

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

2939326302541 0

OMB No 1545-0687

2018

For calendar year 2018 or other tax year beginning JUL 1, 2018, and ending JUN 30, 2019

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.)

D Employer identification number (Employees' trust, see instructions)

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

Print or Type

THE DULUTH CLINIC, LTD.

41-0883623

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

400 E 3RD ST

E Unrelated business activity code (See instructions)

City or town, state or province, country, and ZIP or foreign postal code

DULUTH, MN 55805

621500

C Book value of all assets at end of year 370,478,399.

F Group exemption number (See instructions.)

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

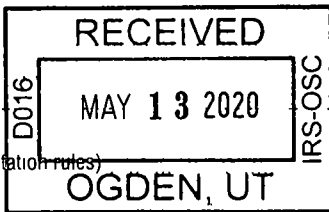
H Enter the number of the organization's unrelated trades or businesses. 4 Describe the only (or first) unrelated trade or business here REFERENCE LAB

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? STMT 2 X Yes No If "Yes," enter the name and identifying number of the parent corporation. ESSE 20-0360007

J The books are in care of KEVIN BOREN Telephone number 218-786-8364

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales (1,336,961), Less returns and allowances (657,792), Total (679,169).

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include Compensation of officers, directors, and trustees (70,146), Charitable contributions (12,014), Total deductions (397,196), Unrelated business taxable income (281,973).



SEE STATEMENT 1

SCANNED OCT 20 2020 AUG 21 2020 Received in Balancing Unit

341

9-1

40

Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Includes lines 33-38 for Unrelated Business Taxable Income.

Part IV Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 39-44 for Tax Computation.

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 45a-45e, 46-49, 50a-50g, 51-55 for Tax and Payments.

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

Table with 3 columns: Line number, Description, and Yes/No. Includes lines 56-58 for Statements Regarding Certain Activities.

Signature area with fields for Signature of officer, Date, Title, and a box for 'May the IRS discuss this return with the preparer shown below (see instructions)?'.

Preparer information area with fields for Print/Type preparer's name, Preparer's signature, Date, Check if self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, and Phone no.

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				
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				7			
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

(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.

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)				
Totals			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)
			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)				
Totals		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (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)						
(2)						
(3)						
(4)						
Totals		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
		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)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T

OTHER DEDUCTIONS

STATEMENT 1

DESCRIPTION

AMOUNT

PURCHASED SERVICES	254,304.
OFFICE EXPENSES	25,024.
MEDICAL SUPPLIES	3,801.
LICENSES	269.
TRAVEL	245.
CONFERENCES, CONVENTIONS, AND MEETINGS	3.

TOTAL TO FORM 990-T, PAGE 1, LINE 28

283,646.

FORM 990-T

PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER

STATEMENT 2

CORPORATION'S NAME

IDENTIFYING NO

ESSENTIA HEALTH

20-0360007

FORM 990-T

OTHER CREDITS AND PAYMENTS

STATEMENT 3

DESCRIPTION

AMOUNT

FORM 8827, LINE 8C	120.
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TOTAL INCLUDED ON FORM 990-T, PAGE 2, PART V, LINE 50G

120.

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 for instructions and the latest information.

Attachment
Sequence No **179**

Name(s) shown on return The Duluth Clinic, Ltd	Business or activity to which this form relates	Identifying number 41-0883623
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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
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 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	5,276

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 <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	5,276
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.

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? <input type="checkbox"/> Yes <input type="checkbox"/> No					24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> 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	
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 See instructions							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	0	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29	0

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

30 Total business/investment miles driven during the year (don't include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
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		0		0		0		0		0		0
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
36 Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

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 See instructions

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
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	Yes	No
39 Do you treat all use of vehicles by employees as personal use?	Yes	No
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?	Yes	No
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions	Yes	No

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
42 Amortization of costs that begins during your 2018 tax year (see instructions)					
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
					0

**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 JUL 1, 2018 and ending JUN 30, 2019

Department of the Treasury
Internal Revenue Service (99)

▶ 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 **THE DULUTH CLINIC, LTD.** Employer identification number **41-0883623**

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

Describe the unrelated trade or business ▶ **RETAIL PHARMACY**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales	<u>7,065,164.</u>			
b Less returns and allowances	<u>286.</u>			
c Balance ▶		1c <u>7,064,878.</u>		
2 Cost of goods sold (Schedule A, line 7)		2 <u>6,223,752.</u>		
3 Gross profit. Subtract line 2 from line 1c		3 <u>841,126.</u>		841,126.
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 <u>841,126.</u>		841,126.

