EXECUTIVE SUMMARY

This is the 20th regular Report to the Ramsey County District Court and the Minnesota State Legislature from ClearWay Minnesota℠. We are a statewide nonprofit organization working to reduce tobacco's harm in Minnesota. Since 1998, the organization's work has changed Minnesota in ways that are having lasting, tangible impacts on the lives and health of the people of this state. Our work has encompassed public policy, research, cessation, community development, and marketing and communications activities, and over the past two decades has helped bring about outcomes including adult and youth smoking declines, billions of dollars of savings in medical costs and worker productivity, and prevention of thousands of deaths, cancers and hospitalizations.

We were created in accordance with the Court's Consent Judgment of May 8, 1998, in *State by Humphrey, et al., v. Philip Morris, Incorporated, et al.,* Ramsey County District Court File No. C 1-94-8565 (August 1994), and are funded with 3 percent ($202 million) of the Minnesota tobacco settlement. We are a private, independent nonprofit corporation with a limited lifetime, ending on December 31, 2021 (subject to court approval). Our mission is to enhance life in Minnesota by reducing tobacco use and exposure to secondhand smoke through research, action and collaboration.

This report covers Fiscal Year 2020 (July 1, 2019 – June 30, 2020). Since inception, $280 million has funded our operations, including cessation, research, policy, community development, communications and outreach projects throughout the state.

Fiscal Year 2020 Initiatives and Developments

Organization

ClearWay Minnesota Board activities during Fiscal Year 2020 included planning for our organization's dissolution, exercising fiduciary and financial responsibilities and engaging in additional activities.

Program grants and contracts

Cessation

Fiscal Year 2020 saw the close of QUITPLAN® Services, a free program that helped nearly 200,000 Minnesotans in their efforts to quit commercial tobacco. Since 2001, ClearWay Minnesota had provided QUITPLAN Services, which stopped accepting participants in the spring of 2020. In April of 2020, an exciting new chapter began with the launch of Quit Partner, funded by the Minnesota Department of Health. Quit Partner ensures free help is still available to Minnesotans who want to quit smoking, vaping, chewing or using other commercial tobacco products.

*Commercial tobacco use such as cigarette smoking is differentiated from the traditional and sacred tobacco practices of American Indians.

Research

While our research grantmaking program has wound down as we prepare for sunset, disseminating findings from ClearWay Minnesota-funded research remains a high priority, and this year saw findings published in peer-reviewed journals and presented at national and international scientific conferences.

Policy

As co-chair of the Minnesotans for a Smoke-Free Generation coalition, ClearWay Minnesota works with state and local partners to reduce tobacco's harm through policy advocacy. Despite the COVID-19 pandemic and a shortened Legislative Session, 2020 saw significant progress to advance tobacco control policies. Notably, a statewide Tobacco 21 law was passed, and restrictions on menthol and other flavored tobacco product sales passed in multiple communities.

Community development

In Fiscal Year 2020, we continued to collaborate with tribal communities, the Minnesota Department of Health and Blue Cross and Blue Shield of Minnesota to sustain the traditional tobacco movement to improve health in Indian Country.

Communications and outreach

Advertising

In Fiscal Year 2020, we concluded our *QUITPLAN® Services* advertising campaign as that program ended. We continued another campaign, *See What You've Been Missing,* which highlights the price all Minnesotans pay for tobacco-related illness and the dangerous rise of e-cigarette use by youth.

Community outreach

In addition to paid advertising, this year ClearWay Minnesota used non-paid (earned) media and online social media to raise awareness of the dangers tobacco poses, especially to youth, and of the tobacco industry's role in perpetuating addiction, disease and death.

I. INTRODUCTION

This is the 20th regular Report to the Ramsey County District Court and the Minnesota State Legislature from ClearWay Minnesota[SM]. We are a statewide nonprofit organization working to reduce tobacco's harm in Minnesota. Since 1998, the organization's work has changed Minnesota in ways that are having lasting, tangible impacts on the lives and health of the people of this state. Our work has encompassed public policy, research, cessation, community development, and marketing and communications activities, and over the past two decades has helped bring about outcomes including adult and youth smoking declines, billions of dollars of savings in medical costs and worker productivity, and prevention of thousands of deaths, cancers and hospitalizations.

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We operate under the supervision of the Ramsey County District Court and are required to report on our activities to the Court and the Minnesota Legislature on an annual basis. This Report consists of this introduction, three sections explaining our operations and activities for the Fiscal Year, and a conclusion. Additional materials are found in accompanying appendices.

This report covers Fiscal Year 2020 (July 1, 2019 – June 30, 2020). Since inception, $280 million has funded our operations, including cessation, research, policy, community development, communications and outreach projects throughout the state.

In addition to Court oversight, we conduct thorough evaluations of our own work as well as that of our grantees and contractors. Evaluation findings measure programs' impact, help to improve them and inform strategic planning. Evaluation also allows us to measure our short-term impacts along with our long-term progress toward our Legacy Goals. Findings from recent evaluations are included throughout this report to give a picture of our overall impact.

Documents referred to in this Report but not included in the appendices are available from our office. Members of the ClearWay Minnesota Board of Directors and staff are available to provide further information to the Court or Legislature. Please contact staff at 952-767-1400 or info@clearwaymn.org for additional information.

*Commercial tobacco use such as cigarette smoking is differentiated from the traditional and sacred tobacco practices of American Indians.

II. ORGANIZATION

A. GOVERNANCE

ClearWay Minnesota has an 11-member Board of Directors, comprising seven at-large members and four appointees. The Board seeks out at-large Board candidates and recommends their approval, ensuring diverse professional expertise in the organization's governing body. The Board also strives to recruit members who broadly represent all Minnesotans, including those from diverse ethnic and cultural backgrounds and from both urban and rural regions.

During Fiscal Year 2020, the ClearWay Minnesota Board had three standing committees:

- The Executive/Governance Committee;
- The Audit/Finance Committee; and
- The Nominating and Board Development Committee (dissolved January 31, 2020).

Each of the standing committees of the Board has a Board-adopted charter that sets forth its duties and authority. The Board may also convene working groups as needed.

Additionally, the Investment Advisory Committee served as an advisory committee to the Audit/Finance Committee through October of 2019. (See *Finances – Investments – Ongoing Investment Oversight and Performance Evaluation,* p. 15.) While the Investment Advisory Committee is not a standing committee of the Board, the Board determined it should also have a charter. (See *ClearWay Minnesota^{SM} Board and Committee Charters*, Appendix A.) The Investment Advisory Committee was dissolved, as planned, in October of 2019 as we moved to a simplified investment structure.

ClearWay Minnesota's Board and staff are governed by a Conflict of Interest Policy that outlines the organization's process for disclosing, documenting and addressing conflicts of interest and the appearance of such conflicts. (See *ClearWay Minnesota^{SM} Conflict of Interest Policy Adopted September 19, 2012,* Appendix B.)

<u>Board Initiatives</u>

2018-2022 Strategic Plan

The Board of Directors is responsible for guiding the strategic direction of the organization. ClearWay Minnesota's Strategic Plan contains three Legacy Goals – long-term objectives designed to drive our efforts until we close our doors. The Legacy Goals are:

- *By 2023, reduce the prevalence of smoking among adult Minnesotans to less than 9 percent.*
- *By 2023, reduce the prevalence of secondhand smoke exposure among nonsmoking Minnesotans to less than 5 percent.*
- *By 2023, advance the science of eliminating tobacco-related health disparities.*

The Strategic Plan also contains our Vision and Mission Statement, as well as the following Strategic Priorities and Outcomes, which are implemented through our annual workplans and budgets:

Policy: Support policies that reduce smoking and exposure to secondhand smoke.

Outcome 1: Advance policies that reduce smoking, especially by youth and other populations most harmed by smoking.
Outcome 2: Advance commercial tobacco-free policies on tribal lands.
Outcome 3: Advance policies to increase access to comprehensive tobacco dependence treatment, especially among the populations most harmed by smoking.

Quitting: Support Minnesotans in quitting smoking.

Outcome 1: Make addressing tobacco use standard practice in health care.
Outcome 2: Increase use of cessation services and quit attempts by Minnesota smokers, in both the general population and those populations most harmed by smoking.
Outcome 3: Advance knowledge about effective cessation for the populations most harmed by smoking.

Environment: Create an environment that supports a commercial tobacco-free future for Minnesotans.

Outcome 1: Influence public attitudes and behaviors to make smoking and exposure to secondhand smoke less acceptable among all Minnesotans.
Outcome 2: Create an environment that provides more opportunity, support and motivation for people to quit smoking.

Planning: Plan for ClearWay Minnesota's limited life.

Outcome 1: Advance knowledge and build capacity that reduces disparities and increases health equity as they relate to smoking.
Outcome 2: Increase public and private resources dedicated to reducing the harm of smoking in Minnesota.
Outcome 3: With strategic partners, transfer knowledge and plan the future of tobacco control efforts that will lead to the end of smoking in Minnesota.
Outcome 4: Plan the successful end to ClearWay Minnesota's operations.

(See *ClearWay Minnesota*[SM] *2018-2022 Strategic Plan, Appendix C.)*

STRATEGIC PRIORITIES & OUTCOMES

(our most important areas of focus)

These priorities, as well as the outcomes that support them, are implemented through our annual workplans and budgets.

Policy

Support policies that reduce smoking and exposure to secondhand smoke.

Outcome One: Advance policies that reduce smoking, especially by youth and other populations most harmed by smoking.

Outcome Two: Advance commercial tobacco-free policies on tribal lands.

Outcome Three: Advance policies to increase access to comprehensive tobacco dependence treatment, especially among the populations most harmed by smoking.

Quitting

Support Minnesotans in quitting smoking.

Outcome One: Make addressing tobacco use standard practice in health care.

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Outcome 3: Advance knowledge about effective cessation for the populations most harmed by smoking.

ACHIEVING OUR LEGACY GOALS AND FULFILLING OUR MISSION

Environment

Create an environment that supports a commercial tobacco-free future for Minnesotans.

Outcome One: Influence public attitudes and behaviors to make smoking and exposure to secondhand smoke less acceptable among all Minnesotans.

Outcome Two: Create an environment that provides more opportunity, support and motivation for people to quit smoking.

Planning

Plan for ClearWay Minnesota's limited life.

Outcome One: Advance knowledge and build capacity that reduces disparities and increases health equity as they relate to smoking.

Outcome Two: Increase public and private resources dedicated to reducing the harm of smoking in Minnesota.

Outcome Three: With strategic partners, transfer knowledge and plan the future of tobacco control efforts that will lead to the end of smoking in Minnesota.

Outcome Four: Plan the successful end to ClearWay Minnesota's operations.

ClearWay Minnesota's[SM] Strategic Plan covers four strategic priorities

Dissolution planning

ClearWay Minnesota was created as a life-limited organization, and long-term planning efforts to facilitate a smooth transition out of existence have been underway since 2007.

Dissolution Plan

In light of ClearWay Minnesota's approaching end of life, discussions have been underway to develop a plan for the proper and thoughtful dissolution of the organization. In collaboration with external legal counsel, a draft Dissolution Plan was presented and approved by the Board of Directors at its meeting on July 15, 2020. Timelines were reviewed as well as detailed plans for the wrap-up of all organizational operations. ClearWay Minnesota anticipates its closure on December 31, 2021, subject to Court approval. Board and staff will present the Dissolution Plan to the Attorney General's office and the Court in Fiscal Year 2021. More details on the Dissolution Plan will be included in next year's Report to the Court.

Changes to governance structure

In 2016, the Board approved changes to the Bylaws and Articles of Incorporation to allow for flexibility in the structure and composition of the Board to bring the organization to an orderly end while still adhering to best practices in nonprofit governance. In July of 2016, the Ramsey County District Court approved those changes. One such change was reducing the size of the Board itself to better fit the organization as it decreases in size.

At their meeting on July 17, 2019, the Board approved a resolution implementing this change, and as of September 29, 2019, the Board reduced in size from 19 members to 11 members. At-large members reduced from 11 to seven, and the appointments of each of the four appointing authorities (the Governor, the Speaker of the House, the Senate Majority Leader and the Attorney General) reduced from two to one appointment each. This plan also provided for one appointed Board Member, Brian Osberg (appointed by former Governor Mark Dayton), to be moved to an at-large seat.

In addition to the Court-approved Board size reduction in September of 2019, other governance structural changes were adopted this year. In 2018, the Board approved the dissolution of the Program Grants and Program Contracts Committee and the Strategic Development and Planning Committee. In September of 2019, with the approval of the Governance Implementation Plan, the Board approved the dissolution of the Nominating and Board Development Committee due to its decreasing need to identify new Board candidates. Some duties that remained were delegated to the Executive/Governance Committee. Additional considerations to our governance structure, practices and procedures are outlined in the Governance Implementation Plan (see Appendix D).

In March of 2020, to ensure the appropriate continuation of Board leadership for the organization's dissolution, the Board approved a process that identified the final three Board Members who will remain with the organization from July of 2021 through dissolution on December 31, 2021. Three of the four officers selected as part of the election process in the summer/fall of 2020 will remain on the Board until dissolution. Those three officers are Board Chair, Vice Chair and Treasurer.

Board education
Topics related to program highlights, strategic and long-term planning were the predominant Board education topics in Fiscal Year 2020. Other Board education topics for Fiscal Year 2020 were:

- July 2019 – *Tobacco Industry Marketing*, presented by Ms. Madeline Bremel of the Association for Nonsmokers-Minnesota
- July 2019 – *Legislative Session Recap,* presented by Mr. Todd Rapp, Rapp Strategies, ClearWay Minnesota Senior Public Affairs Manager Amanda Jansen, ClearWay Minnesota Vice President Molly Moilanen and ClearWay Minnesota Senior Public Affairs Manager Laura Smith
- September 2019 – *Best Practices in Nonprofit Governance,* presented by Mr. J. Patrick Plunkett, Larkin Hoffman
- November 2019 – *Update on Local Policy Grants,* presented by ClearWay Minnesota Senior Public Affairs Manager Alexis Bylander
- November 2019 – *Update on FDA from Public Health Law Center,* presented by Mr. Desmond Jenson, Public Health Law Center at Mitchell Hamline School of Law
- November 2019 – *Refresher on Open Meeting Law and Data Practices Act Compliance* – presented by Ms. Teresa Thompson, Fredrikson and Byron
- January 2020 – *2020 Legislative Session Preview,* presented by ClearWay Minnesota Vice President Molly Moilanen, Mr. Todd Rapp, Rapp Strategies and Mr. Dan Larson, Lockridge Grindal Nauen
- January 2020 – *Update on QUITPLAN® Services Transition*, presented by ClearWay Minnesota Director of Tobacco Treatment Randi Lachter and ClearWay Minnesota Director of Marketing Mike Sheldon
- March 2020 – *Highlights of the Research Grant Programs,* presented by ClearWay Minnesota Associate Director of Research Programs Dr. Erin O'Gara
- March 2020 – *Overview of Statewide Public Opinion Survey,* presented by Mr. Todd Rapp, Rapp Strategies
- May 2020 – *Minnesota Menthol Policy Evaluation and Lessons Learned From Policy Passage and Implementation,* presented by ClearWay Minnesota Director of Health Equity Research Dr. Joanne D'Silva and Dr. Linda Bosma, Bosma Consulting

Public policy
ClearWay Minnesota engaged in a number of public policy initiatives, authorized by the Board, during Fiscal Year 2020. These initiatives are detailed in *Program Grants and Contracts – Policy,* pp. 46-59. ClearWay Minnesota's lobbyist of record for Fiscal Year 2020 was Lockridge Grindal Nauen PLLP.

The Board approves formal Policy Statements outlining the organization's positions on critical tobacco control issues, and reasons for supporting those positions. The updated document was reviewed and approved in November of 2019. (See *ClearWay Minnesota*^{SM} *Policy Statements*, Appendix E.)

CEO compensation

Pursuant to the Court's Order of June 13, 2005, ClearWay Minnesota discloses the Chief Executive Officer's annual salary in this Report.

The CEO's annual performance and salary review is conducted by the full Board of Directors, which thoroughly evaluates that officer's execution of the duties described in the CEO position description. A salary increase, if any, is determined as a component of the CEO's performance, and is linked to the CEO salary range and merit increase percentage established by the Board.

Pursuant to their annual review of the CEO's performance, the Executive/Governance Committee, in its role to oversee the organization's human resources, facilitated the annual performance review for the Chief Executive Officer. On September 18, 2019, the Board approved a 5.2 percent salary increase, effective November 1, 2019. In a separate process, the Board annually reviews salary ranges for all ClearWay Minnesota staff, based upon a biannual compensation study conducted by an outside consultant, and supplemented in off years by an applicable salary survey.

On February 20, 2020, the Executive/Governance Committee approved the recommendation of The Keystone Group that all salary ranges be revised and realigned consistent with their market analysis. As a result, the salary range for the CEO was set at $154,000-$232,000 ($193,000, midpoint), effective July 1, 2020. In addition, Keystone recommended a budget pool of 3.2 percent for Fiscal Year 2021. These recommendations were subsequently approved by the Board in March of 2020, and they will be taken into consideration during the next CEO annual review.

As a result of the CEO annual review in fall of 2019, and the review recommendations approved in September of 2019, the CEO's annual salary was set at $202,013 as of June 30, 2020.

Other activities

Other Board activities included:

- At its July 2019 meeting, the Board of Directors approved revisions to the Interim Chief Executive Officer Succession Plan. The Plan outlines an emergency or Interim CEO Succession Plan to be implemented immediately in the case of the Chief Executive Officer's illness, accident or death, or if they become unable to perform their duties for any other reason. Approval and annual review of the Plan is done in accordance with ClearWay Minnesota's commitment to following best practices for Board governance. In the event that the CEO becomes unable to perform his duties as CEO, Molly Moilanen, Vice President, will serve as Interim CEO until the Board of Directors hires a permanent replacement.

- At its July 2019 meeting, the Board of Directors approved a resolution reassigning the Chief Financial Officer's duties to the Chief Executive Officer. This action was taken following the resignation of the CFO. Because the CFO is listed as an officer of the corporation in the Bylaws, the Board acted on guidance in the Bylaws to delegate those duties to another person. The Board authorized the CEO to delegate those duties to other persons in the organization.
- At its November 2019 meeting, the Board of Directors reviewed the results of the final Board performance evaluation. A Board performance evaluation is conducted every two years and identifies areas of growth and focus for the Board of Directors.
- At its January 2020 meeting, the Board of Directors voted to reaffirm the Board Values, adopted in 2014, that established rules for engagement, clarified expectations and guided the Board's work.
- At its January 2020 meeting, the Board of Directors approved revisions to the Audit/Finance Committee Charter. (See Appendix A.)
- At its March 2020 meeting, the Board of Directors approved revisions to the Statement of Investment Objectives and Policies. (See Appendix F.)

<u>Fiscal Year 2020 Board Roster</u>

Board Members filling the 11 (seven as of September 2019) at-large positions at various times during Fiscal Year 2020 were:

- **Mae Brooks**, Director of Human Resources for the Minneapolis Parks and Recreation Board (Minneapolis);
- **Judy Brown**, District Program Facilitator at Minneapolis Public Schools (Minneapolis);
- **Laurie Lafontaine,** former Vice President (Finance and Treasury) of Allina Health (Minnetonka);
- **Nevada Littlewolf**, Political Director at Women Winning, former President and CEO of Tiwahe Foundation, founder of Rural and American Indigenous Leadership and former Virginia City Council Member (Virginia);
- **Sarah Oquist,** corporate attorney, executive coach and national speaker; former CEO/Board Chair of Mille Lacs Corporate Ventures; and current board member at Woodlands National Bank, Management HQ and Walker Art Center among other companies (Maple Grove);
- **Brian Osberg,** former Program Director at the National Governors Association Center for Best Practices, former Minnesota Assistant Commissioner of Health Care Administration and former Minnesota State Medicaid Director (Minneapolis) (note: In accordance with the Board size reduction implemented in September of 2019, Mr. Osberg, who was originally appointed to the Board by former Governor Mark Dayton, has now moved from an appointed to an at-large seat. See *Dissolution Planning – Changes to Governance Structure,* p. 7); and
- **Anne Vars,** Senior Merchandise Finance Manager at Target Corporation (Minneapolis).

Appointed Board Members serve at the pleasure of the appointing authorities within term limitations. The appointing authorities, each of whom appoints two members (reduced to one in September of 2019), are the Governor, the Speaker of the House, the Senate Majority Leader and the Attorney General. The appointed Board Members ensure continuing public input and oversight. (See *Board Initiatives – Dissolution Planning – Changes to Governance Structure,* p. 7.)

Former Governor Mark Dayton appointed:

- **Karen Kraemer**, former Vice President of Disease and Case Management with HealthPartners (Minneapolis).

Former Speaker of the House Paul Thissen appointed:

- **Janet Avery,** former manager of the state's asthma program at the Minnesota Department of Health (Golden Valley).

Former Senate Majority Leader Thomas Bakk appointed:

- **Gail Amundson, M.D.,** health care consultant, former Medical Director for Quality, Measurement and Provider Incentives at HealthPartners, and founder and past board chair of Minnesota Community Measurement (St. Paul).

Former Attorney General Lori Swanson appointed:

- **Steven D. McWhirter**, Executive Vice President of Dougherty & Company, LLC (Maple Plain) (term expired in September of 2019); and
- **Gregory Wulf,** President and CEO of First Farmers & Merchants Bank (Cannon Falls).

ClearWay Minnesota Board Officers in Fiscal Year 2020 were:

- **Laurie Lafontaine, Chair** (September 2018 –September 2020)
- **Karen Kraemer, Vice Chair** (September 2019 – September 2020)
- **Steve McWhirter, Treasurer** (September 2018 – September 2019)
- **Gregory Wulf, Treasurer** (September 2019 – September 2020)
- **Sarah Oquist, Secretary** (June 2019 – present)

A full roster of Board Members and Officers for Fiscal Year 2021 (July 1, 2020 – June 30, 2021) can be found on ClearWay Minnesota's website.

B. STAFF

ClearWay Minnesota's staff is made up of individuals with expertise in public health, cessation, research, public affairs, community development, marketing and communications, finance and nonprofit administration. (See *ClearWay Minnesota*℠ *Organization Chart Fiscal Year 2020*, Appendix G.) For Fiscal Year 2020, the Executive Management Team of the organization consisted of:

- **Chief Executive Officer and Chief Financial Officer David J. Willoughby** (note: Mr. Willoughby formally assumed the role of Chief Financial Officer in July of 2019 and delegated those duties as shown below);
- **Vice President Paula Keller**;
- **Vice President Molly Moilanen**;
- **Chief Financial Officer Steven Bader** (through July of 2019);
- **Interim Chief Financial Officer Bruce Noyes** (July 2019 – present) (note: Mr. Noyes is a contractor, not a ClearWay Minnesota employee);
- **Chief of Staff Amy Henderson; and**
- **Director of Finance Lana Kopylov**.

(See *ClearWay Minnesota*℠ *Executive Management Team Biosketches,* Appendix H.)

C. FINANCES

ClearWay Minnesota strives to be a good steward of the settlement funds with which the organization was created, and many practices are in place to ensure appropriate financial management and maximum cost-effectiveness of programs and operations. Annual budgets are developed based on multi-year Strategic Plans. (See *ClearWay Minnesota℠ 2018-2022 Strategic Plan*, Appendix C.)

In March of 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. ClearWay Minnesota adjusted operations as necessary in response to the pandemic. Although we cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may impact operations and financial performance going forward, ClearWay Minnesota has sufficient assets to continue to the end of its existence, planned for December 31, 2021, subject to court approval.

Audits

For Fiscal Year 2020, Olsen Thielen & Co., Ltd., completed the financial audit for a 14th year. At their meeting on June 23, 2020, the Audit/Finance Committee reviewed and approved the audit plan presented by the auditors. On August 27, 2020, the audits for the fiscal years ended June 30, 2020 and 2019, were presented to the Audit/Finance Committee by representatives of Olsen Thielen. They were then presented to and accepted by the Board of Directors at their meeting on September 16, 2020.

As in every previous year, the audits found that in all material respects, ClearWay Minnesota's financial statements fairly present the organization's financial position and changes in net assets and cash flows. These statements were also determined to conform to accounting principles generally accepted in the United States. (See *ClearWay Minnesota℠ Financial Statements Together With Independent Auditors' Report,* Appendix I.)

Consistent with practices instituted in recent years, the Chief Executive Officer certified the accuracy of the audited financial statements. Although not required by any regulation or law, this financial certification was adopted as a good governance and accountability practice. (See *ClearWay Minnesota℠ Audited Financial Statement Certification,* Appendix J.)

Total operating expenses for Fiscal Year 2020 were $7,610,387, and are summarized in the following table:

Table 1
Expenses for Fiscal Year 2020

	12 months ended June 30, 2020	
Cessation	$5,537,903	72.8%
Research and other tobacco control purposes	$901,746	11.8%
General and administrative	$1,170,738	15.4%
TOTAL	**$7,610,387**	**100.0%**

General and Administrative Expenses in Fiscal Year 2020 are 15.4 percent of total expenses as compared to 12.8 percent in Fiscal Year 2019. As a result of our limited-life status, this ratio has increased as programs wind down, and will be expected to continue to increase as we wrap up programs and services through our planned end of existence date of December 31, 2021 (subject to court approval).

Required Filings

As a nonprofit organization, ClearWay Minnesota is required to file IRS Form 990 and 990T annually. We post our Form 990 and attachments on our website at http://clearwaymn.org/about/legal/. In addition, as a Minnesota nonprofit corporation, ClearWay Minnesota is required to file a Charitable Organization Annual Report with the Office of the Attorney General. (See *ClearWay Minnesota℠ IRS Forms 990 and 990T, June 30, 2020*, Appendices K and L, and *ClearWay Minnesota℠ Charitable Organization Annual Report for June 30, 2020*, Appendix M.)

Investments

ClearWay Minnesota has adopted the general investment guidelines of the Minnesota State Board of Investment (Minnesota Statutes, Chapter 11A, Section 24). In addition, our Bylaws prohibit investing directly in securities issued by firms that generate revenues from tobacco products.

Consistent with prior years, ClearWay Minnesota's investment objective is to grow capital prudently over the organization's lifetime. However, as ClearWay Minnesota approaches our planned end of existence of December 31, 2021 (subject to court approval), with limited investment timelines, investment objectives and asset allocation strategies will focus more heavily on maintaining liquidity through minimal risk investments for preservation and certainty of funds.

Ongoing investment oversight and performance evaluation

ClearWay Minnesota's Audit/Finance Committee has historically used an Investment Advisory Committee to give advice on matters relating to the investment portfolio. After completion of the Weathergage and Mesirow private equity securities sale on September 30, 2019, ClearWay Minnesota's investments consist primarily of cash and marketable securities. Given the relatively simple investment structure with over 95 percent in liquid cash as of the sale date, ClearWay Minnesota staff, the Chair of the Board of Directors and the Investment Advisory Committee recommended eliminating that committee as a separate advisory entity to the Audit/Finance Committee, with the Audit/Finance Committee continuing to have responsibility of investment oversight. The Audit/Finance Committee approved the recommendation to sunset the Investment Advisory Committee effective October 24, 2019.

Historically, an investment consultant was retained by ClearWay Minnesota to provide critical updates on private equity cash flow on a quarterly basis, and a private equity surveillance report on a semi-annual basis to the Audit/Finance Committee and ClearWay Minnesota staff. The consultant also performed regular qualitative analysis of selected investment manager's organizations, philosophy, account and key personnel changes that covered:

- Comparisons of returns to appropriate benchmark indices; and
- An analysis, by investment manager, of performance relative to their benchmarks and any issues or concerns that may have arisen.

Given the change in the organization's investment structure after the private equity investment sale on September 30, 2019, and the minimal amount of value remaining in private equity securities, management recommended that the investment advisory agreement be terminated, with responsibility for investment analysis and reporting transitioned to ClearWay Minnesota management and staff effective as of October 31, 2019. The recommendation was discussed with the Audit/Finance Committee and approved on October 24, 2019.

ClearWay Minnesota ended Fiscal Year 2020 with three investment vehicles, sorted by strategy as summarized in the following table:

Table 2
Investment by Strategy
June 30, 2020

STRATEGY	TYPE	MANAGER
Money Market/Cash	ICS (FDIC Insured Product)	Choice Financial Group
Certificate of Deposit	CDARS (FDIC Insured Product)	Choice Financial Group
Private Equity	Private Equity Fund Manager	Coller International Partners

As of June 30, 2020, 94.5 percent of investments are being managed within Money Market/Cash and Certificate of Deposit funds.

Investment strategy
As of June 30, 2020, ClearWay Minnesota structures investments within two categories:

- *Cash, Money Market and Short-term Investments* (94.5 percent of the portfolio): These investments include money market funds and laddered certificates of deposit (CD) to provide adequate and timely availability of funds to help meet ClearWay Minnesota's budgeted short-term spending needs, as well as planned cash flows through our end of life. The amounts invested in short-term CDs are to be held to maturity.
- *Private equity* (5.5 percent of the portfolio): Cash distributions from the private-equity portfolio are planned for, and are used each year to offset a portion of the anticipated budgeted spending. As of June 30, 2020, ClearWay Minnesota has a private equity investment remaining in Coller International Partners with a Net Asset Value of $360,542, representing 5.5 percent of ClearWay Minnesota investments. The Coller Fund entered a period of final liquidation in April of 2020, with full liquidation and final distributions expected prior to December 31, 2021.

At least annually, ClearWay Minnesota reviews and refines investment strategy in light of three major investment constraints: limited life, prohibition on investing directly in tobacco-related companies and liquidity needs. As we approach our end of life, our investment strategy increasingly moves us toward ensuring appropriate liquidity to meet remaining needs. Over the last few years, ClearWay Minnesota has reduced our risk profile to secure future cash flow requirements. With the successful sale of the majority of our private equity investments on September 30, 2019, approximately 95 percent of investments are secured within FDIC insured money market funds and CDs, with the goal of securing the highest investment returns possible within these low risk type of investment options. We will continue to work with the Audit/Finance Committee and the Board of Directors to review and refine our strategy, as needed.

Organizational end-of-life liquidity modeling
Following the sale of private equity investments on September 30, 2019, ClearWay Minnesota has now significantly reduced our investment risk subject to market fluctuations, and has gained greater clarity on funding available to support programmatic needs and operational wind-down through the Organization's dissolution. Management utilizes liquidity models to evaluate funding and spending requirements/changes for the remainder of our limited life. As a result, several critical decisions were made to support a successful dissolution plan, including:

- Finalizing planned dissolution date as December 31, 2021;
- Revising employee termination dates, resulting in changes for most by one to two months; and
- Adjusting expenses for our final budget periods for fiscal years 2021 and 2022 to align with available investments and cash inflows.

The liquidity models are made using a set of assumptions based on best information available. Actual results will likely vary from assumptions, and those variations may be material.

Management will monitor and update the liquidity model forecasts on an ongoing basis to address changes to critical assumptions as they are identified and confirmed, and will adjust spending plans as necessary to successfully wind down ClearWay Minnesota operations as planned.

Summary of investment performance

Returns on ClearWay Minnesota's investment components are measured against their respective return objectives over a full market cycle. Market cycles may differ in length, and there is no standardized measure for a market cycle's term. For ClearWay Minnesota's purposes, a full market cycle includes both a down leg and an up leg, in either order. The up or down portions will each be of at least two consecutive quarters in length. Therefore, a full market cycle may be as short as one year, although most market cycles may be expected to last from three to five years. Return shortfalls are permitted over portions of the market cycle, provided that ClearWay Minnesota's return objectives are met over the full market cycle. Note that ClearWay Minnesota's return objectives have varied as investment strategies have adjusted from prudent asset growth to a primary focus on liquidity over the final few years of the organization's existence.

For Fiscal Year 2020, ClearWay Minnesota reported a total loss on investments for the year of $57,291, or a loss of approximately 0.5 percent on average investment balances. The total loss on investments includes realized and unrealized losses on private equity investments in Fiscal Year 2020 of $226,398. Before accounting for the losses on private equity investments, investment earnings on cash and marketable security investments in Fiscal Year 2020 returned an average of approximately 1.6 percent on Cash, Money Market and CD average balances. Since inception, ClearWay Minnesota's investments have generated $79.4 million in investment returns.

On September 30, 2019, ClearWay Minnesota sold its investment in the Mesirow and Weathergage Private Equity funds. These funds were initially purchased in 2007, and have been a strategic component of ClearWay Minnesota's investment portfolio since that time. The decision to liquidate the investment in these funds was made after the funds life was extended for periods that would exceed the organizational life of ClearWay Minnesota. Although a loss on the sale of the private equity investments was reported in Fiscal Year 2020, the overall combined average annual internal rate of return on these investments was 10.3 percent.

III. PROGRAM GRANTS AND CONTRACTS

A. CESSATION

Since inception through June 30, 2020, ClearWay Minnesota has funded $69.2 million in cessation program grants and contracts. ClearWay Minnesota's cessation work focuses on both cessation services and cessation policy.

During Fiscal Year 2020, all Minnesotans had access to cessation services either through their health insurance, ClearWay Minnesota or the Minnesota Department of Health. Since programmatic activities are winding down as our organization approaches its closure in 2021 (subject to court approval), our cessation activities, including direct service delivery, have concluded.

Since inception, cessation has been an integral component of our comprehensive approach to address commercial tobacco use. Guided by the science and advice from leaders in commercial tobacco cessation, we launched our Helpline program in May of 2001. Since we were directed by the Court not to duplicate services offered by Minnesota's health plans, we have worked closely with them to ensure that we triaged their members to their health plan's cessation services.

Over the years, we adapted our programs to both improve and increase the reach of our services. We used data from rigorous, independent program evaluations and the growing body of scientific evidence around commercial tobacco use and cessation to help guide our decision-making about programmatic changes. Informed by these data, we:

- Added nicotine replacement therapy to our Helpline (2002);
- Added a self-directed online cessation program, quitplan.com (2003);
- Funded a worksite-based cessation program, QUITPLAN at Work (2003);
- Established cessation programs co-located within clinic systems (QUITPLAN Centers) (2003);
- Funded cessation counseling services co-located in community-based organizations (Community-Tailored QUITPLAN Centers) (2004);
- Addressed declining enrollments and commercial tobacco users' needs via a new, innovative services model offering more choices as well as online and phone registration for all services, that was promoted via a new, empathetic media campaign (2014);
- Added combination nicotine replacement therapy to the Helpline (2016);
- Implemented a reengagement outreach protocol to proactively contact past program participants and invite them to enroll again if they needed additional help to quit or stay quit (2016);

- Funded community-based organizations serving populations disproportionately impacted by commercial tobacco to build knowledge of and trust in QUITPLAN Services and to foster linkages to our programs (Community Engagement Grants [2015], QUITPLAN Ambassador Grants [2017], Head Start Association [2017]);
- Collaborated with the QUITPLAN Services vendor (Optum), the American Indian Cancer Foundation, cultural advisors and community members to design and launch the American Indian Quitline from QUITPLAN Services to provide culturally appropriate commercial tobacco cessation treatment to Minnesota's American Indian communities (2018); and
- Implemented additional tailored protocols to better serve populations disproportionately affected by commercial tobacco use (pregnant women [2009], persons living with mental illness and/or substance use disorders [2017]).

In 2010, we expanded our cessation activities to include systems and policy efforts to improve access to cessation treatment. We funded Minnesota health systems to implement system-level changes to help them improve their processes for assessing and addressing their patients' tobacco use. We undertook policy efforts to improve access to comprehensive cessation benefits. And we worked to improve health care quality measures so providers and clinics could understand how well they were addressing tobacco use with their patients and take steps toward improving their performance.

Partnerships have been key to advance our cessation work. For example, we have worked closely with the Minnesota Department of Health (MDH) in numerous ways, including the launch of their new cessation program and the development of a campaign to educate Medical Assistance and MinnesotaCare enrollees about their cessation benefits. Partnering with the Minnesota departments of Human Services and Commerce and with Minnesota Management and Budget resulted in cessation benefits that aligned with the Affordable Care Act for Medical Assistance, MinnesotaCare, state employees and state-regulated private health plans. Finally, our long lasting partnership with Minnesota's health plans led to the successful implementation of a provider referral program and other collaborative efforts to increase cessation opportunities in the state.

Our work has had a lasting impact. Since inception, QUITPLAN Services provided more than 197,000 Minnesota commercial tobacco users with support to quit. Over 40 health systems participated in our health systems change efforts. Our community-based grantees had 18,500 conversations with community members about QUITPLAN Services and made over 8,000 referrals to our program in one year's time; some grantees also changed their internal processes so they could continue addressing tobacco use after our grant ended. More than 1 million individuals covered by Medical Assistance and MinnesotaCare now have comprehensive access to cessation treatment. MDH has used information about our initiatives to inform the design of both their new cessation program and cessation linkage activities for their grants programs. And through both the Minnesotans for a Smoke-Free Generation's advocacy efforts and the Cessation Department's extensive collaboration with MDH, MDH has received funding for and has successfully implemented a new quitline program, Quit Partner™, to ensure that Minnesota residents continue to have access to cessation services now that QUITPLAN Services has ended.

Our efforts have also garnered national attention and positioned ClearWay Minnesota as a leader in commercial tobacco cessation. Other states have adapted their quitline programs to integrate the innovations we've implemented and evaluated. The Centers for Disease Control and Prevention and the U.S. Department of Health and Human Services' Interagency Committee on Smoking and Health have invited us to share insights from our service delivery, systems change and community engagement work in a variety of venues to help advance the field. In recognition of our leadership in the field, staff have been chosen for the North American Quitline Consortium's Board of Directors, Advisory Council and workgroups and committees. And we have disseminated findings from our cessation initiatives at state and national conferences, through webinars, and in peer-reviewed publications.

We are proud of the cessation support that we've provided since the Helpline's launch in 2001. Our comprehensive approach has had a positive impact on our state, as evidenced by the many lives we've touched over the years. Although our cessation activities have ended, both the direct outcomes of our programs and the knowledge that we've shared to advance the field will sustain the impact of our cessation work in Minnesota and nationally for years to come.

As QUITPLAN® Services neared sunset, new advertising helped direct Minnesota tobacco users to the new Quit Partner program

Cessation Services Contract

QUITPLAN® Services

ClearWay Minnesota's cessation services were referred to as QUITPLAN Services. QUITPLAN Services, a suite of effective, science-based programs that offered free quitting tools to Minnesota tobacco users since 2001, ended on March 31, 2020. Consistent with the U.S. Public Health Service Clinical Practice Guideline and the U.S. Preventive Services Task Force's recommendations, QUITPLAN Services offered both behavioral interventions and cessation medications. The program helped almost 200,000 Minnesotans in their efforts to quit tobacco use.

From July of 2019 through March of 2020, ClearWay Minnesota continued to offer the following suite of QUITPLAN Services:

The QUITPLAN Helpline:

- Telephone counseling by trained coaches with integrated text and email support, printed materials and nicotine replacement therapy (NRT) (if appropriate), provided to uninsured and underinsured Minnesotans.
- Special Helpline programs for pregnant women, individuals living with mental illness and/or substance use disorders and American Indian/Alaska Native commercial tobacco users. These programs offer more phone coaching calls with a specially trained team of coaches and additional NRT for participants who report one or more mental health conditions or who enroll in the American Indian Quitline.

