

Form **990-T**

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

OMB No 1545-0687

## 2018

Department of the Treasury  
Internal Revenue Service

For calendar year 2018 or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_  
▶ Go to [www.irs.gov/Form990T](http://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

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</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)	<b>Print or Type</b>	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions ) <b>Mayo Clinic Health System-Franciscan Medical Center, Inc</b>	<b>D</b> Employer identification number (Employees' trust, see instructions)  <b>39-0806374</b>
		Number, street, and room or suite no. If a P O box, see instructions <b>700 WEST AVENUE SOUTH</b>	<b>E</b> Unrelated business activity code (See instructions)  <b>446110</b>
		City or town State ZIP code <b>LACROSSE WI 54601</b>	
		Foreign country name Foreign province/state/county Foreign postal code	

**C** Book value of all assets at end of year **288,560,725**

**F** Group exemption number (See instructions) ▶ **5983**

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

**H** Enter the number of the organization's unrelated trades or businesses ▶ **4** Describe the only (or first) unrelated trade or business here ▶ **Pharmacies & Drug Stores** 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-subsidiary controlled group? . . . ▶  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation ▶ **Mayo Clinic 41-6011702**

**J** The books are in care of ▶ **MAYO CORPORATE TAX UNIT** Telephone number ▶ **(507) 538-1297**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales <b>893,263</b>			
b	Less returns and allowances			
	<b>c Balance ▶</b>	<b>1c</b> <b>893,263</b>		
2	Cost of goods sold (Schedule A, line 7)	<b>2</b> <b>462,206</b>		
3	Gross profit Subtract line 2 from line 1c	<b>3</b> <b>431,057</b>		<b>431,057</b>
4 a	Capital gain net income (attach Schedule D)	<b>4a</b>		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4b</b>		
c	Capital loss deduction for trusts	<b>4c</b>		
5	Income (loss) from a partnership or an S corporation (attach statement)	<b>5</b>		
6	Rent income (Schedule C)	<b>6</b>		
7	Unrelated debt-financed income (Schedule E)	<b>7</b>		
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	<b>8</b>		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>		
10	Exploited exempt activity income (Schedule I)	<b>10</b>		
11	Advertising income (Schedule J)	<b>11</b>		
12	Other income (See instructions, attach schedule)	<b>12</b>		
13	<b>Total.</b> Combine lines 3 through 12	<b>13</b> <b>431,057</b>	<b>0</b>	<b>431,057</b>

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)	<b>14</b>	
15	Salaries and wages	<b>15</b>	<b>116,714</b>
16	Repairs and maintenance	<b>16</b>	
17	Bad debts	<b>17</b>	<b>2,293</b>
18	Interest (attach schedule) (see instructions)	<b>18</b>	
19	Taxes and licenses	<b>19</b>	<b>23,377</b>
20	Charitable contributions (See instructions for limitation rules)	<b>20</b>	
21	Depreciation (attach Form 4562)	<b>21</b> <b>8,139</b>	
22	Less depreciation claimed on Schedule A and elsewhere on return	<b>22a</b>	<b>22b</b> <b>8,139</b>
23	Depletion	<b>23</b>	
24	Contributions to deferred compensation plans	<b>24</b>	
25	Employee benefit programs	<b>25</b>	<b>44,081</b>
26	Excess exempt expenses (Schedule I)	<b>26</b>	
27	Excess readership costs (Schedule J)	<b>27</b>	
28	Other deductions (attach schedule)	<b>28</b>	<b>123,619</b>
29	<b>Total deductions.</b> Add lines 14 through 28	<b>29</b>	<b>318,223</b>
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	<b>30</b>	<b>112,834</b>
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	<b>31</b>	
32	Unrelated business taxable income. Subtract line 31 from line 30	<b>32</b>	<b>112,834</b>

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Form **990-T** (2018)

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Part III Total Unrelated Business Taxable Income

Table with 4 columns: Line number, Description, Amount, and Total. Rows include lines 33-38 for unrelated business taxable income.

Part IV Tax Computation

Table with 4 columns: Line number, Description, Amount, and Total. Rows include lines 39-44 for tax computation.

Part V Tax and Payments

Table with 4 columns: Line number, Description, Amount, and Total. Rows include lines 45-55 for tax and payments.

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

Table with 3 columns: Question number, Question text, and Yes/No response. Rows include lines 56-58 regarding foreign activities and tax-exempt interest.