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	<u>684,661.</u>
16 Repairs and maintenance		16	<u>1,221.</u>
17 Bad debts		17	<u>1,244.</u>
18 Interest (attach schedule) (see instructions)		18	
19 Taxes and licenses		19	<u>92,339.</u>
20 Charitable contributions (See instructions for limitation rules)		20	
21 Depreciation (attach Form 4562)	<u>23,519.</u>	21	
22 Less depreciation claimed on Schedule A and elsewhere on return		22a	
23 Depletion		22b	<u>23,519.</u>
24 Contributions to deferred compensation plans		23	
25 Employee benefit programs		24	<u>28,697.</u>
26 Excess exempt expenses (Schedule I)		25	<u>84,847.</u>
27 Excess readership costs (Schedule J)		26	
28 Other deductions (attach schedule)	SEE STATEMENT 4	27	
29 Total deductions. Add lines 14 through 28		28	<u>296,226.</u>
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		29	<u>1,212,754.</u>
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30	<u>-371,628.</u>
32 Unrelated business taxable income. Subtract line 31 from line 30		31	
		32	<u>-371,628.</u>

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

THE DULUTH CLINIC, LTD.

41-0883623

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	6,223,752.	7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	6,223,752.
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					
5	Total. Add lines 1 through 4b	5	6,223,752.				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	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	
			(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.

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 4

DESCRIPTION	AMOUNT
ALLOCATED OVERHEAD	7,828.
PRESCRIPTION CLAIM PROCESSING FEES	194,461.
OCCUPANCY	21,771.
OFFICE EXPENSES	19,917.
SUPPLIES	19,435.
INFORMATION TECHNOLOGY	11,735.
PURCHASED SERVICES	10,382.
TRAVEL	4,714.
MISCELLANEOUS	3,615.
LICENSES	1,250.
DUES	616.
PUBLICATIONS & SUBSCRIPTIONS	252.
CONFERENCES, CONVENTIONS, AND MEETINGS	250.
TOTAL TO SCHEDULE M, PART II, LINE 28	296,226.

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 for instructions and the latest information.

Name(s) shown on return The Duluth Clinic, Ltd	Business or activity to which this form relates	Identifying number 41-0883623
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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
6		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property Enter the amount from line 29		
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	23,519

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 <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	23,519
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.

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? <input type="checkbox"/> Yes <input type="checkbox"/> No					24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> 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	
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 See instructions							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	0	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29	0

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 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
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	0		0		0		0		0		0	
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	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 See instructions

	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? See instructions		
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
42 Amortization of costs that begins during your 2018 tax year (see instructions)					
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
					0

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

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

ENTITY 2

OMB No 1545-0687

2018

For calendar year 2018 or other tax year beginning JUL 1, 2018 and ending JUN 30, 2019

▶ 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 (99)

Name of the organization **THE DULUTH CLINIC, LTD.** Employer identification number **41-0883623**

Unrelated business activity code (see instructions) ▶ 621990

Describe the unrelated trade or business ▶ SKIN RENEWAL

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales <u>3,970.</u>			
b	Less returns and allowances			
c	Balance ▶	1c		
		<u>3,970.</u>		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit. Subtract line 2 from line 1c	3		<u>3,970.</u>
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		
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	<u>3,970.</u>	<u>3,970.</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.)

14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	<u>1,916.</u>
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule) (see instructions)	18	
19	Taxes and licenses	19	<u>45.</u>
20	Charitable contributions (See instructions for limitation rules)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	
23	Depletion	23	
24	Contributions to deferred compensation plans	24	<u>119.</u>
25	Employee benefit programs	25	<u>112.</u>
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	<u>2,192.</u>
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	<u>1,778.</u>
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	<u>1,778.</u>

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

THE DULUTH CLINIC, LTD.

41-0883623

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				
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				7			
4b	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

(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 M
(Form 990-T)**

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

ENTITY 3

OMB No 1545-0687

2018

For calendar year 2018 or other tax year beginning JUL 1, 2018, and ending JUN 30, 2019

▶ 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 (99)

Name of the organization **THE DULUTH CLINIC, LTD.** Employer identification number **41-0883623**

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

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

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	16,669.		16,669.
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	16,669.		16,669.

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		408.
20 Charitable contributions (See instructions for limitation rules)	20		
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	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		408.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30		16,261.
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		16,261.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

Form **8827**Department of the Treasury
Internal Revenue Service**Credit for Prior Year Minimum Tax - Corporations**

OMB No. 1545-0123

2018

▶ Attach to the corporation's tax return.