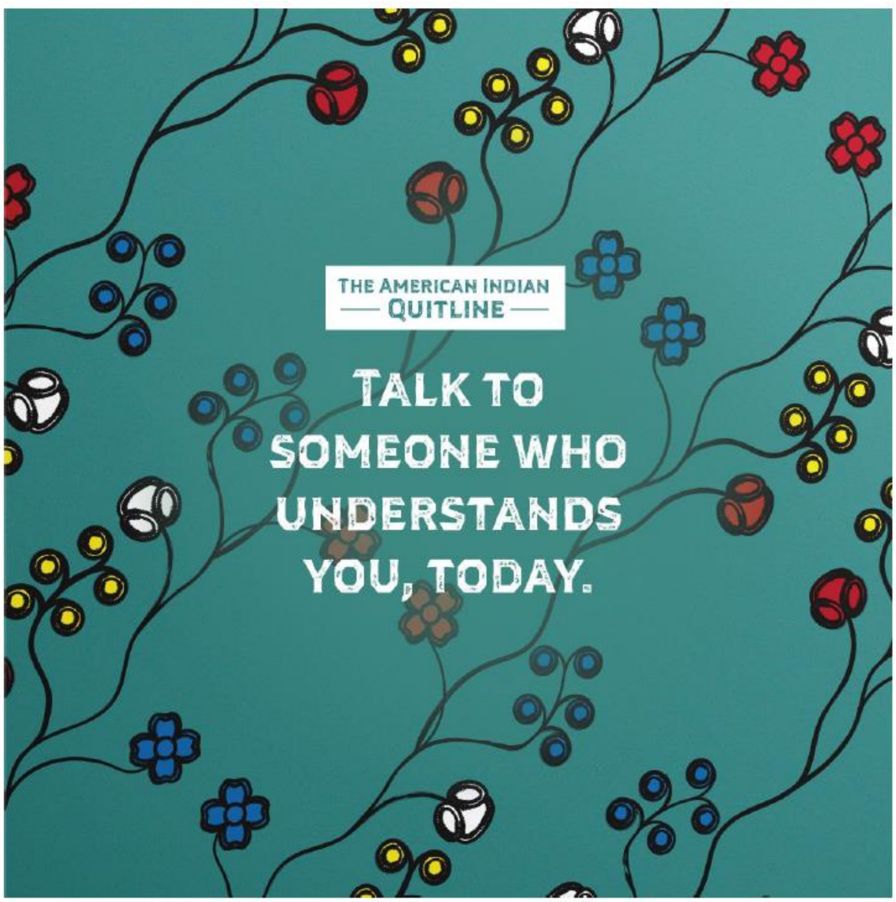
Individual QUITPLAN Services:

- NRT starter kits (two-week supply of NRT) for all Minnesota commercial tobacco users;
- Text-messaging support program for all Minnesota commercial tobacco users;
- Email support program for all Minnesota commercial tobacco users; and
- A printed Quit Guide (self-help workbook) for all Minnesota commercial tobacco users.

Consumer Wellness Solutions, Inc. (formerly Alere Wellbeing, Inc.), was the vendor that provided QUITPLAN Services. The QUITPLAN Services website, www.quitplan.com, provided free information, tools and resources to all visitors. Commercial tobacco users could register for all QUITPLAN Services either online or by telephone. Cessation advice and support was provided for all Minnesota tobacco users using the QUITPLAN Services Facebook page and Twitter feed.

QUITPLAN Services were provided in both English and Spanish. Tobacco users seeking help in languages other than English or Spanish could request an interpreter when calling QUITPLAN Services. We also partnered with the Asian Smokers' Quitline at the University of California – San Diego to provide telephone counseling in Mandarin, Cantonese, Vietnamese and Korean.

Since tobacco dependence is a chronic, relapsing condition and it takes most tobacco users multiple attempts to quit successfully, commercial tobacco users were encouraged to return to QUITPLAN Services and enroll in additional services if they needed further quitting support or wanted to try to quit again.



The American Indian Quitline offers tailored cessation services for Native commercial tobacco users

Quit rates for QUITPLAN Services were consistently strong and comparable to those seen in published literature for cessation services. An evaluation of QUITPLAN Services quit rates and other outcomes was conducted in Fiscal Year 2018 and reported in that year's Report to the Court.

Media campaign
QUITPLAN Services was promoted with a campaign using digital, social and earned media. Ads were aired throughout Fiscal Year 2020 to complement the program's approach and reflect our caring, compassionate approach to delivering QUITPLAN Services.

Tobacco users served
ClearWay Minnesota tracked the number of people who visit our website, contact us by phone and enroll in QUITPLAN Services. Because we stopped enrolling new participants on March 31, 2020, nine months of data (July 1, 2019 – March 31, 2020) are reported here. In Fiscal Year 2020, 7,537 people called QUITPLAN Services and 151,696 people visited the quitplan.com website.

In Fiscal Year 2020, 7,127 tobacco users were served by QUITPLAN Services.

- 1,096 tobacco users enrolled in the QUITPLAN Helpline's multi-call counseling program
    - 556 tobacco users received NRT patches, lozenges or gum as part of their Helpline enrollment. 58 percent of Helpline participants received combination therapy, which includes the nicotine patch (long-acting) combined with either nicotine lozenge or gum (short-acting).

- 8,012 tobacco users enrolled in one or more of the Individual QUITPLAN Services (NRT starter kit, text messaging, email and/or quit guide).
    - 4,813 tobacco users received an NRT starter kit
    - 4,352 tobacco users received a quit guide
    - 1,622 tobacco users signed up for email messages
    - 1,453 tobacco users signed up for text messages

- Additionally, 298 tobacco users either called us with questions but chose not to enroll, or were transferred to their health plans' quitlines.

Interest in and use of the services continued to be strong until services ended. Almost 82,000 tobacco users were served by QUITPLAN Services in fiscal years 2015 through 2020 combined, and many more were served by their health plans. This represents more than 9,700 Helpline enrollments, and more than 60,000 NRT starter kits and 41,000 Quit Guides mailed to Minnesotans over a five-year period. In addition, more than 21,000 participants selected the email program, and over 16,000 enrolled in the text messaging program.

Evaluation of QUITPLAN® Services
ClearWay Minnesota uses evaluation data and other scientific evidence to guide our decision-making about service offerings.

We used an external evaluation firm, Professional Data Analysts (PDA), to evaluate QUITPLAN Services. In Fiscal Year 2020, PDA worked closely with the ClearWay Minnesota Cessation Department to evaluate QUITPLAN Services through ongoing monitoring of vendor data.

Findings from service delivery monitoring
PDA reviewed the monthly data sent by Consumer Wellness Solutions and examined trends in registrations, counseling calls, shipments of nicotine replacement therapies, shipments of printed quit guides, and other relevant service delivery data. This ongoing monitoring was an important component of the quality assurance process. PDA reported trends, changes in trends, and outliers in the data to ClearWay Minnesota staff each month. ClearWay Minnesota was then able to quickly identify potential issues that could impact participants' experience with QUITPLAN Services and work with Consumer Wellness Solutions to solve problems in a timely manner. This independent, third-party monitoring continues helped maintain high-quality service delivery.

End of QUITPLAN® Services
ClearWay Minnesota is a life-limited organization that we expect will end in 2021, subject to court approval. (See *Organization – Governance – Board Initiatives – Dissolution Planning,* p. 7.) QUITPLAN Services, which provided free cessation treatment options to Minnesota commercial tobacco users who had no health insurance or whose insurance did not cover tobacco dependence treatment, stopped enrolling new participants at the end of March 2020.

During the 2019 Legislative Session, the approved state budget included funding for the Minnesota Department of Health's statewide tobacco cessation services. This new funding ensured that Minnesotans continued to have access to a free quitline when QUITPLAN Services ended. During Fiscal Year 2020, we continued to work closely with the Minnesota Department of Health to support them in planning their new program and ensure a smooth transition to their new quitline program. On April 1, 2020, the Minnesota Department of Health launched its new program, Quit Partner. This successful launch meant that there was no gap in cessation services for Minnesotans.

quit partner™

Free help to quit your way

Quit-tobacco support previously provided by QUITPLAN® Services is now available through the Minnesota Department of Health's Quit Partner program

Other Initiatives

State and national partnerships

ClearWay Minnesota has been instrumental in forging relationships and partnerships to advance both cessation services and policies. Such partnerships help improve these services and policies for Minnesotans, facilitate coordination, build capacity in partner organizations and contribute to the sustainability of these efforts after ClearWay Minnesota closes.

U.S. Centers for Disease Control and Prevention (CDC)

ClearWay Minnesota continues to collaborate with CDC's Office on Smoking and Health to inform their efforts to address the harms of commercial tobacco use in the U.S. planning processes. These efforts include sharing information about our experience collaborating with tribal nations to address commercial tobacco use; discussing our Tribal Tobacco Use Project (TTUP), which collects data about commercial tobacco use, attitudes and behaviors; providing input on CDC's quitline data collection efforts; and planning webinars to share information about evaluating cessation programs. (See *Research – Research Contracts – Tribal Tobacco Use [TTUP-II],* p. 28.) We also responded to two requests for public comment issued by CDC: one to inform their planning for text and web registration options for quitline services, and one to inform their future activities to assist in achieving health equity in commercial tobacco use and dependence. Finally, we were invited to write an article for CDC's anniversary booklet celebrating the 15-year anniversary of the National Network of Tobacco Cessation Quitlines. These efforts serve as an opportunity both to inform the Office on Smoking and Health's current and future activities and to contribute to our efforts to sustain knowledge we've gained from our work.

Minnesota Quitline Network
The Minnesota Quitline Network was a partnership that includes the major health insurers in Minnesota (Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica, PreferredOne and UCare) and ClearWay Minnesota. The Minnesota Department of Health served as the administrator. A primary goal of the network was to allow health care providers to have better access to the tobacco quitline services operated by each organization. As a result of the network's work, health care providers used a single form and fax number to refer patients who use commercial tobacco to quitline support. With the launch of the new statewide cessation service, Quit Partner, in the spring of 2020, this network was phased out by the Minnesota Department of Health. (See *Cessation Services Contracts – QUITPLAN® Services – End of QUITPLAN Services,* p. 24.)

North American Quitline Consortium (NAQC)
The North American Quitline Consortium (NAQC) is a group of quitlines sharing information and best practices. Throughout our years providing cessation treatment, ClearWay Minnesota was an active member of NAQC and shared information about QUITPLAN Services with Consortium members on an ongoing basis. The Consortium also serves as a repository of knowledge and best practices, allowing ClearWay Minnesota to learn and improve services. Several ClearWay Minnesota staff members served on NAQC's Advisory Council, committees and workgroups.

State agencies
ClearWay Minnesota collaborates with many state agencies to advance our cessation work. For example, the Minnesota Department of Health (MDH) and ClearWay Minnesota collaborate on many activities, including cessation-focused work. As noted above, ClearWay Minnesota worked closely with MDH to support them as they planned the new state quitline, Quit Partner, and to ensure that the transition from QUITPLAN Services to Quit Partner went smoothly. ClearWay Minnesota also partnered with MDH on a project funded by the U.S. Centers for Disease Control and Prevention (CDC). This project, funded in Fiscal Year 2015, supported a new outreach initiative targeting Medical Assistance and MinnesotaCare enrollees, informing them that they have cessation coverage through their health insurance. While our work on the outreach initiative ended in Fiscal Year 2019, we continued to partner with MDH on other components of this project.

<u>Dissemination</u>

ClearWay Minnesota Cessation staff, grantees and contractors actively disseminate information about our programs, evaluation findings and other knowledge gained from our activities through webinars, in publications, and at conferences and meetings. For details, please see *Research – Dissemination,* pp. 30-45.

B. RESEARCH

ClearWay Minnesota funds research to help reduce commercial tobacco use and secondhand smoke exposure in Minnesota. We are focused on research that addresses tobacco's harm in communities most affected and targeted by tobacco industry marketing. Since inception through June 30, 2020, ClearWay Minnesota has funded $33.1 million in research program grants and contracts and spent an additional $7.9 million for evaluation projects.

In the past, ClearWay Minnesota has provided grants to academic, professional and community-based organizations around the state to conduct research that advances scientific knowledge of effective tobacco control programs and policies. Given the organization's sunsetting, the Research department stopped awarding new grants in Fiscal Year 2018. There were 10 multi-year grants monitored in Fiscal Year 2020, which have all ended.

As ClearWay Minnesota programmatic work winds down, research within the organization has become even more focused on large-scale surveillance efforts, evaluation projects and dissemination activities necessary to share these results.

Research Contracts

Surveillance: Minnesota Adult Tobacco Survey (MATS)

The Minnesota Adult Tobacco Survey (MATS) is a large-scale surveillance project that monitors progress in reducing tobacco use among Minnesotans. MATS collects in-depth surveillance data on tobacco use, and cigarette smoking in particular, in the adult population of Minnesota. MATS is the most comprehensive source of information about smoking prevalence, behaviors, attitudes and beliefs among Minnesota adults. Additionally, MATS provides a scientific base to monitor our progress in reaching our long-term Legacy Goals (see *Organization – Governance – Board Initiatives – Strategic Planning – Strategic Plan,* pp. 4-6). Technical reports and fact sheets from the current survey as well as prior survey rounds are available here: http://clearwaymn.org/mats/

ClearWay Minnesota, in collaboration with partner organizations, previously conducted five rounds of MATS (in 1999, 2003, 2007, 2010 and 2014). The last survey in the MATS series was conducted in 2018 and findings were released in January 2019. Study findings were reported in last year's Report to the Court.

MATS 2018 dissemination

ClearWay Minnesota staff, led by Director of Evaluation and Survey Research Ann St. Claire, established a dissemination team that has coordinated additional analysis and paper writing to share more in-depth findings from MATS. The dissemination team comprised ClearWay Minnesota staff, partners at the Minnesota Department of Health, colleagues from the survey research firm, Westat, as well as consultants from Professional Data Analysts, and independent research experts in tobacco control. Topics studied include various perspectives on e-cigarette use, perceptions of menthol tobacco products, co-use of tobacco and marijuana, quitting, tobacco product use among young adults, disparities in the use of tobacco products, and secondhand smoke exposure. A full list of publications to date is included in the dissemination section (*Research – Dissemination,* pp. 30-45).

MATS findings were also shared at national conferences including the National Conference on Tobacco or Health (August 2019), the annual meeting of the American Public Health Association (November 2019), and the Society for Research on Nicotine and Tobacco Annual Meeting (March 2020). Descriptions are included in the dissemination section (*Research – Dissemination,* pp. 30-45).

Tribal Tobacco Use Project (TTUP-II)

In Fiscal Year 2019, ClearWay Minnesota contracted with the American Indian Cancer Foundation (AICAF) to implement the second Tribal Tobacco Use Project (TTUP-II). The purpose of TTUP-II is to generate statewide and tribal-specific data on commercial and traditional tobacco-related knowledge, attitudes and beliefs among American Indian adults. Data collection is ongoing in Minnesota's Tribal Nations and urban areas where American Indians reside, and will continue into the next Fiscal Year; the COVID-19 pandemic has been a factor in the pace of the project. Results will serve as a guide for tribal and statewide stakeholders for reducing the harms of commercial tobacco use statewide and within individual Tribal Nations.

American Indian Cancer Foundation®

Minnesota Menthol Policy Evaluation

In 2018, the cities of Duluth, Minneapolis, Falcon Heights, and Saint Paul implemented groundbreaking policies restricting the sales of all menthol, mint, and wintergreen flavored tobacco products to adult-only tobacco shops. In collaboration with the Center for Prevention at Blue Cross and Blue Shield of Minnesota and the Minnesota Department of Health, ClearWay Minnesota is co-leading the Minnesota Menthol Policy Evaluation, a variety of evaluation efforts to assess the impact of these policies. In Fiscal Year 2020, ClearWay Minnesota contracted with Bosma Consulting, LLC, which conducted, produced and began disseminating case studies focusing on policy implementation. Dissemination activities were also the focus of a contract with Rainbow Research, Inc., examining youth impact of these policies and a contract with Professional Data Analysts examining the retail environment. Dissemination efforts to share findings from the Minnesota Menthol Policy Evaluation with partners and national stakeholders will continue into the next Fiscal Year.

The completed implementation case study report can be found at http://clearwaymn.org/menthol-policy-case-studies/

The policy implementation case studies were produced in collaboration with the Center for Prevention at Blue Cross and Blue Shield of Minnesota. Since the implementation of ordinances restricting the sale of menthol tobacco products to adult-only stores, the cities of Minneapolis, St. Paul, Duluth and Falcon Heights have substantially reduced the number of outlets where menthol tobacco products can be sold. All but Falcon Heights experienced challenges from tobacco retailer attempts to circumvent the ordinances. In response, cities and advocates have examined the original ordinances and implementation processes to improve compliance. This work is ongoing as cities and tobacco control advocates continue to monitor implementation to ensure the ordinances achieve the goal of reducing access to menthol tobacco products in their communities. These case studies will provide useful insights and recommendations for advocates and decision-makers in other communities considering similar policy efforts to reduce the availability of menthol tobacco products.

Dissemination

ClearWay Minnesota places a high priority on translation and dissemination of funded research and programs. Consequently, we encourage grantees to explore opportunities to publicize and share findings. In addition, staff actively disseminate research results, evaluation findings and other knowledge gained from our activities in publications, at conferences and through other venues. These dissemination activities have established us as a tobacco control leader, and our findings have advanced knowledge, practices and policies that reduce tobacco's harm.

Publications

One of ClearWay Minnesota's priorities is to disseminate findings from research, evaluations, surveillance studies and other initiatives to a wide range of audiences. The goal of sharing this information is to help advance the field of tobacco prevention and control in Minnesota and elsewhere. ClearWay Minnesota staff, grantees and partners published a number of peer-reviewed articles during Fiscal Year 2020 on a range of topics. These publications include:

- "Changing Patterns in E-Cigarette Use Among Minnesota Adults Between 2014 and 2018" in *Preventive Medicine Reports* by Ann St. Claire, Barbara Schillo, Rebecca Lien, Paula Keller, Erin O'Gara, Joanne D'Silva, John Kingsbury, Sharrilyn Helgertz, Ann Kinney and Eva Sharma. This study examined adult e-cigarette users' frequency of use, smoking status, use of flavors, and demographic differences between 2014 and 2018 using MATS data. Findings indicate that e-cigarettes appeal to younger adults. Of concern are increases in never smokers initiating e-cigarette use, increasing their exposure to nicotine, addiction, and the risk of future combustible tobacco use. Results of this study can inform recent calls for additional tobacco control policy and programs aimed at reducing e-cigarette use.
- "Who is Using and Why: Prevalence and Perceptions of Using and Not Using Electronic Cigarettes in a Statewide Survey of Adults" in *Addictive Behaviors Reports* by Raymond Boyle, Sara Richter and Sharrilyn Helgertz. This paper shared MATS 2018 findings examining prevalence, reasons for using, discontinuing use, and not wanting to try e-cigarettes among Minnesota adults. Results indicate sustained interest in e-cigarettes among young adults and smokers with a goal of cutting down or quitting smoking.
- "Location and Duration of Secondhand Smoke Exposure Among Minnesota Nonsmokers, 2018" in *Preventive Medicine Reports*, by Ann St. Claire, Samantha Friedrichsen, Raymond Boyle, John Kingsbury, Michael Parks and Sharrilyn Helgertz. This paper provided detailed information on the nature of secondhand smoke exposure among nonsmokers in locations other than the home or car. Monitoring nonsmokers' self-reported exposure remains important as a way to measure the impact and compliance with smoke-free policies and help identify where additional policies are warranted.
- "Twenty-Year Health and Economic Impact of Reducing Cigarette Use: Minnesota 1998-2017" in *Tobacco Control*, by Michael Maciosek, Amy LaFrance, Ann St. Claire, Zack Xu, Morgan Brown and Barbara Schillo. This paper shared retrospective findings from the ModelHealth Minnesota simulation model detailing the health and economic impacts of the reduction in smoking prevalence over the last 20 years.

- “The 20-Year Impact of Tobacco Price and Tobacco Control Expenditure Increases in Minnesota, 1998-2017.” In *PlosOne* by Michael Maciosek, Amy LaFrance, Ann St. Claire, Paula Keller, Zack Xu and Barbara Schillo. This paper uses the ModelHealth Minnesota simulation study to illustrate the health and economic impact of two tobacco control policies, namely increasing the price of tobacco and investing in tobacco control programs.
- “Projecting the Future Impact of Past Accomplishments in Tobacco Control” in *Tobacco Control* by Michael Maciosek, Ann St. Claire, Paula Keller, Amy LaFrance, Zack Xu and Barbara Schillo. This paper reports study findings from the ModelHealth Minnesota simulation study to illustrate the health and economic impact of future reductions in tobacco prevalence.
- “The Minnesota SimSmoke Tobacco Control Policy Model of Smokeless Tobacco and Cigarette Use” in the *American Journal of Preventive Medicine* by David Levy, Zhe Yuan, Yameng Li, Ann St. Claire and Barbara Schillo. This paper shares findings from the Minnesota SimSmoke Simulation study detailing the impact of tobacco control policy on reducing tobacco-related death and disease.
- “Local Sales Restrictions Significantly Reduce the Availability of Menthol Tobacco: Findings from Four Minnesota Cities” in *Tobacco Control* by Joanne D’Silva, Joanne Moze, Rebecca Lien, Chris Matter, John Kingsbury, Betsy Brock and Antwi Akom. This paper shares findings on the impact of the menthol restrictions on the retail environment in Minneapolis, St. Paul, Duluth, and Falcon Heights.
- “Tobacco Policy Support and Perceptions of Menthol Cigarettes in an African American Community Sample” in the *Journal of Immigrant and Minority Health* by John Kingsbury, Komal Mehrotra, Joanne D’Silva, Eugene Nichols, Ruth Tripp and David Johnson. This paper shares findings of a survey conducted among African Americans in Minnesota to understand their perceptions of the harms of menthol cigarettes, as well as the reasons for unsuccessful quits among menthol smokers.
- “Financial Incentives and Proactive Calling for Reducing Barriers to Tobacco Treatment Among Socioeconomically Disadvantaged Women: A Factorial Randomized Trial” in *Preventive Medicine* by Michael Parks, Kelly Hughes, Paula Keller, Randi Lachter, John Kingsbury, Christina Nelson and Jonathan Slater. This paper reports results of an intervention that examined whether proactive telephone calls with and without financial incentives increased connections to QUITPLAN Services among low-income women.
- “Replicating State Quitline Innovations to Increase Reach: Findings from Three States” in *BMC Public Health* by Paula Keller, Rebecca Lien, Laura Beebe, Jane Parker, Paola Klein, Randi Lachter and Stephen Gillaspy. This paper shares findings of a study examining whether the positive results of ClearWay Minnesota’s changes to QUITPLAN Services could be replicated in Oklahoma and Florida.

ClearWay Minnesota staff also published several white papers through local or trade publications. These include:

- "Tobacco in Minnesota – Now and in the Future" in *Minnesota Medicine*, by Ann St. Claire, Amanda Jansen, Erin O'Gara, Annie Krapek and David Levy. This paper shared findings from ClearWay's SimSmoke simulation study and highlighted the important role physicians play in advancing Minnesota's tobacco control policy initiatives.
- "What States Preparing for Opioid Lawsuit Funds Can Learn from Tobacco Settlements" in the *Milbank Quarterly Blog* by Ann St. Claire, Adam Kintopf, Doug Blanke and David Willoughby. This blog post shared Minnesota's experience in utilizing settlement funds to advance tobacco control and shared seven recommendations for how other states could potentially use opioid settlement funds to address addiction.

Presentations

ClearWay Minnesota staff members, grantees and contractors attended and gave several presentations at conferences and other events that shared findings from ClearWay Minnesota-funded research projects.

National Conference on Tobacco or Health (NCTOH)
ClearWay Minnesota staff attended the National Conference on Tobacco or Health, held August 27-29, 2019, in Minneapolis. Several ClearWay Minnesota staff served on conference planning committees. Additionally, staff, grantees and partners gave numerous oral and poster presentations on our work.

Of note, we were invited to present one of the sub-plenary sessions. CEO David Willoughby, Vice President Molly Moilanen, Associate Director of Health Equity Programs CoCo Villaluz, Director of Strategic Communications Adam Kintopf and Director of Evaluation and Survey Research Ann St. Claire presented *"20 Years of Progress, Impact and Lessons Learned – The ClearWay Minnesota Story."* This sub-plenary discussed ClearWay Minnesota's impact on comprehensive tobacco control in Minnesota over the last 20 years, and shared insights from our work to help inform the tobacco control community in its efforts to implement comprehensive tobacco control programs and reduce the harms of commercial tobacco.

Additionally, ClearWay Minnesota Associate Director of Health Equity Programs CoCo Villaluz was selected to be a Co-Chair for the conference's Health Equity Program Subcommittee.

Ms. Villaluz also co-facilitated an ancillary meeting with the National Native Network's Program Manager, Josh Hudson, which featured an Indian Country roundtable. This meeting focused on networking, opportunities to cross-share and the beginning stages of planning a National Tribal Tobacco Prevention Conference.

Participants at the NCTOH Indian Country roundtable

Some other key highlights from Ms. Villaluz's participation at the NCTOH:

- Co-organized a sunrise tobacco ceremony for the opening of the conference in collaboration with Indigenous Peoples Task Force's Suzanne Nash.
- Coordinated and did a traditional tobacco opening with Josh Hudson (National Native Network) and Mat Pendleton (Lower Sioux Indian Community) for CDC's Office on Smoking and Health 2019 National Tobacco Control Program Technical Assistance meeting.
- Provided input for FDA's Center for Tobacco Products Tribal Ancillary Meeting.
- Copresented with ClearWay Minnesota Director of Marketing Mike Sheldon on our *Keep Tobacco Sacred* media campaigns.

- Copresented on tribal tobacco work in Indian Country with Suzanne Nash (Indigenous Peoples Task Force), Elliot Christensen (Lower Sioux, Shakeena Schommer (Upper Sioux) and Earl Villebrun (Bois Forte).

Left: Minnesota Lt. Gov. Peggy Flanagan (at left), CoCo Villaluz and their daughters at the tobacco sunrise ceremony

Below: CDC OSH Director Corinne Graffunder (center) with CoCo Villaluz and Mat Pendleton at the NCTOH

Left to right: Partners Earl Villebrun, Shakeena Shommer, Elliot Christensen and Suzanne Nash at the National Conference on Tobacco or Health

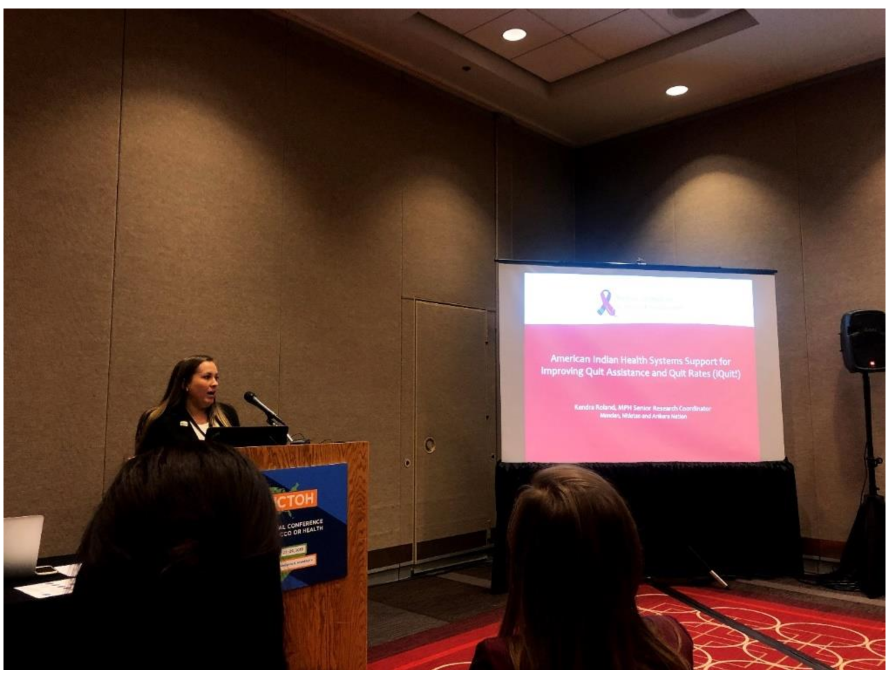
Left to right: Josh Hudson (National Native Network), CoCo Villaluz (ClearWay Minnesota^{SM}) and Mat Pendleton (Lower Sioux) at the NCTOH

Other oral and poster presentations from NCTOH are listed below:

Lead Author	Presentation Title	Presentation type
Alexis Bylander, Senior Public Affairs Manager	The Times have Changed and So Must We: Keeping Pace With the Evolving Tobacco Product Landscape	Merged sub-plenary
Joanne D'Silva, Director of Health Equity Research	Results From the Early Impact of Local Menthol Sales Restrictions in Minneapolis, St. Paul and Duluth	Merged sub-plenary
Molly Moilanen, Vice President	Beyond Tax: Other Strategies to Increase Price to Reduce Use	Merged breakout session
Molly Moilanen, Vice President	Goals, Challenges, Research and Unanswered Questions: A Comprehensive Discussion of States' Approaches to Taxing E-Cigarettes	Merged breakout session
Joanne D'Silva, Director of Health Equity Research	How Minneapolis, St. Paul and Duluth Passed Nation-Leading Menthol Tobacco Sales Restrictions: Case Studies from Minnesota	Merged breakout session
Erin O'Gara, Associate Director of Research Programs	Keep Tobacco Sacred: A Community-Guided Media Campaign	Merged breakout session
Michael Sheldon, Director of Marketing	Launching an American Indian Quitline in Minnesota	Merged breakout session
Katie Engman (local policy grantee)	Enforcement of Youth Access and Point of Sale Restrictions	Merged breakout session
Katie Engman (local policy grantee)	Relationships to Policy Goals: Using Your Relationships With City Staff to Pass Point of Sale Tobacco Prevention Policies	Merged breakout session
Betsy Brock (local policy grantee)	Menthol Restrictions: Yes, It Is Legal And Possible	Merged breakout session
Pat McKone (local policy grantee)	Bold Tobacco Control Policies: Restricting Flavors and Menthols	Merged breakout session

Parker Smith (partner, Minnesota Department of Health)	Back to School Campaign on E-cigarettes and the Risks of Nicotine for Youth	Poster
Megan Whittet, Associate Director of Health Systems Change Programs	Building Health System Capacity to Integrate Tobacco Dependence Treatment into Health Care Delivery – Lessons Learned From Minnesota	Poster
Paula Keller, Vice President	Can State Quitline Innovations Be Replicated? Findings From Three States	Poster
Paula Keller, Vice President	Creating Cultural- and Community-Specific Approaches to Linking Low Socioeconomic Smokers to Cessation Services	Poster
Erin O'Gara, Associate Director of Research Programs	Crisp, Smooth and Fresh: Marketing of Menthol Cigarettes 2009-2018	Poster
Laura Smith, Senior Public Affairs Manager	Engaging Candidates for Public Office: How All Types of Organizations Can Leverage Election Season to Build Strong Relationships With Elected Officials	Poster
Paula Keller, Vice President	Engaging Smokeless Tobacco Users in Population-Based Cessation Services: Findings from an Observational Study	Poster
Paula Keller, Vice President	Examining Quitline Utilization Before and After Implementation of a Menthol Sales Restriction Policy	Poster
Randi Lachter, Director of Tobacco Treatment Programs	Why Is Web Enrollment So Appealing?: Impact On Expanded Quitline Services	Poster
Chris Turner (local policy grantee)	Beautiful Lie, Ugly Truth: A Targeted Campaign to Build Awareness of the Dangers of Menthol Tobacco	Poster
Pat McKone (local policy grantee)	Menthol and Flavorings Campaign in Duluth	Poster

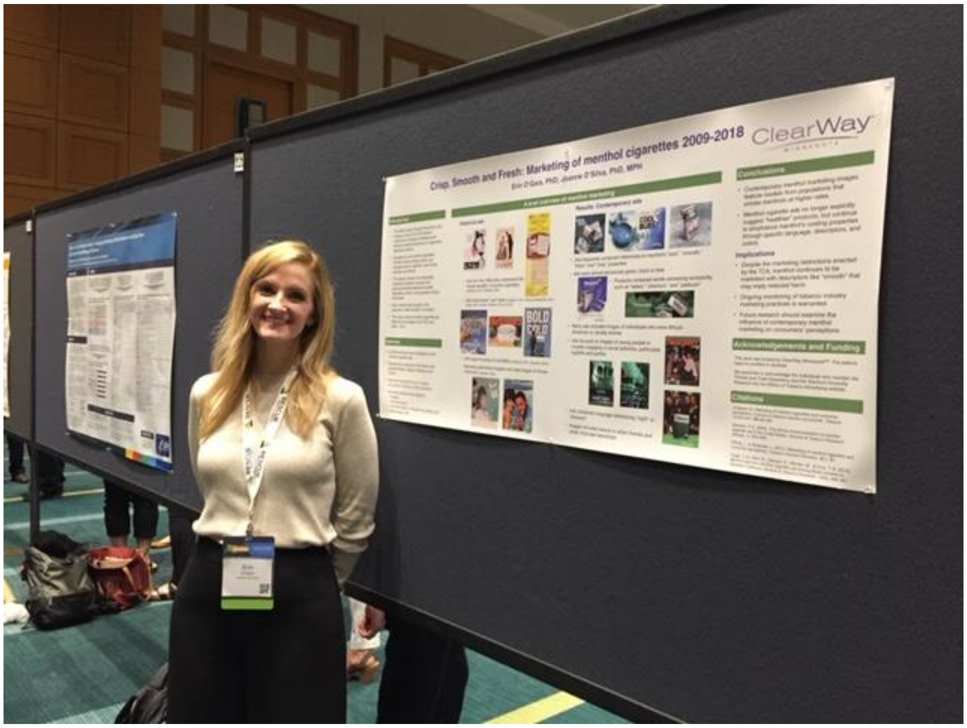
Charlie Bouverette, AICAF Research Coordinator, presents at the National Conference on Tobacco or Health



Kendra Rowland, AICAF Research Coordinator, presents at the National Conference on Tobacco or Health

Gene Nichols of the African American Leadership Forum presents at the National Conference on Tobacco or Health

Director of Tobacco Treatment Programs Randi Lachter (right) and Rebecca Lien of Professional Data Analysts present at the National Conference on Tobacco or Health



Associate Director of Research Programs Dr. Erin O'Gara presents at the National Conference on Tobacco or Health

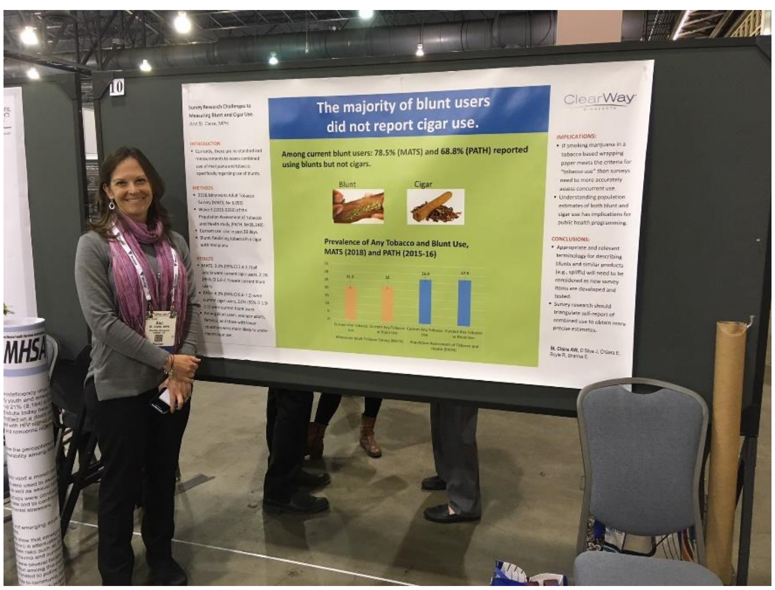
Left to right: Director of Health Equity Research Dr. Joanne D'Silva, Director of Evaluation and Survey Research Ann St. Claire, and Associate Director of Research Programs Dr. Erin O'Gara at the National Conference on Tobacco or Health

Sacred tobacco exhibit at the National Conference on Tobacco or Health

American Public Health Association (APHA)
ClearWay Minnesota staff attended the annual American Public Health Association (APHA) conference, held November 2-6 2019, in Philadelphia.

The theme of the 2019 meeting was *Creating the Healthiest Nation: For Science. For Action. For Health.* Director of Health Equity Research Dr. Joanne D'Silva coordinated and moderated a special session titled *Evaluating the Impact of Local Menthol and Flavored Tobacco Restrictions.* As part of the special session, Ms. Joanne Moze from the Center for Prevention at Blue Cross and Blue Shield of Minnesota, co-chair of the Minnesota Menthol Evaluation Advisory Group, presented on the early impact on youth of local menthol sales restrictions in Minnesota. Director of Evaluation and Survey Research Ann St. Claire presented a poster discussing rates at which blunt users (i.e., individuals who have hollowed out a cigar and filled it with marijuana) underestimate their rates of using tobacco.

Presenters for a special session,* Evaluating the Impact of Local Menthol and Flavored Tobacco Restrictions, *coordinated and moderated by Director of Health Equity Research Dr. Joanne D'Silva. (Left to right: Joanne Moze, Center for Prevention at Blue Cross and Blue Shield of Minnesota; Kerry Cork, Public Health Law Center; Dr. Lauren Czaplicki, Truth Initiative; Dr. Joanne D'Silva; and Amna Ali, Stanford Prevention Research Center)



Director of Evaluation and Survey Research Ann St. Claire presents a poster at the 2019 APHA annual conference.

Society for Research on Nicotine and Tobacco (SRNT) Annual Meeting

SOCIETY FOR RESEARCH ON NICOTINE & TOBACCO

Several staff had planned to attend and present at the 26th Annual Meeting of the Society for Research on Nicotine and Tobacco (SRNT) in March of 2020 in New Orleans. Staff elected to cancel their planned participation out of health and safety concerns arising from the COVID-19 pandemic. Staff were able to share their accepted presentations with all SRNT members digitally through SRNT's website.

A list of accepted presentations is below.

Lead Author	Presentation Title
John Kingsbury (Minnesota Department of Health)	How Much Progress Have we Made? Trends in Cigarette and Other Tobacco Product Use Disparities
CoCo Villaluz, Associate Director of Health Equity Programs	Two Tobacco Ways: Building a Traditional Tobacco Movement in Minnesota
Erin O'Gara, Associate Director of Research Programs	Assessing Concurrent Use of Blunts and Tobacco: An Emerging Issue for Tobacco Control Surveillance
Erin O'Gara, Associate Director of Research Programs	From Health to Nightlife: An Analysis of Menthol Cigarette Marketing From 2009-2018
Ann St. Claire, Director of Evaluation and Survey Research	Prevalence of Smoke- and Vape-Free Home Rules by Respondent's Use of Tobacco Products
Joanne D'Silva, Director of Health Equity Research	Sales Restrictions Significantly Reduce the Availability of Menthol Tobacco in Minneapolis and St. Paul

Other conferences

ClearWay Minnesota staff attended other state and national conferences during Fiscal Year 2020.