Signature block containing the signature of the preparer, date (10/23/19), title (TAX DIRECTOR), and a box for IRS discussion.

Preparer information block containing fields for name, signature, date, firm name, address, and phone number.

**Schedule A—Cost of Goods Sold.** Enter method of inventory valuation **▶** COST

1	Inventory at beginning of year	1		6	Inventory at end of year	6		
2	Purchases	2	462,206	7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2.	7	462,206	
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	
4 a	Additional section 263A costs (attach schedule)	4a						X
b	Other costs (attach schedule)	4b						
5	Total. Add lines 1 through 4b	5	462,206					

**Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions)

1. Description of property		
(1)	N / A	
(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	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>▶</b>		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) <b>▶</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)	N / A			
(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 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%	0	0
(2)		%	0	0
(3)		%	0	0
(4)		%	0	0
Totals <b>▶</b>			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 <b>▶</b>				

**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) Health Tradition Health Plan	39-1545987				
(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) -743,273	-743,273	42,188	42,188		
(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)	
<b>Totals</b>			42,188	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) N/A				0
(2)				0
(3)				0
(4)				0
<b>Totals</b>		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) N/A			0			0
(2)			0			0
(3)			0			0
(4)			0			0
<b>Totals</b>		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) N/A						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>		0	0	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) N/A			0			0
(2)			0			0
(3)			0			0
(4)			0			0
<b>Totals from Part I</b>	0	0				0
<b>Totals, Part II (lines 1-5)</b>	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)		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0

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

**Unrelated Business Taxable Income for**  
**Unrelated Trade or Business**

OMB No 1545-0687

**2018**

Department of the Treasury  
Internal Revenue Service

For calendar year 2018 or other tax year beginning \_\_\_\_\_, 2018, and ending \_\_\_\_\_, 20\_\_\_\_.  
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Open to Public Inspection for  
501(c)(3) Organizations Only

Name of the organization **Mayo Clinic Health System-Franciscan Medical Center, Inc** Employer identification number **39-0806374**

Unrelated business activity code (see instructions) ▶ **541611**

Describe the unrelated trade or business ▶ **MANAGEMENT CONSULTING SERVICES**

<b>Part I Unrelated Trade or Business Income</b>				(A) Income	(B) Expenses	(C) Net
<b>1 a</b>	Gross receipts or sales	165,000				
<b>b</b>	Less returns and allowances					
	<b>c Balance ▶</b>		<b>1c</b>	165,000		
<b>2</b>	Cost of goods sold (Schedule A, line 7)		<b>2</b>			
<b>3</b>	Gross profit Subtract line 2 from line 1c		<b>3</b>	165,000		165,000
<b>4 a</b>	Capital gain net income (attach Schedule D)		<b>4a</b>			0
<b>b</b>	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		<b>4b</b>			0
<b>c</b>	Capital loss deduction for trusts		<b>4c</b>			0
<b>5</b>	Income (loss) from a partnership or an S corporation (attach statement)		<b>5</b>			0
<b>6</b>	Rent income (Schedule C)		<b>6</b>			0
<b>7</b>	Unrelated debt-financed income (Schedule E)		<b>7</b>			0
<b>8</b>	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		<b>8</b>			0
<b>9</b>	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		<b>9</b>			0
<b>10</b>	Exploited exempt activity income (Schedule I)		<b>10</b>			0
<b>11</b>	Advertising income (Schedule J)		<b>11</b>			0
<b>12</b>	Other income (See instructions, attach schedule)		<b>12</b>			0
<b>13</b>	<b>Total.</b> Combine lines 3 through 12		<b>13</b>	165,000	0	165,000

**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.)

<b>14</b>	Compensation of officers, directors, and trustees (Schedule K)		<b>14</b>		
<b>15</b>	Salaries and wages		<b>15</b>	111,574	
<b>16</b>	Repairs and maintenance		<b>16</b>		
<b>17</b>	Bad debts		<b>17</b>		
<b>18</b>	Interest (attach schedule) (see instructions)		<b>18</b>		
<b>19</b>	Taxes and licenses		<b>19</b>		
<b>20</b>	Charitable contributions (See instructions for limitation rules)		<b>20</b>		
<b>21</b>	Depreciation (attach Form 4562)		<b>21</b>		
<b>22</b>	Less depreciation claimed on Schedule A and elsewhere on return		<b>22a</b>		<b>22b</b>
<b>23</b>	Depletion		<b>23</b>		
<b>24</b>	Contributions to deferred compensation plans		<b>24</b>		
<b>25</b>	Employee benefit programs		<b>25</b>	33,616	
<b>26</b>	Excess exempt expenses (Schedule I)		<b>26</b>		
<b>27</b>	Excess readership costs (Schedule J)		<b>27</b>		
<b>28</b>	Other deductions (attach schedule)		<b>28</b>	1,482	
<b>29</b>	<b>Total deductions.</b> Add lines 14 through 28		<b>29</b>	146,672	
<b>30</b>	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		<b>30</b>	18,328	
<b>31</b>	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		<b>31</b>		
<b>32</b>	<b>Unrelated business taxable income</b> Subtract line 31 from line 30		<b>32</b>	18,328	

