

Form 990-T

Extended to May 15, 2019 **298304522840 9**

# Exempt Organization Business Income Tax Return

(and proxy tax under section 6033(e))

OMB No 1545-0687

**2017**Department of the Treasury  
Internal Revenue Service

For calendar year 2017 or other tax year beginning JUL 1, 2017 and ending JUN 30, 2018

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> Check box if address changed		Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions )		<b>D</b> Employer identification number (Employees' trust, see instructions)	
<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)		Print or Type <b>Sanford Clinic</b>		<b>46-0447693</b>	
		Number, street, and room or suite no. If a P.O. box, see instructions. <b>PO Box 5039 Rte 5218</b>		<b>E</b> Unrelated business activity codes (See instructions)	
		City or town, state or province, country, and ZIP or foreign postal code <b>Sioux Falls, SD 57117-5039</b>		<b>446110</b>	
<b>C</b> Book value of all assets at end of year <b>72,412,445.</b>		<b>F</b> Group exemption number (See instructions.) <b>5851</b>			
		<b>G</b> Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust			

**H** Describe the organization's primary unrelated business activity. Investment in Lewis Family Drug LLC

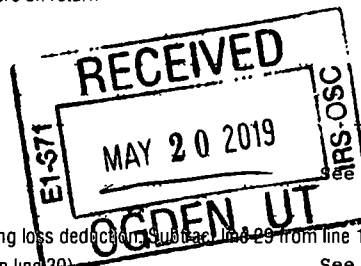
**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ☒ Yes ☐ No  
 If "Yes," enter the name and identifying number of the parent corporation See Statement 3

**J** The books are in care of JoAnn Kunkel Telephone number 605-333-1000

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			
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)					
c	Capital loss deduction for trusts					
5	Income (loss) from partnerships and S corporations (attach statement)			- 234,060.	-	- 234,060.
6	Rent income (Schedule C)					
7	Unrelated debt-financed income (Schedule E)					
8	Interest, annuities, royalties, and rents from controlled organizations (Sch 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			- 234,060.		- 234,060.

**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)		18	
19	Taxes and licenses		19	
20	Charitable contributions (See instructions for limitation rules) See Statement 4 See Statement 1		20	0.
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	
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	2,660.
29	Total deductions. Add lines 14 through 28		29	2,660.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	- 236,720.
31	Net operating loss deduction (limited to the amount on line 30) See Statement 5		31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	- 236,720.
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)		33	1,000.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	- 236,720.



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41 214

**Part III Tax Computation****35 Organizations Taxable as Corporations** See instructions for tax computationControlled group members (sections 1561 and 1563) check here ☒ See instructions and:**a** Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) \$ 0. (2) \$ 0. (3) \$ 0.

**b** Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ 0.

(2) Additional 3% tax (not more than \$100,000) \$ 0.

**c** Income tax on the amount on line 34 35c 0.**36 Trusts Taxable at Trust Rates** See instructions for tax computation. Income tax on the amount on line 34 from☐ Tax rate schedule or ☐ Schedule D (Form 1041) 36**37 Proxy tax.** See instructions 37**38 Alternative minimum tax** 38**39 Tax on Non-Compliant Facility Income.** See instructions 39**40 Total.** Add lines 37, 38 and 39 to line 35c or 36, whichever applies 40 0.**Part IV Tax and Payments****41a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) 41a**b Other credits** (see instructions) 41b**c General business credit.** Attach Form 3800 41c**d Credit for prior year minimum tax** (attach Form 8801 or 8827) 41d**e Total credits.** Add lines 41a through 41d 41e**42 Subtract line 41e from line 40** 42 0.**43 Other taxes.** Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule) 43**44 Total tax.** Add lines 42 and 43 44 0.**45a Payments:** A 2016 overpayment credited to 2017 45a**b 2017 estimated tax payments** 45b**c Tax deposited with Form 8868** 45c**d Foreign organizations: Tax paid or withheld at source** (see instructions) 45d**e Backup withholding** (see instructions) 45e**f Credit for small employer health insurance premiums** (Attach Form 8941) 45f**g Other credits and payments:** ☐ Form 2439 ☐ Other 45g☐ Form 4136