Director of Tobacco Treatment Programs Randi Lachter and Vice President Paula Keller attended workshops hosted by the North American Quitline Consortium in August of 2019. The workshops focused on evolving approaches to quitline management and improving reach and treatment for priority populations. Ms. Lachter presented on how to keep quitlines relevant by integrating technology into services.

Vice President Molly Moilanen, along with ClearWay Minnesota grantees LaTrisha Vetaw and Betsy Brock, presented at the Minnesota Council of Nonprofits Annual Conference in October of 2019. Their presentation discussed how to build and sustain effective coalitions.

Director of Strategic Communications Adam Kintopf attended the Northeast Conference on Public Administration in November of 2019, where he presented on tobacco industry targeting of LGBTQ communities and individuals. The conference provided opportunities to learn about current issues, research and practice in public and nonprofit organizations.

Director of Health Equity Research Dr. Joanne D'Silva attended the Agents of Change Summit in February 2020. The conference provided opportunities to learn about cutting-edge behavior change interventions and technological innovations from leading experts.

Director of Strategic Communications Adam Kintopf attended the National Council of Insurance Legislators' 2020 Spring Meeting in March of 2020. He presented to an audience of state lawmakers and officials from around the country on how lessons learned from the tobacco settlements could apply to potential settlements from the opioid epidemic.

Associate Director of Health Equity Programs CoCo Villaluz was invited by the University of Albany School of Public Health to present to the New York State Tobacco Control Professional Development Institute in Albany on March 4-5, 2020. Former TTEP mentor consultant, Lori New Breast was also invited to present on historical context and the two tobacco ways.

- The goal of this two-day training was to motivate and prepare their grantees to apply an equity framework when implementing public health interventions. This objective was accomplished by providing factual historical and current information about racism and its impact on racial and ethnic disparities in health, housing and employment and other quality of life indicators.

- Ms. Villaluz's presentation highlighted the two tobacco ways and provided background and context about historical trauma and commercial tobacco use. The presentation discussed creating relationships in Indian Country, understanding the foundation of tobacco for American Indian communities and examples of policies success from our tribal Tobacco Education and Policy initiative.

Left to right: Dr. Edith Williams, Dr. Stacy Smallwood, Dr. Dorcey Applyrs, CoCo Villaluz and Lori New Breast at the University of Albany

Since several conferences were canceled due to the COVID-19 pandemic, staff were unable to give their accepted presentations. These presentations are listed below.

Lead Author(s)	Presentation Title	Conference
Alexis Bylander, Senior Public Affairs Manager	Passing Bold Local Policies to Protect Youth From E-Cigarettes	National Network of Public Health Institutes Annual Meeting
David Willoughby, CEO and Kathleen Holmes (Missouri Foundation for Health)	Maximizing Impact in a Limited Time: Time-Limited Programs and Foundations	Grantmakers in Health Conference
CoCo Villaluz, Associate Director of Health Equity Programs, Nevada Littlewolf (ClearWay Minnesota Board Member), Kris Rhodes (American Indian Cancer Foundation - contractor)	Years of Progress - Two Tobacco Ways in Indian Country	Grantmakers in Health Conference

C. POLICY

ClearWay Minnesota continues to work with state and local partners to reduce tobacco's harm through public education, coalition building and policy advocacy. Policy work is a powerful took for improving health on a large scale and reducing tobacco's harm. Research shows that public policies are among the most effective ways to prevent tobacco use and help people quit. A comprehensive approach is especially effective since reducing access to tobacco products can complement smoke-free air and quit-smoking services.

In 2020, ClearWay Minnesota highlighted the future impact of tobacco control programs in the state. The study, which used the HealthPartners Institute's *ModelHealth™: Tobacco Minnesota* microsimulation model, found that Minnesota can save 14,000 lives and billions in healthcare costs if the state sustains comprehensive tobacco control programs from 2018 to 2037.

ClearWay Minnesota continues to spend at least as much on cessation services as on environmental approaches that reduce tobacco's harm, such as policy change. ClearWay Minnesota's efforts are in compliance with the Court Order of February 25, 2003, approving ClearWay Minnesota's New Comprehensive Plans for Governance and Individual Smoking Cessation Activities. As long as parity between individual cessation and environmental programs is maintained, the Court permits the ClearWay Minnesota Board of Directors to approve work supporting the creation, implementation and defense of public policies to reduce tobacco's harm.

From inception, ClearWay Minnesota has awarded $48.4 million to programs supporting individual-level cessation and $32.4 million to environmentally based programs. In addition, $12.1 million has been spent on surveillance/assessment programs, $9.5 million on capacity-building programs and $1.4 million on other programs.

Representatives of Minnesotans for a Smoke-Free Generation attend a Capitol hearing during the 2020 Legislative Session.

Statewide Policy Work

Minnesotans for a Smoke-Free Generation

Minnesotans for a Smoke-Free Generation is a coalition of organizations that share the goal of saving Minnesota youth from a lifetime of addiction to tobacco. The coalition's four policy priorities are:

1. *Raising the tobacco sales age to 21.* Ninety-five percent of adult smokers started before the age 21. Widening the gap between teens and those who can legally purchase tobacco reduces kids' ability to buy it or access it through social networks.

2. *Restricting or prohibiting the sale of flavored tobacco products, especially menthol.* The tobacco industry uses candy, fruit and menthol flavors to appeal to youth, African Americans, Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) communities and others. In addition, 80 percent of youth who use tobacco use flavored products, and the youth e-cigarette epidemic have erased two decades of progress to lower youth tobacco use. Restricting or prohibiting the sale of flavored tobacco products will combat tobacco-related disparities and keep flavored tobacco products out of young people's hands.

3. *Increasing public funding for tobacco control efforts.* Over the past 20 years, tobacco control programs in Minnesota have saved thousands of lives and billions of dollars, but tobacco prevention resources are declining at the same time Minnesota faces a youth tobacco epidemic. Increasing public funding for tobacco prevention and cessation efforts will prevent youth from becoming addicted and help adults quit.

4. *Raising tobacco prices.* Price is the most effective way to prevent kids from becoming addicted to tobacco products. High prices discourage youth from starting and encourage current smokers to quit, and price changes are responsible for the majority of Minnesota's progress on reducing smoking rates.

Launched in 2016 with leadership from ClearWay Minnesota, Minnesotans for a Smoke-Free Generation now comprises more than 60 partner organizations.

Current partners include (**new members bolded**): The African American Leadership Forum, Allina Health, **Allina Health | Aetna**, American Cancer Society Cancer Action Network, American Heart Association, American Lung Association in Minnesota, Apple Tree Dental, Association for Nonsmokers – Minnesota, Aurora/St. Anthony Neighborhood Development Corporation, Becker County Energized, Blue Cross and Blue Shield of Minnesota, **A Breath of Hope Lung Foundation**, Cancer Legal Care, CentraCare, Children's Defense Fund-MN, Children's Minnesota, ClearWay Minnesota[SM], Comunidades Latinas Unidas En Servicio – CLUES, Dodge County Public Health, **Education Minnesota**, Essentia

Health, Gillette Children's Specialty Healthcare, A Healthier Southwest, HealthPartners, Hennepin Healthcare, Horizon Public Health, Indigenous Peoples Task Force, ISAIAH, JustUs Health, LAAMPP Alumni, Lake Region Healthcare, Local Public Health Association of Minnesota, LPCFC – Lincoln Park Children and Families Collaborative, March of Dimes, **Masonic Cancer Center - University of Minnesota**, Mayo Clinic, Medica, Meeker McLeod Sibley Community Health Services, Minnesota Academy of Family Physicians, Minnesota Association of Community Health Centers, Minnesota Cancer Alliance, Minnesota Council of Health Plans, Minnesota Dental Association, MHA – Minnesota Hospital Association, Minnesota Medical Association, Minnesota Nurses Association, Minnesota Oral Health Coalition, Minnesota Public Health Association, MNAAP – Minnesota Chapter of the American Academy of Pediatrics, ModelCities, NAMI Minnesota, North Memorial Health, NorthPoint Health & Wellness, Olmsted Medical Center, Open Cities Health Center, PartnerSHIP 4 Health, Perham Health & Living, Preventing Tobacco Addiction Foundation, SEIU Healthcare Minnesota, ShiftMN, St. Paul Area Chamber of Commerce, Steele County Public Health, Tobacco-Free Alliance, Twin Cities Medical Society, UCare, Vision In Living Life – Change is Possible, WellShare International and Zumbro Valley Medical Society.

Smoking remains the leading cause of preventable death and disease in Minnesota, costing the state 6,300 lives and $7 billion a year in lost productivity and health care costs. Tobacco use in any form puts youth at risk for health problems and a lifetime of addiction. Unfortunately, the tobacco industry continues to lure kids into addiction through easy access, kid-friendly flavors and aggressive marketing.

The 2019 Minnesota Student Survey found that more than a quarter of 11th-graders and more than one in 10 8th-graders used e-cigarettes in the past month. From 2016 to 2019, 8th-grade vaping rates nearly doubled. E-cigarette use has erased two decades of progress to reduce youth tobacco rates and the U.S. Surgeon General calls youth vaping an epidemic. Health experts are concerned about e-cigarette use because nicotine in any form harms the developing adolescent brain and can prime youth for addiction to cigarettes and other substances.

The COVID-19 pandemic added urgency for adopting stronger tobacco prevention polices, but also resulted in a shortened legislative session that was mainly focused on Minnesota's pandemic response. Thankfully, there was significant legislative progress on tobacco control, including the passage of statewide Tobacco 21.

Minnesota becomes 25th state to adopt Tobacco 21

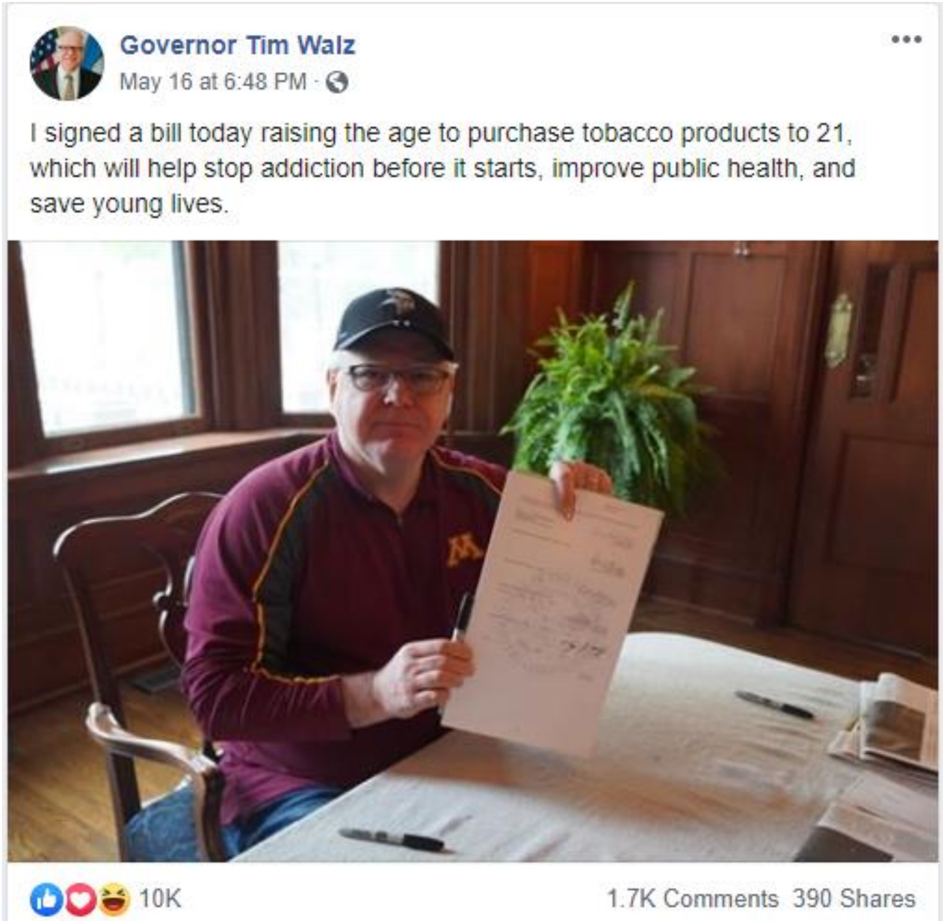
This year at the Capitol, ClearWay Minnesota worked with coalition partners to help pass one of the nation's strongest Tobacco 21 bills. Raising the state tobacco age will align the state with federal law and keep tobacco products out of middle and high schools.

In December of 2019, President Trump signed Tobacco 21 into federal law, but Minnesota's state tobacco age remained 18. A statewide Tobacco 21 policy was necessary since enforcement of the tobacco age happens at the federal, state and local levels. In some Minnesota communities, retailers refused to obey by Tobacco 21 until the state law was updated. Local law enforcement officers also said their hands were tied, since they primarily enforce state and local laws.

Statewide Tobacco 21 gained strong bipartisan support in the House and Senate, and was championed by lawmakers from across Minnesota. The bill passed the House Floor on May 9 and then the Senate Floor on May 13, 2020.

Lead authors Rep. Heather Edelson (left) and Sen. Carla Nelson (right) helped Tobacco 21 get over the finish line in 2020.

Governor Tim Walz signed the bill into law on May 16, 2020. In a statement, Gov. Walz said: "Raising the age to buy tobacco to 21 will help stop addiction before it starts and save young lives."



On May 16, 2020, Gov. Tim Walz signed statewide Tobacco 21 into law.
Minnesota became the 25th state to adopt this lifesaving policy.

Vaping prevention education

During the June 2020 Special Session, lawmakers passed vaping education guidance as part of their broader education bill. This youth-led effort was the latest in a series of bipartisan policies aimed at addressing Minnesota's youth tobacco epidemic.

Prohibiting the sale of flavored tobacco products

The Minnesota House advanced a bill to prohibit the sale of all flavored tobacco products through two committees, and it was ready for a floor vote before the pandemic changed the focus of legislative action. Commerce Chair Representative Laurie Halverson was chief author of the bill and was joined by youth, physicians and public health experts in supporting the policy.

Research shows that flavored tobacco products are a key reason Minnesota is facing a youth nicotine epidemic, with 67 percent of current high-school tobacco users using a flavored product. Minnesotans for a Smoke-Free Generation supports prohibiting the sale of all flavored tobacco products, especially menthol, to keep kids healthy and address tobacco-related health disparities.

Tobacco prevention funding
Tobacco prevention resources are declining in Minnesota at the same time the state faces a youth tobacco epidemic. CDC recommends the state invest $53 million in tobacco prevention and cessation efforts each year, yet Minnesota only spends about a third of that amount and resources are declining. ClearWay Minnesota currently funds the majority of the state's spending on tobacco prevention and will sunset in 2021.

In 2020, lawmakers pursued several different strategies to ensure the state has long-term efforts in place to prevent youth tobacco use. The proposals would have dedicated delinquent funding from settlement payments or tobacco taxes to youth tobacco prevention. Unfortunately, none of these proposals were passed into law.

Price of tobacco
Increasing the price of tobacco products is the single most effective way to reduce youth tobacco use and help adults quit. In March, Gov. Walz and Lieutenant Governor Flanagan released a supplemental budget proposal that would have increased the tax on e-cigarettes and invested in youth tobacco prevention and cessation.

Minnesotans for a Smoke-Free Generation believes that at least a portion of any new tobacco-related revenue should be dedicated to health and prevention. These funding discussions from powerful lawmakers continued to elevate the conversation about how to protect kids from addiction.

Clear air for kids in cars
Research finds that 30-minute secondhand smoke exposure in a car is equivalent to sitting for three hours in a smoke-filled room, yet nearly one in four Minnesota kids reported riding in a smoky car in the past month.

Rep. Rena Moran introduced a bill that would prohibit smoking – including e-cigarette use – in a vehicle when children under 18 are present. To date, nine other states have passed similar laws protecting kids in cars. The House Health and Human Services Committee and Transportation Finance and Policy Division advanced this bill to protect kids in cars from secondhand smoke and e-cigarette aerosol, but its progress ended when session halted. A Senate companion bill was introduced but not heard in committee.

Public opinion poll finds Minnesotans overwhelmingly support tobacco prevention
Blue Cross and Blue Shield of Minnesota and Minnesotans for a Smoke-Free Generation in February released findings from a recent survey of Minnesota voters on tobacco issues. The poll found overwhelming public support for tobacco prevention measures including Tobacco 21, prohibiting flavored tobacco products, clean air for kids in cars, tobacco prevention funding and tobacco taxes. The wide-ranging support crossed political divides, and was high in all demographics and regions of the state.

The results come from a survey administered by the Morris Leatherman Company between January 20 and February 7, to 800 randomly selected adult residents in the Minnesota. Blue Cross and Blue Shield paid for tobacco prevention survey questions that were included in the wide-ranging survey.

The poll found:

- 74 percent of Minnesotans support adopting Tobacco 21 at the state level;
- 74 percent of Minnesotans support prohibiting the sales of all flavored tobacco products (including menthol cigarettes); and
- 88 percent of Minnesotans support prohibiting smoking and e-cigarette use in cars when kids are present.

Minnesotans Overwhelmingly Support Tobacco Prevention
74% support Tobacco 21
74% support prohibiting all flavored tobacco products
88% support clean air for kids in cars
67% support all three policies
Source: 2020 Statewide Tobacco Survey

Fully two thirds of Minnesotans support all three policies, including 71 percent of Republican respondents.

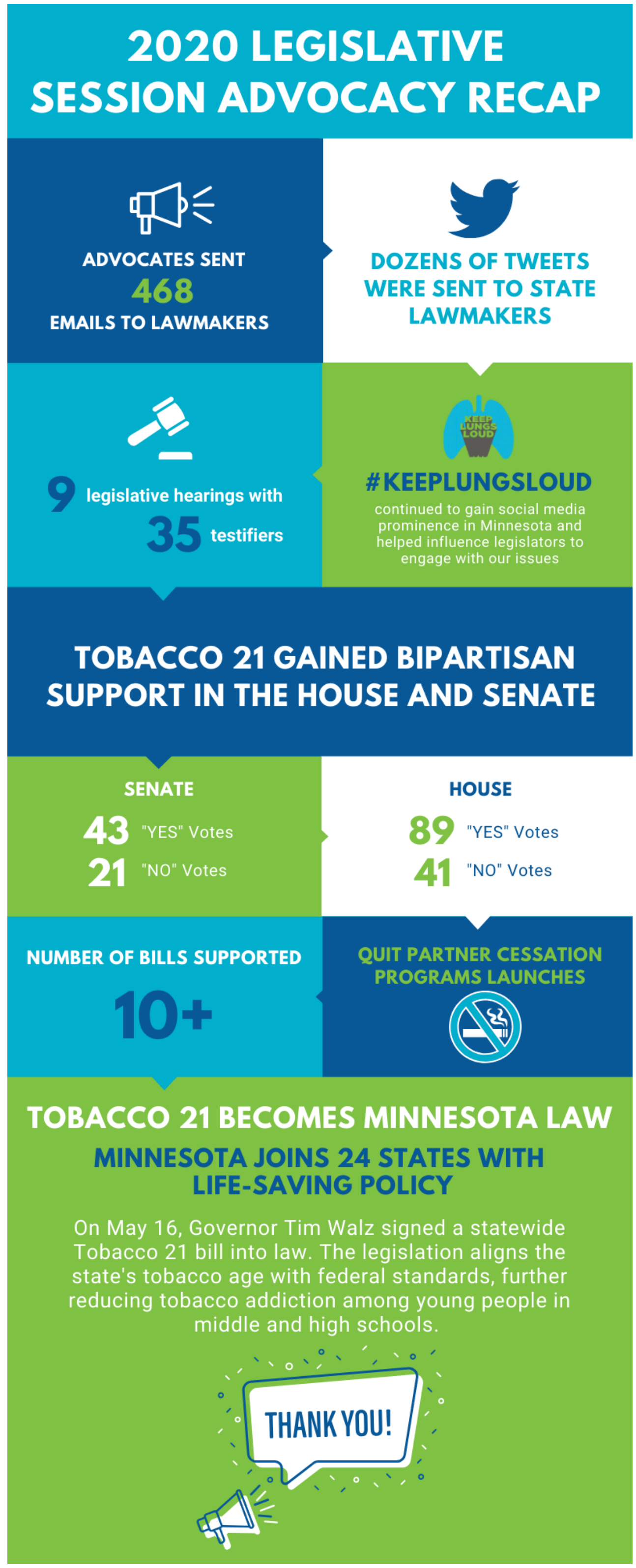
The poll also found strong support for these common-sense public health policies to reduce tobacco's harms:

- 64 percent support increasing state funding for youth tobacco prevention by $15 million a year; and
- 84 percent support requiring tobacco and e-cigarette companies to pay for the safe disposal of toxic waste created by their products.

The full poll questions and responses are available online here: www.smokefreegenmn.org/wp-content/uploads/2020/02/2020-Statewide-Tobacco-Survey-Summary.pdf

Grassroots support
Due to COVID-19, Minnesotans for a Smoke-Free Generation canceled its annual Day at the Capitol. However, ClearWay Minnesota still activated grassroots supporters in the policy process. Advocates including youth, physicians and health leaders testified at the State Capitol in support of tobacco prevention proposals. Hundreds of ClearWay Minnesota's supporters sent emails to elected officials urging support for common-sense tobacco policies.

In all, ClearWay Minnesota helped support nine legislative hearings with 35 testifiers. The public affairs team also kept track of more than 10 bills on tobacco prevention, funding and smoke-free air.



A student from Henry Sibley's ALMAS group shows a lipstick vaping device during a Capitol hearing in the 2020 Legislative Session

Youth advocate Jack Stepan testifies in support of Rep. Moran's bill to prohibit tobacco use in cars with kids

Sen. Carla Nelson (fourth from left) joins representatives from Minnesotans for a Smoke-Free Generation, following a successful committee vote on Tobacco 21

LaTrisha Vetaw (right) of NorthPoint Health & Wellness testifies in a legislative committee in support of Rep. Laurie Halverson's (center) bill to clear the market of flavored tobacco products in Minnesota. Pat McKone of the American Lung Association (left) looks on.

In May of 2017, Edina was the first Minnesota community to pass Tobacco 21. Today, more than 75 Minnesota communities have adopted local Tobacco 21 policies. The Tobacco 21 movement gained tremendous momentum in Minnesota, thanks to the great work of local advocates and partners. Local communities have also led the way on bold policies to restrict or prohibit the sale of flavored tobacco products. (See *Local Community Grants – Local Grassroots Accomplishments – Tobacco 21 Gains Momentum,* p. 58-61.)

<u>Public Affairs Contracts</u>

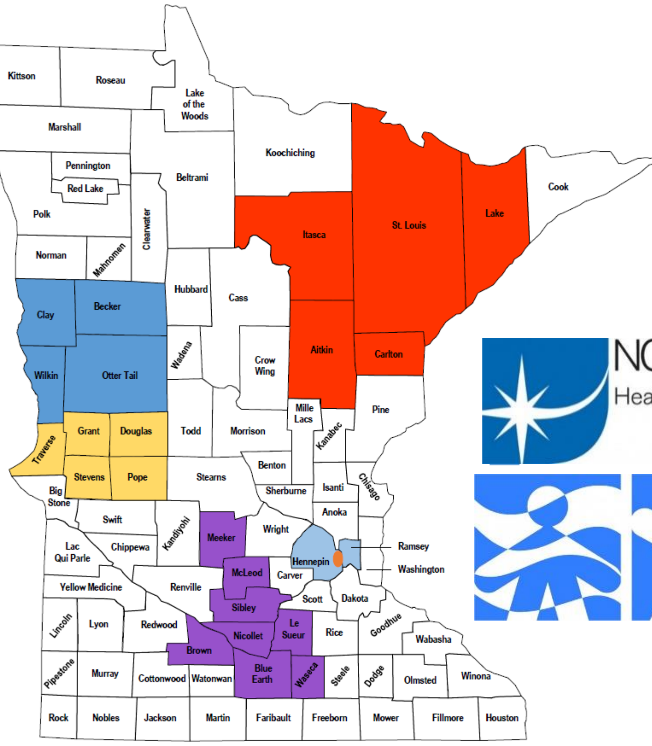
In Fiscal Year 2020, ClearWay Minnesota's Public Affairs Department contracted with the following vendors:

- Lockridge Grindal Nauen, PLLP, for government relations services;
- Rapp Strategies, Inc., for public affairs services; and
- The Association for Nonsmokers-Minnesota (ANSR-MN), for tracking and analyzing tobacco companies' marketing tactics.

<u>Local Community Grants</u>

ClearWay Minnesota funds local efforts to organize public support around tobacco control policies and related issues. This year, we funded six grantees to pass meaningful tobacco control policies at the local level:

- The Greater Mankato chapter of the American Lung Association in Minnesota;
- The Northeast chapter of the American Lung Association in Minnesota;
- The Association for Nonsmokers-Minnesota (ANSR-MN);
- PartnerSHIP 4 Health;
- Horizon Public Health; and
- NorthPoint Health and Wellness Center.



Policy deliverables included:

- Establishing, expanding and mobilizing local coalitions of grassroots advocates through community outreach and organizing;
- Educating the public about tobacco cessation, QUITPLAN Services and public policy and research aligned with ClearWay Minnesota's Strategic Plan; and
- Supporting statewide initiatives to establish permanent funding for a statewide quitline, keeping the price of tobacco high and raising the tobacco sale age to 21.

In addition, the grantees selected optional policy advocacy deliverables to pursue such as:

- Adding e-cigarettes to clean indoor air policies;
- Setting minimum prices for non-premium cigars;
- Passing local ordinances to restrict the sale of fruit-, candy- and menthol-flavored tobacco products to adult-only tobacco shops; and
- Raising the local tobacco sale age from 18 to 21.

The Public Affairs Department also funded one technical assistance grant to help local policy grantees achieve their work plan goals. That grant was awarded to:

- The Association for Nonsmokers-Minnesota (ANSR-MN)

During Fiscal Year 2020, all of these grantees helped advance bold policies that reduce tobacco's harm at both the state and local level.

Local grassroots accomplishments

Tobacco 21 gains momentum
Fiscal Year 2019 saw momentum around raising the tobacco sale age to 21. In Fiscal Year 2017, Edina became the first city in Minnesota to pass Tobacco 21, and the momentum continues. During Fiscal Year 2020, 41 more cities and counties passed Tobacco 21 policies:

38. Stevens County
39. Henn. County (no townships)
40. Benton County (w/ exclusions)
41. Forest Lake
42. Braham
43. Mounds View
44. Fergus Falls
45. Owatonna
46. Wright County (w/ exclusions)
47. St. Anthony
48. Stewartville
49. West St. Paul
50. St. James
51. Golden Valley
52. Scandia
53. St. Paul
54. Adams
55. Cook County (w/ exclusions)
56. Rushford
57. Carlton County (w/ exclusions)
58. Breckenridge
59. Northfield
60. Cambridge
61. Hibbing
62. Cloquet
63. Frazee
64. Litchfield
65. St. Louis County
66. Wheaton

67. Lakeville
68. Hastings
69. Pequot Lakes
70. Traverse County
71. Farmington
72. Spring Grove
73. Browns Valley
74. Alexandria
75. Mountain Lake
76. Eagan
77. New Hope
78. White Bear Township
79. South St. Paul (in FY 2021)
80. Maplewood (in FY 2021)
81. Mower County (in FY 2021)

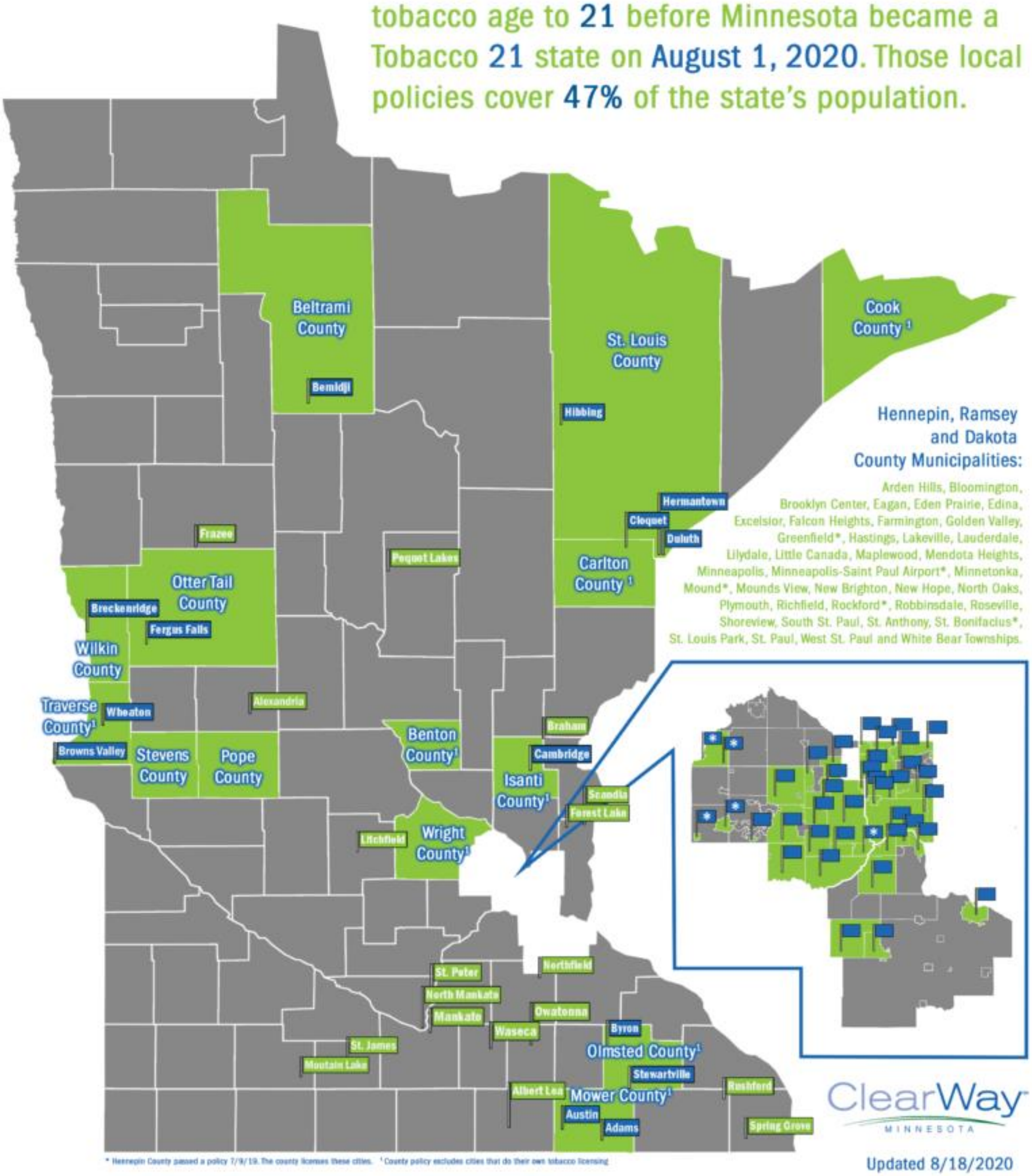
Tobacco 21 policy campaigns were funded in the majority of these communities by ClearWay Minnesota. As of this writing, 83 localities in Minnesota have raised the age, and many more communities may adopt the tobacco age to align with state and federal law.

In early March of 2020, tobacco control advocates including Senior Public Affairs Manager Alexis Bylander (back row, third from left) celebrate the city of Hastings becoming the state's 68th community to raise the tobacco sales age to 21.

In December of 2019, local supporters celebrate St. Louis Park City Council's vote to advance Tobacco 21

Tobacco 21 Policies in Minnesota

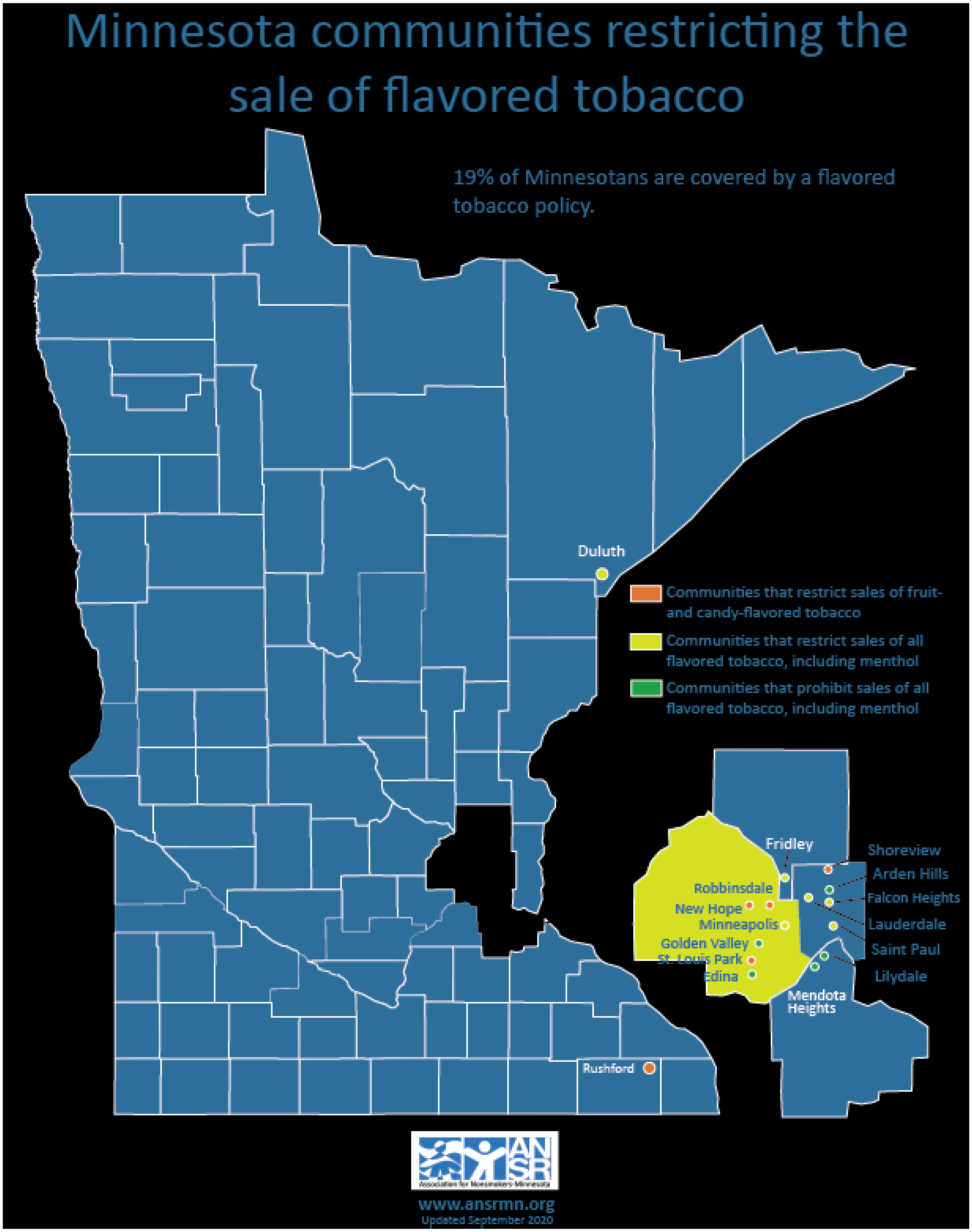
81 Minnesota cities and counties raised the tobacco age to 21 before Minnesota became a Tobacco 21 state on August 1, 2020. Those local policies cover 47% of the state's population.



Updated 8/18/2020

Restricting flavored tobacco sales
Since 2010, menthol has been the only flavor of cigarette allowed on the U.S. marketplace, despite conclusive evidence that menthol tobacco causes great harm, especially among African Americans. In the absence of federal action, states and local governments – including communities in Minnesota – have stepped up to protect their residents from menthol tobacco and other flavored products.

In June of 2020, the city of Edina passed a policy to prohibit the sale of all flavored tobacco products. Edina is the fifth Minnesota community to completely prohibit the sale of all flavored tobacco products – joining Golden Valley, Mendota Heights, Lilydale and Arden Hills. As of June 2020, 15 Minnesota communities have restricted flavored tobacco products in some form. Some of Minnesota's largest cities – St. Paul, Minneapolis and Duluth – have restricted where menthol cigarettes can be sold.


Minnesota communities restricting the sale of flavored tobacco
19% of Minnesotans are covered by a flavored tobacco policy.
Duluth
Communities that restrict sales of fruit- and candy-flavored tobacco
Communities that restrict sales of all flavored tobacco, including menthol
Communities that prohibit sales of all flavored tobacco, including menthol
Fridley
Shoreview
Arden Hills
Falcon Heights
Robbinsdale
New Hope
Minneapolis
Lauderdale
Golden Valley
St. Louis Park
Saint Paul
Edina
Lilydale
Mendota Heights
Rushford
www.ansrmn.org
Updated September 2020

Local policy highlights from 2020
ClearWay Minnesota has funded local policy grants for 15 years. Grantees continued to make gains at the local and state level in Fiscal Year 2020, especially on Tobacco 21 and flavor restriction policies. In 2005, tobacco control was primarily focused on cigarettes, cigars and chewing tobacco – e-cigarettes were not yet on the market. In 2020, many of our efforts focused on reversing the youth e-cigarette epidemic.

Here is one example of the important work completed by local policy grantees:

ClearWay Minnesota grantees conducted e-cigarette education sessions that contributed to local policy changes including Tobacco 21. Grantees including PartnerSHIP 4 Health in western Minnesota held sessions for parents, schools and local policymakers that explain the newest e-cigarette products and the related health concerns for teens. These educational sessions led to local policymakers proposing and passing policies to raise the tobacco age from 18 to 21 in their jurisdiction. Jason McCoy of PartnerSHIP 4 Health presented on these effective strategies at the 2019 National Conference on Tobacco or Health in August of 2019.

Evaluation of local policy grants
At the beginning of each year, grantees are required to submit objectives and to track and report progress toward achieving targets on a quarterly basis. Our staff reviews and approves all workplan goals and provides tracking and feedback in response to quarterly reports.

Additionally, each quarter grantees are required to submit reports on their progress toward measurable outcomes in the areas of public education, coalition building and policy advocacy. In Fiscal Year 2020, the local policy grantees accomplished the following:

- Placed 323 pieces of earned and paid media;
- Gave 146 presentations about tobacco's harm, QUITPLAN Services and tobacco policies;
- Participated in 64 community events;
- Made 70 points of outreach to elected officials; and
- Passed 50 local policies that reduce exposure to secondhand smoke and decrease tobacco use.

Due to reduced spending in FY20 because of COVID-19 and reduced need for grassroots support for state policy, ClearWay Minnesota was able to create one-year contracts with five organizations to continue local policy work in Fiscal Year 2021.

