

Form 990-T

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

OMB No. 1545-0687

2018

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

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

Department of the Treasury Internal Revenue Service

A Check box if address changed

Name of organization (Check box if name changed and see instructions.) METHODIST HEALTHCARE MINISTRIES OF SOUTH TEXAS, INC.

D Employer identification number (Employees' trust, see instructions.) 74-1287016

B Exempt under section X 501(C)(3) 408(e) 220(e) 408A 530(a) 529(a)

Print or Type

Number, street, and room or suite no. If a P.O. box, see instructions. 4507 MEDICAL DRIVE

E Unrelated business activity code (See instructions.) 523000

City or town, state or province, country, and ZIP or foreign postal code SAN ANTONIO, TX 78229

C Book value of all assets at end of year 1141912595.

F Group exemption number (See instructions.)

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

H Enter the number of the organization's unrelated trades or businesses. 2 Describe the only (or first) unrelated trade or business here ATCH 1. 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 X No

J The books are in care of TONY LOBASSO, CFO Telephone number 210-692-0234

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include 1a Gross receipts or sales, 2 Cost of goods sold, 5 Income (loss) from a partnership or an S corporation, 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.)

Table with 3 columns: Line number, Description, Amount. Rows include 14 Compensation of officers, directors, and trustees, 20 Charitable contributions, 29 Total deductions, 30 Unrelated business taxable income before net operating loss deduction, 32 Unrelated business taxable income.

For Paperwork Reduction Act Notice, see instructions.

Form 990-T (2018)

Part III Total Unrelated Business Taxable Income

33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions).	33	3,409,081.
34	Amounts paid for disallowed fringes	34	780.
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	3,409,861.
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	3,408,861.

Part IV Tax Computation

39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21).	39	715,861.
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	715,861.

Part V Tax and Payments

45 a	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 (see instructions)	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	715,861.
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	715,861.
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2.	49	
50 a	Payments: A 2017 overpayment credited to 2018	50a	
b	2018 estimated tax payments	50b	794,089.
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	794,089.
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached. <input checked="" type="checkbox"/>	52	192.
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	78,036.
55	Enter the amount of line 54 you want: Credited to 2019 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	55	78,036.

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
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		\$9.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date	CFO	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Print/Type preparer's name: MELVA SCOTT Preparer's signature: _____ Date: _____ Firm's name: ERNST & YOUNG U.S. LLP Firm's address: 425 HOUSTON ST. STE. 600, FORT WORTH, TX 76102				
Paid Preparer Use Only	Check <input type="checkbox"/> if self-employed			PTIN	
	Firm's EIN: 34-6565596			Phone no. 817-335-1900	

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

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

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	Total	
(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 ▶				

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 ▶

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 ▶

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 ▶

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)) . . . ▶

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. ▶						
	Enter here and on page 1, Part I, line 11, col (A).	Enter here and on page 1, Part I, line 11, col (B).				Enter here and on page 1, Part II, line 27.
Totals, Part II (lines 1-5) ▶						

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 ▶			

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

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

OMB No. 1545-0687

2018

For calendar year 2018 or other tax year beginning _____, 2018, and ending _____, 20__.

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

Name of organization

METHODIST HEALTHCARE MINISTRIES

Employer identification number

74-1287016

Unrelated business activity code (see instructions) ▶ 541610

Describe the unrelated trade or business ▶ K-1 INCOME FROM MHS

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)				
3	Gross profit. Subtract line 2 from line 1c				
4a	Capital gain net income (attach Schedule D)				
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) <u>ATTCH 4</u>		566,358.		566,358.
6	Rent income (Schedule C)				
7	Unrelated debt-financed income (Schedule E)				
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)				
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)				
10	Exploited exempt activity income (Schedule I)				
11	Advertising income (Schedule J)				
12	Other income (See instructions; attach schedule)				
13	Total. Combine lines 3 through 12		566,358.		566,358.

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)				
15	Salaries and wages				198,118.
16	Repairs and maintenance				
17	Bad debts				
18	Interest (attach schedule) (see instructions)				
19	Taxes and licenses				
20	Charitable contributions (See instructions for limitation rules)				36,824.
21	Depreciation (attach Form 4562)	21			
22	Less depreciation claimed on Schedule A and elsewhere on return	22a			
22b					
23	Depletion				
24	Contributions to deferred compensation plans				
25	Employee benefit programs				
26	Excess exempt expenses (Schedule I)				
27	Excess readership costs (Schedule J)				
28	Other deductions (attach schedule)				
29	Total deductions. Add lines 14 through 28				234,942.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13				331,416.
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)				
32	Unrelated business taxable income. Subtract line 31 from line 30				331,416.

