TOTAL CONTRIBUTIONS
TOTAL CONTRIBUTIONS	90,705.	0.	90,705.
10% TAXABLE INCOME	30,298.		
CURRENT YEAR AMOUNT	30,298.		30,298.

FORM 990-T (M)	OTHER DEDUCTIONS	STATEMENT	9
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DESCRIPTION	AMOUNT
UTILITIES	4,563.
OTHER SUPPLIES	562.
RENTAL	7,279.
TRAVEL	1,101.
MISCELLANEOUS	14,282.
SEMINARS	36.
COMPUTER EXPENSES/SERVICES/SOFTWARE	3,551.
PROFESSIONAL FEES	49,778.
TOTAL TO SCHEDULE M, PART II, LINE 28	81,152.

SCHEDULE M
(Form 990-T)

Unrelated Business Taxable Income for
Unrelated Trade or Business

ENTITY **4**

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service (99)

For calendar year 2018 or other tax year beginning _____, and ending _____
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

Name of the organization **ALLINA HEALTH SYSTEM** Employer identification number **36-3261413**

Unrelated business activity code (see instructions) **621610**
Describe the unrelated trade or business **HOME MEDICAL EQUIPMENT**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	6,210,545.			
b Less returns and allowances		1 c Balance		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit Subtract line 2 from line 1c		3		4,214,431.
4 a Capital gain net income (attach Schedule D)		4 a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4 b		
c Capital loss deduction for trusts		4 c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13		4,214,431.

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	1,868,244.
16 Repairs and maintenance	16	180,965.
17 Bad debts	17	
18 Interest (attach schedule) (see instructions)	18	
19 Taxes and licenses	19	10,519.
20 Charitable contributions (See instructions for limitation rules) STATEMENT 10 STMT 11	20	3,674.
21 Depreciation (attach Form 4562)	21	580,424.
22 Less depreciation claimed on Schedule A and elsewhere on return	22 a	
23 Depletion	22 b	580,424.
24 Contributions to deferred compensation plans	23	
25 Employee benefit programs	24	
26 Excess exempt expenses (Schedule I)	25	542,477.
27 Excess readership costs (Schedule J)	26	
28 Other deductions (attach schedule) SEE STATEMENT 12	27	
29 Total deductions. Add lines 14 through 28	28	995,060.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	29	4,181,363.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30	33,068.
32 Unrelated business taxable income Subtract line 31 from line 30	31	
	32	33,068.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

ALLINA HEALTH SYSTEM

36-3261413

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	1,996,114.	7 Cost of goods sold Subtract line 6 from line 5. Enter here and in Part I, line 2	7	1,996,114.
3 Cost of labor	3				
4a Additional section 263A costs (attach schedule)	4a		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b Other costs (attach schedule)	4b				X
5 Total Add lines 1 through 4b	5	1,996,114.			

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	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 6 x column 5)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		(a) Straight line depreciation (attach schedule)					
(2)		(b) Other deductions (attach schedule)					
(3)							
(4)							
(1)					%		
(2)					%		
(3)					%		
(4)					%		
Totals						0.	0.
Total dividends-received deductions included in column 8						0.	0.

Form 990-T (2018)

FORM 990-T (M)	CONTRIBUTIONS	STATEMENT 10
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DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTION FOR 2018	N/A	11,000.
TOTAL TO SCHEDULE M, PART II, LINE 20		11,000.

FORM 990-T (M)	CONTRIBUTION LIMITATIONS	STATEMENT 11
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	CONTRIBUTIONS SUBJECT TO THE 10% LIMIT	QUALIFIED DISASTER RELIEF CONTRIBUTIONS	TOTAL CONTRIBUTIONS
TOTAL CONTRIBUTIONS	11,000.	0.	11,000.
10% TAXABLE INCOME	3,674.		
CURRENT YEAR AMOUNT	3,674.		3,674.

FORM 990-T (M)	OTHER DEDUCTIONS	STATEMENT 12
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DESCRIPTION	AMOUNT
UTILITIES	23,581.
PROFESSIONAL FEES	719,626.
MEDICAL SUPPLIES	28,441.
OTHER SUPPLIES	23,445.
RENTAL	68,099.
TRAVEL	4,978.
MISCELLANEOUS	33,934.
SEMINARS	524.
INSURANCE	69,630.
COMPUTER EXPENSES/SERVICES/SOFTWARE	22,802.
TOTAL TO SCHEDULE M, PART II, LINE 28	995,060.