<u>Dissemination</u>

ClearWay Minnesota Public Affairs staff, grantees and contractors actively disseminate information about our programs, evaluation findings and other knowledge gained from our activities through webinars, in publications, and at conferences and meetings. For details, please see *Research – Dissemination,* pp. 30-45.

D. COMMUNITY DEVELOPMENT

For the past 20 years, ClearWay Minnesota's Community has focused on creating health equity in priority populations by engaging diverse communities in efforts to reduce the harm that commercial tobacco causes them. *(Commercial tobacco* refers to manufactured products such as cigarettes, not to the sacred and traditional use of tobacco by American Indians and other groups.)

ClearWay Minnesota identifies as "priority populations" groups of people who:

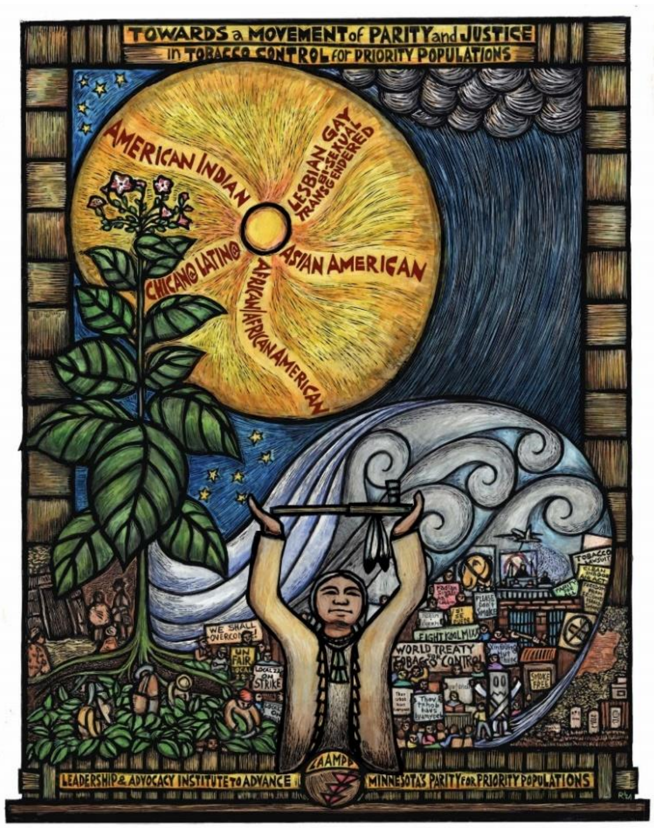
- Have higher prevalence of tobacco use;
- Are disproportionately impacted by tobacco's harm;
- Are less likely to use tobacco cessation services; and/or
- Are targeted by the tobacco industry.

These populations include American Indians; Africans and African Americans; Chicanos/Latinos; Asians, Asian Americans and Pacific Islanders; Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) communities; and other populations.

ClearWay Minnesota's overall work has supported community development through grants and planning grants, contracts, technical assistance and training to develop leadership in these populations. Major initiatives include the Leadership and Advocacy Institute to Advance Minnesota's Parity for Priority Populations (LAAMPP) and the Tribal Tobacco Education and Policy Initiative (TTEP), detailed below. Additional activities since inception have included providing grants to create networks to conduct commercial tobacco prevention work in specific communities, sponsoring community events and conferences, and creating culturally appropriate communications campaigns to reach diverse communities.

Leadership and Advocacy Institute to Advance Minnesota's Parity for Priority Populations (LAAMPP)

Since 2005, the cornerstone of our work with diverse communities in Minnesota has been the Leadership and Advocacy Institute to Advance Minnesota's Parity for Priority Populations (LAAMPP). LAAMPP builds advocacy and leadership skills for effective commercial tobacco control among members of Minnesota's African and African American; American Indian; Asian, Asian American and Pacific Islander; Chicano/Latino; and Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) populations.



Asian Pacific Partners for Empowerment, Advocacy and Leadership (APPEAL) was the contractor for the Leadership Institute, facilitating and organizing all three Institutes. Though the formal LAAMPP Institute ended in 2014, ClearWay Minnesota continues to work with LAAMPP Alumni through quarterly meetings that provide further opportunities to reduce commercial tobacco-related health disparities and move communities toward health equity.

LAAMPP Alumni Fellows continue to be involved in policy advocacy issues with ClearWay Minnesota and in various health equity projects in their communities and have influenced their organizations to address tobacco-related issues. APPEAL continues to communicate with Fellows to provide further assistance and knowledge. Because of LAAMPP, Fellows have provided advice on working in priority populations to various state systems and have been hired to join various tobacco control projects in the state.

<u>Tribal Tobacco Education and Policy Initiative (TTEP)</u>

Minnesota has very high smoking rates among American Indians at 59 percent (compared to 14 percent of all Minnesota adults). Commercial tobacco abuse in American Indian Nations is a health crisis – five of the six leading causes of death among Native people are linked to commercial tobacco use. Tribal Nations in Minnesota share a past of attempted cultural genocide against them, and a present of restoring the strength of their cultural teachings, including the prominence of traditional tobacco as a sacred first medicine.

For more than 10 years, ClearWay Minnesota has supported Minnesota's American Indian advocates in their work to advance commercial tobacco-free policies on tribal lands. In 2018, we completed our funding for a Tribal Tobacco Education and Policy (TTEP) initiative promoting American Indian health and advancing commercial tobacco-free tribal government policies in Minnesota by:

- Restoring traditional and sacred tobacco use;
- Addressing and reducing tobacco industry marketing and influence;
- Creating formal and informal commercial tobacco-free policies and system changes; and
- Creating businesses and casinos that are smoke-free.

ClearWay Minnesota worked with six Tribal Nations to advance commercial tobacco-free policies. Since TTEP ended in Fiscal Year 2018, there has been an ongoing collaboration with the Minnesota Department of Health (MDH) and Blue Cross Blue Shield of Minnesota (BCBS) to continue collaboration on the traditional tobacco movement by connecting former coordinators with current initiatives.

ClearWay Minnesota℠ worked with six Minnesota Tribal Nations from 2008-2018

Below is a chart of the multiple policies passed by the Tribal Nations funded for the Tribal Tobacco Education and Policy Grants.

Tribe	Policies Passed
Bois Forte	• 50-foot smoke-free buffer zone around tribal buildings • Smoke-free foster care • Smoke-free community indoor and outdoor pow-wows • Health systems change (asking patient smoking status at clinic visits, e.g.) • Smoke-free tribal government vehicle/equipment policy • Pow-wow commercial tobacco-free policy • Partial smoke-free casino policy
Mille Lacs	• Assisted Living Unity (smoke-free residential units and entrances) • 25-foot smoke-free doorways at Health and Human Services Building (including e-cigarettes) • Staff not allowed to smoke at the Housing for Elders • Smoke-free public health vehicles

	• No sale of toy cigarettes at pow-wows • Smoke-free State of the Band • Smoke-free casino and event center • Smoke-free ceremonial drumming • Commercial tobacco-free pow-wow arena
White Earth	• Smoke-free tribal Headquarters (indoor and outdoor) Exemption: Outer tier of parking lot • Smoke-free casino event center • Smoke-free employee breakrooms • Residential treatment center smoke-free • Commercial tobacco-free pow-wows • Smoke-free apartment complex for elders • Smoke-free foster care • Smoke-free apartments in one tribal community • All hotels will be designated smoke-free
Fond du Lac	• Smoke-free community center (Sawyer) • All tribal buildings smoke-free • Designated smoking-area at Veterans' Pow-Wow • Fond du Luth Casino partial smoke-free policy • MASH pow-wow commercial tobacco-free • Smoke-free casino buffet and deli • Smoke-free foster care • Smoke-free casino pool atrium • All casino offices smoke-free • Culture camp smoke-free
Upper Sioux	• Smoke-free buffer at tribal complex and elder meal site • Smoke-free casino offices • Smoke-free playgrounds • Smoke-free doorway policy at the Health and Human Services Building • Smoke-free company vehicles • Tobacco products removed from convenience store counter • All new employees of Upper Sioux Community required to watch *Reclaiming Sacred Tobacco* documentary
Leech Lake	• No smoking around Onigum community center • Commercial tobacco-free college campus

List of policies passed from TTEP initiative, 2008-2018

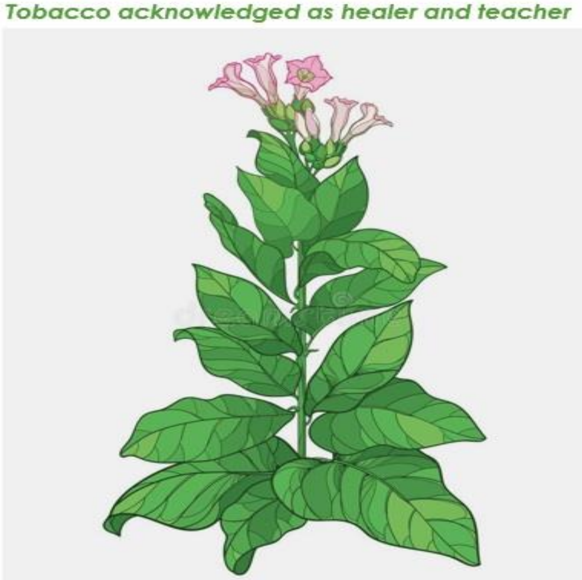
Sustainability
Since TTEP has ended in Fiscal Year 2018, an ongoing collaboration with the Minnesota Department of Health and Blue Cross and Blue Shield of Minnesota sustains the traditional tobacco movement by connecting former coordinators with current initiatives. During Fiscal Year 2020, Community Development has continued the work with existing and new partners.

Social network analysis
Community Development staff worked with Scott Consulting, our former TTEP evaluator, on a social network analysis. This project interviewed former TTEP coordinators and participants. The results show that people who were involved with our TTEP initiatives and Gatherings of Native Americans (GONAs – see below) took their experiences with traditional tobacco and policy leadership into their future work. In order to gain insight into the longer term impact of ClearWay Minnesota's TTEP initiative, evaluator Sheri Scott conducted a series of key informant interviews with four community leaders, including a well-known indigenous artist, a core staff member of the Minnesota Department of Health, a former TTEP coordinator and an American Indian program coordinator at a northern Minnesota community college.

ClearWay Minnesota funded TTEP initiative and concurrent supportive projects were developed over 10 years, and were able to support not only health policy changes but also critical cultural shifts toward the original source and uses of tobacco, or *asemaa* (Ojibwe) and *kinnickinick* (Dakota). These policies and shifts contributed to the movement for healing and restoration happening throughout Indian Country. Below is an excerpt of how tobacco is central and critical to creating education and policy changes within the community.

THE ONGOING MOVEMENT FOR HEALING

Tobacco acknowledged as healer and teacher



The ClearWay Minnesota support and flexibility to listen to community allowed for a broader vision of tobacco. "*The support from Clearway…[valued] art as medicine… a gathering of different native artists to talk about art as healing.*" explains Missy Whiteman. "*And prayer and tobacco was offered there. That's something I believe wouldn't have been supported …by other organizations. There [aren't] people like Coco that can explain and create programming…for people who are artists who do community work who want to talk about art as healing, talk about tobacco as healing….That's really what tobacco is for, is to help us heal from whatever we need to heal from.*"

LaToya Ross-Sullivan, who works with students at Central Lakes College in north central Minnesota also eloquently spoke of the power of tobacco. From an initial

Tribal Tobacco Education and Policy (TTEP) partnerships

Many components continue to help make the TTEP initiative successful after the TTEP grants has ended. The ongoing relationships through trainings, technical assistance and mentorship build skills to continue accomplishing goals throughout Minnesota. We use this circle of support model to educate our partners about all the work that has been done in Indian Country in Minnesota.

Circle of Support Model

<u>Gathering of Native Americans (GONA)</u>

On June 25, 2020, Associate Director of Health Equity Programs CoCo Villaluz implemented and co-facilitated a virtual traditional tobacco Gathering of Native Americans (GONA) with the University of Minnesota – Duluth School of Medicine's *Native Americans Into Medicine* summer program. Due to the COVID-19 pandemic, we worked with former Tribal Tobacco Education and Policy mentor Lori New Breast to create the first virtual traditional tobacco GONA to discuss the two tobacco ways into participants' programming moving forward. The focus of the GONA was to incorporate the concept of traditional tobacco and commercial tobacco education into the students' curriculum. Lessons were taught about historical policies that have affected the high rates of commercial tobacco use. Core components of this GONA included traditional tobacco stories, strategies to think about when working in health fields as it relates to commercial tobacco use in American Indian/Alaskan Native communities and tools they could use in their careers. We had students from across the country and Canada who participated in this virtual GONA.

Keep Tobacco Sacred ***logo designed specifically for this GONA by Asa Wright***

<u>Traditional Tobacco Website</u>

American Indian Cancer Foundation (AICAF) has continued to lead traditional tobacco work in Minnesota and nationally. We continued our work with them to create a traditional tobacco specific website to highlight policies, templates, toolkits, media resources and additional information.

AICAF is working with a variety of community partners and subject matter experts across the Minnesota and the nation to gather information surrounding traditional tobacco. AICAF interviewed individuals to identify regional and tribal differences in regards to traditional tobacco use. This website will include how and where traditional tobacco is harvested, cultural practices (if appropriate to share), traditional language, and storytelling and teachings of traditional tobacco.

The website is still under development.

National Partnerships

Associate Director of Health Equity Programs CoCo Villaluz has continued to work with the National Native Network on co-organizing a National Tribal Tobacco Prevention Conference with national partners. The key focus of this conference will be bringing advocates together to cross-share existing information and emerging information with a focus and grounding on traditional tobacco.

Paul and Sheila Wellstone Public Health Achievement Award

This year, CoCo Villaluz, our Associate Director of Health Equity Programs, was honored for her work to reduce tobacco's harms in diverse communities, who often smoke at higher rates and have worse disease burdens than the general population. CoCo received the Paul and Sheila Wellstone Public Health Achievement Award, awarded by the Minnesota Public Health Association (MPHA).

Highlights from Ms. Villaluz's work with the American Indian Communities and the Tribal Tobacco Education and Policy initiative in continuing the traditional tobacco movement to create change were noted.

Centers for Disease Control and Prevention Leadership and Sustainability School

CoCo Villaluz was also invited to be a part of the Leadership and Sustainability School curriculum review committee. The curriculum is focused on building knowledge and skills related to five leadership competencies: equity, systems thinking, collaborative leadership, communications and policy development and engagement. A part of the conversation including emphasizing principles of racial justice and equity and weaving those elements into the exploration of their leadership practice and commercial tobacco control policies and programs.

<u>Dissemination</u>

ClearWay Minnesota Public Affairs staff, grantees and contractors actively disseminate information about our programs, evaluation findings and other knowledge gained from our activities through webinars, in publications, and at conferences and meetings. For details, please see *Research – Dissemination,* pp. 30-45.

IV. COMMUNICATIONS AND OUTREACH

Communications and outreach activities help ClearWay Minnesota promote QUITPLAN Services, motivate Minnesotans to attempt to quit using commercial tobacco and educate the public about the dangers of tobacco use. Within a social marketing framework that combines traditional marketing with the leading practices of the public health field, ClearWay Minnesota develops campaigns after extensive research and planning, using guidelines from the U.S. Centers for Disease Control and Prevention (CDC) and learning from the experiences of national and state partners.

In addition to our advertising activities – such as paid advertising on television, Internet and radio, and in print media and out-of-home venues (bus sides and billboards, e.g.) – we also conduct outreach to raise awareness of our efforts with Minnesota community leaders and the general public. Our media work is developed with input from current and former tobacco users and from community members, using findings from surveys, focus groups and research studies. Our communications work also includes customized outreach to diverse communities.

A. ADVERTISING

In Fiscal Year 2020, ClearWay Minnesota employed mass-media strategies to educate the public about the harms of tobacco. This year's advertising campaign was modified due to the planned closeout of QUITPLAN Services a reduced budget from previous years. The advertising plan continued promotion of QUITPLAN Services and the American Indian Quitline through January 2020 and provided communication regarding the closeout through March 2020. ClearWay Minnesota also continued its promotion of the *See What You've Been Missing* campaign, demonstrating the harmful effects of tobacco and encouraging Minnesotans to do more to protect youth from tobacco addiction.

QUITPLAN® Services *Campaign*

Fiscal Year 2020 was the final year of QUITPLAN Services, ClearWay Minnesota's free program that provides quitting support to Minnesota tobacco users. The program ended after March 2020 and a new, free program was launched by the Minnesota Department of Health (MDH) on April 1, 2020. (See *Program Grants and Contracts – Cessation – Cessation Services Contracts – QUITPLAN® Services – End of QUITPLAN Services,* p. 24.) ClearWay Minnesota promoted QUITPLAN Services through January of 2020 and coordinated with MDH on communications and advertising announcing the change in services.

The *QUITPLAN® Services* advertising campaign focused on the fact that most smokers know they should quit, increasing positive understanding and awareness of the nonjudgmental support available through QUITPLAN Services.

POST 1

POST COPY:

Determined to quit smoking in the new year? We can help. Sign up for free support like quit coaching, medications and more.

HEADLINE

Get free support

LINK DESCRIPTION

quitplan.com

No Judgments. Just Help. campaign

ClearWay Minnesota strategically sponsors programming that Minnesota smokers are most likely to see or hear. In Fiscal Year 2020, the QUITPLAN® Services media campaign focused on streaming audio, social and digital ads to reach tobacco users from around the state. Ads are targeted at populations known to have high tobacco prevalence rates, including low socioeconomic status communities and communities of color.

The current campaign – *No Judgments. Just Help.* – continued throughout this fiscal year. The campaign reflects QUITPLAN Services' aim to provide tobacco users with a hopeful, nonjudgmental approach to quitting, with few barriers.

ClearWay Minnesota works to ensure that messages reach specific audiences including African American, Chicano/Latino, American Indian and LGBTQ (Lesbian, Gay, Bisexual, Transgender and Queer) communities. In many cases, this work supplements grantee efforts. While our mass-media advertising reaches many of these target audiences, we also have employed specific tactics including Spanish-language media outlets, community newspapers, billboard campaigns in American Indian communities and sponsorship of community radio programs.

American Indian Quitline promotion

The American Indian Quitline is intended to provide culturally appropriate services for quitting commercial tobacco, while recognizing the unique role of sacred tobacco in American Indian communities.

Launched in 2018, the American Indian Quitline from QUITPLAN Services was developed with guidance from the community and features enhanced services and a team of specially trained coaches, including American Indian coaches. ClearWay Minnesota continued outreach with community partners to promote the American Indian Quitline from QUITPLAN Services, using culturally appropriate paid and earned media.

ClearWay Minnesota continued to promote the Amercian Indian Quitline as QUITPLAN Services closed out in March 2020, a new American Indian Quitline was launched through the Minnesota Department of Health and used similar imagery and messaging to reach American Indian communities in Minnesota.

See What You've Been Missing *Campaign*

ClearWay Minnesota continued the *See What You've Been Missing* campaign in FY20, demonstrating the harmful effects of tobacco that may not be top-of-mind for many Minnesotans and encouraging Minnesotans to do more to protect youth from tobacco. The campaign includes broadcast, print and online media, directing viewers to the informational website, MissingItMN.org. Two new TV spots were developed for the campaign, raising awareness of the price all Minnesotans pay for tobacco related illness and highlighting the dangerous rise of e-cigarette use by youth.

See What You've Been Missing *highlights the harm of tobacco use for all Minnesotans*

Evaluation

ClearWay Minnesota rigorously evaluates our communications efforts to measure our progress and identify areas for improvement. This past year, our approach to evaluating media efforts was to use service volume tracking, web tracking, click-through rates, online engagement and vendor evaluations. These combined efforts allow us to determine the effectiveness of our campaigns, and strategically inform any changes we make to them throughout the year.

Evaluation helps us understand the impact our ads are having on Minnesotans

In addition to the above measurements, our contractors are evaluated each year using the following criteria. ClearWay Minnesota considers these criteria when renewing contracts or initiating new projects:

- *Return on investment:* Meets marketing goals, helps to advance ClearWay Minnesota's mission and vision, strives to exceed expectations, tenaciously stewards our budget, negotiates value-added or pro-bono placements and leverages communication efforts.
- *Timeliness:* Meets or beats deadlines.
- *Counsel:* Anticipates needs, demonstrates problem-solving ability and provides counsel.
- *Staff:* Assigns appropriate staff and is professional when representing ClearWay Minnesota.
- *Organizational skills:* Uses our time efficiently and communicates clearly.
- *Creativity:* Consistently demonstrates outstanding creativity in work product.
- *Goals:* Meets or exceeds process goals.
- *Budget:* Completes duties as outlined in the contract within the specified budget.

Dissemination

ClearWay Minnesota Communications staff, grantees and contractors actively disseminate information about our programs, evaluation findings and other knowledge gained from our activities through webinars, in publications, and at conferences and meetings. For details, please see *Research – Dissemination*, pp. 30-45.

B. COMMUNITY OUTREACH

Community outreach is an important way for ClearWay Minnesota to ensure that Minnesotans are aware of our activities, including QUITPLAN Services, programmatic work and educational campaigns. In addition to paid advertising, we reach Minnesotans through news outlets including print, television and online news outlets, online social media including Twitter and Facebook, emails to grassroots supporters and an e-newsletter. Regular contact with Minnesota individuals and communities is important so we can develop the most effective programs possible and remain accountable to the public.

Media Analysis

ClearWay Minnesota uses earned (i.e. non-paid) and digital media to reach key stakeholders and increase public support for our campaigns and brands. Tracking and analyzing media coverage is a measurable way to illustrate its value and contributions toward ClearWay Minnesota's goals. Staff uses this information to evaluate methods and vendor contributions, and to adjust processes to help ClearWay Minnesota achieve the best possible outcomes. Online social media is also an important tool for communicating dynamically and strategically. Our social media program incorporates several digital platforms for reaching our audiences.

ClearWay Minnesota uses a number of tools to evaluate our media efforts, both qualitatively and quantitatively. This year saw continued traction across all brands and social media platforms.

V. CONCLUSION

For more than two decades, ClearWay Minnesota has led the fight against Minnesota's top preventable cause of death and disease, commercial tobacco use. As an independent nonprofit specifically created to reduce the harms smoking and commercial tobacco use cause Minnesotans, we have provided the majority of funding for tobacco cessation and prevention efforts across the state.

ClearWay Minnesota's activities in this area have included helping individual tobacco users quit, funding and conducting research on tobacco use in Minnesota, organizing campaigns to pass policies that prevent youth tobacco initiation and make it easier for existing commercial tobacco users to quit, conducting outreach and programs to reduce commercial tobacco use among populations disproportionately harmed, and creating advertising and social media outreach to educate about tobacco's harms and promote strategies that prevent or reduce commercial tobacco use.

Through this organization, Minnesota's comprehensive investments in tobacco prevention and cessation have saved thousands of lives and billions of dollars. Over the past 20 years, tobacco control investments prevented 4,560 cancers, 31,691 hospitalizations for cardiovascular disease and diabetes, 12,881 respiratory disease hospitalizations and 4,118 deaths. In addition, $5.1 billion was also saved in worker productivity and health care costs. And the state's smoking prevalence rate is at a historic low of 14 percent.

But as a life-limited organization, ClearWay Minnesota will end in 2021, pending court approval. Our sunset will leave a significant gap. The COVID-19 pandemic has raised awareness of the need to protect lung health, especially among young people and those hit hardest by commercial tobacco-related disparities. Youth tobacco use is rising, 574,000 Minnesota adults are still smoking and the tobacco industry spends over $100 million a year in our state (not counting e-cigarette ads). Meanwhile, in certain communities, such as Minnesota's American Indian Nations, cigarette smoking and other commercial tobacco use continues at disproportionate rates.

There is still a strong need for tobacco prevention and cessation work in Minnesota. We have fought – and in our final year will continue to fight – to create sustainable solutions to the problem of commercial tobacco addiction. In addition to ensuring our legacy as a leader in Minnesota tobacco control and prevention lives on, we will make our transition out of existence as smooth as possible for our partners and all those who will sustain this work once we've closed our doors.

Appendix A

Board and Committee Charters

ClearWay Minnesota℠

Charter of the Board of Directors
Board Approved July 25, 2018

Introduction

This charter is intended as a tool to assist directors in understanding the role of the ClearWay Minnesota Board of Directors in ensuring the organization fulfills its purpose. The scope of the charter derives from the organization's Articles of Incorporation and Bylaws, and the body of law governing such issues. It is not an attempt to limit, enlarge or change the responsibilities of the directors as determined by such Articles, Bylaws, and body of law.

Purpose of the Organization

ClearWay Minnesota was created as a private nonprofit corporation with a limited lifetime of 25 years. The organization's mission is to enhance life in Minnesota by reducing tobacco use and exposure to secondhand smoke through research, action and collaboration. ClearWay Minnesota helps Minnesotans quit smoking and tobacco use, and funds tobacco-related research and other initiatives that raise awareness of tobacco's dangers and make Minnesota a healthier place.

The Role of the Board of Directors

The Board of Directors is responsible for governance of the organization and the conduct of its business. In discharging its responsibilities, the Board shall principally:

- Ensure that policies and procedures are in place and being implemented to assure the integrity of the organization and that policies are in place to comply with applicable laws and regulations, and ClearWay Minnesota's governing documents and policies.

- Oversee policies and procedures that assure the development and enhancement of the organization's culture as shaped by its vision, mission, values and standards of conduct.

- Ensure that policies and procedures are in place and being implemented to assure that an effective Board of Directors is in place possessing appropriate skills to fulfill its responsibilities through director selection, Board governance, and Board evaluation.

- Hire, advise and counsel, encourage, evaluate, compensate, and if necessary, replace the Chief Executive Officer.

- Oversee a succession plan for Board leadership, the CEO, and key senior management positions.

- Set the long term strategic direction of the organization by establishing or reviewing and approving the organization's mission, vision, and values.

- Oversee planning and implementation of ClearWay Minnesota's limited life plan.

- Annually review and approve (if necessary) the strategic plan and approve the Annual Operating Plan and budget. Ensure that each has objectives and a means of measurement.

- Oversee and approve ClearWay Minnesota's financial and other reporting obligations with particular attention to its annual report to the Ramsey County District Court and the Minnesota Legislature.

- Oversee ClearWay Minnesota's management and utilization of its human and financial resources to ensure a responsible and effective organization.

- Promote regular education of the Board and management respecting (1) tobacco control policies, practices, strategies and research, locally, nationally and internationally, and (2) sound governance practices and policies.

The Board of Directors may, by resolution, delegate certain of its responsibilities to Committees of the Board or to the organization's CEO who remain accountable and subject to the direction and control of the Board.

- Through the committees listed below and other committees which the Board may establish from time to time, the Board provides oversight regarding certain activities and responsibilities of the organization. The committees operate under Board approved charters. The current standing committees of the Board are:

    - Executive/Governance
    - Audit/Finance
    - Nominating and Board Development

- The Board works with management to set the organization's direction while delegating responsibilities for implementation to management.

    - The Board engages with management to develop and then approve the Strategic Plan of the organization.
    - Management develops operational work plans and annual operating budgets for review, approval, and monitoring by the Board.
    - While the Board is ultimately responsible for review, approval and monitoring of the plans, management is ultimately responsible for execution and implementation.

- The Board oversees the monitoring of performance towards accomplishing the organization's Legacy Goals and Strategic Plan.
- The Board periodically reviews programmatic evaluation findings as appropriate.
- The Board is responsible for evaluating the effectiveness of the Board, the CEO, and the organization.

The Board's Standards of Conduct

The Board is expected to carry out its responsibilities consistent with applicable laws, the organization's governing documents, mission, policies, and the culture it has established for the organization. In discharging its responsibilities:

- Board members must observe their duties of care, loyalty, and good faith, placing the interests of the organization ahead of their own or their constituents, and act consistent with the central purpose and governing documents and policies of the organization.

- Board members must model the values of the organization including commitment to: excellence; knowledge based innovation; integrity, honesty and accountability; and a safe and respectful working environment.

- Board members hold each other accountable to: (1.) remain focused on the strategic direction and plans of the organization; (2.) use a decision making process that relies on adequate preparation, full participation, thorough discussion, clarity, consensus, and closure; (3) fully engage, and help focus the discussions; and (4) regularly evaluate Board and Director performance, formally and informally providing positive and constructive feedback.

ClearWay Minnesota℠

Charter of the Executive/Governance Committee
Board Approved March 18, 2015

Purpose:

The Executive/Governance Committee provides general oversight of the administration of the organization. The Committee shall have the authority to act on behalf of the ClearWay Minnesota Board of Directors regarding matters that require immediate attention or action between regularly scheduled Board Meetings with ratification by the Board at the next Board meeting. The Committee shall provide a forum for Directors to address all issues of corporate governance and human resource-related policy items. The Committee shall meet at the call of the Chair.

Committee Structure:

The members of the Committee will include the Board's officers and the chairs of the standing committees, which shall not constitute a majority of the Board. The Chair of the Board will chair the Executive/Governance Committee.

Authority:

The principal elements of the Charter of the Executive/Governance Committee shall be:

Executive duties:

1. Provide advice and counsel to the Chief Executive Officer. (This duty is shared with all other Board Members.)

2. Facilitate an annual review of the Chief Executive Officer on behalf of the Board and report to the Board the results of the review, including a recommended compensation package, for action by the Board. The review process shall be conducted in a closed session of the Board, in accordance with the Minnesota Open Meeting Law.

3. Recommend to the Board the selection and replacement, if necessary, of the CEO. Provide for the development of a succession plan for the CEO and the key employees of the corporation.

4. Review changes to human resource-related policy items such as the Personnel Handbook and give input as necessary. Review and recommend major changes (as determined by the CEO) to employee benefit plans and make recommendations to the Board for final approval.

5. Approve biennially the compensation study contractor. The Board Chair shall appoint a member of the Committee to serve as a liaison for the study. Annually review and

recommend changes to executive compensation, salary ranges and budgeted merit increases and make recommendations to the Board for final approval.

6. Review Policy Statements annually as a first read prior to Board approval. Policy Statements guide the Board and staff decision making and help to set priorities.

Governance duties:

1. Assure that policies and procedures are in place and being implemented to ensure that the Board, and its individual members, operate with the highest ethical standards and integrity, including duties of care and loyalty. Act on issues of conflict of interest that come before the Board as set forth in ClearWay Minnesota's Conflict of Interest Policy.

2. Approve standing committee assignments, including committee chair assignments, at the first Executive/Governance Committee Meeting after a new Board Chair takes office, or as needed and permitted by Article IV, Section 3 of the Bylaws. Committee assignments are brought to the Board for ratification.

3. Ensure that policies and procedures are in place and being implemented to ensure that the committees of the Board are fulfilling their obligations as defined by their respective charters. Provide a process for each committee to review and update its charter annually.

4. Ensure that at least once every two years, the Board of Directors Charter, Conflict of Interest Policy, Director Job Description, and other relevant policies, as listed in the Board Handbook, be reviewed and updated as needed with final approval from the Board.

5. Review periodically the governance processes, including Board organization and structure, frequency of meetings and attendance and make any necessary recommendations to the Board in accordance with the Two-Read Policy.

6. Ensure that orientation and training are in place for both new and current Board Members, as appropriate.

7. Provide for a Board self-evaluation at least every two years.

8. Review annually the attendance and participation of Board Members and refer any recommended action to the Board. It is ClearWay Minnesota's policy that Minnesota-based Board Members must be present for 50 percent of Board meetings annually, and no Board Member may be absent for more than three consecutive meetings unless there are extenuating circumstances. Failure to meet these guidelines will be grounds for consideration for asking the Board Member to resign from their position.

9. Develop the agenda for meetings of the Board of Directors, including the distribution of Executive/Governance Committee minutes to the Board.

ClearWay Minnesota℠

Charter of the Nominating and Board Development Committee
Board Approved January 16, 2013

Purpose:

The Nominating and Board Development Committee shall recommend at-large nominees to the ClearWay Minnesota Board of Directors to fill all at-large vacancies and discuss possible nominees for appointed vacancies. The Committee shall recommend officers to the Board of Directors. The Committee shall oversee a plan for ongoing development of Board Members.

Committee Structure:

The Committee shall consist of seven members: four Board Members (of whom at least two will be at-large members) and three -external community members who are not on the Board. Committee members who are currently seated Board Members shall be appointed by the Board Chair and approved by the Executive/Governance Committee. The Board Chair shall appoint the Nominating and Board Development Committee Chair.

Authority:

The principal elements of the Charter of the Nominating and Board Development Committee shall be:

1. Within two weeks of an at-large vacancy, to convene and solicit nominations to fill the open Board position(s).

2. To assure that the solicitation of nominees shall proceed in a manner to be prescribed by the Board.

3. To assess the Board's current composition and identify needs to actively recruit candidates for at-large Board positions.

4. To strive for a Board that broadly represents all Minnesotans.

5. To give special consideration in their nominee selection and recommendation to persons who, in addition to dedication to ClearWay Minnesota's vision, mission and values, have expertise in one or more of the following areas:

    - Governance of a not-for-profit organization
    - Finance
    - Communications
    - Tobacco control/cessation
    - Community organizing
    - Health care

- Health insurance
- Populations at risk
- Public affairs
- Human resources
- Grant making
- Research and evaluation
- Legal
- Political expertise or experience

6. To utilize a peer nomination process that develops and presents annually to the Board of Directors a slate of candidates to serve as Board officers for the upcoming year. A Committee Member who is nominated as an officer of the Board shall not vote on, or participate in deliberation of the position. The three external community members do not participate in the selection of the slate of officers.

7. To present annually to the Board of Directors a slate of at large Board Members who have completed their first three year terms and who are eligible and qualified, and who wish to serve another term on the Board. A Committee Member who is nominated to serve an additional term on the Board shall not vote on, or participate in discussion of, his or her own nomination.

8. To identify key learning topics with Board input and provide opportunity for training for on-going Board development.

ClearWay Minnesota℠

Charter of the Audit/Finance Committee

Board Approved: January 15, 2020

Purpose:

The Audit/Finance Committee shall assist the Board in fulfilling its oversight responsibility for the integrity of ClearWay Minnesota's financial and operational results, the system of internal control, the audit process, ClearWay Minnesota's investment policies and portfolio, and compliance with legal and regulatory requirements (excluding the Report to the Court, which is under the purview of the Board of Directors).

The Committee will meet at least two times per year, with authority to convene additional meetings, as circumstances require. The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. The Committee may meet separately with auditors, with staff voluntarily excusing themselves, to discuss the audit process and results.

Committee Structure:

The Committee shall consist of no more than five members of the Board of Directors, including the Treasurer, who may or may not chair the Committee. The Board Chair shall appoint the Audit/Finance Committee Chair. Committee Members shall be appointed by the Board Chair.

At least two members will have an understanding of audit and financial functions. At least one member shall be designated by the Board as the "Financial Expert," based on the guidelines attached under Appendix A. The Committee will annually recommend a member or members for designation as Financial Expert to the Board for its consideration.

Authority:

The Committee has authority to conduct or authorize special audits and investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, terminate and oversee the work of any public accounting firm employed by ClearWay Minnesota.
- Resolve any disagreements between management and the external auditors regarding financial or operational control and reporting.
- Pre-approve all audit and non-audit services provided by our independent auditor.
- Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- Review and accept the external auditor's reports along with management's written responses when appropriate.

- Be immediately informed by the auditor of all unresolved matters that obstruct the conduct of an audit or review, after, where feasible, such matters were first brought to the attention of the Chief Executive Officer.
- Review and approve the external auditor's audit plans.
- Seek any information it requires from employees – all of whom are directed to cooperate with the Committee's requests – or with external auditors, legal counsel or others as necessary.
- Oversee the management and performance of ClearWay Minnesota's financial assets including financial management of ClearWay Minnesota, receiving periodic reports and reporting to the Board as necessary to support the financial performance and adherence to the Statement of Investment Objectives and Policies.

Responsibilities:

The Committee will carry out the following responsibilities:

Financial and Operational Review Oversight

- Report to the Board on financial risks facing ClearWay Minnesota. The Committee members should develop sufficient knowledge of the financial statements and assess risk areas including understanding the critical judgments and estimates contained therein. The Committee shall manage and understand issues related to the tobacco settlement and Court restrictions on fund uses, and approval of uses of funds.
- Advise the Board on the Statement of Investment Objectives and Policies. With input from ClearWay Minnesota management, the Committee will periodically review the Statement of Investment Objectives and Policies and recommend changes to the Board as appropriate. The Committee shall make such other recommendations to the Board on such other policies and procedures regarding stewardship and oversight of ClearWay Minnesota's financial assets as the Committee shall from time to time determine.
- Select or terminate when appropriate, after reviewing any analysis and recommendations of ClearWay Minnesota management, any investment custodian; outside financial advisory or consulting services, and investment vehicles consistent with ClearWay Minnesota policies.
- Review significant accounting, operational and reporting issues and understand their impact on the financial and operating results on the overall ClearWay Minnesota system of internal control.
- Review and discuss the annual audited financial statements results with management and the external auditors.
- Periodically review current internal financial statements of ClearWay Minnesota.
- Review and recommend for approval to the Board of Directors revisions to the Fiscal Policies of ClearWay Minnesota.
- Review and recommend for approval to the Board of Directors the annual operating and capital budgets.

- Review and recommend for approval to the Board of Directors all grants and contracts in excess of $75,000.

Internal Control

- Evaluate the effectiveness of ClearWay Minnesota's internal control system, including information technology security and control.
- Understand the scope of external auditor's review of internal control over financial and operational reporting and obtain reports on significant findings and recommendations, together with management's responses.

Other Responsibilities

- Perform other activities related to this Charter as requested by the Board of Directors.
- Institute and oversee special investigations within the Committee's area of responsibility.
- Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

APPENDIX A

Guidelines for determination of a qualified Financial Expert:

The Audit/Finance Committee determines who qualifies as a Financial Expert by considering such things as the person's education level, whether the person has any professional certifications, whether the person has served as a principal financial officer, controller or principal accounting officer of a company and the person's duties in that position, the person's experience and familiarity with financial statements and accounting rules, past experience on audit committees and any other relevant experiences. The Audit/Finance Committee will look at the director's qualifications and experiences taken as a whole when determining whether or not such director qualifies as a Financial Expert.

A Financial Expert is defined as a person who has experience such as:

- Public accountant
- Auditor
- Principal financial officer
- Controller
- Principal accounting officer
- Who has obtained such attributes through experience that involved the performance of similar functions
- Or, in the judgment of the Audit/Finance Committee, results in similar expertise and experience. These attributes include the following:
    - An understanding of Generally Accepted Accounting Principles (GAAP) and financial statements;
    - Experience applying GAAP in connection with the accounting for estimates, accruals and reserves;
    - Experience preparing or auditing financial statements that present accounting issues;
    - Experience with internal controls and procedures for financial reporting;
    - An understanding of audit committee functions; and
    - Understanding of investment performance and principles.

This definition is not intended to impose a higher burden or level of responsibility on the Financial Expert than on other audit committee members and should not be construed to decrease the role of the other members of the Audit/Finance Committee.