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

ORGANIZATION'S FIRST UNRELATED TRADE OR BUSINESS ACTIVITY

EARNINGS ON PARTNERSHIP INVESTMENTS

ATTACHMENT 2

FORM 990T - LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS OR S CORPORATIONS

K-1 INCOME FROM EAGLE INCOME APPRECIATION II, L.P.	3,422,639.
K-1 INCOME FROM SEI GLOBAL PRIVATE ASSETS IV, LP	-2,925.
INCOME (LOSS) FROM PARTNERSHIPS	<u>3,419,714.</u>

FORM 990T - PART II - LINE 20 - CHARITABLE CONTRIBUTIONS

UNRELATED TRADE OR BUSINESS INCOME	3,420,494.
ADD: DOMESTIC PRODUCTION ACTIVITIES DEDUCTION (DPAD)	0.
LESS: DEDUCTIONS W/O CHARITABLE CONTRIBUTIONS & DPAD & NOL CARRYOVER	0.
	<u>0.</u>
	* 10%
CHARITABLE CONTRIBUTION LIMITATION (10%)	342,049.
CHARITABLE CONTRIBUTION	342,049.
<u>CHARITABLE CONTRIBUTION DEDUCTION (SMALLER OF THE ABOVE TWO)</u>	<u>342,049.</u>

K-1 INCOME FROM MHS

SCHEDULE M LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS AND/OR S CORPORATIONS

K-1 INCOME FROM MHS: MANAGEMENT FEES ACS	536,839.
K-1 INCOME FROM MHS: MANAGEMENT FEES RURAL	153,996.
K-1 INCOME FROM MHM: ANSWERING SERVICE	181,802.
K-1 INCOME FROM MHM: RENTAL INCOME	42,477.
K-1 INCOME FROM MHM: OTHER	116.
K-1 INCOME FROM MHM: REFERENCE LAB	-348,872.
INCOME (LOSS) FROM PARTNERSHIPS AND/OR S CORPORATIONS	<u>566,358.</u>

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

OMB No. 1545-0123

2018

Name **METHODIST HEALTHCARE MINISTRIES
OF SOUTH TEXAS, INC.**

Employer identification number
74-1287016

Part I Short-Term Capital Gains and Losses (See instructions.)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked	-20,610.			-20,610.
4 Short-term capital gain from installment sales from Form 6252, line 26 or 37				4
5 Short-term capital gain or (loss) from like-kind exchanges from Form 8824				5
6 Unused capital loss carryover (attach computation)				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column h				7 -20,610.

Part II Long-Term Capital Gains and Losses (See instructions.)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked	-71,682.			-71,682.
11 Enter gain from Form 4797, line 7 or 9				11
12 Long-term capital gain from installment sales from Form 6252, line 26 or 37				12
13 Long-term capital gain or (loss) from like-kind exchanges from Form 8824				13
14 Capital gain distributions (see instructions)				14
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h				15 -71,682.

Part III Summary of Parts I and II

16 Enter excess of net short-term capital gain (line 7) over net long-term capital loss (line 15)	16
17 Net capital gain. Enter excess of net long-term capital gain (line 15) over net short-term capital loss (line 7)	17
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns.	18

Note: If losses exceed gains, see **Capital losses** in the instructions.

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule D (Form 1120) 2018

Activity Code: 52300

Year	Capital Loss as filed	Amount Utilized	Cumulative Loss
12/31/2018	(92,292)	-	(92,292)
Total	(92,292)	-	(92,292)

Remaining Carry-Forward/Carry-Back
(92,292)
(92,292)

**Note: Utilized amounts are taken from the earliest available year.

Department of the Treasury
Internal Revenue Service

▶ Attach to the corporation's tax return.
▶ Go to www.irs.gov/Form2220 for instructions and the latest information.

2018

Name METHODIST HEALTHCARE MINISTRIES OF SOUTH TEXAS, INC.	Employer identification number 74-1287016
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Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38, on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)		1	715,861.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c Credit for federal tax paid on fuels (see instructions)	2c		
d Total. Add lines 2a through 2c		2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty		3	715,861.
4 Enter the tax shown on the corporation's 2017 income tax return. See instructions. Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	95,211.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	95,211.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty. See instructions.