For Paperwork Reduction Act Notice, see Instructions.

Schedule M (Form 990-T) 2018

MCHS - FSMC  
39-0806374  
TAX YEAR ENDED DECEMBER 31, 2018  
UNRELATED BUSINESS INCOME - SCHEDULE M RECONCILIATION

SCH M - MANAGEMENT CONSULTING SERVICES

LINE 28

<u>EXPENSE</u>	<u>AMOUNT</u>
OCCUPANCY	<u>1,482</u>
TOTAL	<u>1,482</u>

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

**Unrelated Business Taxable Income for  
Unrelated Trade or Business**

OMB No 1545-0687

**2018**

Department of the Treasury  
Internal Revenue Service

For calendar year 2018 or other tax year beginning \_\_\_\_\_, 2018, and ending \_\_\_\_\_, 20\_\_\_\_\_

▶ Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.

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

Name of the organization **Mayo Clinic Health System-Franciscan Medical Center, Inc** Employer identification number **39-0806374**

Unrelated business activity code (see instructions) ▶ **621511**

Describe the unrelated trade or business ▶ **EXTERNAL CLIENT LABORATORY REVENUE**

<b>Part I Unrelated Trade or Business Income</b>				(A) Income	(B) Expenses	(C) Net
<b>1 a</b>	Gross receipts or sales	9,658				
<b>b</b>	Less returns and allowances					
	<b>c Balance ▶</b>		<b>1c</b>	9,658		
<b>2</b>	Cost of goods sold (Schedule A, line 7)		<b>2</b>			
<b>3</b>	Gross profit Subtract line 2 from line 1c		<b>3</b>	9,658		9,658
<b>4 a</b>	Capital gain net income (attach Schedule D)		<b>4a</b>			0
<b>b</b>	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		<b>4b</b>			0
<b>c</b>	Capital loss deduction for trusts		<b>4c</b>			0
<b>5</b>	Income (loss) from a partnership or an S corporation (attach statement)		<b>5</b>			0
<b>6</b>	Rent income (Schedule C)		<b>6</b>			0
<b>7</b>	Unrelated debt-financed income (Schedule E)		<b>7</b>			0
<b>8</b>	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		<b>8</b>			0
<b>9</b>	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		<b>9</b>			0
<b>10</b>	Exploited exempt activity income (Schedule I)		<b>10</b>			0
<b>11</b>	Advertising income (Schedule J)		<b>11</b>			0
<b>12</b>	Other income (See instructions, attach schedule)		<b>12</b>			0
<b>13</b>	<b>Total.</b> Combine lines 3 through 12		<b>13</b>	9,658	0	9,658

**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.)

<b>14</b>	Compensation of officers, directors, and trustees (Schedule K)		<b>14</b>			
<b>15</b>	Salaries and wages		<b>15</b>			
<b>16</b>	Repairs and maintenance		<b>16</b>			
<b>17</b>	Bad debts		<b>17</b>			
<b>18</b>	Interest (attach schedule) (see instructions)		<b>18</b>			
<b>19</b>	Taxes and licenses		<b>19</b>			
<b>20</b>	Charitable contributions (See instructions for limitation rules)		<b>20</b>			
<b>21</b>	Depreciation (attach Form 4562)		<b>21</b>			
<b>22</b>	Less depreciation claimed on Schedule A and elsewhere on return		<b>22a</b>			<b>22b</b>
<b>23</b>	Depletion		<b>23</b>			
<b>24</b>	Contributions to deferred compensation plans		<b>24</b>			
<b>25</b>	Employee benefit programs		<b>25</b>			
<b>26</b>	Excess exempt expenses (Schedule I)		<b>26</b>			
<b>27</b>	Excess readership costs (Schedule J)		<b>27</b>			
<b>28</b>	Other deductions (attach schedule)		<b>28</b>			3,759
<b>29</b>	<b>Total deductions.</b> Add lines 14 through 28		<b>29</b>			3,759
<b>30</b>	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		<b>30</b>			5,899
<b>31</b>	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		<b>31</b>			
<b>32</b>	<b>Unrelated business taxable income.</b> Subtract line 31 from line 30		<b>32</b>			5,899