CLEARWAY MINNESOTA

CHARTER OF THE INVESTMENT ADVISORY COMMITTEE

Board Approved 9-20-06

I. PURPOSE:

The Investment Advisory Committee (the "Committee") shall give advice on matters relating to the investment policies and portfolio of ClearWay Minnesota. The Committee shall be advisory only, and shall report to the Audit/Finance Committee.

II. COMPOSITION:

The Committee shall be comprised of no more than five persons appointed by the Chair of the Board of Directors, subject to the concurrence of the Board. The term of each member shall be one year, or until his or her successor is appointed, subject to a member's earlier resignation, removal by the Board, or unavailability for service. There shall be no maximum number of terms for which a member may serve.

The Committee's Chair shall be appointed by ClearWay Minnesota's Board Chair, and shall be a member of ClearWay Minnesota's Board of Directors.

Each member shall be entitled to vote on all matters brought before the Committee.

Qualifications for Committee membership shall include an interest and knowledge in capital investing, support for ClearWay Minnesota's mission; and the ability to attend Committee meetings. Experience in institutional investing is strongly preferred. A candidate, who in the past ten years has (had) any affiliation with any business or organization which manufactures or sells tobacco products, is barred from Committee membership.

III. AUTHORITY:

The Committee is advisory only, and shall report to the Audit/Finance Committee.

IV. DUTIES AND RESPONSIBILITIES:

Responsibilities of the Committee include advising ClearWay Minnesota's Audit/Finance Committee and ClearWay Minnesota's Chief Financial Officer (the "CFO") on the Statement of Investment Objectives and Policies. The Committee will periodically review the Statement, including investment objectives, guidelines, strategies, risk and return parameters, and performance measurement standards, and recommend changes as appropriate. The Committee shall make such other recommendations to ClearWay Minnesota's Audit/Finance Committee and CFO on such other policies and procedures regarding ClearWay Minnesota's financial assets as the Committee shall from time to time determine.

In addition the Committee shall:

1. Recommend the selection and termination as appropriate, after receiving the recommendations of ClearWay Minnesota's CFO, a custodian bank; and receive periodic reports through the CFO regarding performance, evaluation, and compensation of such custodian bank.

2. Recommend the selection and termination as appropriate, after receiving the recommendations of the CFO, an Investment Consultant to assist in structuring and monitoring ClearWay Minnesota's investment portfolio; and receive periodic reports through the CFO regarding performance, evaluation, and compensation of such Investment Consultant.

3. Recommend the selection and termination as appropriate, after receiving the recommendations of the CFO, Investment Managers, commingled ("pooled") funds, mutual funds, and other appropriate investment vehicles consistent with ClearWay Minnesota policy; and receive periodic reports through the CFO regarding performance, evaluation, and compensation of such investment managers, funds, and other vehicles.

4. Periodically meet with the CFO and Investment Consultant to review an evaluation of the overall performance of portfolio investments, and the consistency of those investments with ClearWay Minnesota's mission, principles, and policies; and recommend corrective action deemed prudent and appropriate if investment performance is below expectations.

5. The Committee Chair shall periodically report to the Audit/Finance Committee regarding the activities of the Committee, and provide such information as the Audit/Finance Committee reasonably requests regarding the actions of the Committee.

V. MEETINGS AND NOTES:

The Committee shall meet in person no fewer than two times per year, and as many additional times as the Committee deems necessary.

The Committee shall prepare written notes of its meetings. Such meeting notes shall be made available to the Audit/Finance Committee or Board if requested.

ClearWay[SM]

MINNESOTA

Appendix B

Conflict of Interest Policy
Adopted September 19, 2012

Conflict of Interest Policy

Approved by the
ClearWay Minnesota Board of Directors September 19, 2012

Approved by the
Ramsey County District Court
May 14, 2013

ClearWay Minnesota SM
Restated Policy Concerning Conflicts of Interest
Table of Contents

ClearWay Minnesota SM
Restated Policy Concerning Conflicts of Interest
Approved by the ClearWay Minnesota Board of Directors September 19, 2012
Approved by the Ramsey County District Court May 14, 2013

I. Introduction

The Board of Directors of ClearWay Minnesota**SM** is committed to governing the organization in a manner that takes appropriate care to identify, minimize the impact of and, where possible, eliminate actual, possible or perceived conflicts of interest. This policy is intended to assist ClearWay Minnesota Board Members and employees in identifying actual conflicts of interest and situations in which there might be a conflict or the appearance of a conflict even if no actual conflict exists. This document also describes the procedures that the Board has established for disclosing and resolving conflict situations that arise.

Every Board Member and employee is responsible for knowing and following this policy. Board Members and employees receive regular training in how to follow and apply this policy. Each year, every Board Member and employee reviews a list of current ClearWay Minnesota grantees and contractors and discloses any relationships with organizations that have grants or contracts with ClearWay Minnesota before submitting a mandatory certificate of compliance with this policy. ClearWay Minnesota informs its vendors and grantees of this policy and its application.

II. Definitions

1) A ClearWay Minnesota Board Member or employee is "**affiliated**" with an organization (and has an "**affiliation**" with an organization) if he or she or a family member is an officer of, director of, employed by, an independent contractor for, receiving proceeds from a ClearWay Minnesota grant or contract, or has a financial interest in the organization.

2) A "**Board Member**" is a person who is on the ClearWay Minnesota Board. A Board Member may be appointed or elected.

3) "Family members" of a person are the person's spouse or domestic partner, parents, stepparents, siblings, children, stepchildren, and spouses or domestic partners of the person's children and stepchildren.

4) **"Relatives"** of a person are the person's aunts and uncles.

5) A person has a **"financial interest"** if the person has, directly or indirectly, through governance, business or investment:

a) An existing, foreseeable or recent (within the past year) ownership interest of more than 2 percent in any entity with which ClearWay Minnesota has, or is negotiating, a grant, contract or other arrangement; or

b) An existing, foreseeable or recent (within the past year) compensation arrangement with ClearWay Minnesota or with any entity or person with which ClearWay Minnesota has, or is negotiating, a grant, contract or other arrangement.

III. Actual Conflict of Interest

To ensure that the decisions of the ClearWay Minnesota Board and employees are objective and independent, the Board prohibits giving contracts and grants to Board Members or ClearWay Minnesota employees, or the family members of either. If a Board Member or employee is affiliated with an organization with which ClearWay Minnesota is considering a grant or contract, the person may have an actual conflict of interest. The Board has created the following rules and procedures for such situations.

1) **Absolute Prohibition on Contracts and Grants with Board Members, Employees or Their Family Members.** ClearWay Minnesota will not give grants to, or enter into contracts with, a ClearWay Minnesota Board Member or ClearWay Minnesota employees (except for employment contracts) or the family members of either while the person is serving ClearWay Minnesota and for one year after the person ceases to be a Board Member or employee of ClearWay Minnesota.

2) **Contracts with or Grants to Organizations Affiliated with Board Members.** ClearWay Minnesota will not give grants to, or enter into contracts with, organizations with which a Board Member is affiliated at the time of his or her election or appointment to the ClearWay Minnesota Board or at any time during his or her service as a Board Member unless:

a) The Board Member promptly resigns from the affiliated organization and for one year thereafter does not participate in discussions or decisions by ClearWay Minnesota about awarding or managing grants and contracts with the affiliated organization; or

b) The Board Member promptly resigns from the ClearWay Minnesota Board; ClearWay Minnesota sends the affiliated organization a certification form; and within 30 days, that organization returns the form verifying that the person will not, for one year following his or her resignation, participate in discussions or decisions of the organization regarding seeking or fulfilling grants or contracts with ClearWay Minnesota.

3) **Contracts with or Grants to Organizations Affiliated with Family Members or Relatives of Board Members.** If a family member or relative of a Board Member is, or becomes, affiliated with an organization that has a grant or contract with ClearWay Minnesota, that organization must:

a) Certify in writing to ClearWay Minnesota that the family member or relative will not solicit, supervise, manage, administer or have a financial interest in the ClearWay Minnesota grant or contract for the duration of that grant or contract;

b) Submit the certification within 30 days after the disclosure of the relationship to the affiliated organization or a written request from ClearWay Minnesota; and

c) Promptly update the certification if the status of the family member or relative changes.

4) **Contracts with or Grants to Organizations Affiliated with Employees.** ClearWay Minnesota will not give grants to, or enter into contracts with, organizations with which a ClearWay Minnesota employee is affiliated unless:

a) The employee promptly resigns from the affiliated organization and for one year thereafter does not participate in discussions or decisions by ClearWay Minnesota about awarding or managing grants and contracts with the affiliated organization; or

b) The employee promptly resigns from ClearWay Minnesota; ClearWay Minnesota sends the affiliated organization a certification form; and within 30 days, that organization returns the form verifying that the person will not, for one year following his or her resignation, participate in discussions or decisions of the organization regarding seeking or fulfilling grants or contracts with ClearWay Minnesota.

5) **Contracts with or Grants to Organizations Affiliated with Family Members or Relatives of Employees.** If a family member or relative of a ClearWay Minnesota employee is, or becomes, affiliated with an organization that has a grant or contract with ClearWay Minnesota, that organization must:

a) Certify in writing to ClearWay Minnesota that the family member or relative will not solicit, supervise, manage, administer or have a financial interest in the ClearWay Minnesota grant or contract for the duration of that grant or contract;

b) Submit the certification within 30 days after disclosure of the relationship to the affiliated organization or a written request from ClearWay Minnesota; and

c) Promptly update the certification if the status of the family member or relative changes.

IV. Procedure for Disclosing an Actual Conflict of Interest

1) **ClearWay Minnesota Board Members and Chief Executive Officer (CEO).** Every Board Member and the CEO is responsible for disclosing any conflict as described in Section III to the Chair of ClearWay Minnesota's Board (Board Chair) or, if the Board Chair has the conflict, to the Vice Chair of the Board as soon as he or she discovers the conflict. If any action has been taken before the disclosure, the process outlined in Section VII.1.b will be followed.

2) **ClearWay Minnesota Employees.** Every employee is responsible for disclosing any conflict as described in Section III to the CEO as soon as he or she discovers the conflict. If any action has been taken before the disclosure, the process outlined in Section VII.2.b will be followed.

V. Possible Conflict of Interest

Depending on the specific circumstances, a ClearWay Minnesota Board Member or employee could have a conflict in the following situations. (Examples are provided for illustrative purposes only and are not intended to be all-inclusive.) To ensure that the decisions of the ClearWay Minnesota Board and employees are objective and independent, the Executive/Governance Committee of the ClearWay Minnesota Board will determine whether an actual conflict of interest exists in these and similar situations following the process detailed in Section VII. The Executive/Governance Committee also may delegate the resolution of a possible conflict issue to another Board committee.

1) There is a proposed action involving ClearWay Minnesota in which a family member or relative of a ClearWay Minnesota Board Member or employee has a financial interest; or

2) A person or an organization involved in decisions regarding the performance or supervision of a ClearWay Minnesota grant or contract has a personal, social or business relationship with a ClearWay Minnesota Board Member, employee, or a family member of either; or

3) A family member or relative of a ClearWay Minnesota Board Member or employee is affiliated with an organization that has a grant or contract with ClearWay Minnesota.

VI. Appearance of Conflict (Perceived Conflict)

A perception that the ClearWay Minnesota Board or employees are not making a fair, objective and independent decision may be created by circumstances that fall outside of the definition of an actual conflict of interest. The following examples (provided for illustrative purposes only and not intended to be all-inclusive) demonstrate when the interests or concerns of Board Members or employees, or their relationships with family members, relatives, or other persons or entities, could be seen as affecting the decisions of ClearWay Minnesota. To protect the integrity and reputation of ClearWay Minnesota, the Executive/Governance Committee will determine how a perceived conflict of interest will be handled in these and similar situations following the process detailed in Section VII. The Executive/Governance Committee also may delegate the resolution of a perceived conflict issue to another Board committee.

1) ClearWay Minnesota considers a grant to an organization, and a ClearWay Minnesota Board Member was previously on the board of that organization.

2) An appointed Board Member’s allegiance, or perceived allegiance, to his or her appointing authority is perceived as influencing his or her objectivity on an issue before the ClearWay Minnesota Board.

3) A ClearWay Minnesota employee or his or her spouse has a close friend (not a family member or relative) who has a financial interest in a ClearWay Minnesota vendor or grantee.

VII. Procedures for Disclosing, Assessing and Addressing a Possible or Perceived Conflict or an Actual Conflict Disclosed after Action has been Taken

1) For ClearWay Minnesota Board Members and the Chief Executive Officer

Every Board Member and the CEO must disclose to the Board Chair the relevant facts of any proposed action involving ClearWay Minnesota in which he or she has a possible or perceived conflict as soon as it is discovered. If the Board Chair has a possible or perceived conflict, he or she must disclose to the Vice Chair the relevant facts of the possible or perceived conflict.

Every Board Member and the CEO must notify the Board Chair (or the Vice Chair if the matter involves the Chair) if he or she thinks there is a conflict of interest with another Board Member or the CEO on a particular action.

a) If the disclosure is made before the Board or a Board committee considers the action

i. The Executive/Governance Committee will review the possible or perceived conflict and decide by majority vote if the person has a conflict. The person may be present at the Executive/Governance Committee meeting and, if the person is a member of the committee, he or she may be counted toward a quorum. The Executive/Governance Committee may ask the person for relevant information about the situation but the person will not participate in the discussion or voting.

ii. If the committee decides that the Board Member or CEO does not have a conflict, he or she may participate in the consideration of the proposed action. If the committee decides that the Board Member or CEO does have a conflict, he or she will not participate in the consideration of the proposed action.

iii. The Board Member or CEO may appeal the Executive/Governance Committee's decision to the ClearWay Minnesota Board. The Board will decide the issue without the participation of the person whose conflict is in question.

b) If the disclosure is made after the Board or a Board committee considers the action

i. If a possible or perceived conflict is not discovered before the Board or Board committee decides on the action, the Board Member or the CEO must disclose the possible or perceived conflict to the Board Chair (or the Vice Chair, if the Board Chair has the possible or perceived conflict) as soon as it is discovered.

ii. The Executive/Governance Committee will follow the process outlined in the VII.1.a to determine whether there is a conflict and, if so, what remedial action should be taken. The Board Member or CEO may appeal both the decision as to whether there is a conflict and the remedy to the Board.

2) For a ClearWay Minnesota Employee

Every ClearWay Minnesota employee must disclose to the CEO the relevant facts of any proposed ClearWay Minnesota action in which the employee has a possible or perceived conflict as soon as it is discovered. Every employee also must notify the CEO or the Board Chair (if the matter involves the CEO) if he or she thinks there is a conflict of interest with another employee on a particular action.

a) If the disclosure is made before the Board considers the action

i. The CEO will review the possible or perceived conflict and decide if the employee has a conflict. In the case of an employee who reports directly to the CEO, the CEO will advise the Board Chair of the decision about the existence of a conflict, and the Board Chair will obtain the Executive/Governance Committee's confirmation of the proposed decision before finalizing it.

ii. If the employee has a conflict, he or she will not participate in the deliberation or decision by ClearWay Minnesota regarding the action unless the Board Chair or the CEO asks him or her to provide information.

iii. The employee may appeal the conflict decision to the ClearWay Minnesota Board, which will decide the issue.

b) If the disclosure is made after the Board considers the action

i. If a possible or perceived conflict is not discovered before the Board or a Board committee decides on the action, the employee must disclose the possible or perceived conflict to the CEO as soon as it is discovered.

ii. The CEO will review the possible or perceived conflict and decide if the employee has a conflict. If the employee has a conflict, the CEO will determine whether any remedial action will be taken.

iii. In the case of an employee who reports directly to the CEO, the CEO will advise the Board Chair of the decision about the existence of a conflict and any necessary remedial action, and the Board Chair will obtain the Executive/Governance Committee's confirmation of the proposed decision before finalizing it.

iv. If the Board Chair or the CEO decides that the questions of a conflict or remedial action should be referred to the Board or the Executive/Governance Committee, the procedure described in Section VII.1.a will be followed.

v. The employee may appeal the conflict decision to the ClearWay Minnesota Board, which will decide the issue.

VIII. Records

Appropriate records will be kept to document the handling and resolution of all matters involving conflicts.

IX. Policy Enforcement; Education and Training

The Executive/Governance Committee will consider and determine the enforcement of this policy, as well as the education of ClearWay Minnesota Board Members and employees about this policy.

X. Gifts

No ClearWay Minnesota Board Member or employee may receive a gift, including tickets to sporting or cultural events, from any third party in connection with their service to ClearWay Minnesota if the value of such gift is greater than $5.00. ClearWay Minnesota employees must report any gifts they receive to their supervisor. Gifts from prospective grantees or vendors will not be accepted.

Gifts of food or flowers with a value greater than $5.00 will be placed in a common area of the office and shared with all employees and visitors. The aggregate value of the food or flowers cannot be greater than $100.00. Any gift may be returned; gifts worth more than $100 must be returned.

ClearWay Minnesota employees may consume food or beverages provided by partners, vendors or grantees while attending events or meetings as part of conducting ClearWay Minnesota business. Employees do not have to pay the host organization for food or beverages consumed at such events or meetings. Employees are not required to report meals consumed while conducting ClearWay Minnesota business unless they are seeking reimbursement.

XI. Consultant Fees, Honoraria

All ClearWay Minnesota employees and Board Members are encouraged to participate in community and professional activities. If the activities are part of their ClearWay Minnesota duties and responsibilities, any payment received must be turned over to ClearWay Minnesota. This includes any fees derived from ClearWay Minnesota reports, activities, events, speaking engagements or honoraria while employed by ClearWay Minnesota or while serving on the ClearWay Minnesota Board.

XII. Loans

ClearWay Minnesota will not loan money or property to, or guarantee the obligations of, any person.

AMENDED AND RESTATED BYLAWS
of
CLEARWAY MINNESOTA[SM]
Effective July17, 2013

ARTICLE VI
CONFLICT OF INTEREST; ACCEPTANCE OF GIFTS

Conflicts of interest, including policies relating to loans and gifts, are governed by ClearWay Minnesota's Restated Conflict of Interest Policy, adopted by ClearWay Minnesota's Board of Directors September 19, 2012.

Enforcement of the Conflict of Interest Policy shall be considered and determined by the Executive/Governance Committee of the ClearWay Minnesota Board. Any final decision relating to any conflict of interest matter involving ClearWay Minnesota shall be made by the ClearWay Minnesota Board on the recommendation of the Executive/Governance Committee, or a committee designated by the Executive/Governance Committee, of the ClearWay Minnesota Board.

Appendix C

Fiscal Year 2018 – 2022 Strategic Plan

ClearWay
MINNESOTA

CLEARWAY MINNESOTA

2018 〈 STRATEGIC PLAN 〉 2022

Leaving a Legacy

ClearWay Minnesota[SM] is an independent nonprofit organization that enhances life for all Minnesotans by reducing tobacco use and exposure to secondhand smoke. In 1998, we were entrusted with $202 million of the settlement Minnesota received from tobacco companies over a period of 25 years. We are working to change Minnesota in ways that have lasting, tangible impact on the lives and health of Minnesotans by 2023, the end of our lifespan.

OUR FIVE-YEAR STRATEGIC PLAN

Recognizing that we would cease to exist in 2023, ClearWay Minnesota created a Legacy Framework, a tool that set long-term goals that would help us fulfill our mission. This Strategic Plan combines our Legacy Framework with our four Strategic Priorities and identifies outcomes for the next five years – the final phase of ClearWay Minnesota's existence.

The 2018-2022 Plan contains:

Our **VISION**
(ClearWay Minnesota's aspirational intent)

Our **MISSION STATEMENT**
(our core purpose and whom we serve)

Our **LEGACY GOALS**
(long-term goals to achieve our mission)

Our **STRATEGIC PRIORITIES**
(our most important areas of focus)

Our **OUTCOMES**
(outcomes that support our priorities)

All components of this plan were constructed with great care, drawing on the collective expertise of many partners, consultants, staff and Board Members. We took into account tobacco control best and promising practices, the counsel of state and national tobacco control experts, information gathered from other life-limited organizations and the most recent and relevant scientific literature.

Combined, the components of this Strategic Plan define what we will work toward (with the help of partner organizations) during the final years of our remaining lifetime. Progress in fulfilling this plan and advancing toward our Legacy Goals will be monitored annually, allowing for flexibility and adjustments in our approach within the boundaries of our limited life. In our final years, ClearWay Minnesota will sustain the impact of our work through the continued reduction of commercial tobacco use, secondhand smoke exposure, and the death and disease caused by smoking. We will embrace bold, cutting-edge strategies, balancing them with proven, evidence-based initiatives.

Unless otherwise indicated, ***tobacco*** in this document refers specifically to the use of commercial tobacco products such as cigarettes, and not to the sacred and traditional use of tobacco by American Indians and other groups.

OUR VISION

(ClearWay Minnesota's aspirational intent)

Eliminate the harm tobacco causes the people of Minnesota.

MISSION STATEMENT

(our core purpose and whom we serve)

The mission of ClearWay Minnesota is to enhance life for all Minnesotans by reducing tobacco use and exposure to secondhand smoke through research, action and collaboration.

LEGACY GOALS

(long-term goals to achieve our mission)

- By 2023, reduce the prevalence of smoking among adult Minnesotans to less than 9 percent.
- By 2023, reduce secondhand smoke exposure among nonsmoking Minnesotans to less than 5 percent.
- By 2023, advance the science of eliminating tobacco-related health disparities.

STRATEGIC PRIORITIES & OUTCOMES

(our most important areas of focus)

These priorities, as well as the outcomes that support them, are implemented through our annual workplans and budgets.

ACHIEVING OUR LEGACY GOALS AND FULFILLING OUR MISSION

Policy

Support policies that reduce smoking and exposure to secondhand smoke.

Outcome One: Advance policies that reduce smoking, especially by youth and other populations most harmed by smoking.

Outcome Two: Advance commercial tobacco-free policies on tribal lands.

Outcome Three: Advance policies to increase access to comprehensive tobacco dependence treatment, especially among the populations most harmed by smoking.

Quitting

Support Minnesotans in quitting smoking.

Outcome One: Make addressing tobacco use standard practice in health care.

Outcome Two: Increase use of cessation services and quit attempts by Minnesota smokers, in both the general population and those populations most harmed by smoking.

Outcome 3: Advance knowledge about effective cessation for the populations most harmed by smoking.

Environment

Create an environment that supports a commercial tobacco-free future for Minnesotans.

Outcome One: Influence public attitudes and behaviors to make smoking and exposure to secondhand smoke less acceptable among all Minnesotans.

Outcome Two: Create an environment that provides more opportunity, support and motivation for people to quit smoking.

Planning

Plan for ClearWay Minnesota's limited life.

Outcome One: Advance knowledge and build capacity that reduces disparities and increases health equity as they relate to smoking.

Outcome Two: Increase public and private resources dedicated to reducing the harm of smoking in Minnesota.

Outcome Three: With strategic partners, transfer knowledge and plan the future of tobacco control efforts that will lead to the end of smoking in Minnesota.

Outcome Four: Plan the successful end to ClearWay Minnesota's operations.

LEGACY EVALUATION

ClearWay Minnesota's work is founded in evidence-based research, and we value evaluation as an important aid in accomplishing our desired legacy. Evaluation informs strategic planning and helps us improve our programs, contributes to the knowledge base around tobacco use, and provides accountability and transparency for the organization.

Evaluation of our Legacy Goals tracks progress toward long-term impacts. Progress is reported to the Board of Directors regularly to inform decision-making, planning, budgeting and the development of staff workplans. The following measures are used to evaluate progress made toward our **Legacy Goals**:

Goal One (smoking prevalence)

- Data from the Minnesota Adult Tobacco Survey (MATS) are used to measure the smoking rate among adult Minnesotans.

Goal Two (secondhand smoke exposure)

- Data from the Minnesota Adult Tobacco Survey (MATS) are used to measure rates of secondhand smoke exposure among adult nonsmokers in homes, cars and other locations.
- Data from the Minnesota Youth Tobacco Survey are used to measure secondhand smoke exposure among nonsmoking middle-school and high-school students.

Goal Three (eliminating tobacco-related health disparities)

Eliminating tobacco-related health disparities across the diverse populations of Minnesota will require better understanding and measurement of trends among groups disproportionately harmed by smoking. Focusing on advancing science in this area will directly inform and advance disparity reduction work, and will help to close disparities gaps both now and in the future.

- Data from the Minnesota Adult Tobacco Survey (MATS), the Behavioral Risk Factor Surveillance System (BRFSS) and the Tribal Tobacco Use Project (TTUP) are used to establish trends and develop models for projecting future reductions for smoking prevalence and secondhand smoke exposure rate reductions among specific populations, including Minnesotans of low socioeconomic status (SES) and American Indians in Minnesota.
- Data are used to identify interventions that are effective at reducing rates in these populations.
- We will disseminate findings, so that the knowledge we create may continue to be used by others to reduce disparities in the longer term.

OUR FOUNDATION

ClearWay Minnesota strives to excel through our last day of operation and all our activities are consistent with court-authorized guiding documents. Our time and energy are invested in activities that have the highest value, deliver that value within the shortest timeframe and have enduring impact. We remain committed to innovation and flexibility in pursuit of our goals. Our values shape our culture and the environment in which we conduct our work.

Values

- **Commitment to Excellence:** Vigorously pursue the best possible outcome in all areas of our work.
- **Knowledge-Based Innovation:** Design and put into practice the most effective plan of action, basing our priorities on the most relevant and current evidence and knowledge.
- **Integrity, Honesty and Accountability:** Remain consistently loyal to our public mandate, maintain the highest ethical standards and operate with openness and transparency.
- **Safe and Respectful Environment:** Provide a safe haven for diverse opinions and show equal respect for all Minnesotans' views.

LONG-TERM PLANNING

Our planning, including our Strategic Plan, our annual workplans and other programmatic, financial, administrative and governance planning that will occur in light of our limited life, are all designed to support the achievement of our long-term Legacy Goals.

Our long-term financial planning includes creating annual financial/investment models, long-term budget plans aligned with our programs and annual budgets. This work is complemented by the risk-assessment and investment oversight activities of the Board of Directors, the Audit/Finance Committee and senior staff. Forecasting will reduce portfolio assets over our remaining life to zero dollars by June of 2023 or before. Forecast summaries will be updated annually based on actual investment performance, asset drawdown and revised expected returns.

Administrative planning will ensure that ClearWay Minnesota has organizational resources sufficient to carry out our changing work and bring the organization to an orderly close. And governance planning will maintain and improve our Board's ability to provide effective leadership and oversight as we approach our end of life.

OUR LEGACY

Our Legacy Goals and Strategic Priorities define what ClearWay Minnesota will work toward during our remaining lifetime. Although the programs and policies implemented during our life will have lasting impact, the problem of smoking's harm in Minnesota will persist after our organizational end of life. To ensure our legacy's impact is truly felt beyond the close of our doors, we are partnering with other organizations and individuals to share knowledge and to influence ongoing, sustainable tobacco control work. Our efforts now are creating momentum that will empower these others to make additional, meaningful strides after we've gone. The realization of our mission and goals, the longest-term impacts our work will have on the health of Minnesotans, and the future work of others, together will equal our true legacy.

Vision
Mission
Legacy Goals
Strategic Priorities
Values

2018-2022 Strategic Plan

Fulfill our mission by achieving our Legacy Goals

Sustained Impact Beyond 2023

Appendix D

ClearWay Minnesota^{SM} Governance Implementation Plan

To: Board of Directors

From: Amy Henderson, Chief of Staff

Date: July 10, 2019

RE: Implementation Plan for Governance Planning Changes

Background

In 1998, ClearWay Minnesota[SM] was created as an independent nonprofit organization with a 25-year lifespan that would end on or before June 30, 2023. ClearWay Minnesota's current Strategic Plan identifies planning for ClearWay Minnesota's limited life as one of the organization's priorities.

ClearWay Minnesota's Board and staff have focused planning efforts in four major categories to achieve our long-term strategic objectives and meet our Legacy Goals within our remaining years. Those categories are programs, finances, administration and governance.

ClearWay Minnesota's Board of Directors continues to be committed to following best practices for good governance to ensure ethical operations, to reinforce transparency and accountability across the organization, and to implement practices that facilitate an effective, efficient Board.

This Implementation Plan will be presented to the Nominating and Board Development Committee in May, to the Executive/Governance Committee in June for a first read, and to the full Board in July for final approval.

Governance Planning Changes and Implementation

In 2016, the Board approved changes to the Bylaws and Articles of Incorporation to allow for flexibility in the structure and composition of the Board to bring the organization to an orderly end while still adhering to best practices in nonprofit governance. In July 2016, the Ramsey County District Court approved those changes. The four changes included:

1. **Reducing the Size of the Board from 19 to 11**
2. **Extending Board Terms**
3. **Allowing Former Board Members to Return**
4. **Extending Board Chair Terms**

Each change is noted below with a brief rationale, along with how the change will be implemented, the requested action, and timing. For additional context and information, please request a copy of the background document titled *Governance Structure Planning* that was provided to the Board in 2015.

1. **<u>Reducing the Size of the Board</u>** In 2019, the Board will reduce in size from 19 members to 11 members. At-large members will reduce from 11 to seven, and each of the four appointing authorities' appointments will reduce from two to one appointment each (Bylaw reference: Article III, Section 1).

   Rationale

   - The size and scale of the organization will be much smaller.
   - Reducing Board size would continue to align with governance best practices.
   - The Board's role will be expanded from overseeing policies, program budgets and Strategic Plans to also include the legal and administrative dissolution of the organization.

   Implementation

   In the spring of 2018 (and revisited in 2019), the Nominating and Board Development Committee had conversations with all Board Members regarding their desire and ability to serve on the Board through 2022. The Committee reviewed information from all of the conversations and developed recommendations for Board composition based on criteria the Board set as top priorities in 2017:

   - Balance:
     - ✓ combination of needed skills and expertise
     - ✓ institutional memory and continuity of service with fresh perspectives (tenured and new Board Members)
   - Wide demographic representation:
     - ✓ age
     - ✓ gender
     - ✓ race/ethnicity
     - ✓ geography
   - Strong commitment to serve with low turnover (minimizing disruption) beyond 2019 (also taking into consideration a Board Member's prior attendance and past participation)
   - Maintenance of a high performing Board and cohesive team with trust and confidence

   The table below (as well as Appendix A, a chart tracking Board Member terms) outlines the Members serving from 2019-2022.

   For the process regarding Board Members who are eligible for term re-elections or who apply for a two-year extension after September 2019, see (2), *Extending Board Member Terms (Including Term Re-elections),* below.

   If there are unanticipated resignations after 2019, the Executive/Governance Committee will oversee discussions of the vacated seat and will make recommendations to the Board whether to fill the open seat or to allow it to remain vacant. Also see (3), *Allowing Former Board Members to Return,* below.

Requested action and timing
With Board approval of the overall implementation plan, per Resolution 2019-0007, the Board Members serving from 2019-2022 will be set per the chart below (including moving one appointed Board Member to an at-large seat and contingent upon the appointing authorities' acceptance of the move). For additional information, see Appendix A. The Members of the final Board will take effect on September 29, 2019.

Board Member	**Overall Term ending**	**Eligible for 2-year extension**	**Appt/At-large**	**Any recommended Action with 2019 approval?**
1-Mae Brooks	Sept 28, 2023	Yes	At-large	
2-Judy Brown	Sept 28, 2023	Yes	At-large	
3-Laurie Lafontaine	Sept 28, 2022	Yes	At-large	
4-Nevada Littlewolf	Sept 28, 2021	Yes	At-large	
5-Sarah Oquist	Sept 28, 2023	Yes	At-large	
6-Brian Osberg	Sept 28, 2022	Yes	Gov	Move from appointed seat to at-large seat with approval of Resolution 2019-0007 effective July 17, 2019
7-Anne Vars	Sept 28, 2020	Yes	At-large	
8-Karen Kraemer	Sept 28, 2021	Yes	Gov	
9-Greg Wulf	Sept 28, 2023	Yes	AG	
Steve McWhirter	Sept 28, 2019	No	AG	
10-Janet Avery	Sept 28, 2020	Yes	SOH	
11-Gail Amundson	Sept 28, 2022	Yes	SML	

2. **Extending Board Terms (including term re-elections)** Beginning September 29 2019, the Board will have the ability to extend a Board Member's term up to two additional years, to allow him or her to serve until 2022. (Bylaw reference: Article III, Section 5)

Rationale

- Extending terms would minimize Board turnover and allow continuity of Board service at a time when programs are ending and the dissolution of the organization will be pursued.
- Recruiting new Board Members at this time would be difficult and not in the best interests of the organization.

Implementation
Re-elections:
For Board Members whose current term expires on or after September 29, 2019, the process that is currently in place will be followed. During the summer prior to their September term expiration, the Executive/Governance Committee (per section 5) will contact each seated Board Member (at-large and appointed) to obtain a written statement of interest if the Board Member wishes to be considered for a new term. The Committee will discuss and recommend to the Board the re-nomination of the at-large Board Members and a vote of affirmation for the re-nomination of the appointed Board Members.

Extensions:
For Board Members whose current term expires after September 29, 2019, and who are not eligible to serve another three-year term, the Executive/Governance Committee (per section 5) will contact the Board Member and obtain a written statement of interest if the Board Member wishes to have his or her term extended for up to two additional years. The Committee shall discuss and recommend to the Board the extension of the term of an at-large Board Member and a vote of affirmation for the extension of the term of an appointed Board Member.

Requested action and timing
With Board approval of the overall implementation plan, per Resolution 2019-0007, the Board Members who are eligible for term re-election or eligible for two-year extensions on or after September 29, 2019, will adhere to a process as noted above, overseen by the Executive/Governance Committee.

3. **Allowing Former Board Members to Return** Beginning September 29, 2019, the Board will have the ability to elect former Board Members to serve a maximum of four years. (Bylaw reference: Article III, Section 5)

   Rationale
   - Allowing former Members to return would counter any difficulties the Board may have recruiting, educating and training new Board Members.
   - We would continue to have a full slate of Board Members to comply with best practices.

   Implementation
   From and after September 29, 2019, if unanticipated vacancies occur and the Board determines it would like to fill the seat(s) with a former Board Member, the Executive/Governance Committee (per section 5) will oversee the process of recommending to the Board the election of a former Board Member.

   Staff will present the Executive/Governance Committee with an informal list of former Board Members who have indicated an interest in serving on the Board if needed. Depending on the desired skills or attributes, the Executive/Governance Committee will request a written statement of interest from the former Board Member. The Executive/Governance Committee will make a recommendation to the Board on an election.

   Requested action and timing
   With Board approval of the overall implementation plan, per Resolution 2019-0007, the Board will be able to elect former Board Members according to the process noted above on or after September 29, 2019.

4. **Extend Board Chair Terms** Beginning on September 29, 2019, the Board will have the ability to extend a Board Chair's term beyond the normal two-year term for an additional one- or two-year term. (Bylaw reference: Article V, Section 2)

Rationale

- Extending the Chair's term would allow for continuity in leadership in the last four years.

Implementation

From and after September 29, 2019, for a Board Chair who is eligible to extend their term as Chair beyond their initial one- or two-year term, the officer nomination process currently in place will be followed. A task force assembled to oversee the development of the slate of officers will announce the nomination process and timing to the full Board. Board Members will submit written nominations of officers they'd like to nominate. If the current Chair is interested in extending their term as Chair, the task force will notify the Board and solicit nominations. The task force will discuss and recommend to the Board the extension of the Chair's term, including a specified term length.

Requested action and timing

With Board approval of the overall implementation plan, per Resolution 2019-0007, the Board will be able to extend a Board Chair's term by an additional one or two years according to the process noted above.

There were three additional adjustments to the governance structure that the Board considered in 2016, but did not require revisions to ClearWay Minnesota's organizational documents. Those included:

5. **Simplifying the Committee Structure**
6. **Simplifying the Officer Structure**
7. **Expanding Recruiting Qualifications**

5. Simplifying Committee Structure By 2019, the Board will simplify the Committee structure by dissolving three standing Committees (see table below). (Bylaw reference: Article IV)

Rationale

- As the work of the Board changes, so will the work of the Commitees and the need to ensure the Committee structure is streamlined and proporitional to the size of the Board and organization.
- Ad hoc Committees or task forces can be utitlized for short-term work or special projects.

Implementation

In the winter and spring of 2018, each of the three Committees for proposed dissolution had discussions about next steps for their Committee:

- Program Grants and Program Contracts: May 3, 2018
- Nominating and Board Development: April 10, 2018
- Strategic Development and Planning Committee: February 27, 2018

Each Committee reached consensus about the dissolution of the Committee and discussed any duties that would remain after dissolution and whether that duty would go to another Committee or the Board (see table below). The Board Charter was updated and approved, and other remaining Committee charters will be updated and presented as needed to the appropriate Committee and Board for approval.

In the fall of 2018 (and each fall thereafter), the Executive/Governance Committee will oversee the process of appointing Board Members to the remaining Committees.

Requested action and timing
With Board approval of the overall implementation plan, per Resolution 2019-0007, the Committees (and their respective charter) will dissolve and disband by the date indicated below.

Committee	**Recommendation**	**Remaining Duties**	**Work assumed by**
Executive/Governance Committee	Continue until Board dissolution		
Audit/Finance Committee	Continue until Board dissolution		
Nominating and Board Development Committee	Committee will dissolve on January 31, 2020	Addressing vacancies or term re-election Board development work Recommending officers	Executive/Governance Committee Executive/Governance Committee Task Force
Program Grants and Program Contracts Committee	Committee was dissolved on July 25, 2018	Grant or contract approval (Per the Board approved policies/CEO funding authorization mechanism) Review programmatic evaluation findings	Audit/Finance Committee Full Board
Strategic Development and Planning Committee	Committee was dissolved on July 25, 2018	Monitor progress on Strategic Plan and Legacy Goals	Full Board

<u>6. Simplifying Officer Structure</u> From and after September 29, 2019, the officer structure will remain unchanged (Bylaw reference: Article V).

Rationale

- Since the Committee structure will be reduced after 2018, the officer structure will remain unchanged to ensure a Committee with robust discussions and maximum engagement among Board Members.

Implementation

From and after September 29, 2019, the Board officer structure that will remain:

- Board Chair
- Vice Chair
- Secretary
- Treasurer

Requested action and timing

With Board approval of the overall implementation plan, per Resolution 2019-0007, the officer structure will remain unchanged.

<u>7. Expanding Board Member Qualifications</u> During the last major recruiting round in 2017, the Board set priorities for recruiting some of the organziation's last Board Members. (Bylaw reference: Article III, Section 2)

Rationale

- The qualities needed in Board Members serving from 2019-2022 will be unique to the stage of the organization's life and most likely different from what the organization has needed in the past.

Implementation

Board leadership, in conjunction with the Nominating and Board Development Committee, established the following criteria, desired skills and demographic makeup for recruiting new Board Members:

- Possesses a passion for the mission and a desire to see the organization achieve our Legacy Goals
- Embraces our life-limited status with an interest in and commitment to helping the organization make a smooth transition to 2023
- Possesses the ability to work as part of a team – asks thoughtful questions, open-minded, respectful of differing viewpoints
- Exhibits leadership skills

Desired skills and demographic makeup:

- Representation of age, gender, race/ethnicity, geography
- Governance experience
- Financial expertise
- Executive leadership skills
- Change management/Transformational planning experience

- Political influence and advocacy experience
- Public speaking/Presenting skills
- Community connections

These changes were introduced in the 2015 recruiting round and formally implemented in the 2016 and 2017 recruiting process.