▶ Go to www.irs.gov/Form8827 for the latest information.

Name THE DULUTH CLINIC, LTD.		Employer identification number 41-0883623
1	Alternative minimum tax (AMT) for 2017. Enter the amount from line 14 of the 2017 Form 4626	240.
2	Minimum tax credit carryforward from 2017. Enter the amount from line 9 of the 2017 Form 8827	
3	Enter any 2017 unallowed qualified electric vehicle credit (see instructions)	
4	Add lines 1, 2, and 3	240.
5	Enter the corporation's 2018 regular income tax liability minus allowable tax credits (see instructions)	0.
6	Enter the refundable minimum tax credit (see instructions)	120.
7	Add lines 5 and 6	120.
8a	Enter the smaller of line 4 or line 7. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	120.
8b	Current year minimum tax credit Enter the smaller of line 4 or line 5 here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions. If you made an entry on line 6, go to line 8c. Otherwise, skip line 8c	0.
8c	Subtract line 8b from line 8a. This is the current year refundable minimum tax credit. Include this amount on Form 1120, Schedule J, Part II, line 20c (or the applicable line of your return)	120.
9	Minimum tax credit carryforward to 2019. Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	120.

PRIOR YEAR MINIMUM TAX CREDIT

STATEMENT 5

<u>TAX YEAR</u>	<u>ORIGINAL</u>	<u>PREVIOUSLY APPLIED</u>	<u>REMAINING</u>	<u>AVAILABLE THIS YEAR</u>
06/30/18	240.	0.	240.	240.
AVAILABLE FOR CREDIT			240.	240.

FORM 990T PART III - LINE 35 - NET OPERATING LOSS DEDUCTION

NET OPERATING LOSS CARRYFORWARD:

YEAR GENERATED	REPEAL OF SECTION 521 (A) (7)	AMOUNT GENERATED	AMOUNT UTILIZED	NOL REMAINING
6/30/2013	-	60,913	-	60,913
2011 Amended:	-	-	20,736	40,177
2012 Amended:	-	-	40,177	-
6/30/2014	-	139,305	-	139,305
6/30/2015	-	35,359	-	174,664
6/30/2016	-	74,709	-	249,373
6/30/2017	-	58,970	-	308,343
6/30/2018	75,904	-	23,848	360,399
6/30/2019	-	-	300,012	60,387
TOTAL	75,904	369,256	384,773	60,387

THE DULUTH CLINIC, LTD

41-0883623

ENTITY 1 RETAIL PHARMACY

STATEMENT 7

FORM 990T

PART II - LINE 31 - NET OPERATING LOSS DEDUCTION

NET OPERATING LOSS CARRYFORWARD:

<u>YEAR GENERATED</u>	<u>AMOUNT GENERATED</u>	<u>AMOUNT UTILIZED</u>	<u>NOL REMAINING</u>
6/30/2019	371,628	-	371,628
TOTAL	371,628	-	371,628

THE DULUTH CLINIC, LTD

41-0883623

ENTITY 3 PARTNERSHIP

STATEMENT 8

FORM 990T

PART I - LINE 5 - INCOME (LOSS) FROM A PARTNERSHIP

PARTNERSHIP NAME	GROSS INCOME	DEDUCTIONS	NET INCOME OR (LOSS)
HORSESHOE SURGERY CENTER, LLC	16,690	21	16,669
TOTAL	16,690	21	16,669

The Duluth Clinic, Ltd.
41-0883623
Statement 9

The Duluth Clinic, Ltd. elects under IRC Sec. 168(k)(2)(D)(iii) to not claim the additional 100% first-year bonus depreciation deduction for all classes of property, including 3, 5, 7, 10, 15, and 20-year recovery period classes; (2) depreciable computer software; and (3) qualified leasehold improvement property placed in service during the tax year ended June 30, 2019.

The Duluth Clinic, Ltd.
Section 1.263(a)-1(f) de minimis safe harbor election

EIN: 41-0883623
Tax Year Ending 6/30/2019
Statement 10

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

Taxpayer Name: The Duluth Clinic, Ltd. ("Taxpayer")
Taxpayer Address: 400 E 3rd St, Duluth, MN 55805
EIN: 41-0883623

The above-referenced Taxpayer is making the de minimis safe harbor election under Section 1.263(a)-1(f) for its tax year ending 6/30/2019.