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018



MCHS - FSMC  
39-0806374  
TAX YEAR ENDED DECEMBER 31, 2018  
UNRELATED BUSINESS INCOME - SCHEDULE M OTHER DEDUCTIONS

SCH M - EXTERNAL CLIENT LABORATORY REVENUE

LINE 28

<u>EXPENSE</u>	<u>AMOUNT</u>
SUPPLIES	<u>3,759</u>
TOTAL	<u><u>3,759</u></u>

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

**Unrelated Business Taxable Income for**  
**Unrelated Trade or Business**

OMB No 1545-0687

**2018**

Department of the Treasury  
Internal Revenue Service

For calendar year 2018 or other tax year beginning \_\_\_\_\_, 2018, and ending \_\_\_\_\_, 20\_\_\_\_.

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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 **Mayo Clinic Health System-Franciscan Medical Center, Inc** Employer identification number **39-0806374**

Unrelated business activity code (see instructions) **900099**

Describe the unrelated trade or business **INTEREST FROM CONTROLLED ORGANIZATION**

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1 a</b>	Gross receipts or sales			
<b>b</b>	Less returns and allowances			
	<b>c Balance</b>	<b>1c</b>		
<b>2</b>	Cost of goods sold (Schedule A, line 7)	<b>2</b>		
<b>3</b>	Gross profit Subtract line 2 from line 1c	<b>3</b>	0	0
<b>4 a</b>	Capital gain net income (attach Schedule D)	<b>4a</b>		0
<b>b</b>	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4b</b>		0
<b>c</b>	Capital loss deduction for trusts	<b>4c</b>		0
<b>5</b>	Income (loss) from a partnership or an S corporation (attach statement)	<b>5</b>		0
<b>6</b>	Rent income (Schedule C)	<b>6</b>		0
<b>7</b>	Unrelated debt-financed income (Schedule E)	<b>7</b>		0
<b>8</b>	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	<b>8</b>	42,188	42,188
<b>9</b>	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>		0
<b>10</b>	Exploited exempt activity income (Schedule I)	<b>10</b>		0
<b>11</b>	Advertising income (Schedule J)	<b>11</b>		0
<b>12</b>	Other income (See instructions, attach schedule)	<b>12</b>		0
<b>13</b>	<b>Total.</b> Combine lines 3 through 12	<b>13</b>	42,188	42,188

**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.)

<b>14</b>	Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>		
<b>15</b>	Salaries and wages	<b>15</b>		
<b>16</b>	Repairs and maintenance	<b>16</b>		
<b>17</b>	Bad debts	<b>17</b>		
<b>18</b>	Interest (attach schedule) (see instructions)	<b>18</b>		
<b>19</b>	Taxes and licenses	<b>19</b>		
<b>20</b>	Charitable contributions (See instructions for limitation rules)	<b>20</b>		
<b>21</b>	Depreciation (attach Form 4562)	<b>21</b>		
<b>22</b>	Less depreciation claimed on Schedule A and elsewhere on return	<b>22a</b>		<b>22b</b>
<b>23</b>	Depletion	<b>23</b>		
<b>24</b>	Contributions to deferred compensation plans	<b>24</b>		
<b>25</b>	Employee benefit programs	<b>25</b>		
<b>26</b>	Excess exempt expenses (Schedule I)	<b>26</b>		
<b>27</b>	Excess readership costs (Schedule J)	<b>27</b>		
<b>28</b>	Other deductions (attach schedule)	<b>28</b>		
<b>29</b>	<b>Total deductions.</b> Add lines 14 through 28	<b>29</b>		0
<b>30</b>	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	<b>30</b>		42,188
<b>31</b>	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	<b>31</b>		
<b>32</b>	Unrelated business taxable income Subtract line 31 from line 30	<b>32</b>		42,188

For Paperwork Reduction Act Notice, see Instructions.

Schedule M (Form 990-T) 2018

# Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Go to [www.irs.gov/Form4562](http://www.irs.gov/Form4562) for instructions and the latest information.