Requested action and timing
With Board approval of the overall implementation plan, per Resolution 2019-0007, no additional changes will take effect in regard to expanding Board Member qualifications.

Appendix A

Board Terms through 2022

At large	2017	2018	2019	2020	2021	2022
1-AL	Anne	Anne			Extend - 2 years	
2-AL	Nevada		Nevada			Extend - 1 year
3-AL	Laurie			Laurie		
4-AL	Ellen	Sarah			Sarah	
5-AL	Vivian	Judy			Judy	
6-AL	Vacant (Joel)	Mae			Mae	
7-AL	Vacant (Kelly)	Vacant	Brian O			
AL	Pam			Seat eliminated		
AL	Vacant (Russel)	Natural attrition - leave open				
AL	Howard (res. Jan 2018)	Natural attrition - leave open				
AL	Vacant (Joy)	Natural attrition - leave open				
						Total = 5-7

Appointed	2017	2018	2019	2020	2021	2022
GOV	Karen		Karen			Extend - 1 year
GOV	Brian O		Move to at-large	Seat eliminated		
AG	Steve			Seat eliminated		
AG	Brian S	Greg			Greg	
SML	Gail			Gail		
SML	Vacant (Hugh)	Duane	Request to leave seat open	Seat eliminated		
SOH	Bob		Request to leave seat open	Seat eliminated		
SOH	Janet	Janet			Extend - 2 years	
						Total = 4

Appendix E

2020 Policy Statements

ClearWay MinnesotaSM Policy Position One:

ClearWay Minnesota supports maintaining and increasing Minnesota's tobacco prices.

Facts:

- **Increasing the price of tobacco is one of the most effective methods for preventing and reducing tobacco use.** Generally, every 10 percent increase in the real price of tobacco reduces adult smoking prevalence by 1.5 percent, youth smoking prevalence by more than 5 percent[1] and youth initiation by 10 percent.[2] That same increase reduces overall cigarette consumption by approximately 3 to 5 percent.[1] Youth are two to three times more responsive than the general population to price increases, and are more likely to quit or cut back on smoking in order to avoid the cost.[3] In a University of Minnesota study involving youth and young adults, 76 percent of those who had smoked in the past 30 days reported being aware of a recent price increase (Minnesota's 2005 health impact fee, which increased cigarette pack prices by $0.75). Among the same group of smokers, 17 percent reported quit attempts and 24 percent reported reducing smoking because of the price increase.[4] In Minnesota, we have seen substantial declines in cigarette smoking among adults and youth during a period of significant adoption of tobacco control policies, including a major 2013 tax increase.[5,6] This includes the steepest decline recorded in smoking by high-school students, from 18.1 percent in 2011 to 10.6 percent in 2014.[5]

  As of July 2019, a $1.50 per pack increase would:[7,8]

  - Keep 18,800 Minnesota kids from becoming addicted adults;
  - Decrease youth smoking by 16 percent;
  - Help 27,500 current smokers to quit;
  - Save 12,700 Minnesotans from premature smoking-related deaths; and
  - Prevent almost 1 billion dollars in long-term health care costs.

- **Higher tobacco prices in Minnesota have helped smokers quit.** In-state evidence shows that cigarette price increases prompt many smokers to quit or cut back.[9,10] In 2013, Minnesota's sales and excise tax on cigarettes increased by $1.75 per pack: a 30 percent increase in price. Quit attempts by Minnesotans increased dramatically. During the first two weeks of July 2013, QUITPLAN Services received 256 percent more calls than in the first two weeks in July 2012, and saw a 289 percent increase in visits to quitplan.com. In addition, smokers reported that this price increase influenced their smoking behaviors, with 60.8 percent thinking about quitting, 48.1 percent cutting down on smoking and 44.2 percent making quit attempts. Among smokers who successfully quit in the year following the tax increase, 62.8 percent reported that the price increase helped them make a quit attempt, and 62.7 percent reported that it helped keep them from smoking again.[9] The year after the 2013 tobacco tax increase, 60 percent of Minnesota smokers made a quit attempt and 15.6 percent successfully quit.[11]

- **Limiting tobacco price discounting will prevent millions of youth and young adults from a lifetime of addiction.** While significantly increasing tobacco excise taxes is the most effective way to increase tobacco prices, there are other non-tax approaches to maintaining and increasing the price of tobacco products.[12-17] One approach is prohibiting price discounting. Price discounts are a common tobacco industry strategy used to circumvent states' minimum price laws and/or blunt the impact of an excise tax increase. Research has proven that price discounting practices increase youth progression from experimentation to regular smoking and undermine quit attempts.[18] The 2012 Surgeon General's Report (p. 530) concludes "the industry's extensive use of price-reducing promotions has led to higher rates of tobacco use among young people than would have occurred in the absence of these promotions."[19] Price discounting practices include direct mail, Internet and point-of-sale coupons, buy-one-get-one-free offers and multipack discounts. Through modeling, researchers estimate a $10-per-pack retail price that also eliminated discounts could have the highest impact, resulting in 4,186,954 fewer young adult cigarette smokers (a 12.2 percentage-point decrease in prevalence) nationwide.[20] Prohibiting the redemption of coupons and multipack discounts will maintain higher prices on tobacco products. Local jurisdictions including New York City, Providence and Chicago have passed ordinances prohibiting the redemption of coupons. In Minnesota, many local communities have set minimum prices on single cigars, which has successfully increased prices and reduced availability of these products.[21] In 2019, the Association for Nonsmokers – Minnesota launched the Don't Discount My Life Campaign (http://dontdiscountmylife.org/) to educate Minnesotans about tobacco industry price manipulation and to build support for policy changes to address price discounting. Key facts from the campaign include:

  - Minnesota young adult nonsmokers who receive tobacco coupons are twice as likely to become smokers.[22]
  - About 50 percent of Minnesota smokers have used tobacco coupons or promotions in the past year to save money on cigarettes.[23]
  - A third of adult smokers use tobacco coupons or discounts every time they see one.[24]
  - Minnesota adult smokers who redeemed cigarette coupons were much less likely to quit smoking than those who didn't use coupons.[25]
  - Young smokers are more likely to use tobacco coupons or promotions.[23,24]

- **Certain smokers are more responsive to changes in the price of cigarettes.** Cigarette price and tax increases have been shown to be especially effective in reducing smoking among youth, young adults, African Americans and Chicanos/Latinos. Pregnant women are also more likely to reduce or quit smoking when tobacco prices rise.[26] Recent Minnesota research found individuals of low socioeconomic status (SES) were more likely than smokers of higher SES to take steps toward quitting (cigarette reduction and quit attempts) following the 2013 tax increase.[10]

- **Tobacco use remains a persistent problem in Minnesota.** Each year in Minnesota, tobacco use is responsible for 6,312 deaths. Additionally, the annual cost of smoking in Minnesota is estimated to be over $7 billion: $3.19 billion in direct health care costs and $4.3 billion in lost productivity.[27,28] As of 2018, 13.8 percent of Minnesota adults continue to smoke, and 8.5 percent of the state's 18-24-year-olds smoke.[29]

- **Smokeless tobacco continues to be popular.** In 2018, 6.4 percent of Minnesota adult males used smokeless tobacco. Among smokers, 6.6 percent reported using smokeless tobacco in addition to cigarettes in 2018.[29] This reflects the tobacco industry's marketing of smokeless tobacco products to smokers.[30] In 2017, 6.3 percent of Minnesota middle- and high-school male students used smokeless tobacco.[31] The 2012 Surgeon General's Report (p. 802) reviewed the available research to date regarding tobacco tax increases and concluded that "tobacco control policies, including higher taxes on smokeless tobacco . . . are effective in reducing the use of smokeless tobacco among adolescent males."[19]

- **Minnesota's cigarette tax ranks high in the United States.** In 2013, Minnesota's cigarette excise tax and sales tax increased the price of cigarettes by $1.75 per pack. This led to a 12 percent reduction in sales of cigarettes for July to December 2013, compared to the same period in 2012.[32] As of July 1, 2018, Minnesota ranked eighth in the United States for its cigarette tax. Eight states (New York, Massachusetts, Rhode Island, Connecticut, Hawaii, Vermont, Minnesota and Washington), Washington, D.C., Puerto Rico and Guam currently have cigarette tax rates over $3.00 per pack.[33]

- **Tobacco's harm disproportionately impacts low-income smokers, who are more likely to reduce smoking and increase quit attempts following price increases.** Opponents of tobacco taxes frequently argue that a cigarette price increase will fall heavily on the economically disadvantaged, since tobacco is disproportionately used by low-income individuals. However, low-income populations are 70 percent more responsive to price increases than affluent populations. A recent National Cancer Institute monograph on addressing tobacco-related health disparities reinforces this, stating (p. 462), "Lower-income populations often respond more to tobacco tax and price increases than higher-income populations. As a result, significant tobacco tax and price increases can help reduce the health disparities resulting from tobacco use."[34] New Minnesota research found low socioeconomic (SES) status smokers were more likely than higher-SES smokers to reduce smoking and increase quit attempts in response to the 2013 tax.[10] Since low-income smokers suffer disproportionately from the health effects of smoking, a larger proportion of the eventual benefits of quitting (and the correspondent savings on health care) will accrue to this low-income population.[35]

- **Tobacco taxes are a stable and predictable source of revenue.** Tobacco taxes are less volatile than other state revenue sources, such as income or corporate taxes, because tobacco sales are less affected by economic slowdowns or recessions.[36] Minnesota's revenue estimates are reliable for predicting new revenue from increased tobacco taxes and fees. In 2013, when Minnesota raised the tax on cigarettes and other tobacco products, the Minnesota Department of Revenue estimated tobacco taxes would generate approximately $593 million in revenue in Fiscal Year 2014. The actual revenue reported by Minnesota's Management and Budget was $607 million – $14 million higher than the original estimate.[37] Minnesota's model to estimate revenue from tobacco taxes takes into account declines in consumption, smoking rates and youth initiation.

Background:

- On May 23, 2013, Governor Mark Dayton signed into law a bill significantly increasing excise tax rates on cigarettes and other tobacco products and making several other important changes to Minnesota tobacco tax laws. Highlights of the law include:

  - The excise tax on cigarettes increased by $1.60 per pack (from $1.23 per pack to $2.83 per pack).
  - The excise tax on other tobacco products increased from 70 percent to 95 percent of wholesale price.
  - The definition of a "cigarette" for excise tax purposes was amended to include so-called little cigars. As a result, products that bear a close resemblance to standard cigarettes will now be taxed as cigarettes, even if they are labeled as "cigars," "small cigars," "cigarillos" or "mini-cigarillos."
  - An annual adjustment (indexing) of the cigarette excise tax and moist snuff minimum tax took effect starting January 1, 2014, and resulted in slight increases in the excise tax every year to keep pace with inflation.
  - As of January 1, 2014, a minimum tax was applied to all containers of "moist snuff." The excise tax per container will be either 95 percent of the wholesale price or equal to the excise tax on a pack of cigarettes (whichever is greater).
  - "Premium cigars" were defined and a maximum tax of the lesser of 95 percent of the wholesale price or $3.50 per cigar was established.
  - There is a report about the tobacco tax components of the new law from the Public Health Law Center.[38]

- In 2017, the Legislature passed and Governor Mark Dayton signed into law legislation that rolled back some of the changes passed in 2013 and also clarified some changes. Most notably, the 2017 legislation:

    1. Repealed the annual adjustment (indexing) of the cigarette excise tax and moist snuff minimum tax, thereby freezing the cigarette excise tax at its current rate of $3.04 per pack.
    2. Reduced the maximum tax on single premium cigars from $3.00 to $0.50 and expanded the definition.
    3. Clarified and modified the tax rate on large containers of moist snuff so that the same tax rate applies to each 1.2 oz container or amount of the moist snuff is sold in a container holding more than 1.2 ounces (Example: Excise tax on 12-oz. tub before fix = $3.04. Excise tax on 12-oz. tub after fix = $30.40.) This change was supported by public health advocates and was commonly referred to as the “man can” loophole.

- **Other tobacco products (OTPs):** For the purposes of taxation in Minnesota, all tobacco products except cigarettes are considered “other tobacco products” (OTPs). Any increase in Minnesota’s cigarette tax should be accompanied by an equivalent increase in the OTP tax rate. Maintaining tax equity between cigarettes and OTPs is becoming increasingly important, as a large price disparity between cigarettes and OTPs may encourage product substitution and undermine the cessation impact of a tax increase. Additionally, the tobacco industry has been advocating for lower excise taxes on tobacco products that they argue are less harmful than cigarettes. But that is true only if people completely switch, which data suggest is not happening; meanwhile, the industry has promoted dual use of cigarettes with OTPs. ClearWay Minnesota supports keeping the price of cigarettes and OTPs equally high and not adjusting tax rates on some products based on false tobacco industry claims.

- **Electronic cigarettes (e-cigarettes):** Electronic cigarettes (e-cigarettes) are battery-operated devices that allow the user to inhale an aerosol produced from cartridges filled with nicotine, flavors and other chemicals. Youth e-cigarette use has increased dramatically and the U.S. Surgeon General has called it an epidemic. The e-cigarette industry uses price promotions to sell their products. Currently, Minnesota taxes the nicotine portion of electronic cigarettes as tobacco products, at 95 percent of the wholesale price. Emerging evidence suggests, “higher e-cigarette disposable prices reduce e-cigarette use among adolescents” and “policies that raise retail e-cigarette price, such as taxes, have the potential to reduce adolescents e-cigarette initiation and consumption.”[39] Minnesota should continue to impose the same excise tax rate on e-cigarettes as all other tobacco products and should monitor future regulatory guidance by the FDA. Further, Minnesota should consider expanding the excise tax to the device in addition to the nicotine portion to ensure a more consistent and comprehensive approach. In 2016, the Legislature decreased the tax on closed-system e-cigarettes from 95 percent to 45 percent of the wholesale price. However, Governor Dayton vetoed the tax bill that included this provision, so it was not implemented. In 2019, the Legislature considered a number of proposals to increase taxes on electronic cigarettes but no rate changes were included in the final tax bill. The Minnesota Department of Revenue proposed a number of technical changes that were incorporated into the final tax bill including a new definition of “nicotine solution” and clarification of the term “wholesale price.”

- **Little cigars:** “Little cigars” are filtered, often sweet-flavored products that are similar in size, shape, product engineering and packaging to cigarettes. The 2013 law that expanded Minnesota’s definition of cigarettes to include these products has increased the price of most brands, making them less attractive to youth and other price-sensitive populations.

- **Weight-based taxes:** Minnesota taxes tobacco products other than cigarettes using an ad valorem approach. This ensures that the tax burden does not decline over time by automatically adjusting for increases in the wholesale price of tobacco. Currently, Minnesota taxes non-cigarette tobacco products at 95 percent of their wholesale price. In past legislative sessions, Philip Morris has aggressively pursued legislation to change the method of taxing moist snuff from an ad valorem system to a weight-based one. Weight-based taxes result in a declining tax burden on OTPs (including moist snuff) and are therefore not in the best interest of public health. Philip Morris is currently the market leader in premium moist snuff brands, and a change to weight-based taxes would significantly benefit the company by solidifying its market share. Other tobacco manufacturers oppose what they see as a competitive advantage for Philip Morris. The minimum tax on moist snuff established in 2013 is a weight-based approach and was supported by Philip Morris. Public health advocates also supported this specific weight-based approach because it prevented the deep discounting on cheap brands of moist snuff.

- **Automatic annual adjustments:** Since 2005, cigarette sales have been exempt from state and local sales taxes. A per-pack tax applies instead of the sales tax ("fee in lieu of sales tax"). The Commissioner of Revenue annually sets this in-lieu tax based on a survey of Minnesota retail cigarette prices. The rate is set as an average of these prices and is reset January 1 for the calendar year. Effective January 1, 2019, the rate is 58.8 cents/pack, a slight increase from 57.4 cents/pack in 2018, 55 cents/pack in 2017, 54.3 cents/pack in 2016 and 52.6 cents/pack in 2015. The tax does not replace local sales taxes, although cigarettes are exempt from these local taxes. From 2013 to 2017, the excise tax rate on cigarettes was also annually adjusted on January 1 for the change in the average retail price of cigarettes in Minnesota. The annual adjustment increased the excise tax rate by 21 cents (7 cents in 2015, 10 cents in 2016 and 4 cents in 2017) to $3.04 per pack where it remains today.[40] Annual adjustments help taxes keep pace with inflation and prevent the tax burden from declining over time. The predictive models used by the American Cancer Society Cancer Action Network, the Campaign for Tobacco-Free Kids, ClearWay Minnesota and others to estimate the impact of price increases on public health (number of lives saved, number of smokers who will quit, number of youth who will not become addicted, etc.) assume that the real value of the tax is maintained over time. With all other factors held constant, if the value of the tax burden is not maintained over time, Minnesota may see an increase in youth uptake as taxes (and therefore prices) erode over time. Maintaining the value of the tax over time keeps prices high to prevent youth from initiating smoking and becoming addicted in the future. However, the immediate impact of inflationary increases (or small tax increases) is difficult to measure. In addition, automatic inflationary increases may deter legislators from supporting significant, one-time tobacco tax increases which have measureable and immediate public health benefits. In 2017, the Legislature passed and Governor Dayton signed into law legislation repealing the annual adjustment on the cigarette excise tax. The annual adjustment of the fee in lieu of sales tax rate remains.

- **Loose-leaf tobacco:** When the price of cigarettes increases, some smokers look for cheaper options, such as making cigarettes using loose-leaf or "roll-your-own" tobacco. In 2009, the federal tobacco excise tax increased, making the federal tax on roll-your-own tobacco equal to the federal cigarette tax. At the same time, pipe tobacco continued to be taxed at a much lower rate. As a result, many roll-your-own companies relabeled their tobacco as "pipe tobacco" to avoid the higher rate. In 2013, Minnesota increased the tax on loose-leaf tobacco and pipe tobacco from 70 percent to 95 percent of wholesale. Continued efforts to raise the price of all tobacco products and create tax uniformity across products will help deter individuals and companies from replacing high-tax tobacco products with lower-tax ones.

- For several years, ClearWay Minnesota and Blue Cross and Blue Shield of Minnesota convened Raise it for Health, a coalition of more than 30 of the state's leading health and nonprofit organizations to work in partnership to increase taxes on tobacco products. The coalition was the driving force behind the significant 2013 tobacco tax increase.

- As we look to future policy efforts around increasing taxes on cigarettes and other tobacco products, it will be helpful to know more about a number of pressing questions, including:
    - As smoking prevalence decreases, do price increases have the same impact on quitting?
    - As tobacco prices continue to increase through taxes, is there a point of diminishing returns?
    - If data on long-term use of noncombustible tobacco products become available, should we consider a different tax rate on products that demonstrate different or lower risk rates?

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ClearWay Minnesota[SM] Policy Position Two:

ClearWay Minnesota supports the adoption, implementation and enforcement of policies (public and voluntary) that protect people from the dangers of secondhand smoke.

Facts:

- **Secondhand smoke is a threat to public health.** In June of 2006, the U.S. Surgeon General released the most comprehensive scientific report ever produced on the health harms of secondhand smoke. This was the first report issued by the Surgeon General on secondhand smoke since 1986. The Surgeon General concluded that there is "massive and conclusive scientific evidence" about the health dangers of secondhand smoke. Key findings from the report include:[1]
    - The scientific evidence that secondhand smoke causes serious diseases, including lung cancer, stroke, heart disease and respiratory illnesses, is massive and conclusive. There is no longer a scientific controversy or any scientific debate.[2]
    - There is no risk-free level of exposure to secondhand smoke.
    - Exposure to secondhand smoke has substantial and immediate adverse effects on the cardiovascular system.
    - A recent study documented secondhand smoke exposure as a potential risk factor for developing chronic obstructive pulmonary disease.[3]

- **Smoke-free policies protect Minnesotans from secondhand smoke**. From 2003 to 2010 there was a large decrease in the percentage of Minnesotans who reported that someone had smoked near them in any location in the past seven days (from 67 percent in 2003 to 46 percent in 2010).[4] In 2018, the greatest proportion of exposure among adult nonsmokers in Minnesota occurred in community settings (defined as locations other than home and car – 30.0 percent) followed by cars (5.4 percent) and in the home (2.2 percent).[5,6] Most remaining exposure is in outdoor settings and for a brief duration. Decreased exposure to secondhand smoke corresponds with an increase in public, worksite and voluntary home and vehicle smoke-free policies. In 1999, 64.5 percent of Minnesotans reported having smoke-free policies for their own homes. That percentage rose significantly to 91.5 percent in 2018.[6] Along with these reductions in exposure, awareness of the dangers of secondhand smoke is high. According to the 2018 Minnesota Adult Tobacco Survey (MATS), 91.3 percent of Minnesotans believe that secondhand smoke is very or somewhat harmful to health.[6]

- **Specific evidence from Minnesota demonstrated that banning indoor smoking protects people from the dangers of secondhand smoke.** According to a March 2008 study, Minnesota's smoke-free law reduced exposure to NNAL (a tobacco-specific cancer-causing chemical) in nonsmoking hospitality workers by 77 percent, and their levels of cotinine (a marker for nicotine exposure) decreased by 83 percent.[7]

- **Smoke-free policies create a supportive environment for quitting**. Several studies of health and economic impacts of smoke-free legislation have found increased interest in quitting and reduced cigarette consumption following smoke-free laws being implemented. Some studies indicate the longer a smoke-free law is in place, the more likely smokers may be to quit.[8] In 2010 (three years after Minnesota's comprehensive smoke-free law was implemented), current and former smokers were asked, "What effects, if any, do smoking restrictions at work, home, restaurants, bars or elsewhere have on your smoking?" More than 40 percent of current and recently quit smokers say that smoke-free policies made them think about quitting. In addition, 62 percent of current smokers say that smoke-free policies have made them cut down on cigarettes, and 49 percent of former smokers who quit in the last five years say that smoke-free policies made them cut down before quitting.[4]

- **Children and youth are particularly vulnerable to the health effects of secondhand smoke exposure because their bodies are still developing.** According to the 2017 Minnesota Youth Tobacco Survey, 46.2 percent of nonsmoking middle-school and high-school students were exposed to secondhand smoke in the past seven days. The most common location of exposure for nonsmoking middle-school and high-school students was an indoor or outdoor public space (32.9 percent). 15.8 percent of nonsmoking students were exposed at home.[9] Recent studies demonstrate significantly higher exposure to toxins in secondhand smoke in the back seats of cars than in other indoor environments, such as restaurants and bars.[10-12] Children are particularly vulnerable to the effects of secondhand smoke as their bodies are still developing. Secondhand smoke is a known case of Sudden Infant Death Syndrome (SIDS), potentially fatal respiratory tract infections, frequent and severe asthma attacks, and frequent ear infections, which often contribute to hearing problems.[13] Since 2007, the American Academy of Pediatrics has called for policies that prohibit smoking in cars with minors.[14] Currently eight U.S. states and Puerto Rico ban smoking in cars with children riding in them.[15,16] In 2014, the Minnesota Legislature passed legislation requiring a smoke-free environment (homes and vehicles) for all Minnesota children in licensed foster care.

- **Specific populations within Minnesota are disproportionately exposed to secondhand smoke.** A recent national study found 25.2 percent of nonsmokers were exposed to secondhand smoke in 2013-2014; however, rates among children aged three to 11 and non-Hispanic blacks were considerably higher at 37.9 percent and 50.3 percent, respectively.[17] Data from the Tribal Tobacco Use Survey, a study of Minnesota's tribal communities, illustrate that American Indians are far more likely to be exposed to secondhand smoke at home (43 percent) and in indoor workplaces (37 percent) and other community settings (71 percent) than the general Minnesota population (10 percent, 9 percent, and 34 percent respectively).[4,18] Although multi-unit housing structures in Minnesota are increasingly adopting voluntary smoke-free policies (including government-subsidized housing complexes), about 14.6 percent of all Minnesotans living in multi-unit housing structures reported smelling smoke in their unit in the past seven days, according to the 2018 MATS.[6] In December 2016, the U.S. Department of Housing and Urban Development issued its final rule requiring all public housing agencies to implement smoke-free policies by July of 2018. Low-income populations tend to have higher rates of secondhand smoke exposure. Nationally, 47.9 percent of those living below the poverty level were exposed to secondhand smoke in 2013-2014[17] and 34.4 percent of all multi-unit housing residents with smoke-free home rules remain exposed to secondhand smoke in their homes, according to 2013-2014 national data.[19]

Background:

- The Freedom to Breathe Act of 2007, the comprehensive smoke-free law prohibiting smoking in workplaces, is a public policy success. It has improved health, is widely embraced by business owners and is popular with Minnesotans.
    - A September 2014 public opinion survey found that 87 percent of Minnesotans support the statewide smoke-free law.[20]
        - 2018 public opinion polling found that 81 percent of Minnesotans supported adding e-cigarettes to the Minnesota Clean Indoor Air Act.[21]
    - The Freedom to Breathe Act applies to virtually all businesses in the state. As of July 2010, the Minnesota Department of Health had received minimal reports of violations of the three-year-old Freedom to Breathe Act.[22]
    - A recent study demonstrated that policies like Freedom to Breathe both protect nonsmokers from secondhand smoke and are associated with less smoking among youth and young adults.[23]

- ClearWay Minnesota supports additional policies to reduce exposure to secondhand smoke. Activities include, but are not limited to, local smoke-free ordinances, smoke-free higher education campuses, smoke-free child care sites, smoke-free foster homes, smoke-free worksites, smoke-free vehicles with minors as passengers, smoke-free multi-unit housing and smoke-free casinos.

- Fewer Minnesotans are exposed to secondhand smoke (38 percent in 2010 compared to 61 percent in 2003) and more Minnesotans are adopting voluntary smoke-free home rules (87 percent in 2010 compared to 65 percent in 1999). Such a trend is notable, since secondhand-smoke policy efforts in Minnesota have mainly been concerned with workplaces, not homes. This positive change in social norms suggests that policies for public settings might also impact practices in private ones.[24] Exposure in the home has continued to decline, dropping from 4.4 percent among nonsmoking adult Minnesotans in 2007 to 2.2 percent in 2018.[6]

- While the harm of secondhand smoke exposure indoors is undeniably shown by research, the harm of exposure in outdoor settings is less evident.[25] Exposure in outdoor settings is more variable than indoor exposure.[26] Caution should be taken, however, by those with preexisting health conditions, which can be aggravated even by brief secondhand smoke exposure.[27] In addition, the U.S. Centers for Disease Control and Prevention (CDC) recommends creating smoke-free environments as one of the most effective ways to promote durable social norm change for tobacco use.[28] These combined factors provide a solid foundation for restricting smoking outdoors. ClearWay Minnesota supports some public policies restricting smoking in outdoor settings, including worksite campuses, higher education campuses, parks, zoos and community events.
    - In June of 2019, the US Department of Veteran Affairs announced that all VA health center campuses are to be smoke-free by October 2019, including the use of all combusted and e-cigarette products.[29] This announcement underscores the importance of smoke-free air both indoors and outdoors.

- A recent study funded by ClearWay Minnesota examined secondhand smoke exposure in vehicles under different driving and ventilation conditions. The study found that exposure rates in vehicles can be comparable to smoky bars, and while some ventilation (open windows, e.g.) can help dissipate the smoke, rates are still notably high in vehicles for all passengers.[12]

- ClearWay Minnesota supports the adoption, implementation and enforcement of policies (public and voluntary) that prohibit e-cigarette use in all indoor workplaces, including bars and restaurants, in order to uphold the standard of clean indoor air that Minnesotans expect and support. In 2019, the Minnesota Legislature strengthened the state Clean Indoor Air Act restricting e-cigarette use where smoking is already prohibited in indoor public workplaces.

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ClearWay Minnesota℠ Policy Position Three:

ClearWay Minnesota opposes state laws that preempt the authority of local governments to pass tobacco control policies that are stricter than Minnesota state laws.

Facts:

- **State preemption of local public policies is a tobacco industry strategy to stop progress in preventing and reducing use of commercial tobacco.** State preemption of local ordinances is a priority for tobacco companies because tobacco companies know that local ordinances effectively prevent and reduce tobacco use, thereby hurting tobacco industry profits.[1] Victor L. Crawford, a former lobbyist for the tobacco industry trade group the Tobacco Institute, said, "We could never win at the local level . . . so the Tobacco Institute and tobacco companies' first priority has always been to preempt the field."[2] Additionally, tobacco industry documents reveal that one Philip Morris representative wrote, "While we're not married to any particular form of preemption language, we're dead serious about achieving preemption in all 50 states.[3]"

- **A preemptive state-level tobacco law would erase progress made at the local level.** State-level preemption of local policies limits local tobacco control efforts and has historically been very difficult to reverse. In Minnesota, many local ordinances have gone beyond statewide restrictions. For example, some localities restrict smoking within a designated distance of building entrances, prohibit smoking in all guest rooms in hotels and motels.[4] More recent examples of local progress include increasing the minimum legal sales age from 18 to 21, or restricting sales of flavored products, including menthol – all of which go beyond state law and are important efforts in reducing commercial tobacco use and advancing health equity. Statewide preemptive language would prevent or weaken local ordinances such as these.

Background:

- According to the Public Health Law Center, "Preemption occurs when, by legislative or regulatory action, a 'higher' level of government (state or federal) eliminates or reduces the authority of a "lower" level over a given issue. Express preemption occurs when a law contains a preemption clause or other explicit preemptive language. Implied preemption happens when a court finds that a law is preemptive even in the absence of an express preemption clause."[5]

- Specific topics of law targeted for preemption include youth access restrictions, flavor restrictions, smoke-free workplace policies, tobacco retailer licensing, tobacco advertising and taxation of tobacco products, among others.

- As of January 2, 2019, 14 states have laws that partially or completely preempt local ordinances from restricting smoking in workplaces: Nebraska, Wisconsin, Utah, South Dakota, Oklahoma, Florida, Tennessee, North Carolina, Virginia, Pennsylvania, Connecticut, New Hampshire, Washington State and Michigan.[6] The CDC STATE system has an interactive map of preemption on licensure, smoke-free indoor air, marketing and youth access. For reference, see: https://www.cdc.gov/statesystem/preemption.html.

- Broad support exists for allowing local action on policies reducing exposure to secondhand smoke, reducing youth exposure to tobacco products and limiting retail access to tobacco products. Organizations that oppose preemption laws include but are not limited to the following: the American and Minnesota Medical Associations, the American Cancer Society Cancer Action Network, the American Heart Association, the American Lung Association, the League of Minnesota Cities, the Campaign for Tobacco-Free Kids, the Truth Initiative, the Tobacco Technical Assistance Consortium, the National Association of County and City Health Officials and the National Association of Local Boards of Health.

- Many local governments in Minnesota have enacted policies that go above and beyond the requirements of the Minnesota Clean Indoor Air Act. For example, cities and counties have passed policies that restrict smoking within certain distances of entrances and exits, and/or prohibit the sampling of tobacco products in retail stores. Local polices help build momentum for enacting statewide legislation to strengthen existing statewide laws. For example, local enactment of ordinances prohibiting the use of e-cigarettes in public places and workplaces helped lead to the amendment of the Minnesota Clean Indoor Air Act in 2019, which will now prohibit the use of e-cigarettes anywhere conventional smoking is not allowed.

- Many local governments in Minnesota have also enacted policies that go above and beyond the requirements included in Minnesota's youth access and tax statutes. For example, cities and counties have passed policies limiting the number of tobacco retailer licenses in their community, increasing the tobacco sales age from 18 to 21, increasing the minimum age to sell tobacco to 18, requiring a minimum price and minimum package size for cigars and restricting the sale of flavored tobacco products, including menthol, to adult-only stores.

- In 2017, the Minnesota Legislature passed but Governor Dayton vetoed legislation preempting local units of government from enacting local workplace standards for wages and benefits. ClearWay Minnesota and Minnesotans for a Smoke-Free Generation worked with bill authors to remove the term "working conditions" from the bill because of concerns that it could be interpreted to apply to local smoke-free or tobacco prevention ordinances. Concerns remain with other undefined terms in the bill and future debate on this topic is anticipated.

- Recently, the tobacco industry began lobbying in support of statewide Tobacco 21 laws around the country, including in Minnesota. While on the surface this development appears positive, it actually threatens to undermine public health goals by attaching preemption provisions to statewide bills, aiming to weaken tobacco control goals overall. Statewide Tobacco 21 policies passed in Texas, Massachusetts, Utah, and Arkansas all included new preemption requirements.

- Preemptive laws take away the ability of communities to pass policies that meet local needs. Local control engenders health equity by ensuring participatory parity (devolving decision-making power to governmental entities that are not far removed from the people). To achieve health justice/equity, we not only have to be committed to achieving substantive results, but also ensuring that process of achieving those results is grounded in community engagement. Preemption removes this power from communities.[7,8]

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ClearWay Minnesota[SM] Policy Position Four:

ClearWay Minnesota supports additional public funding for evidence-based efforts and promising practices to reduce tobacco use, especially among priority populations, young adults and youth.

Facts:

- **Tobacco use is the single most preventable cause of death and disease[1,2], killing more than half of its users.[1,3]** Each year, more than 6,300 Minnesotans die from tobacco use [4]and 2,500 Minnesota kids become new daily smokers.[5]

- **Preventing youth from beginning tobacco use is essential to lowering prevalence rates.** While only five percent of 11th graders now report smoking cigarettes, one in four (26 percent) reported using e-cigarettes in the past 30 days[6] (a 54 percent increase since 2016)[7]. Younger students also report increasing use of e-cigarettes with 11 percent of 8th graders and 16 percent of 9th graders vaping in the past 30 days[6] (a 95 percent and 75 percent increase, respectively, since 2016).[7] In Minnesota, 78.3 percent of smokers tried their first cigarette when they were 18 or younger,[8] and more than 95 percent of smokers nationwide started smoking before they turned 21.[9]

- **A comprehensive approach is the key to reducing and preventing tobacco use.** The U.S. Centers for Disease Control and Prevention (CDC) recommends evidence-based, statewide tobacco control programs that are adequately funded, comprehensive, sustained and accountable. These include state, community and health-system-based interventions; cessation services; counter-marketing; policy development and implementation; surveillance; and evaluation.[10] These comprehensive programs accelerate progress toward reducing the health burden and economic impact of tobacco-related diseases.[10] States that invest more fully in comprehensive tobacco control programs have seen larger declines in cigarette sales than the United States as a whole,[1] and smoking prevalence among adults and youth has declined faster as spending for tobacco control programs has increased .[11]

- **Over the past 20 years, comprehensive investments in reducing tobacco's harm have saved thousands of lives and billions of dollars in Minnesota.** Since 1999, adult smoking prevalence in Minnesota fell by 37.5 percent, from 22.1 percent in 1999 to 13.8 percent in 2018.[12] A comprehensive approach to tobacco control prevented 4,560 cancers, 31,691 hospitalizations for cardiovascular disease and diabetes, 12,881 respiratory disease hospitalizations and 4,118 deaths. $5.1 billion was also saved in worker productivity and health care costs.[13] Since 2001, more than 185,000 Minnesotans got help quitting.

- **Minnesota's investment in tobacco prevention falls short.** CDC recommends that Minnesota spend $53 million a year in order to have an effective, comprehensive tobacco control program.[10] In Fiscal Year 2019, Minnesota only spent $17.3 million, or 33 percent of CDC's recommendation, on tobacco control.[14] Full implementation of comprehensive tobacco control policies and programs at CDC-recommended funding levels would result in a substantial reduction in tobacco-related morbidity and mortality and billions of dollars in savings from averted medical costs and lost productivity.[11,15] In contrast, in Fiscal Year 2018 the state of Minnesota collected approximately $589 million in tobacco taxes and $167 million in tobacco settlement payments, none of which was dedicated to tobacco cessation or prevention.[16] Furthermore, recent reports show the tobacco industry spends about $115 million annually on advertising and marketing in Minnesota, not including e-cigarette ads.[14] Most Minnesota students (88 percent) report seeing ads for e-cigarettes in the past month.[17]

- **Investments in smoking cessation lead to improved health and lower health care costs.**[18] In March of 2020, free smoking cessation services through QUITPLAN Services will end and the Minnesota Department of Health will begin offering statewide cessation services. Quitlines are proven to help smokers quit and save money[19] and all 50 states, D.C., Puerto Rico and Guam have a quitline. Helping people quit smoking is among the three highest valued clinical interventions with greatest potential for population health improvement (the other two are childhood immunization and counseling to prevent youth tobacco use).[20,21] The costs of smoking cessation programs can be fully offset in three years.[18]

- **ClearWay Minnesota's budgets are declining and the organization will end by 2022.** ClearWay Minnesota's budget accounts for nearly 70 percent of funds spend on tobacco prevention and cessation in Minnesota. The organization funds cessation services, research, mass media, advocacy and community outreach. However, ClearWay Minnesota is a life-limited organization and it will end operations by 2022, leaving a gap in how the state addresses the leading cause of preventable death and disease in Minnesota. This shift, along with years of lack of funding for tobacco prevention in Minnesota, demonstrates the need for renewed commitment by the state to dedicate more funding for tobacco prevention.

- **Continuing a comprehensive, well-funded approach to tobacco control in Minnesota is the most effective way to sustain progress in reducing tobacco use.** Policy efforts such as raising the minimum tobacco sales age from 18 to 21 and increasing the price of tobacco are proven to reduce prevalence rates, however ongoing tobacco control funding would double their impact. Strong policies paired with continued tobacco control funding will have a significantly greater impact than any individual effort. Without continued dedicated funding for programs, cessation and advocacy, current advances may be lost.[22]

- **Adequately funded mass-media campaigns aimed at youth are cost-effective and successful.** According to the U.S. Surgeon General, evidence is sufficient to conclude that mass-media campaigns are an important part of comprehensive statewide tobacco control programs that can prevent the initiation of tobacco use and reduce its prevalence among youth.[23] Research has shown that tobacco prevention investments produce short- and long-term health care cost savings.[24] Studies of FDA's *Real Cost* mass-media campaign targeting youth prevented approximately 350,000 youth[25] from starting to smoke between 2014 and 2016, and saved $4 for every dollar spent.[26] The lack of a youth-focused counter-marketing campaign creates a significant gap in Minnesota youth prevention efforts

- **The U.S. Centers for Disease Control and Prevention (CDC) recommends funding multicultural organizations and networks.** CDC best practices recommend a comprehensive approach to preventing and reducing commercial tobacco use, which includes funding multicultural organizations and networks to collect data and develop and implement culturally appropriate interventions for specific communities.[10]

- **Some of Minnesota's diverse populations have much higher rates of smoking than Minnesota's population as a whole.** Several studies have documented higher rates in specific communities, including American Indian, African American, Chicano/Latino, Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) and Asian, Asian American and Pacific Islander communities.[27-30] These disparities also exist for Minnesota youth. American Indian students, those experiencing economic hardship, those identifying as bisexual, gay or lesbian, those experiencing suicidal thoughts, and those who binge-drink, smoke at significantly higher rates.[7]

Background:

- ClearWay Minnesota actively pursues opportunities to leverage state and federal funding for tobacco prevention and cessation. For example, in May 2015, the Minnesota Legislature passed a bill requiring the Minnesota Department of Health to fund a one-time grant of $200,000 from Statewide Health Improvement Program (SHIP) funding. The law requires that the grant be used to engage members of the African American community and community-based organizations to implement strategies and interventions to reduce the disproportionately high usage of cigarettes by African Americans, especially the use of menthol-flavored cigarettes, as well as the disproportionate harm tobacco causes in that community. In 2013, the Minnesota Legislature passed a bill including a one-time appropriation of $100,000 for the Minnesota Department of Revenue to study and propose recommendations for improving compliance with the state's tobacco tax collection system. Additionally, ClearWay Minnesota participates in the SHIP Coalition, which advocates for increased funding for obesity and tobacco prevention funds. The SHIP Coalition's work resulted in increased program funding for these purposes (from $15 million for fiscal years 2012-2013 to $35 million for fiscal years 2014-2015 and again for fiscal years 2016-2017 and 2018-2019). On an ongoing basis, ClearWay Minnesota partners with the Minnesota Department of Public Health to obtain funding from the CDC to enhance cessation-related activities. For the past few years, this partnership resulted in funding to conduct outreach to Medical Assistance and MinnesotaCare enrollees and their health care providers to educate them about available cessation services as well as to support and improve the Minnesota Quitline Network.

