

Extended to August 17, 2020

Form 990-T

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

OMB No 1545-0687

For calendar year 2018 or other tax year beginning OCT 1, 2018, and ending SEP 30, 2019

2018

Department of the Treasury Internal Revenue Service

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

SCANNED JUN 10 2021

Header section containing organization name (Winona Health Services, Inc.), address (855 Mankato Avenue, Winona, MN 55987), EIN (41-0713914), and group exemption number (104,498,222).

Section H: Enter the number of the organization's unrelated trades or businesses (2) and describe the first (Non-patient pharmacy).

Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? (No)

Section J: The books are in care of (Jan Brosnahan) Telephone number (507-454-3650)

Table for Part I: Unrelated Trade or Business Income. Columns: (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts (1,597,800), Cost of goods sold (1,422,946), and Total (174,854).

Table for Part II: Deductions Not Taken Elsewhere. Columns: Line number, Description, Amount. Includes Compensation of officers (254,548), Charitable contributions (641), and Total deductions (331,603).

Internal Revenue Service Received US Bank - USB AUG 10 2020 Kansas City, MO

See Statement 2

Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Lines 33-38. Total unrelated business taxable income is 0.

Part 3

Part IV Tax Computation

Table with 3 columns: Line number, Description, and Amount. Lines 39-44. Total tax computation is 0.

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Lines 45a-55. Total tax and payments is 0.

Part VI Statements Regarding Certain Activities and Other Information

Table with 3 columns: Question number, Question text, and Yes/No response. Questions 56-58.

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.

Paid Preparer Use Only: Print/Type preparer's name, Preparer's signature, Date, Check 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	1,422,946.
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			X	
b Other costs (attach schedule) **	4b	1,422,946.			
5 Total Add lines 1 through 4b	5	1,422,946.			

**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.

\*\* See Statement 4

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

		Exempt Controlled Organizations			
1 Name of controlled organization	2 Employer identification number	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)	
<b>Totals</b>			<b>0.</b>	<b>0.</b>	

**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)				
<b>Totals</b>		Enter here and on page 1, Part I, line 9, column (A) <b>0.</b>		Enter here and on page 1, Part I, line 9, column (B) <b>0.</b>

**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)						
<b>Totals</b>		Enter here and on page 1, Part I, line 10, col (A) <b>0.</b>	Enter here and on page 1, Part I, line 10, col (B) <b>0.</b>			Enter here and on page 1, Part II, line 26 <b>0.</b>

**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)						
<b>Totals (carry to Part II, line (5))</b>		<b>0.</b>	<b>0.</b>			<b>0.</b>

**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)						
<b>Totals from Part I</b>	<b>0.</b>	<b>0.</b>				<b>0.</b>
<b>Totals, Part II (lines 1-5)</b>	Enter here and on page 1, Part I, line 11, col (A) <b>0.</b>	Enter here and on page 1, Part I, line 11, col (B) <b>0.</b>				Enter here and on page 1, Part II, line 27 <b>0.</b>

**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</b> Enter here and on page 1, Part II, line 14			<b>0.</b>

Form 990-T	Other Deductions	Statement	2
<u>Description</u>		<u>Amount</u>	
	Supplies		2,634.
	Purchased Services		692.
	Miscellaneous Expenses		4,338.
	Insurance		122.
Total to Form 990-T, Page 1, line 28			7,786.

Form 990-T	Net Operating Loss Deduction			Statement	3
Tax Year	Loss Sustained	Loss Previously Applied	Loss Remaining	Available This Year	
09/30/15	321,883.	0.	321,883.	321,883.	
09/30/16	189,574.	0.	189,574.	189,574.	
09/30/17	225,819.	0.	225,819.	225,819.	
09/30/18	82,900.	0.	82,900.	82,900.	
NOL Carryover Available This Year			820,176.	820,176.	

Form 990-T	Cost of Goods Sold - Other Costs	Statement	4
<u>Description</u>		<u>Amount</u>	
	Cost of Drugs		1,383,984.
	Contractuals		38,962.
Total to Form 990-T, Schedule A, line 4b			1,422,946.

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

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

Entity 1

OMB No 1545-0687

**2018**

For calendar year 2018 or other tax year beginning OCT 1, 2018, and ending SEP 30, 2019

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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

Department of the Treasury  
Internal Revenue Service (99)

Name of the organization

**Winona Health Services, Inc.**

Employer identification number

**41-0713914**

Unrelated business activity code (see instructions) ▶ 900099

Describe the unrelated trade or business ▶ Spa sales

<b>Part I</b> Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
<b>1a</b> Gross receipts or sales	<u>259,535.</u>			
<b>b</b> Less returns and allowances				
<b>c</b> Balance ▶		<b>1c</b> <u>259,535.</u>		
<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> <u>259,535.</u>		<b>3</b> <u>259,535.</u>
<b>4a</b> Capital gain net income (attach Schedule D)		<b>4a</b>		
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		<b>4b</b>		
<b>c</b> Capital loss deduction for trusts		<b>4c</b>		
<b>5</b> Income (loss) from a partnership or an S corporation (attach statement)		<b>5</b>		
<b>6</b> Rent income (Schedule C)		<b>6</b>		
<b>7</b> Unrelated debt-financed income (Schedule E)		<b>7</b>		
<b>8</b> Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		<b>8</b>		
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		<b>9</b>		
<b>10</b> Exploited exempt activity income (Schedule I)		<b>10</b>		
<b>11</b> Advertising income (Schedule J)		<b>11</b>		
<b>12</b> Other income (See instructions, attach schedule)		<b>12</b>		
<b>13 Total.</b> Combine lines 3 through 12		<b>13</b> <u>259,535.</u>		<b>13</b> <u>259,535.</u>

**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>		<u>190,754.</u>
<b>16</b> Repairs and maintenance		<b>16</b>		<u>1,160.</u>
<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>	<u>381.</u>	
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return		<b>22a</b>		<b>22b</b> <u>381.</u>
<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>		<u>43,314.</u>
<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)	<u>See Statement 5</u>	<b>28</b>		<u>39,791.</u>
<b>29 Total deductions.</b> Add lines 14 through 28		<b>29</b>		<u>275,400.</u>
<b>30</b> Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		<b>30</b>		<u>-15,865.</u>
<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>		<u>-15,865.</u>

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

**Winona Health Services, Inc.**

41-0713914

**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					Yes	No
b Other costs (attach schedule)	4b		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?				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) **0.**

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

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

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		7 Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		(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			
(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)
Total dividends-received deductions included in column 8				0.	0.



Form 990-T (M)

Other Deductions

Statement 5

Description

Amount

Supplies

34,227.

Purchased Services

4,862.

Other Expenses

702.

Total to Schedule M, Part II, line 28

39,791.