Name(s) shown on return Mayo Clinic Health System-Franciscan Medical (990T)	Business or activity to which this form relates	Identifying number 39-0806374
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**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	
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4 Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	0
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	0
<b>6</b>		
(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	0
9 Tentative deduction Enter the smaller of line 5 or line 8	9	0
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 See instructions	11	
12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	0
13 Carryover of disallowed deduction to 2019 Add lines 9 and 10, less line 12	▶ 13	0

**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. See instructions.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year See instructions	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	8,139
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 <input type="checkbox"/>		

**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
19 a 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**

20 a 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 instructions	22	8,139
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	

For Paperwork Reduction Act Notice, see separate instructions.

**Line 20 (990-T) - Charitable Contributions**

Check ("X") box  Corporations Cash 156,242  
 Trusts 50% Non Cash under \$5000 \_\_\_\_\_  
 Trusts (combined) Non Cash over \$5000 \_\_\_\_\_

1 Contributions for current year Enter the contributions by type		Amount	Deduction Allowed in Current Year	Adjustment under Section 170(d)(2)(B)	New Carryover
Corporations	10% limitation	156,242	39,185		117,057
Trusts	170(b)(1)(A) 50% limitation		0		0
	30% limitation		0		0
<b>2 Carryover from:</b>					
<b>a 5th preceding period 2a</b>					
Corporations	10% limitation	0	0		0
Trusts	170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
<b>b 4th preceding period 2b</b>					
Corporations	10% limitation	87,469	0		87,469
Trusts	170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
<b>c 3rd preceding period 2c</b>					
Corporations	10% limitation	48,531	0		48,531
Trusts	170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
<b>d 2nd preceding period 2d</b>					
Corporations	10% limitation	7,075	0		7,075
Trusts	170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
<b>e 1st preceding period 2e</b>					
Corporations	10% limitation	28,978	0		28,978
Trusts	170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
<b>3 Totals 3</b>		<b>328,295</b>	<b>39,185</b>	<b>0</b>	<b>289,110</b>
<b>4 Carryover to expire next year due to 5 year limitation 4</b>					<b>0</b>
<b>5 Total contribution carryover to next year 5</b>					<b>289,110</b>

**Computation of Section 179 Deduction for Estimated Charitable Contribution**

<b>6 Taxable income computed without contribution deduction or Section 179 6</b>	<b>391,846</b>
<b>7 Section 179 deduction for purposes of contribution limitation 7</b>	<b>0</b>
<b>8 Taxable income less Section 179 deduction Subtract line 7 from line 6 8</b>	<b>391,846</b>
<b>9 Maximum contribution limitation Enter 10 percent of line 8 9</b>	<b>39,185</b>
<b>10 Contribution deduction considering Section 179 limitation Smaller of line 3, column A or line 9 10</b>	<b>39,185</b>

**Computation of Actual Charitable Contribution**

<b>11 Actual Section 179 deduction 11</b>	<b>0</b>
<b>12 Taxable income less actual Section 179 deduction Subtract line 11 from line 6 12</b>	<b>391,846</b>
<b>13 Net operating loss deductions limited by line 12 13</b>	<b>0</b>
<b>14 Taxable income for purposes of contribution deduction Subtract line 13 from line 12 14</b>	<b>391,846</b>
<b>15 Maximum contribution limitation Enter 10 percent of line 14 15</b>	<b>39,185</b>
<b>16 Actual contribution deduction Smaller of line 3, col A, or line 15 16</b>	<b>39,185</b>

**Line 28 (990-T) - Other Deductions**

<b>1 Travel 1</b>	<b>557</b>
<b>2 Occupancy 2</b>	<b>78,042</b>
<b>3 Other 3</b>	<b>45,020</b>
<b>4 Total other deductions 4</b>	<b>123,619</b>
<b>5 Total deductions less expenses for offsetting credits 5</b>	<b>123,619</b>

MCHS - FSMC  
39-0806374  
TAX YEAR ENDED DECEMBER 31, 2018  
UNRELATED BUSINESS INCOME - PAGE 2 LINE 33 RECONCILIATION

STATEMENT 1

990-T PAGE 2 LINE 33

990-T PAGE 1 PHARMACY LINE 32	112,834	
SCH M CONSULTING LINE 32	18,328	
SCH M LAB REV LINE 32	5,899	
SCH M INTEREST LINE 32	<u>42,188</u>	179,249

ALLOWED CHARITABLE CONTRIBUTIONS (39,185)

990-T PAGE 2 LINE 33 140,064