- Since 2001, ClearWay Minnesota has operated QUITPLAN® Services. These are effective, science-based programs that give Minnesota tobacco users free tools to quit. QUITPLAN Services includes phone counseling, medications, emails, text messaging and self-help materials. These services are ending in 2020 because ClearWay Minnesota is sunsetting by 2022. In 2019, legislation was passed directing the Minnesota Department of Health to operate statewide cessation services after QUITPLAN Services ends. Beginning July 1, 2019, MDH will receive approximately $3 million per year to develop, administer, promote and evaluate statewide cessation services. ClearWay Minnesota will continue working collaboratively with MDH to ensure a successful transition and continued access to quit-smoking services for all Minnesota residents. ClearWay Minnesota supports ongoing funding for the administration, promotion and evaluation of these services.

- As part of the 1998 Minnesota Tobacco settlement, tobacco companies agreed to pay settlement fees to the state in perpetuity. However, in 2015, Reynolds and Lorillard merged and transferred certain brands (including KOOL, Maverick, Salem and Winston) and their related manufacturing assets to ITG Brands, LLC. Since that time, settlement payments have not been made on the transferred brands. The State of Minnesota filed a lawsuit against Reynolds and ITG Brands to ensure settlement payments are made on those brands. During the 2019 Legislative Session, ClearWay Minnesota and coalition partners introduced legislation that said if and when the delinquent companies pay these fees, part of those funds will be dedicated to health and addressing the harms caused by tobacco use, now and in the future. The bill was heard in the House Health and Human Services Finance Division and the language was included in the House HHS omnibus bill. The bill did not receive a hearing in the Senate. Ultimately, the provision was not included in the final conference committee report and did not become law. ClearWay Minnesota supports future legislative efforts to dedicate a portion of these delinquent and/or ongoing settlement payments to tobacco prevention.

- In line with a 2009 report published by the Robert Wood Johnson Foundation, *Voices in the Debate: Minority Action for Tobacco Policy Change,* ClearWay Minnesota supports building a tobacco control movement that is responsive to the history, culture, language, geography, socioeconomic status, and gender and sexual orientation of Minnesota's growing and heterogeneous communities.[31] ClearWay Minnesota's efforts have included building leaders in priority populations through the LAAMPP Institute (a program that develops skills for tobacco control efforts among diverse community leaders) and the LAAMPP Policy Champions program, developing campaigns that reach these populations in multiple languages, supporting culturally-based research, providing free cessation services that include tailored protocols for various populations (e.g., American Indian quitline, behavioral health, pregnant), providing grants to community organizations to link smokers of low socioeconomic status to existing cessation services, and funding the Tribal Tobacco Education and Policy (TTEP) project, a granting initiative resulting in education and policy activities among Minnesota's American Indian populations.

- Achieving health equity, eliminating health disparities and improving the health of all Americans are overarching goals to improve and protect the health of the nation and state.[32] The future health of the nation will be determined, to a large extent, by how effectively federal, state and local agencies and private organizations work with communities to eliminate health disparities among populations experiencing a disproportionate burden of disease, disability and death.[33]

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ClearWay Minnesota[SM] Policy Position Five:

ClearWay Minnesota supports public and private sector efforts to ensure that all Minnesotans have access to comprehensive cessation services.

Facts:

- **574,000 adults in Minnesota still smoke and need help quitting.** According to the 2018 Minnesota Adult Tobacco Survey (MATS), almost half (45.7 percent) of current adult smokers made a quit attempt in the past year.[1]

- **In Minnesota, tobacco dependence treatment has played a critical role in reducing smoking rates over the past 25 years.[2]** QUITPLAN Services, as well as treatments delivered by Minnesota's clinicians, have helped make a difference. More than 185,000 Minnesotans have signed up to receive help from QUITPLAN Services since 2001. This includes text and email support, quit guides, phone coaching, and free patches, gum or lozenges. In 2018, almost 15,000 people signed up to receive support from QUITPLAN Services and almost 325,000 people visited the QUITPLAN Services website or called QUITPLAN Services.

- **Research shows that people are much more likely to successfully quit tobacco use if they receive help.[3]** Quitting is extremely difficult for many smokers. Among current smokers who made quit attempts in the past 12 months, 70 percent made multiple attempts to quit.[1] Only 3 to 5 percent of people who try to quit on their own succeed.[4] Counseling, medication and the combination of the two are effective cessation treatments[5] and can double the chances of a person successfully quitting.[6] Additionally, data show that advice from health care providers increases the use of evidence-based cessation treatments and improves outcomes.[5] Tobacco cessation treatment is also one of the services that receives a top grade from the U.S. Preventive Services Task Force (USPSTF).[7]

- **There are barriers to accessing health care, and these affect access to tobacco dependence treatment.** Barriers such as cost of health insurance, copayments, prior authorization and lack of comprehensive coverage disproportionately impact low-income populations.[8,9] Decreasing barriers to tobacco dependence treatment increases use of cessation pharmacotherapy, quit attempts and sustained abstinence rates.[10,11] Implementing comprehensive, barrier-free tobacco-cessation coverage, as described in the Affordable Care Act, makes it easier for tobacco users to quit and for physicians to help them do so.[12] Additionally, barriers to accessing health insurance, such as tobacco surcharges, could result in tobacco users being charged prohibitively high health insurance premiums. A study in California showed that an average tobacco user could end up paying 19 percent of his annual income in premiums because of surcharges.[13] A recent study also showed that insurance coverage in 2014 was 12 percent lower among smokers facing the highest surcharges than among smokers facing no surcharges.[14]

- **Tobacco dependence is a chronic, relapsing condition that often requires multiple attempts to quit and repeated, individualized intervention**.[5] For example, the Clinical Practice Guideline discusses the following:
    - The effectiveness of cessation counseling increases with the intensity of the counseling, including the length and number of counseling sessions. However, research also shows that requiring counseling significantly reduces cessation service utilization.[15]
    - Dosages of nicotine replacement therapy (NRT) need to be individualized given the severity of tobacco dependence. For some patients, especially heavy smokers, dosages of NRT need to be higher than what is recommended. Severely dependent patients may need to use NRT for six to 12 months, or even longer.[5]

- **Helping people quit smoking continues to be one of the most cost-effective health services**. The Clinical Practice Guideline demonstrates that effective treatments for tobacco users exist and should become a part of standard health care. Tobacco dependence treatment, including both counseling and medications, is one of the most cost-effective preventive services, providing substantial return on investment in the short and long term.[3] A study of all top-graded USPSTF clinical preventive services found that tobacco use screening and brief intervention is among the three highest valued interventions with greatest potential for population health improvement (the other two are childhood immunization and counseling to prevent youth tobacco use).[7,16] For most smoking cessation treatments, the benefits of providing such treatments greatly outweigh the cost of providing them.[17] Cessation treatment in the outpatient setting lowers health care costs within 18 months of quitting.[18] Within three years, a former smoker's health care costs will be at least 10 percent less than if they continued smoking.[19] It is estimated that employees who smoke will cost self-insured employers an additional $5,816 annually, on average, including absenteeism, smoking breaks, healthcare costs and other benefits.[20]

- **Cessation program expenditures can be fully offset in three years**. Over a three-year period, expenditures for smoking cessation programs in the range of $144 to $804 per smoker can be fully offset by health care cost savings.[19] Greater savings will likely occur within special populations, such as pregnant women ($3 in health care costs for every $1 invested in smoking cessation treatment for pregnant women)[21] and persons with cardiac conditions ($47 during the first year and about $853 over the following seven years).[22]

- **Including comprehensive tobacco cessation services in Medicaid insurance coverage can result in substantial savings for Medicaid programs.** Medicaid enrollees smoke at approximately twice the rate of the general population.[23] Annually, smoking-related health care costs Minnesota's Medicaid program $563 million[24] and smokers' health care costs average 34 percent higher than nonsmokers'.[19] When Massachusetts implemented and aggressively promoted a smoking cessation benefit with minimal copayments to all Medicaid enrollees, smoking prevalence among enrollees dropped 26 percent in the first two and a half years.[25] Analysis of Medicaid claims data also found a 46 percent decrease in the likelihood of hospitalization for heart attacks and a 49 percent decrease for other coronary heart disease diagnoses during this same time period.[26] Additionally, every dollar invested in the program led to an average savings of $3.12 in cardiovascular-related hospitalization expenditures within one year of the benefits being used.[27] Strategies to increase smoking cessation among Medicaid enrollees can reduce smoking-related disease and death among a population disproportionately affected by tobacco use, and can reduce smoking-related health care costs incurred by the state.

- **Helping patients quit smoking is a core responsibility of health care systems, and there are opportunities for improvement.** Advice from health care providers increases the use of evidence-based cessation treatments and improves outcomes.[10,28] Additionally, 65.2 percent of smokers reported seeing a health care provider in the last 12 months.[1] The 2018 MATS found about 76.4 percent of current smokers were advised not to smoke by health care providers, but just over half (55.2 percent) received referrals for assistance in quitting smoking.[1] Further, only 48 percent of Minnesota smokers report using some form of assistance (e.g. counseling or medication) in their quit attempts.[1] There are also age differences in quit attempts. Young adults (18-24) are more likely than older smokers to make quit attempts, particularly compared to 45-64-year-olds (54.3 percent versus 40.5 percent respectively.[1]) Evidence indicates that institutional or systems support, including prompts, reminder systems, and measuring and reporting on adherence to best practices, improves the rates of delivering effective clinical interventions around tobacco use.[29,30,31]

- **Addressing the social determinants of health is necessary to reduce tobacco use among low-socioeconomic status populations.[32,33,34]** Social determinants of health include living and working conditions that influence individual and population health (e.g., place of residence, occupation, religion, education, income and health insurance status). Accounting for social determinants in the analysis of health data, such as data on tobacco use and treatment delivery, provides a more complete picture of the health population groups. Because tobacco use is not distributed evenly across the entire population, collecting additional data on the social determinants of health and integrating it with quality measures, including those related to tobacco, has the potential to assist health systems in better understanding where gaps in tobacco treatment delivery exist and identify strategies to help close those gaps.[35] Strengthening data systems around social determinants of health can enhance strategies to effectively address the root causes of health disparities.[36]

<u>Background:</u>

- ClearWay Minnesota defines a comprehensive cessation benefit to include both counseling (individual, group and telephone) and medications (all FDA-approved cessation medications) for at least two quit attempts per year. These benefits should be provided with no copayments or coinsurance and should not be subject to prior authorization or deductibles, or to annual or lifetime limits.[3] This definition of a comprehensive benefit is consistent with other definitions, including the Clinical Practice Guideline[1] and the Federal Employees Health Benefit Program.[37] ClearWay Minnesota advocates for barrier-free, comprehensive cessation benefits within all insurance products, including individual and group products, the State Employees Group Insurance Program and other publicly funded programs (e.g., Medical Assistance, MinnesotaCare).

- Minnesota Health Care Programs (MHCP – Medical Assistance and MinnesotaCare) enrollees have coverage for all FDA-approved tobacco cessation medications as well as individual and group counseling. In 2015, legislation was passed that prohibits copayments on preventive services, including tobacco cessation counseling and medications. While this legislation was fully implemented on January 1, 2016, there are still barriers to accessing treatment for MHCP enrollees which include:

    - Prior Authorization: Requirements for prior approval from insurer before a prescription can be filled or counseling can be completed. Some Medicaid enrollees still face prior authorization requirements even though the ACA prohibits the use of prior authorization for tobacco dependence treatment.
    - Stepped-care therapy (step therapy or fail-first requirements): Requirements for an individual to try one medication before another one will be covered by insurance (e.g., must try nicotine patch before Chantix would be covered).
    - Quantity Limits – Limits on the number of days or weeks or months supply of medication covered annually (e.g. only covering 24 weeks of Chantix/year). These limits are sometimes described as limits on treatment duration or yearly or lifetime dollar limits.
        - Limits on Quit Attempts: Limits on the number of times a patient can try to quit each year or over their lifetime that are covered by insurance. This could be operationalized by limiting the number of "rounds" of medication or the number of counseling sessions covered. Quantity limits and limits on quit attempts can be linked.
    - Counseling Requirements: Requirements for an individual to receive counseling in order to have coverage for medications. Research shows that requiring counseling significantly reduces cessation service utilization.[15]

    ClearWay Minnesota supports efforts to ensure MHCP enrollees have a barrier-free, comprehensive cessation benefit which would allow treatment decisions to be made between a health care provider and their patient.

- One way to expand access to cessation services for MHCP enrollees is to ensure that all types of health care professionals who deliver cessation counseling services are able to seek reimbursement for doing so. In 2014, the federal Medicaid definition of preventive services was changed to include "services recommended by a physician or other licensed practitioner of the healing arts acting within the scope of authorized practice under state law." Leveraging this federal rule change, in late 2014, tobacco cessation counselors were added to the MHCP Provider Manual definition of Physician Extenders who can be reimbursed for delivering individual and group cessation counseling services.[38] Physician Extenders are health care professionals who are not physicians but who perform medical activities typically performed by a physician (e.g., nurses and pharmacists). The Provider Manual outlines covered services and billing codes across all MHCP enrollees and provides eligibility criteria for MHCP providers who deliver services on a fee-for-service basis. Managed Care Organizations (MCOs) (i.e. health plans) can choose to use the MHCP Provider Manual provider eligibility criteria, including physician extenders, or develop their own. ClearWay Minnesota supports ongoing, successful implementation of this new reimbursement policy, including working with partners to identify opportunities to add other types of health care professionals to this definition and working with MCOs to expand their own provider eligibility criteria.

- Over the last three years, legislation has been introduced to allow pharmacists in Minnesota to be able to provide certain types of medications, including FDA-approved cessation medications, without the oversight of a health care provider organization. This legislation would increase access to cessation medications for all insured Minnesotans and would be particularly impactful in rural Minnesota where the pharmacist is the health care provider visited most frequently. ClearWay Minnesota supports efforts to expand the types of health care professionals, including pharmacists, who can prescribe cessation medications.

- ClearWay Minnesota supports the implementation of tobacco cessation treatment changes outlined in the Patient Protection and Affordable Care Act. These changes include:

    - Since 2010, all state Medicaid programs are required to cover smoking cessation services recommended by the Public Health Service Clinical Practice Guideline for pregnant women without copayments.
    - Since 2011, any smoker enrolled in Medicare will have coverage for cessation counseling. The new policy will apply to services under Part A and B and will not change the prescription drug benefit (Part D) or state policies for Medicaid or the Children's Health Insurance Program. The new benefit will cover two individual cessation counseling attempts a year. Each attempt may include up to four sessions, with a total annual benefit covering up to eight sessions per patient.
    - Since January 1, 2014, state Medicaid Programs can no longer exclude smoking cessation medications from their formularies.
    - Since 2010, all new and significantly changed health plan products, including private products as well as products for Medicaid-expansion populations, must cover all preventive services given an 'A' or 'B' rating from the U.S. Preventive Services Task Force (USPSTF) with no cost-sharing (copays, co-insurance, deductibles). Tobacco cessation treatment is one of the services that receives an 'A' rating from the USPSTF. The USPSTF updated the cessation interventions rating in fall 2015, clarifying that all types of counseling and all FDA-approved medications are included. Most health insurance products beginning after October 1, 2016, must comply with the updated rating.

- On May 2, 2014, the U.S. departments of Health and Human Services, Labor and Treasury issued guidance on insurance coverage of tobacco cessation as a preventive service. The guidance states that, to comply with ACA preventive services requirements, health plans should, for example, cover the following benefits:

    - Screening for tobacco use.
    - Two quit attempts per year, consisting of:
        - Four sessions of telephone, individual or group cessation counseling lasting at least 10 minutes each per quit attempt; and

- All medications approved by the FDA as safe and effective for smoking cessation, for 90 days per quit attempt, when prescribed by a health care provider.

The guidance also reiterates that plans must not include cost-sharing for these treatments, and that plans should not require prior authorization for any of these treatments. Given the updated USPSTF tobacco cessation rating, ClearWay Minnesota supports updating the FAQ to reflect the USPSTF changes.

- Minnesota's health care system is undergoing major transformations. The roles, accountability and financial incentives of health plans, providers and government public health agencies are changing. There are opportunities within existing health care reform activities (e.g., Health Care Homes and Integrated Health Partnerships) for health system innovations to ensure that tobacco dependence treatment is routinely provided.

- Minnesota's 2008 Health Reform Law requires the Commissioner of Health to establish a standardized set of quality measures for health care providers across the state. These mandatory statewide measures are collectively called the Statewide Quality Reporting Measurement System (SQRMS). These measures are publicly reported for use by consumers, health plans and other health care entities. The Commissioner of Health is required to annually evaluate the measures included in the set of quality measures. Measures within SQRMS are written into state statute and can only be amended through formal rule-making. In 2017, legislation was passed that decreases the number of measures included within SQRMS and requires the Minnesota Departments of Health and Human Services to develop new measurement frameworks for both SQRMS and state health care programs' quality measurement systems. ClearWay Minnesota participated in the development of the new framework; however, addressing tobacco use was not included in the framework. ClearWay Minnesota continues to support efforts to strengthen measurement of tobacco use and treatment within health care quality measurement systems.

- The Statewide Quality Reporting and Measurement System (SQRMS) currently includes clinical-based quality measures (e.g., tobacco use status, glucose level, cholesterol, blood pressure). SQRMS does not take into account other non-clinical factors that impact a provider's ability to keep their patients healthy (e.g. race, ethnicity, language, other social determinants of health). These non-clinical factors impact a health system's ability to be successful on clinical quality measures, such as measures on tobacco use and treatment. These data can also be used to risk-adjust, or weight, measures within SQRMS. The goal of risk adjustment is to ensure health care quality measures are capturing the full picture of the quality of care delivered, including information on the social determinants of health. In 2015, legislation passed requiring the following:

  - Stratification of quality measures by race, ethnicity, preferred language and country of origin beginning with five measures, and stratifying additional measures in the future.
  - Considering future stratification of measures by additional social determinants of health.
  - Inclusion of relevant social determinants of health within the existing risk adjustment system.
  - Inclusion of priority population representation within MN Community Measurement's governance structure.

  The Commissioner of Health must implement these changes in consultation with communities impacted by health disparities. ClearWay Minnesota supports the ongoing successful implementation of this legislation especially as it relates to tobacco use and treatment quality measures.

- The Patient Protection and Affordable Care Act (ACA) allows health insurers to charge up to 50 percent more than standard rates for people who use tobacco. Such premium surcharges would be paid entirely by the individual, and would mean highly disproportionate cost increases for lower-income persons. These cost increases have potential to be prohibitively high, leading to a lack of insurance coverage and therefore becoming a barrier to accessing cessation services.[13] Additionally, since surcharges have been implemented in states across the country, studies have shown that surcharges are making health insurance unaffordable[39] for tobacco users and have not been effective in encouraging smokers to quit.[14] Under the ACA, states can impose stricter standards and could choose to disallow tobacco rating entirely or to limit the tobacco-rating factor to lesser amounts. ClearWay Minnesota supports efforts to minimize or prohibit tobacco user surcharges.

- Since 2001, ClearWay Minnesota has operated QUITPLAN Services. These are effective, science-based programs that give Minnesota tobacco users free tools to quit. QUITPLAN Services includes phone counseling, medications, emails, text messaging and self-help materials. In 2017, the quit rate for QUITPLAN Services was 27.6 percent, which is strong, comparable to what is seen in published literature for cessation services and in line with industry standards. These services are ending in 2020 because ClearWay Minnesota is sunsetting in 2022.

- In 2019, legislation was passed directing the Minnesota Department of Health to operate statewide cessation services after QUITPLAN Services ends. Beginning July 1, 2019, MDH will receive approximately $3 million per year to develop, administer, promote and evaluate statewide cessation services. ClearWay Minnesota will continue working collaboratively with MDH to ensure a successful transition and continued access to quit-smoking services for all Minnesota residence. ClearWay Minnesota supports ongoing funding for the administration, promotion and evaluation of these services.

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ClearWay Minnesota℠ Policy Position Six:

ClearWay Minnesota supports Minnesota's American Indian Nations in their efforts to reduce commercial tobacco use and pass policy initiatives to prevent exposure to secondhand smoke on Tribal lands in Minnesota.

Facts:

- **Commercial tobacco use is a leading cause of death for American Indians.** In Minnesota, five of the six leading causes of death among American Indians – heart disease, cancer, diabetes, stroke and lower respiratory disease[1] – are related to commercial tobacco use.[*2]

- **Smoking prevalence rates are high in Minnesota's American Indian communities.** Statewide, 59 percent of American Indians are current smokers (compared to 13.8 percent of all Minnesota adults).[3 4] According to the 2013 Minnesota Student Survey, 29.2 percent of American Indian or Alaska Native 11th-grade students have used commercial tobacco in the last 30 days, compared to the statewide percentage of 18.9 percent. [5]

- **Most American Indians in Minnesota are regularly exposed to secondhand smoke.** Seventy-one percent of American Indian adults in Minnesota are exposed to secondhand smoke at community locations on a regular basis (compared to 30 percent of total Minnesota adults),[4] and 37 percent of employed American Indian adults who work in indoor environments are exposed to secondhand smoke (compared to 9 percent of Minnesota adults overall).[3]

- **Limited funding has impeded the ability of the Indian Health Service (IHS) to meet the health care needs of American Indians and Alaska Natives.** Although the IHS discretionary budget has increased over time, funds are not equally distributed across IHS facilities and remain insufficient to meet health care needs of American Indians and Alaska Natives. This means services, such as commercial tobacco cessation treatment, vary significantly across locations, and American Indians and Alaska Natives who rely solely on IHS for care often lack access to needed care.[6]

- **In Minnesota, casino employees are not protected from secondhand smoke.** Reports show that, in Minnesota, tribal gaming provides 15,287 jobs.[7] Many of these employees work in tribal casinos and are exposed to the dangers of secondhand smoke in their workplaces. A study of casinos concluded that less than two hours of exposure to secondhand smoke is enough to impair the heart's ability to pump blood, placing susceptible casino patrons and workers at acute risk of heart disease.[8]

- **Smoking in casinos exposes patrons and workers to high levels of dangerous toxins.** There is no safe level of exposure to secondhand smoke. Research has consistently demonstrated that customers, employees and tribal members are subjected to secondhand smoke and multiple known carcinogens after just a short period of time in casinos that allow smoking.[9] This exposure has the potential to be prevented with the expansion of smoke-free policies.[10]

- **Ventilation or air cleaning systems found in some casinos are ineffective at reducing the health risks of secondhand smoke.** It has been proven that ventilation and air cleaning systems do not control health risks from secondhand smoke exposure. Only comprehensive smoke-free air policies in all indoor locations adequately reduce exposure levels to those comparable to outdoor air quality.[8] The results of the White Earth Indoor Air

[*] *Commercial tobacco* refers to manufactured products such as cigarettes, and not to the sacred, traditional use of tobacco by American Indians and other groups.

Quality Study demonstrated that indoor concentration of PM2.5 is substantially higher than the outdoor level, posing health risks to casino workers and patrons. SHS can migrate into adjacent non-smoking areas very quickly. The casino's ventilation system did not fully eliminate SHS. A completely smoke-free casino would be the only way to fully protect non-smoking patrons and employees from the dangers of tobacco smoke.[11]

- **There is public support for smoke-free casinos.** One study indicated that that 54 percent of casino patrons were more likely to visit if casinos were smoke-free.[12] The National Congress of American Indians has recently adopted a resolution that endorses policies for the protection of tribal community members from commercial tobacco use and secondhand smoke exposure through comprehensive policies that include casinos, cessation services and dis-incentivizing promotions of tobacco products.[13]

- **Many commercial tobacco-free policies have passed.** Since 2008, the Tribal Tobacco Education and Policy Initiative has been successful in passing significant commercial tobacco-free policies such as smoke-free buffer zones, foster care, elder housing, tribal facilities, powwows and casino venues. Though this funding initiative has now ended, the successes of this effort continue due to shifting the paradigm from "tobacco control" to a "traditional tobacco movement" and strategies that are tribally driven.[14] Examples of commercial tobacco-free policies include:

    - Bois Forte passed the first smoke-free foster care policy in Indian Country.
    - Fond du Lac has a smoke-free first floor in their Fond du Luth casino.
    - Mille Lacs has commercial tobacco-free ceremonies.
    - There are now traditional tobacco only pow-wows.

Background:

- ClearWay Minnesota recognizes the unique, indigenous cultural and ceremonial tobacco traditions of American Indians and seeks to address health disparities that stem from commercial tobacco use and exposure to secondhand smoke. The core principles that guide this work at ClearWay Minnesota are:

    - We recognize the sovereign rights of American Indian Nations, rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which American Indian Nations are entitled under the laws of the United States and the state of Minnesota.
    - Building trust and establishing long-term working relationships is paramount to working with tribal communities.
    - The use and cultivation of traditional tobacco for spiritual and ceremonial use is an infinite and inherent right of the American Indian spiritual, religious and ceremonial traditions and practices as guaranteed under the American Indian Religious Freedom Act (1978).[15]
    - We recognize that for many American Indians there are "two tobacco ways": Traditional tobacco use honors the Creator and is governed by cultural protocol for spiritual, ceremonial and cultural uses. Manufactured/commercial tobacco addiction and product use causes sickness, disease and death in communities.[16]
    - Restoring traditional/sacred tobacco traditions is fundamental to advancing smoke-free tribal policies and cessation, and to promoting American Indian health.
    - Advancing policies in partnership with American Indian Nations advances health equity. According to a recent report released by the Minnesota Department of Health, causes of health inequities in American Indian communities are directly linked to determined and deliberate efforts of American federal, state and local governments to uproot the American Indian people from their land, eradicate their languages and destroy their way of life.[17]

- The Freedom to Breathe Act of 2007 does not apply to sovereign nations in Minnesota.

- The American Indian Cancer Foundation Health Equity Report states that there is a real readiness among tribal communities to advance health through capacity-building and the enactment of policy, supported by leadership that promotes community health. Exercising sovereignty to change systems and environments will solidify norms that support health.

- In 2019, ClearWay Minnesota joined the National Native Network, other national, regional and local organizations and tribal communities in opposing JUUL's efforts aimed at American Indian communities. At the U.S. House of Representatives Subcommittee on Economic and Consumer Policy hearings in July of 2019, Rae O'Leary of the Canli Coalition of Cheyenne River Sioux Tribe (CRST) testified about JUUL's attempts to target Cheyenne River with a program to promote JUUL products, unlawfully, as cessation devices. In her testimony, she said there are rumors that JUUL has approached many other tribes with similar proposals, but that it is difficult to know whether these rumors are true, and which tribes might be involved, because the proposals all involve non-disclosure agreements.[18]

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ClearWay Minnesota℠ Policy Position Seven:

ClearWay Minnesota supports the U.S. Food and Drug Administration (FDA) using its full legal authority without delay in regulating tobacco products.

Facts:

- **The 2009 Family Smoking Prevention and Tobacco Control Act gives the U.S. Food & Drug Administration (FDA) the authority to regulate tobacco products.** The Center for Tobacco Products within the FDA has jurisdiction to regulate tobacco products, to require ingredient disclosure, to restrict tobacco marketing and advertising, to strengthen cigarette and smokeless tobacco warning labels, to reduce federal preemption of state cigarette advertising restrictions and to increase efforts to block sales to minors.[1,2]

- **Lifting of federal preemption provides states with new policy tools to reduce tobacco use.** The 2009 law also lifted federal preemption on states' ability to further regulate tobacco products.[1,2] With the full implementation of the law, states will be able to pursue policies that were previously preempted by federal law, most notably the location, color, size, number and placement of cigarette advertisements.[3]

- **FDA's regulatory authority covers all tobacco products.** The 2009 law authorized FDA to regulate cigarettes, smokeless tobacco, roll-your-own and loose cigarette tobacco. FDA also was given the power to "deem" additional products not covered by these categories "new tobacco products," meaning such products would require marketing authorization from the agency in order to be sold. In 2016, FDA finalized this rule, defining e-cigarettes as "new tobacco products" and imposing restrictions such as barring youth under 18 from purchasing them, requiring e-cigarette sellers to register and manufacturers to provide details of ingredients and manufacturing process, disallowing distribution of sample products in stores and barring youth under 18 from purchasing e-cigarettes (illegal in Minnesota since 2010). That same year, FDA imposed some marketing restrictions on e-cigarette sellers (e.g., requiring warning labels noting the products contain addictive nicotine and prohibiting sellers from making claims that e-cigarettes are safer or healthier than other tobacco products).

- **FDA's visibility as a regulator of tobacco and nicotine products has increased – and changed – rapidly in recent years.** In 2017, FDA issued guidance for tobacco and nicotine regulation, suggesting balance should be achieved between regulation and encouraging the development of potentially less harmful tobacco products. At that time, it delayed regulations on e-cigarettes and new applications for cigars, pipe tobacco and hookah tobacco. However, in 2018, as youth e-cigarette use rates rose around the country, Commissioner Dr. Scott Gottlieb announced FDA would take new steps to address what he described as an epidemic of youth use.[4] Since then, the agency has released new guidance on its e-cigarette regulations,[5] which includes point-of-sale restrictions, conducting retailer and manufacturer checks, increasing requirements for manufacturers, using premarket review requirements, providing data to inform premarket applications and enforcing existing policies.[6] The same year, FDA also announced it may regulate e-cigarette marketing in the future, and some e-cigarette companies (e.g., JUUL) responded with proactive steps such as closing their social media accounts. In 2018, FDA also announced it would be considering new regulations on flavored tobacco products, including banning menthol in cigarettes and cigars.[7] On September 11, 2019, President Trump and FDA announced they plan to "clear the market of unauthorized, non-tobacco-flavored e-cigarette products." The FDA release states: "Preliminary numbers from the National Youth Tobacco Survey show a continued rise in the disturbing rates of youth e-cigarette use, especially through the use of non-tobacco flavors that appeal to kids. In particular, the preliminary data show that more than a quarter of high-school students were current (past 30 day) e-cigarette users in 2019 and the overwhelming majority of youth e-cigarette users cited the use of popular fruit and menthol or mint flavors."[8]

Background:

- The Family Smoking Prevention and Tobacco Control Act is being legally challenged on multiple fronts. In different courts, tobacco manufacturers and retailers have challenged provisions in the law related to outdoor advertising regulations, modified-risk tobacco products, warning labels and flavored cigarettes, cigars and rolling papers. Graphic warning-label requirements for cigarette packaging, have yet to be implemented.[9] ClearWay Minnesota has provided public support for the components of the law that are already in effect and that are currently held up in the courts.

- Provisions of the FDA law that took effect in 2009 and 2010 include banning flavored cigarettes (menthol exempted) and prohibiting marketing tobacco using the terms "light," "mild," "low" or similar descriptors without an FDA order.[3] ClearWay Minnesota supports extending the ban on flavoring in cigarettes to all tobacco products.

- In 2015, the FDA issued warning letters to three tobacco companies (including Reynolds American, which owns the Natural American Spirit brand) that had violated the Family Smoking Prevention and Tobacco Control Act by using misleading advertising that suggested their products are less harmful than others. The FDA also took action to remove four cigarette brands from shelves, citing that these products had different characteristics from existing approved products, and that R.J. Reynolds had not shown there were no new public health concerns around the new products. ClearWay Minnesota will continue to advocate for the FDA to pursue vigorous enforcement of current laws and regulations that are not being followed by the tobacco industry.

- The 2009 law's success relies on the public health community providing necessary input and scientific evidence to support the FDA's regulatory actions. It is imperative that the tobacco control community provides strong support and stands up to the tobacco industry's efforts to derail the regulatory process. In recent years, ClearWay Minnesota has submitted a number of public comments to help the agency take informed regulatory actions. These include urging the FDA to apply the same flavoring, advertising and marketing restrictions for e-cigarettes as conventional cigarettes, to eliminate the menthol exemption from the flavor ban, to implement new restrictions as quickly as possible, and to require child-resistant packaging and/or poisoning warnings for products that contain liquid nicotine.

- In the past, Minnesota's federal elected officials have urged the FDA to exert its authority and regulate e-cigarettes and other tobacco products quickly and decisively. Some public health experts have been critical of the FDA for doing little to prevent youth e-cigarette use, despite declaring it a priority. ClearWay Minnesota supports these efforts, and will work with our Congressional delegation where appropriate.

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ClearWay Minnesota℠ Policy Position Eight

ClearWay Minnesota supports regulatory action to reduce the impact of menthol cigarettes.

Facts:

- **Menthol cigarettes have been disproportionately targeted to priority populations and youth.** Tobacco industry documents show that the tobacco industry used intentional targeting strategies to market menthol cigarettes to African Americans, Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) communities, and youth at disproportionate rates.[1,2] Documents also revealed Lorillard Tobacco Company characterized high-school students as "the base of our business" for menthol cigarettes.[3,4] Nationally, menthol marketing is more pervasive in neighborhoods with a higher proportion of youth, racial and ethnic minorities, and lower-income residents.[5]

- **Menthol increases smoking initiation rates among youth.** A 2013 U.S. Food and Drug Administration (FDA) report showed that menthol cigarettes increase youth smoking initiation, lead to greater addiction and decrease successes in quitting smoking, especially among African American smokers.[6] As an additive, menthol gives a cooling sensation and masks the harshness of cigarette smoke, thereby making it easier for adolescents to start smoking.[7,8] Menthol levels in cigarettes were deliberately manipulated by the industry to broaden the appeal of cigarettes to youth.[9] In the United States, there are 19.2 million menthol cigarette smokers, including 1.1 million adolescents ages 12 to 17.[10] The teen menthol smoking rate is higher than that of any other age group.[11] Compared to those who have been smoking for more than a year, youth who recently began smoking are more likely to smoke menthols.[10] Seventy-one percent of African American youth smokers ages 12 to 17[11] and 71 percent of LGBTQ youth smokers report smoking menthol cigarettes.[12]

- **African Americans smoke menthol cigarettes at higher rates and are more likely to suffer and die from smoking-related diseases.** Among African American smokers in Minnesota, the menthol smoking rate is 87.9 percent, compared to 22.1 percent among white smokers.[13,14] Tobacco use is the top cause of preventable death and disease among African Americans. African Americans have the highest death rate and shortest survival rate from most cancers.[15] They are also 53 percent more likely to die of heart disease.[16] African Americans are among the individuals most exposed to secondhand smoke.[17] Research suggests higher disease rates among African Americans may result in part from menthol smoking.[10] A study of African American smokers also found individuals who smoke menthol cigarettes are likely to believe menthols are less harmful than non-menthol cigarettes.[18] African American menthol users are more likely to consider quitting smoking than African American non-menthol cigarette smokers, but are less likely to successfully quit.[19,20] In addition, African American menthol smokers are less successful in long-term abstinence than African American non-menthol smokers.[21]

- **Members of Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) communities smoke menthol cigarettes at higher rates than the general population.** Nationally, more than 36 percent of LGBTQ smokers smoke menthol cigarettes,[22] with nearly half (45.1 percent) of LGBTQ female smokers smoking menthols (compared to 34.4 percent of their straight female counterparts).[23]

- **Adding menthol to cigarettes makes it harder for smokers to quit.** A review of the literature concluded that African American menthol smokers are more likely to try but less likely to successfully quit smoking than non-menthol cigarette smokers.[24]

- **Menthol tobacco use is a specific problem for Minnesota.** In Minnesota, 27.5 percent of adult smokers report smoking menthol cigarettes. [14] Over a third (34.1 percent) of Minnesota teen smokers smoke menthol cigarettes.[25] In Minnesota, smoking rates among American Indians are at epidemic levels (59 percent),[26] and 42 percent of urban American Indian smokers smoke menthol cigarettes.[27] In 2015, the African American Leadership Forum surveyed a convenience sample of 407 African Americans in Hennepin and Ramsey Counties during May through July 2016. Almost nine out of 10 respondents thought tobacco was a significant health issue in African American community; 57 percent did not know menthol cigarettes were just as harmful as other cigarettes, and 44 percent thought menthol cigarettes were less harmful than other cigarettes.[28]

- **Policies that regulate or restrict menthol tobacco products have potential to reduce tobacco addiction and improve health.** Research suggests that if menthol were banned in the U.S., 39 percent of menthol smokers, including 47 percent of black menthol smokers, would quit smoking.[29] Among Minnesota menthol smokers, approximately half reported they would quit smoking if menthol cigarettes were banned.[30] Therefore, banning menthol has the potential to reduce tobacco-related disparities. It is estimated that if menthol had been banned in 2010, by 2050 there would be a 10 percent reduction in overall smoking prevalence and up to 633,252 lives would be saved, a third of which would be in the African American community.[31]

Background:

- Menthol is a cigarette additive extracted from mint oils or produced synthetically. It is added to cigarettes for its cooling and anesthetic properties and gives menthol cigarettes their characteristic flavor.[32] Ninety percent of cigarettes contain some menthol, and tobacco products flavored primarily with this chemical are marketed as "menthol" products. There are over 350 different varieties of menthol cigarettes.[33]

- ClearWay Minnesota supports a federal ban on menthol in cigarettes and all other tobacco products. The 2009 Family Smoking Prevention and Tobacco Control Act gave the FDA the authority to regulate tobacco products and banned all flavored cigarettes except those containing menthol. The FDA created the Tobacco Products Scientific Advisory Committee (TPSAC) and charged the committee with developing a report and recommendations that address "the issue of the impact of the use of menthol in cigarettes on the public health including such use among children, African Americans, Hispanics and other racial and ethnic minorities."[34]

- The TPSAC used a rigorous process and well-established standards to review evidence from the scientific community and the tobacco industry and to arrive at its recommendations. The 2011 TPSAC report, concluded that "menthol cigarettes adversely affect U.S. public health and that there is no public health benefit to menthol cigarettes."[33]

- FDA also conducted its own independent literature review and in 2013 concluded menthol cigarettes lead to increased smoking initiation, greater addiction and decreased quitting. The report concluded that "these findings, combined with the evidence indicating that menthol's cooling and anesthetic properties can reduce the harshness of cigarette smoke and the evidence indicating that menthol cigarettes are marketed as a smoother alternative to non-menthol cigarettes, make it likely that menthol cigarettes pose a public health risk above that seen with non-menthol cigarettes."[6] The FDA then issued an Advanced Notice of Proposed Rule Making to invite public input. The docket closed in November 2013.