SCHEDULE M
(Form 990-T)

Unrelated Business Taxable Income for
Unrelated Trade or Business

ENTITY 5

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service (99)

For calendar year 2018 or other tax year beginning _____, and ending _____

▶ 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

Name of the organization

ALLINA HEALTH SYSTEM

Employer identification number

36-3261413

Unrelated business activity code (see instructions) ▶ **621990**

Describe the unrelated trade or business ▶ **METROPOLITAN INTEGRATED CANCER CENTER, LLC**

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 (Schedule A, line 7)	2			
3 Gross profit Subtract line 2 from line 1c	3			
4 a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from a partnership or an S corporation (attach statement)	5	4,467,059.		4,467,059.
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See instructions, attach schedule)	12			
13 Total. Combine lines 3 through 12	13	4,467,059.		4,467,059.

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	478,602.
17 Bad debts	17	
18 Interest (attach schedule) (see instructions)	18	210,514.
19 Taxes and licenses	19	208,888.
20 Charitable contributions (See instructions for limitation rules)	20	190,227.
21 Depreciation (attach Form 4562)	21	681,202.
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b 681,202.
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	1,196,094.
29 Total deductions. Add lines 14 through 28	29	2,965,527.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	1,501,532.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31	
32 Unrelated business taxable income Subtract line 31 from line 30	32	1,501,532.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FORM 990-T (M)	INTEREST PAID	STATEMENT 13
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DESCRIPTION	AMOUNT
BANK CHARGES	210,514.
TOTAL TO SCHEDULE M, PART II, LINE 18	210,514.

FORM 990-T (M)	CONTRIBUTIONS	STATEMENT 14
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DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTION FOR 2018	N/A	506,471.
TOTAL TO SCHEDULE M, PART II, LINE 20		506,471.

FORM 990-T (M)	CONTRIBUTION LIMITATIONS	STATEMENT 15
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	CONTRIBUTIONS SUBJECT TO THE 10% LIMIT	QUALIFIED DISASTER RELIEF CONTRIBUTIONS	TOTAL CONTRIBUTIONS
TOTAL CONTRIBUTIONS	506,471.	0.	506,471.
10% TAXABLE INCOME	190,227.		
CURRENT YEAR AMOUNT	190,227.		190,227.

FORM 990-T (M)	OTHER DEDUCTIONS	STATEMENT 16
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DESCRIPTION	AMOUNT
PROFESSIONAL FEES	642,931.
OTHER SUPPLIES	3,740.
RENTAL	533,288.
TRAVEL	13,440.
INSURANCE	2,695.
TOTAL TO SCHEDULE M, PART II, LINE 28	1,196,094.

SCHEDULE M
(Form 990-T)

Unrelated Business Taxable Income for
Unrelated Trade or Business

ENTITY 7

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service (99)

For calendar year 2018 or other tax year beginning _____, and ending _____

▶ 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

Name of the organization

ALLINA HEALTH SYSTEM

Employer identification number

36-3261413

Unrelated business activity code (see instructions) ▶ **532000**

Describe the unrelated trade or business ▶ **CYBERKNIFE**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales				
b Less returns and allowances	c Balance ▶	1c		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit Subtract line 2 from line 1c		3		
4a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6	1,111,424.	1,111,424.
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13	1,111,424.	1,111,424.

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) (see instructions)	18	
19 Taxes and licenses	19	23,599.
20 Charitable contributions (See instructions for limitation rules) STATEMENT 17 STMT 18	20	28,865.
21 Depreciation (attach Form 4562)	21	799,175.
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	799,175.
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	851,639.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	259,785.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31	
32 Unrelated business taxable income Subtract line 31 from line 30	32	259,785.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FORM 990-T (M)	CONTRIBUTIONS	STATEMENT 17
DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTION FOR 2018	N/A	86,415.
TOTAL TO SCHEDULE M, PART II, LINE 20		86,415.

FORM 990-T (M)	CONTRIBUTION LIMITATIONS		STATEMENT 18
	CONTRIBUTIONS SUBJECT TO THE 10% LIMIT	QUALIFIED DISASTER RELIEF CONTRIBUTIONS	TOTAL CONTRIBUTIONS
TOTAL CONTRIBUTIONS	86,415.	0.	86,415.
10% TAXABLE INCOME	28,865.		
CURRENT YEAR AMOUNT	28,865.		28,865.