Total ▶

**46 Total payments.** Add lines 45a through 45g 46**47 Estimated tax penalty** (see instructions). Check if Form 2220 is attached ☐ 47**48 Tax due.** If line 46 is less than the total of lines 44 and 47, enter amount owed 48 0.**49 Overpayment.** If line 46 is larger than the total of lines 44 and 47, enter amount overpaid 49 0.**50 Enter the amount of line 49 you want: Credited to 2018 estimated tax** ▶ 50

Refunded ▶

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)**51** At any time during the 2017 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

X

**52** 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

**53** Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$**Sign Here**

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

Signature of officer *Bill Marklund*Date *5/9/2019*

Treasurer Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Chris Meskimen

*Chris Meskimen*

5/9/2019

P01314196

Firm's name ▶ Deloitte Tax LLP

Firm's EIN ▶ 86-1065772

50 South Sixth Street, Suite 2800

Firm's address ▶ Minneapolis, MN 55402

Phone no. 612-397-4000

Form 990-T (2017)

**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				
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?	Yes	No
5 Total. Add lines 1 through 4b	5				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)

(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			0.	0.
Total dividends-received deductions included in column 8			0.	0.

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**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)
<b>Totals</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)				
		Enter here and on page 1, Part I, line 9, column (A)	Enter here and on page 1, Part I, line 9, column (B)	
<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)						
(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		
<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)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>		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)						
<b>Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	Enter here and on page 1, Part I, line 11, col (A) 0.	Enter here and on page 1, Part I, line 11, col (B) 0.				Enter here and on page 1, Part II, line 27 0.

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

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

Form 990-T (2017)

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Department of the Treasury  
Internal Revenue Service▶ Attach to the corporation's tax return.  
▶ Go to [www.irs.gov/Form8827](http://www.irs.gov/Form8827) for the latest information**2017**

Name <b>Sanford Clinic</b>		Employer identification number <b>46-0447693</b>
1	Alternative minimum tax (AMT) for 2016. Enter the amount from line 14 of the 2016 Form 4626	<b>3,284.</b>
2	Minimum tax credit carryforward from 2016. Enter the amount from line 9 of the 2016 Form 8827	
3	Enter any 2016 unallowed qualified electric vehicle credit (see instructions)	
4	Add lines 1, 2, and 3	<b>3,284.</b>
5	Enter the corporation's 2017 regular income tax liability minus allowable tax credits (see instructions)	<b>0.</b>
6	Is the corporation a "small corporation" exempt from the AMT for 2017 (see instructions)? • <b>Yes</b> Enter 25% of the excess of line 5 over \$25,000. If line 5 is \$25,000 or less, enter -0- • <b>No</b> . Complete Form 4626 for 2017 and enter the tentative minimum tax from line 12	<b>0.</b>
7a	Subtract line 6 from line 5. If zero or less, enter -0-	<b>0.</b>
7b	For a corporation electing to accelerate the minimum tax credit, enter the bonus depreciation amount attributable to the minimum tax credit (see instructions)	
7c	Add lines 7a and 7b	
8a	Enter the <b>smaller</b> of line 4 or line 7c. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	
8b	<b>Current year minimum tax credit.</b> Enter the smaller of line 4 or line 7a 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 7b, go to line 8c. Otherwise, skip line 8c	<b>0.</b>
8c	Subtract line 8b from line 8a. This is the refundable amount for a corporation electing to accelerate the minimum tax credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	
9	<b>Minimum tax credit carryforward to 2018.</b> Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	<b>3,284.</b>

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Form 990-T	Contributions	Statement	1
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Description/Kind of Property	Method Used to Determine FMV	Amount
Cash Only	N/A	9,459.
Total to Form 990-T, Page 1, line 20		9,459.

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Form 990-T	Other Deductions	Statement	2
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Description	Amount
Professional fees	2,660.
Total to Form 990-T, Page 1, line 28	2,660.