6	<input type="checkbox"/>	The corporation is using the adjusted seasonal installment method.
7	<input type="checkbox"/>	The corporation is using the annualized income installment method.
8	<input type="checkbox"/>	The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	04/17/2018	06/15/2018	09/17/2018	12/17/2018
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% (0.25) of line 5 above in each column	10	23,803.	23,803.	23,803.	23,802.
11 Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 11 on line 15. See instructions	11		54,485.	27,242.	27,242.
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12			6,879.	10,318.
13 Add lines 11 and 12	13		54,485.	34,121.	37,560.
14 Add amounts on lines 16 and 17 of the preceding column	14		23,803.		
15 Subtract line 14 from line 13. If zero or less, enter -0-	15		30,682.	34,121.	37,560.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16				
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	23,803.			
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18		6,879.	10,318.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

For Paperwork Reduction Act Notice, see separate instructions.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. (C Corporations with tax years ending June 30 and S corporations: Use 3rd month instead of 4th month. Form 990-PF and Form 990-T filers: Use 5th month instead of 4th month.) See instructions				
20 Number of days from due date of installment on line 9 to the date shown on line 19.				
21 Number of days on line 20 after 4/15/2018 and before 7/1/2018				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365} \times 5\% (0.05)$	\$	\$	\$	\$
23 Number of days on line 20 after 6/30/2018 and before 10/1/2018	ATTACHMENT 1			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365} \times 5\% (0.05)$	\$	\$	\$	\$
25 Number of days on line 20 after 9/30/2018 and before 1/1/2019	SEE PENALTY COMPUTATION WHITEPAPER DETAIL			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365} \times 5\% (0.05)$	\$	\$	\$	\$
27 Number of days on line 20 after 12/31/2018 and before 4/1/2019				
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{365} \times 6\% (0.06)$	\$	\$	\$	\$
29 Number of days on line 20 after 3/31/2019 and before 7/1/2019				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{365} \times \%$	\$	\$	\$	\$
31 Number of days on line 20 after 6/30/2019 and before 10/1/2019				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{365} \times \%$	\$	\$	\$	\$
33 Number of days on line 20 after 9/30/2019 and before 1/1/2020				
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33}}{365} \times \%$	\$	\$	\$	\$
35 Number of days on line 20 after 12/31/2019 and before 3/16/2020				
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35}}{366} \times \%$	\$	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	\$	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 34; or the comparable line for other income tax returns				\$ 192.

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

PENALTY COMPUTATION DETAIL - FORM 2220

<u>DATE PD</u>	<u>UNDERPAYMENT</u>	<u>BEG.DATE</u>	<u>END DATE</u>	<u>DAYS</u>	<u>%</u>	<u>PENALTY</u>
<u>QUARTER 1, RATE PERIOD 1 (04/17/2018 - 12/31/2018)</u>						
06/15/2018	23,803.	04/17/2018	06/15/2018	59	5	<u>192.</u>
TOTAL TO FORM 2220, LINE 22, COLUMN A						<u>192.</u>
TOTAL UNDERPAYMENT PENALTY						<u>192.</u>

Methodist Healthcare Ministries of South TX, Inc.
Section 1.263(a)-3(n) Election

EIN: 74-1287016
Tax Year Ending 12/31/2018

Section 1.263(a)-3(n) Election Statement

Taxpayer Name: Methodist Healthcare Ministries of South TX, Inc. (“Taxpayer”)
Taxpayer Address: 4507 Medical Drive, San Antonio, TX 78229
EIN: 74-1287016

The above-referenced Taxpayer is making the election to capitalize repair and maintenance costs under Section 1.263(a)-3(n) for its tax year ending December 31, 2018.

Methodist Healthcare Ministries of South TX, Inc.

EIN: 74-1287016

Section 1.263(a)-1(f) de minimis safe harbor election statement Tax Year Ending 12/31/2018

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

Taxpayer Name: Methodist Healthcare Ministries of South TX, Inc. (“Taxpayer”)

Taxpayer Address: 4507 Medical Drive, San Antonio, TX 78229

EIN: 74-1287016

The above-referenced Taxpayer is making the de minimis safe harbor election under Section 1.263(a)-1(f) for its tax year ending December 31, 2018.