SCHEDULE M
(Form 990-T)

Unrelated Business Taxable Income for
Unrelated Trade or Business

ENTITY 8

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service (99)

For calendar year 2018 or other tax year beginning _____, and ending _____

▶ 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

Name of the organization

ALLINA HEALTH SYSTEM

Employer identification number

36-3261413

Unrelated business activity code (see instructions) ▶ **446110**

Describe the unrelated trade or business ▶ **ALLINA HEALTH PHARMACY**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales	13,670,022.			
b Less returns and allowances		1c 13,670,022.		
2 Cost of goods sold (Schedule A, line 7)		2 10,442,282.		
3 Gross profit Subtract line 2 from line 1c		3 3,227,740.		3,227,740.
4a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13 3,227,740.		3,227,740.

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	1,946,963.
16 Repairs and maintenance	16	11,551.
17 Bad debts	17	
18 Interest (attach schedule) (see instructions)	18	
19 Taxes and licenses	19	209,710.
20 Charitable contributions (See instructions for limitation rules)	20	0.
21 Depreciation (attach Form 4562)	21	77,965.
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	
23 Depletion	22b	77,965.
24 Contributions to deferred compensation plans	23	
25 Employee benefit programs	24	
26 Excess exempt expenses (Schedule I)	25	464,852.
27 Excess readership costs (Schedule J)	26	
28 Other deductions (attach schedule)	27	
29 Total deductions. Add lines 14 through 28	28	819,382.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	29	3,530,423.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30	-302,683.
32 Unrelated business taxable income Subtract line 31 from line 30	31	
	32	-302,683.

SEE STATEMENT 19

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 19

DESCRIPTION

AMOUNT

UTILITIES	4,043.
PROFESSIONAL FEES	803,748.
MEDICAL SUPPLIES	146,212.
OTHER SUPPLIES	95,403.
RENTAL	37,513.
TRAVEL	7,387.
MISCELLANEOUS	20,087.
SEMINARS	874.
INSURANCE	23,048.
COST RECOVERY/PURCHASE AFFILIATES	-363,345.
COMPUTER EXPENSES/SERVICES/SOFTWARE	44,412.
TOTAL TO SCHEDULE M, PART II, LINE 28	819,382.

SCHEDULE M
(Form 990-T)

Unrelated Business Taxable Income for
Unrelated Trade or Business

ENTITY 9

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service (99)

For calendar year 2018 or other tax year beginning _____, and ending _____

▶ 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

Name of the organization

ALLINA HEALTH SYSTEM

Employer identification number

36-3261413

Unrelated business activity code (see instructions) ▶ **523000**

Describe the unrelated trade or business ▶ **INVESTMENT K1S**

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 (Schedule A, line 7)	2			
3 Gross profit Subtract line 2 from line 1c	3			
4 a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from a partnership or an S corporation (attach statement)	5	78,535.		78,535.
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See instructions, attach schedule)	12			
13 Total. Combine lines 3 through 12	13	78,535.		78,535.

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) (see instructions)	18	
19 Taxes and licenses	19	5,935.
20 Charitable contributions (See instructions for limitation rules) STATEMENT 20 STMT 21	20	7,260.
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	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	13,195.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	65,340.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31	
32 Unrelated business taxable income Subtract line 31 from line 30	32	65,340.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FORM 990-T (M)	CONTRIBUTIONS	STATEMENT , 20
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DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTION FOR 2018	N/A	21,735.
TOTAL TO SCHEDULE M, PART II, LINE 20		21,735.

FORM 990-T (M)	CONTRIBUTION LIMITATIONS	STATEMENT 21
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	CONTRIBUTIONS SUBJECT TO THE 10% LIMIT	QUALIFIED DISASTER RELIEF CONTRIBUTIONS	TOTAL CONTRIBUTIONS
TOTAL CONTRIBUTIONS	21,735.	0.	21,735.
10% TAXABLE INCOME	7,260.		
CURRENT YEAR AMOUNT	7,260.		7,260.

Depreciation and Amortization
 (Including Information on Listed Property) 990-T
 Attach to your tax return.

OMB No. 1545-0172

2018

Attachment
 Sequence No. 179

Go to www.irs.gov/Form4562 for instructions and the latest information.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

ALLINA HEALTH SYSTEM

FORM 990-T PAGE 1

36-3261413

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions)	1	1,000,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,500,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2017 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2019 Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2018	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property	/		27 5 yrs	MM	S/L	
	/		27 5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year	/		30 yrs	MM	S/L	
d 40-year	/		40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr	22	0.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
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25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use

25

26 Property used more than 50% in a qualified business use

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use

		%			S/L -		
		%			S/L -		
		%			S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (don't include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
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42 Amortization of costs that begins during your 2018 tax year

43 Amortization of costs that began before your 2018 tax year

43

44 Total. Add amounts in column (f). See the instructions for where to report.

44