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Form 990-T	Parent Corporation's Name and Identifying Number	Statement	3
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Corporation's Name	Identifying No
Sanford	27-1218956

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Form 990-T	Contributions Summary	Statement	4
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## Qualified Contributions Subject to 100% Limit

## Carryover of Prior Years Unused Contributions

For Tax Year 2012

For Tax Year 2013

For Tax Year 2014

For Tax Year 2015

5,575

For Tax Year 2016

8,398

Total Carryover

13,973

Total Current Year 10% Contributions

9,459

Total Contributions Available

23,432

Taxable Income Limitation as Adjusted

0

Excess 10% Contributions

23,432

Excess 100% Contributions

0

Total Excess Contributions

23,432

Allowable Contributions Deduction

0

Total Contribution Deduction

0

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Form 990-T	Net Operating Loss Deduction	Statement	5
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Tax Year	Loss Sustained	Loss Previously Applied	Loss Remaining	Available This Year
04/30/08	493,424.	98,986.	394,438.	394,438.
04/30/09	684,247.	0.	684,247.	684,247.
06/30/09	88,377.	0.	88,377.	88,377.
06/30/10	542,039.	0.	542,039.	542,039.
06/30/11	488,951.	0.	488,951.	488,951.
06/30/12	511,246.	0.	511,246.	511,246.
06/30/13	431,596.	0.	431,596.	431,596.
06/30/16	5,154.	0.	5,154.	5,154.
NOL Carryover Available This Year			3,146,048.	3,146,048.

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Form 990-T	Income (Loss) from Partnerships	Statement	6
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Partnership Name	Gross Income	Deductions	Net Income or (Loss)
Lewis Family Drug, LLC	-234,060.	0.	-234,060.
Total to Form 990-T, Page 1, line 5	-234,060.	0.	-234,060.

Form 4626

AMT Contribution Limitation

Statement

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1) Regular taxable income before NOL, charitable contributions, and Domestic Production Activities Deduction (DPAD) . . . . .	-236,720
2) Add: Other AMT adjustment and preference items other than ACE, charitable contributions and DPAD . . . . .	-5,587
3) Preadjustment AMTI before ACE, charitable deductions, NOL and DPAD . . . . .	-242,307
4) ACE adjustment items . . . . .	
5) ACE without charitable contributions (line 3 plus line 4). . . . .	-242,307
6) Line 5 less line 3 (enter excess as a negative amount) . . . . .	
7) Multiply line 6 by 75%. Enter result as a positive amount . . . . .	
8) Enter excess of the corporation's prior year net increases in AMTI due to ACE . . . . .	
9) ACE adjustment: If line 6 is positive or zero enter the amount from line 7 here as a positive amount If line 6 is negative, enter the smaller of line 7 or line 8 here as a negative amount . . . . .	
10) AMTI without charitable contributions, NOL and DPAD (line 3 plus line 9) . . . . .	-242,307
11) Contribution limitation to calculate 90% AMTI limitation for NOL . . . . . (line 10 plus special deductions not previously included in the ACE adjustment on line 9 above, multiplied by 10%). . . . .	0
12) Total available contributions . . . . .	21,608
13) Contribution deduction to calculate 90% AMTI limitation for NOL (lesser of line 11 or line 12) . . . . .	0
14) AMTI for purposes of 90% NOL Limitation (line 10 less line 13) . . . . .	-242,307
15) NOL limitation ( 90% of line 14). . . . .	-218,076
16) Total NOL available . . . . .	3,161,082
17) AMT NOL (lesser of line 15 or line 16) . . . . .	0
18) AMTI for charitable deduction limitation (line 10 plus special deductions less AMT NOL on line 17) . . . . .	-242,307
19) 10% of line 18 . . . . .	0
20) AMT charitable deduction (lesser of Line 12 or line 19) . . . . .	0
21) Regular contribution deduction . . . . .	0
22) AMT contribution adjustment (line 21 less line 20) . . . . .	0

Form 4626

AMT Contributions

Statement 8

## Carryover of Prior Years Unused Contributions

For Tax Year 2012

For Tax Year 2013

For Tax Year 2014

For Tax Year 2015

For Tax Year 2016

5,575

6,574

Total Carryover

12,149

Current Year Contributions

9,459

Total Contributions

21,608

10% of Taxable Income as Adjusted

0

Excess Contributions

21,608

Allowable Contributions

0

Form 4626

Alternative Minimum Tax NOL Deduction

Statement

9

Tax Year	Loss Sustained	Loss Previously Applied	Loss Remaining
04/30/08	493,424.	79,258.	414,166.
04/30/09	684,247.	0.	684,247.
06/30/09	88,377.	0.	88,377.
06/30/10	542,039.	0.	542,039.
06/30/11	488,951.	0.	488,951.
06/30/12	511,246.	0.	511,246.
06/30/13	431,596.	0.	431,596.
06/30/16	460.	0.	460.
AMT NOL Carryover Available this Year			3,161,082.