- In 2018, then-FDA Commissioner Dr. Scott Gottlieb announced plans to propose a national ban on menthol cigarettes and cigars. Action from the FDA is still pending.[35] An FDA ban of menthol cigarettes is supported by several public health entities, including the American Legacy Foundation, the American Cancer Society, the American Heart Association, the American Lung Association, the Campaign for Tobacco-Free Kids, the National African American Tobacco Prevention Network, the American Academy of Pediatrics, the American Public Health Association, the Center for American Progress and the Delta Sigma Theta sorority.

- In 2016, delegates at the annual National Association for the Advancement of Colored People (NAACP) convention adopted a resolution to support efforts at local and state levels to restrict the sale of menthol and other flavored tobacco products. In October 2016, the NAACP Board of Directors adopted a resolution that supports the work of the FDA and state and local governments to restrict the sale of flavored tobacco products, including menthol cigarettes.[36]

- ClearWay Minnesota also supports the rights of state and local governments to regulate menthol to the extent it is legally permissible. Potential regulatory options include restricting the sale of menthol tobacco products and restricting point-of-sale advertising.

- The Minnesota Legislature passed legislation in 2015 authorizing a one-time grant of $200,000 from the Statewide Health Improvement Plan (SHIP) to address menthol tobacco use among African Americans in Minnesota.

- Several Minnesota municipalities have passed ordinances restricting the sale of flavored tobacco products, including menthol, either altogether or in stores children can enter. As of 2019, these municipalities include Minneapolis, St. Paul, Duluth and several other communities.

- A number of cities and counties around the country have also passed similar menthol regulations, including 13 in California and three in Massachusetts.[37]

- In 2017, Canada became the first country in the world to implement a ban on menthol flavors from cigarettes, blunt wraps and cigars. The move followed menthol sales bans in a number of Canadian provinces.[38]

- Menthol sales account for 36 percent of all cigarette sales in the United States,[39] and the tobacco industry has resisted government efforts to restrict menthol sales at the federal, state and local level. Tactics included financing media campaigns to oppose proposed ordinances, spreading fears about potential smuggling, and recruiting community leaders to raise concerns that menthol restrictions are unjust to African Americans.[40] Tobacco retailers have also opposed menthol restrictions.[41] In some municipalities, convenience store owners have erected walls to declare small sections of their stores "smoke shops" to get around policies restricting flavored tobacco sales to adult-only tobacco stores.[42]

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ClearWay Minnesota[SM] Policy Position Nine

ClearWay Minnesota supports restricting or prohibiting the sale of candy-, fruit- and menthol flavored tobacco products at the local, state and national levels.

Facts:

- **The tobacco industry uses flavors to target youth.** Tobacco industry documents show that tobacco companies have used fruit, candy and menthol flavors to attract new users. As documented in their internal communications:

  - "Sweetness can impart a different delivery taste which younger adults may be receptive to"[1];
  - "It's a well-known fact that teenagers like sweet products"[2]; and
  - "Flavored products would have appeal in the under-35 age group, especially in the 12-24 age group."[3]

  Flavored cigarettes (except menthol) are prohibited by law, but many youth smokers are using flavored tobacco products such as cigars and cigarillos.[4] The number of flavored products available in the marketplace has continued to increase substantially in recent years.[4,5]

- **Flavored tobacco products appeal to youth and young adults.** Research shows that fruit, candy and alcohol flavors are attractive to minors and young adults.[6] Flavored tobacco products exploit sensory clues associated with candy and drink flavors that are popular with youth, such as Kool-Aid, Jolly Ranchers and Life Savers.[7,8] Candy and fruit flavors mask the harsh taste of tobacco, making it easier for kids to start using tobacco products. 81 percent of youth who ever tried tobacco reported initiating with a flavored tobacco product.[9] 80 percent of youth tobacco users use fruit-, candy- or menthol-flavored tobacco.[10] Moreover, flavored tobacco products, such as little cigars, are often sold individually, and are less expensive than cigarettes,[11] making them accessible to youth.

- **The majority of youth and young adults use flavored tobacco products.** A national survey of students in grades six to 12 found that approximately 60 percent of current cigar smokers and e-cigarette users were using flavored products. [12] More recent data from the 2016-2017 wave of the PATH study found that 97 percent of current youth e-cigarette users had used a flavored e-cigarette in the past month and 70.3 percent say they use e-cigarettes "because they come in flavors I like."[13] National research has indicated that nearly half of young adults who smoke cigars use flavored products.[14] In Minnesota, 67 percent of current high-school tobacco users reported using a flavored product.[15] Additionally, the majority (63.6 percent) of students who used e-cigarettes used a flavored product.[15] Nearly all (97 percent) young adult e-cigarette users, report that their usual product is flavored.[16] Furthermore, over half (55.5 percent) of young adults report that they use e-cigarettes because they are available in flavored varieties.

- **Flavored tobacco products lead many children and young adults to become lifetime smokers.** The earlier youth initiate smoking, the more likely they are to become addicted as adults. Almost 95 percent of adult smokers started smoking before 21.[17] In New York City, teens who tried (non-menthol) flavored tobacco products were nearly three times more likely to smoke than those who had never tried them.[18] A systematic review of the available evidence found that adolescent use of e-cigarettes, which come in fruit and candy flavors, were linked to an increased risk for future cigarette smoking.[19]

- **Flavored tobacco products are just as addictive and dangerous as non-flavored tobacco products.** All tobacco products contain nicotine, which is the addictive chemical manipulated by the tobacco industry to make it hard to quit. No form of tobacco is safe. According to leading national health institutes, regular cigar smoking causes cancer, heart disease and chronic obstructive pulmonary disease (COPD). Cigar smoke contains the same toxins as cigarette smoke.[20] Smokeless tobacco increases risk for oral cancer, pancreatic cancer and cancer of the esophagus.[21] And as reported in the 2016 Surgeon's General Report, evidence suggests that nicotine exposure during adolescence, a critical window for brain development and can have lasting adverse consequences, including causing addiction.[22]
    - Flavorings in e-liquids are shown to be harmful when inhaled. Flavor ingredients that have been tested to determine safety for ingestion become hazardous when inhaled as an aerosol. Airway tissue becomes inflamed and damaged when exposed to these flavorings.[23] Research shows that inhaling e-cigarette aerosol inflames lung tissue, and the extent of the inflammation can vary depending on the flavoring that is used in the e-cigarette liquid.[22,24-26]

- **Since the FDA banned flavored cigarettes, cigar use has increased.** Since the 1960s, the tobacco industry worked to expand their appeal to youth with flavored "little cigars" and other cheap flavored products.[27] Federal law prohibits flavoring in cigarettes (except menthol), but users often do not distinguish between cigarettes and flavored little cigars, with similar packaging. Since 2009 when flavored cigarettes were prohibited, little cigar and cigarillo use among young adults (18-24-year-olds) has increased.[28] Convenience store market scanner data indicates that sales for flavored cigars nearly doubled between 2008 and 2015.[28] According to MATS 2018, 41 percent of young adult cigar users report that their usual product is flavored. African American and Hispanic young adults are more likely to smoke flavored cigars than their white counterparts.[29]

- **Restricting sales of flavored tobacco products can reduce availability and impact tobacco use.** Evidence from the evaluation of flavored tobacco sales restrictions demonstrates that they can be effective in reducing sales and tobacco use. An evaluation of the 2015 flavored restrictions in Minneapolis and St. Paul saw significant declines in flavored tobacco availability.[30] Studies examining flavored restrictions in New York City and Massachusetts communities saw similar significant declines in flavored tobacco sales and availability following implementation of flavored restrictions.[31,32] A study examining the 2010 NYC restriction on flavored tobacco products (excluding menthol) found significant declines in the odds of ever trying flavored tobacco products or using any type of tobacco product among teens between 2010 and 2013.[31]

Background:

- In 2009, the U.S. Food and Drug Administration banned the use of most flavors in cigarettes. Menthol was exempted from the flavor ban, which also does not apply to non-cigarette tobacco products.

- State and local jurisdictions have the authority to restrict the sale of flavored tobacco products, including: Minneapolis, St. Paul, Duluth, New York City, Providence, Chicago, Hayward, Berkeley and Santa Clara County California as well as Newton and Boston Massachusetts, have passed restrictions on the sale of flavored tobacco products. Federal courts have upheld state and local governments' authority to create such policies.

- In Minnesota, communities have acted to restrict the sale of flavored tobacco products to protect youth. As of July 10, 2019, 12 cities or counties have restricted the sale of flavored tobacco products and nine of those policies include menthol-flavored tobacco products in the restrictions, covering nearly one million Minnesotans.

- In 2017, the San Francisco Board of Supervisors unanimously passed a ban on flavored tobacco products but it was brought to a ballot referendum with support from R.J. Reynolds, maker of Newport cigarettes. In June of 2018, voters in San Francisco upheld the ban by a more than two-to-one margin (68 percent to 32 percent).

- In July 2017, the Food and Drug Administration released a comprehensive regulatory plan[33] to shift the trajectory of tobacco-related disease and death. Part of this plan involves calling for more study and input on the role of flavoring in tobacco products. ClearWay Minnesota is in agreement with partner organizations such as the Campaign for Tobacco-Free Kids, the American Cancer Society, Truth Initiative, Association for Nonsmokers, the Tobacco Control Legal Consortium and the American Lung Association, who feel that the role of flavor in attracting kids and young people has been clearly demonstrated through scientific inquiry. We believe that local, state and national action is necessary to act on these issues now.

- The FDA has stated that preventing youth tobacco use is a goal and taken several steps to restrict the use of flavored tobacco products:

    - In March of 2018, the Food and Drug Administration (FDA) issued an advance notice of proposed rulemaking (ANPRM) to obtain information about how flavors attract youth to initiate tobacco use, and the role they might play in helping adults quit. [34]

    - In April of 2018, the FDA and Federal Trade Commission (FTC) took regulatory actions and sent warning letters to tobacco companies that are "misleading kids with e-liquids that resemble children's food products." [35]

    - In November of 2018, the FDA announced that it planned to prohibit the sale of most flavored e-cigarettes in retail stores and gas stations (not including mint and menthol flavored products), and require age-verification on online sales.[36]

    - On September 11, 2019, President Trump and FDA announced they plan to "clear the market of unauthorized, non-tobacco-flavored e-cigarette products." The FDA release states: "Preliminary numbers from the National Youth Tobacco Survey show a continued rise in the disturbing rates of youth e-cigarette use, especially through the use of non-tobacco flavors that appeal to kids. In particular, the preliminary data show that more than a quarter of high-school students were current (past 30 day) e-cigarette users in 2019 and the overwhelming majority of youth e-cigarette users cited the use of popular fruit and menthol or mint flavors."[37]

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ClearWay Minnesota[SM] Policy Position Ten:

ClearWay Minnesota supports raising the minimum legal sale age for tobacco products to 21.

Facts:

- **According to the Surgeon General, preventing youth from initiating tobacco use is essential if we want to continue to reduce prevalence.**[1] The majority of tobacco users begin using tobacco at a young age. Almost 95 percent of current smokers report trying their first cigarette before the age of 21, and nearly all report first using before age 26.[2] In Minnesota, 78.3 percent of smokers tried their first cigarette when they were 18 or younger. [3,4] Young people who initiate smoking as teens are at greater risk of becoming addicted adult smokers.[5,6] Although national youth smoking rates have declined significantly,[6] electronic cigarettes and other products risk creating new generations of young people who are addicted to tobacco.[7]

- **Youth tobacco use in Minnesota has increased for the first time in 17 years.** A dramatic increase in e-cigarette use, now called an epidemic by the FDA and the U.S. Surgeon General, has disrupted a downward trend in youth tobacco use overall.[7,8] [9] While only five percent of 11th graders now report smoking cigarettes, one in four (26 percent) reported using e-cigarettes in the past 30 days[9] (a 54 percent increase since 2016).[10] Younger students also report increasing use of e-cigarettes with 11 percent of 8th graders and 16 percent of 9th graders vaping in the past 30 days[9] (a 95 percent and 75 percent increase, respectively, since 2016).[10]

- **Adolescents are especially vulnerable to the health impacts of tobacco use.** The effects of nicotine are harmful to adolescents. Exposure could harm brain development and predispose future tobacco use. Brief or continuous exposure to nicotine elicits lasting neurobehavioral damage.[6] According to the Surgeon General: "[The] earlier age of onset of smoking marks the beginning of the exposure to the many harmful components of smoking. This is during an age range when growth is not complete and susceptibility to the damaging effects of tobacco smoke may be enhanced. In addition, an earlier age of initiation extends the potential duration of smoking throughout the lifespan. For the major chronic diseases caused by smoking, the epidemiologic evidence indicates that risk rises progressively with increasing duration of smoking; indeed, for lung cancer, the risk rises more steeply with duration of smoking than with number of cigarettes smoked per day."[11] These concerns led the Minnesota Department of Health to issue a health advisory in 2015 to inform health care professionals and parents that no amount of nicotine exposure is safe for youth.[12]

- **Many smokers transition to regular, daily use between the ages of 18 and 21.** Nearly half of adult smokers become regular, daily smokers before age 18 and many others transition to regular tobacco use between the ages of 18 and 21.[13,14] It is estimated that four out of five adult smokers become regular daily smokers before they turn 21.[13] [14] Raising the minimum legal age to purchase tobacco products can reduce the risk of teen smokers transitioning to regular tobacco use and increase their chances of successfully quitting.

- **Older adolescents, including friends and classmates, are a source of tobacco for youth.** Many of those who purchase cigarettes for minors are under the age of 21.[15,16] In the United States, more than 60 percent of 10th-grade students and nearly half (45.7 percent) of eighth-grade students report that getting cigarettes or e-cigarettes is easy.[17] Nearly two thirds (63.3 percent) of 12-17-year olds who had smoked in the last month had given money to others to purchase cigarettes for them.[18] In Minnesota, over 70 percent of 11th grade students who use e-cigarettes report that they got them from friends.[9] Research has shown that smokers 18 to 19 years of age are the group most likely to have been asked to provide tobacco to those who are underage.[19] Raising the minimum legal sale age to 21 increases the age gap between adolescents and those who can legally provide tobacco and removes easy access to tobacco products from the high-school environment.[20,21]

- **Tobacco companies market to 18-21-year-olds.** The tobacco industry heavily targets 18-21-year-olds using tactics like flavoring, magazine advertisements and event sponsorships to attract young people to tobacco.[22,23] Eighty-eight percent of Minnesota high-school students are exposed to ads promoting e-cigarettes.[8] Internal industry documents note that if cigarette companies don't "capture new users by their early twenties, it is unlikely that they ever will."[24] The 2014 Surgeon General's Report notes that the tobacco industry serves as the root cause of the smoking epidemic, aggressively marketing and promoting deadly tobacco products and recruiting youth and young adults as new consumers of these products.[6] Internal documents from Philip Morris said, "Raising the legal minimum age for cigarette purchase to 21 could gut our key young adult market (17-20) where we sell about 25 billion cigarettes and enjoy a 70-percent market share."[25]

- **Raising the minimum legal sale age for tobacco products to 21 would simplify enforcement.** In the retail environment it is more difficult for an adolescent to pass as a 21-year-old than an 18-year-old.[20] In addition, it would also simplify identification checks for retailers, as many states (including Minnesota) have driver's licenses that indicate if the driver is under the age of 21.[24]

- **Raising the minimum legal sale age for tobacco products to 21 would improve the health of young people and save lives.** It would lower prevalence by reducing youth initiation, reduce diminished performance tied to teen smoking, and substantially reduce tobacco-related disease and death.[2] According to a 2015 report from the Institute of Medicine (now the National Academy of Sciences, Engineering and Medicine), increasing the legal sale age to 21 will mean fewer teenagers starting to smoke. Most notably, research predicts a 25-percent reduction in smoking initiation among 15-17-year-olds alone following such an increase. Raising the minimum age to 21 nationally would result in 223,000 fewer premature deaths and 50,000 fewer deaths from lung cancer.[2] While the models used only addressed cigarette smoking, the committee determined that its results would likely apply across all tobacco products. In the Jan/Feb 2017 edition of *Minnesota Medicine,* a paper on Tobacco 21 was authored by ClearWay Minnesota and MDH researchers.[26] The paper estimated that if Tobacco 21 was in effect statewide, 3,300 fewer young people in a cohort of 15-year-olds would not take up smoking. [27]

- **While limited, there is research from places that have implemented policies to support increasing the minimum legal sale age.**
    - After Needham, Massachusetts, increased its tobacco sales age to 21 in 2005, tobacco use among high-school students was reduced by nearly half.[28] Both smoking rates and cigarette purchases declined significantly more in Needham than in 16 comparison communities. These declines were seen across all subgroups, with the exception of ninth-grade students, who already reported low smoking rates. In addition, alcohol use did not decline significantly more in Needham compared to the other communities, indicating the changes were specific to cigarette use and not due to broader declines in substance use.
    - In California, compliance data for 15-16-year-olds showed a 45-percent reduction in sales of tobacco products to underage buyers before and after the law. Before the law, 10.3 percent of sampled retailers sold tobacco to 15 to 16 year olds. After the law, 5.7 percent of sampled retailers sold tobacco to 15-16-year-olds. Prior to the higher sale age law, for this age group, the retailer violation rate had been flat since 2009, suggesting strongly that the higher age limit is related to the decline. There was also a significant decrease in illegal tobacco sales among tobacco-only retailers after the law was implemented.[29]

- Less than one year after Oregon's Tobacco 21 policy went into effect, initiation of tobacco use among youth and young adults had already decreased. Recent initiation decreased significantly among current tobacco users aged 13 to 17 years (from 34 percent to 25 percent) and aged 18 to 20 years (from 23 percent to 18 percent). Additionally, the percentage of tobacco users aged 18 to 29 years who reported that it was "sort of easy" or "very easy" to obtain tobacco products decreased significantly.[30]
- Likewise, studies of England's experience when it raised the minimum purchase age for cigarettes from 16 to 18 years of age in 2007 showed that this increase was associated with significant declines in smoking prevalence among 16- and 17-year-olds and that youth ages 11 to 15 were less likely to become regular smokers.[31,32]
- Finally, recent research found that local tobacco 21 policies yield a substantial reduction in smoking among 18-20-year-olds living in metropolitan and micropolitan statistical areas.[33] Additional time is needed to fully assess the impact of existing Tobacco 21 policies.

- **"Purchase, use and/or possession" laws don't reduce underage smoking.**[34] Youth access laws that focus on restricting sales to minors exist in all states and they are effective in reducing youth smoking. Most states also have laws that prohibit the purchase, use, and/or possession (PUP) of tobacco by minors. Violating a PUP law can lead to fines or community service. However, PUP laws punish minors while ignoring the role of the tobacco industry in marketing tobacco to children. There is also consensus from national health organizations that Tobacco 21 policies should eliminate PUP laws.

- **There are minimal impacts of a Tobacco 21 policy on retailers.** Raising the tobacco sales minimum age to 21 years across the United States would decrease tobacco retailer and industry sales by approximately 2 percent but could contribute to a substantial reduction in the prevalence of youths' tobacco use and dependency by limiting access.[35]

- **The tobacco industry targets members of the military.[36]** The tobacco industry saw the military as a desirable prospect for many reasons, including young adult servicemen, who R.J. Reynolds described as "less educated," "part of the wrong crowd" and "classic downscale smoker."[37] Lorillard said "there isn't a market in the country that has the sales potential for Newport like the military market," adding that "the plums are here to be plucked."[38]

- **Military service members use tobacco products more than the general population.** In 2015, 13.9 percent of active duty service members reported currently smoking, a nearly 50 percent decrease from the 2011 rate.[39] Despite the decrease in smoking prevalence, more than one third (35.7 percent) of active duty military service members have tried e-cigarettes, 12.4 percent used e-cigarettes in the past month, and 11.1 percent are daily e-cigarette users;[39] three times higher than the rate at which the general population was using these products in 2014. Military service members also use cigars (8.7 percent) at nearly twice the rate of the general population and smokeless tobacco (12.7 percent) at more than three times the rate of the general population.[39] Smoking rates vary significantly by service, ranging from 9 percent in the U.S. Air Force to 20.7 percent in the U.S. Marine Corps.[39] Alarmingly, many current military smokers – 36 to 40 percent – report initiating tobacco use after joining the military.[40]

- **Tobacco use among military members harms health, readiness and performance, and costs our country billions each year.** The Department of Defense estimates 175,000 current Active Duty Service members will die from smoking.[41] Tobacco use reduces soldiers' physical fitness and endurance and is linked to higher rates of absenteeism and lost productivity. In addition, service members who use tobacco are more likely to drop out of basic training, sustain injuries and have poor vision, all of which compromise troop readiness.[40] The DoD spends more than $1.6 billion each year on tobacco-related medical care, increased hospitalization and lost days of work.[40] It has also been estimated that $2.7 billion in Veterans Health Administration health care expenditures are due to the health effects of smoking.[42]

- **The Department of Defense and each of the armed services has a stated goal of a tobacco-free military**.[43] The Department of Defense and the Army, Navy, Marines and Air Force have each set goals to become tobacco-free.[40] The military recognizes the negative impact of tobacco on troop readiness and soldiers' health, and in April 2016, the Department of Defense approved actions "to ensure a comprehensive tobacco policy that assists with preventing initiation of tobacco use, helping those who want to quit using tobacco succeed, and decreasing exposure to secondhand smoke for all our people."[44] Service members from around the country have stated support for increasing the tobacco age to 21.

Background:

- The 2009 Family Smoking and Prevention Act sets a minimum age of 18 to purchase tobacco, but prohibits the FDA from establishing a higher nationwide minimum age.[2] States and local governments, however, continue to have authority to increase the minimum legal age to purchase tobacco products, and many are using this strategy to reduce the harms of tobacco in their communities.[24] Most states set the minimum age at 18; two states (Arkansas and Alabama) have a minimum age of 19.[2] As of August, 2019, at least 480 localities in 29 states have raised the tobacco sale age to 21. A total of 18 states have raised the tobacco products sale age to 21. [45]

- There is clear consensus from national health organizations like the American Cancer Society, the American Heart Association and the American Lung Association that Tobacco 21 policies should eliminate PUP penalties. These organizations as well as Minnesotans for a Smoke-Free Generation oppose Tobacco 21 policies that include PUP penalties. Many of the state's communities that have raised the tobacco age to 21 considered expanding PUP penalties. After studying the evidence, hearing concerns from national groups like the American Cancer Society and listening to their constituents, they decided against it. Ultimately, almost all of Minnesota's Tobacco 21 communities have not expanded PUP penalties beyond state law, concluding that it was best for their community to support a responsible retail environment rather than penalize youth. It is also important to note that schools will still have their own policies that prohibit tobacco use inside and on grounds. They are free to set their own policy and restrictions, regardless of if PUP penalties have been removed.

- A majority of smokers and nonsmokers support Tobacco 21 as a policy.

    - Surveys in New York City (2010-2012) found support among 60 percent of smokers and 69 percent of nonsmokers.[46]
    - A 2013 national survey found 70 percent of adults were in favor of Tobacco 21.[47]
    - In 2014 a national survey found 75 percent of adults in favor of increasing the minimum purchase age for tobacco to 21.[22] The majority of all assessed groups were in favor of this tobacco control strategy, with no statistically significant differences by gender, race, education, income and geographical region. It is notable that the majority of smokers (69.9 percent) were in support of raising the sale age for tobacco to 21.

- The FDA, through the National Academy of Sciences, Engineering and Medicine, convened an expert panel to study the public health implications of raising the tobacco purchase age, and their report was released in March of 2015.[2] Based on a review of the literature and the use of well-established tobacco simulation models, the Institute report concluded that:

- Increasing the minimum legal sale age for tobacco products will likely prevent or delay initiation by adolescents and young adults, with the greatest impact for 15-17-year-olds.
- The impact of raising the minimum legal age to 21 will likely be substantially higher than raising it to 19; the added effect of raising it from 21 to 25 is significantly less.
- By the time today's teenagers reach adulthood, a minimum legal age, if enacted now, would reduce prevalence of tobacco use among those adults by 3 percent if raised to age 19, by 12 percent if raised to age 21 and by 16 percent if raised to age 25.
- Tobacco-related disease and mortality would decrease in proportion to these projected declines in prevalence.
- It is projected raising the minimum legal age to 21 nationally would result in 240,000 fewer premature deaths, 45,000 fewer deaths from lung cancer and 4.2 million fewer years of life lost for those born between 2000 and 2019.
- Increasing the minimum legal age for tobacco products will improve maternal, fetal and infant outcomes by reducing the likelihood of maternal and paternal smoking.

- To date, evidence-based approaches that include increasing the unit price of tobacco products, mass media combined with other community interventions, and restricting minors' access to tobacco products have proven effective in significantly reducing youth tobacco rates. Recent evidence shows cigarette smoking among teens continues to decline and increases in perceived risk and disapproval of smoking appear to have contributed to the continued downturn in cigarette use.[48] However, social sources of tobacco may become increasingly important as other restrictions at point of sale increase.[15] Disrupting social sources of access to tobacco products will be critical. Furthermore, in a recent Gallup survey, nearly nine in 10 smokers expressed regret that they ever started smoking, leading experts in the field to conclude that "helping today's adolescents avoid that regret requires a comprehensive strategy that includes strong supply-side interventions. We believe that Tobacco 21 laws are a logical next step."[49,50]

- Minnesotans for a Smoke-Free Generation, a coalition of over 60 leading health and other interested organizations, has adopted these guiding principles when pursuing state and local Tobacco 21 policies:

  1. We will pursue strong, defensible legislation;
  2. We will focus punishment on the seller (not the user);
  3. We will strive to pass policies that will not increase interactions between law enforcement and young people, communities of color, American Indians and/or Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) communities; and
  4. We will ensure access to and awareness of free/low-cost cessation services for all Minnesotans looking to quit.

- Legislation to increase the tobacco sales age to 21 has been introduced the last three legislative sessions (2017, 2018 and 2019). While the legislation did not receive a single hearing in 2017 and 2018, it made significant progress in 2019 with Representative Heather Edelson and Senator Carla Nelson as the chief authors. A growing number of legislators from both sides of the aisle supported this legislation and it cleared committees in both chambers. It was ultimately included in the House HHS Omnibus bill, but did not get included in the final HHS budget bill.

- On April 18, 2017, the Edina City Council voted unanimously to increase the tobacco age from 18 to 21, making Edina the first locality in Minnesota to pass a Tobacco 21 policy. Since then, over 44 communities around the state have passed Tobacco 21 policies and dozens more are actively considering it.

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ClearWay Minnesota(SM) Policy Position Eleven:

ClearWay Minnesota supports regulating e-cigarettes to protect youth and keep Minnesota's indoor air clean.

Facts:

- **New generations of e-cigarettes are presenting new dangers.** Today's e-cigarette products have high appeal to youth, are easily concealed, resemble non-tobacco products like external computer drives, and are engineered to deliver very high levels of nicotine to users. Nicotine salt technologies in the new generation of e-cigarettes have facilitated the increase in nicotine content and reduced the irritation of these potent products especially for nicotine-naïve users. For example, JUUL e-cigarettes use pods that contain more nicotine than a pack of 20 cigarettes.[1,2] The nicotine "hit" JUUL delivers to users is stronger than that of most other e-cigarettes.[3,4] The high nicotine content in JUUL may be influencing other e-cigarette manufacturers to increase the nicotine concentrations of their e-liquids as well.[1] Evidence suggests that use of e-cigarettes with higher nicotine concentrations by youth may increase subsequent frequency and intensity of smoking and vaping.[5] In particular, research on the frequency of JUUL use patterns among youth and young adults suggest regular use,[6] rather than experimentation. The rapid increase in use of JUUL and other e-cigarettes among youth has led to the Surgeon General releasing an Advisory in December of 2018 describing e-cigarette use as an epidemic among youth.

- **Youth are using e-cigarettes more than adults.** The National Youth Tobacco Survey found that among U.S. high-school students in 2018, 20.8 percent reported using electronic cigarettes in the past 30 days – a 78-percent increase from 11.7 percent in 2017.[7] Similarly, Monitoring the Future survey found a significant increase in nicotine vaping among 10th and 12th graders between 2017 and 2018 – the largest increase in substance use among that age group in the survey's 44 year history.[8] In Minnesota, one in four (26 percent) reported using e-cigarettes in the past 30 days[9] (a 54 percent increase since 2016).[10] In comparison, 20.7 percent of adults in Minnesota have tried e-cigarettes at least once, and 6 percent have used them in the past 30 days.[11] The 2017 Minnesota Youth Tobacco Survey also reported that 37.7 percent of high-school students have tried e-cigarettes.[12] Research has indicated that youth may be unaware of the amount of nicotine they are exposed to through e-cigarettes.[13] Most Minnesota students do not perceive e-cigarettes as harmful with 76 percent of Minnesota 11th-graders saying there is "no, slight, or a moderate risk to using e-cigarettes."[9]

- **E-cigarettes are the most commonly used tobacco product among youth.** 26 percent of Minnesota 11th grade students have used e-cigarettes in the past 30 days, compared to 5.3 percent who have smoked cigarettes.[9] Younger students also report increasing use of e-cigarettes with 11 percent of 8th graders and 16 percent of 9th graders vaping in the past 30 days[9] (a 95 percent and 75 percent increase, respectively, since 2016).[10] Students in all grades surveyed by the 2019 Minnesota Student Survey use e-cigarettes at five times the rate of conventional cigarettes.[9] The 2016 National Adult Tobacco Survey reported that the top reasons middle- and high-school students use e-cigarettes are that they are used by friends or family, they are available in flavors such as mint, candy, fruit and chocolate, and they perceive them to be less harmful than cigarettes.[14] Research, however, suggests that misperceptions about nicotine and e-cigarettes are widespread among adolescents.[15] In particular, JUUL has become the most popular product among younger people[6] and has now become the largest e-cigarette retail brand in the U.S.[16]

- **Most Minnesota students who use e-cigarettes get them from friends.** Students surveyed in the 2019 Minnesota Student Survey reported getting e-cigarettes primiarily from their friends (71 percent for 8th graders, 76 percent for 9th graders and 72 percent for 11th graders).[9] Others bought e-cigarettes from a tobacco shop (5 percent for 8th graders, 7 percent for 9th graders and 14 percent for 11th graders) or on the internet (8 percent for 8th graders, 8 percent for 9th graders and 10 percent for 11th graders).[9] The 2017 Minnesota Youth Tobacco Survey also reported that 32 percent of Minnesota high-school students are buying their e-cigarettes directly from retailers.[17]

- **E-cigarette marketing and flavoring appeal to youth.** Youth exposure to e-cigarette ads has increased by more than 250 percent in recent years.[18] 88.4 percent of middle- and high-school students in Minnesota have seen ads for e-cigarettes in the past 30 days, and of those who saw five or more ads over the past 30 days, 29.9 percent are current e-cigarette users.[17] A recent study found even youth who were exposed to e-cigarette ads with "low youth appeal" were more likely to express an interest in e-cigarettes compared to the control group, suggesting any exposure to e-cigarette ads piques interest in the product among youth.[19] The popularity of e-cigarette brands such as JUUL has been reflected in both company and user-generated social media presence,[20] which further fuels youth knowedge and exposure to these products. Studies demonstrate that advertising exposure is related to current e-cigarette use among students, and may increase the urge to smoke combustible cigarettes.[18,21,22 23,24] The association between e-cigarette marketing exposure and youth is not accidental. In a study of JUUL marketing from 2015-2018, researchers at the Stanford Institute for the Impact of Tobacco Advertising have found evidence that JUUL advertising initially followed tobacco industry tactics for attracting young people.[25] Flavored tobacco appeals to kids,[26] and although federal law prevents most flavors from being added to cigarettes, e-cigarette makers are still allowed to use candy flavors like gummy bear, cotton candy, and many others. [27]

- **There is growing evidence that e-cigarette use poses health risks**.
    - *Nicotine is dangerous to the adolescent brain.* Adolescents are especially vulnerable to the toxic effects of nicotine. Exposure could harm brain development and predispose future tobacco use. Brief or continuous exposure to nicotine elicits lasting neurobehavioral damage.[28]
    - *Studies show adverse short-term health effects of using e-cigarettes on cardiovascular and lung health.* Adolescents new to e-cigarettes have increased symptoms of chronic bronchitis.[29] E-cigarette aerosol has the potential to enhance susceptibility to pneumonia among adolescents and adults.[30,31] A recent study conducted among teenagers who used e-cigarettes showed exposure to volatile organic compounds that are also carcinogenic.[32] Another study conducted on 10 tobacco-naïve individuals found that even brief exposure to e-cigarette vapor has adverse effects on human lung biology.[33] Research on adults in their early twenties found that e-cigarette use increased peripheral and central blood pressure as well as arterial stiffness for a longer duration than conventional cigarettes.[34] A recent study found that daily e-cigarette use can nearly double the odds of a heart attack.[35]
    - *Flavorings in e-liquids are shown to be harmful when inhaled.* Flavor ingredients that have been tested to determine safety for ingestion become hazardous when inhaled as an aerosol. Airway tissue becomes inflamed and damaged when exposed to these flavorings.[36] Research shows that inhaling e-cigarette aerosol inflames lung tissue, and the extent of the inflammation can vary depending on the flavoring that is used in the e-cigarette liquid.[37-40]
    - *Nicotine poisonings from e-cigarettes pose a danger to children.* E-cigarette liquid can be dangerous if swallowed or absorbed through the skin, and poisonings of individuals exposed to e-cigarette

liquids have occurred in Minnesota and across the country.[41] More than two thirds of the incidents in Minnesota involved children or teens.

- **E-cigarette use may be associated with starting to smoke combustible cigarettes.** Research shows that exposure to e-cigarette use can trigger the urge to smoke combustible cigarettes.[42] Once kids start using one tobacco product, they are more likely to experiment with others.[26,43] Studies have shown that use of e-cigarettes is independently associated with subsequent initiation of combustible cigarette use[44-46] and may be expanding the tobacco market by attracting low-risk youth who would not otherwise have initiated tobacco use.[47] There is also some evidence that e-cigarettes use may predict subsequent marijuana use among youth.[48]

- **E-cigarettes contribute to indoor air pollution and should be included in smoke-free public policies.** Studies show e-cigarette aerosol contains nicotine, heavy metals, formaldehyde and other carcinogens and harmful chemicals.[49,50,51-53] The concentration of toxins produced can vary greatly among the many different types of e-cigarettes. There is evidence that e-cigarette aerosol residue may spread through multi-unit buildings, thereby exposing non-users to potentially dangerous chemicals.[54] There have been no long-term studies conducted on e-cigarettes, so the long-term impact on the health of users or those exposed to secondhand aerosol is unknown.[55] According to MATS 2018, 83.9 percent of adult Minnesotans reported e-cigarettes or vaping devices are not allowed anywhere inside the home. However, only 32.3 percent of past 30 day e-cig users reported having voluntary vape-free home rules. Nationally, 58.6 percent of all adults, and 21.6 percent of current e-cig users, prohibit electronic vapor product use in the home.[56]

- **E-cigarettes are not currently approved by the FDA as a quit-smoking aid and the evidence is insufficient to recommend e-cigarettes for smoking cessation (USPSTF).[57]** Studies are showing that many adults are using e-cigarettes in attempts to quit.[58] The CDC states that e-cigarettes have the potential to benefit adult smokers who are not pregnant if used as a complete substitute for conventional cigarettes and other combustible tobacco products. Several studies show that adult smokers who used e-cigarettes were more likely to have successfully quit compared to nonusers.[59] However, other research raises concerns that dual use of e-cigarettes and conventional cigarettes may actually make quitting more difficult,[60] and e-cigarettes are not proven to be better for quitting than existing cessation programs.[57] Research on their potential as cessation aids should continue.

Background:

- E-cigarettes are battery-operated devices that heat a liquid to create an aerosol inhaled by the user. The use of an e-cigarette is often referred to as "vaping," as the solution is vaporized by the device. E-cigarettes do not contain tobacco leaf, but most contain varying levels of nicotine. Nicotine is highly addictive and is the addictive chemical found in combustible cigarettes and other tobacco products.

- In 2016, the U.S. Surgeon General's Office released a new report titled *E-Cigarette Use Among Youth and Young Adults.* The report states that e-cigarettes are unsafe for young people to use, noting risks of inhaling aerosol, nicotine risks to the brain, and the potential for addiction, dual use of tobacco products and use of substances such as alcohol and marijuana. [39] Responding to the rapidly increasing prevalence of e-cigarette use among youth, the Surgeon General followed-up with an Advisory in December 2018 declaring youth e-cigarette use as an epidemic and called for more prevention and regulation of the product to reduce harms to the public's health.

- ClearWay Minnesota supports FDA applying the same flavoring, advertising and marketing restrictions for e-cigarettes as for conventional cigarettes. The 2009 Family Smoking Prevention and Tobacco Control Act authorized to "deem" "new [non-cigarette] tobacco products" that would require marketing authorization from the agency in order to be sold. In 2016, defined e-cigarettes as "new tobacco products" and imposed restrictions such as barring youth under 18 from purchasing them, requiring e-cigarette sellers to register and manufacturers to provide details of ingredients and manufacturing process, disallowing distribution of sample products in stores and barring youth under 18 from purchasing e-cigarettes. Initially, FDA suggested balance should be achieved between regulation and encouraging potentially less harmful tobacco products, and in 2017, it delayed regulations on e-cigarettes as well as other "new tobacco product" restrictions. However, in 2018, as youth e-cigarette use rates rose around the country, Commissioner Dr. Scott Gottlieb announced FDA would take new steps to address what he described as an epidemic of youth use.[61] Since then, the agency has released new guidance on its e-cigarette regulations,[62] which includes point-of-sale restrictions, conducting retailer and manufacturer checks, increasing requirements for manufacturers, using premarket review requirements, providing data to inform premarket applications and enforcing existing policies.[63] On September 11, 2019, President Trump and FDA announced they plan to "clear the market of unauthorized, non-tobacco-flavored e-cigarette products." The FDA release states: "Preliminary numbers from the National Youth Tobacco Survey show a continued rise in the disturbing rates of youth e-cigarette use, especially through the use of non-tobacco flavors that appeal to kids. In particular, the preliminary data show that more than a quarter of high-school students were current (past 30 day) e-cigarette users in 2019 and the overwhelming majority of youth e-cigarette users cited the use of popular fruit and menthol or mint flavors."[64]

- ClearWay Minnesota also supports state and local governments applying tobacco policies to e-cigarettes. Some policies are already in place to protect kids from e-cigarettes. In addition to Minnesota's clean indoor air law prohibiting e-cigarette use in most indoor workplaces, Minnesota law also prohibits selling e-cigarettes to minors, taxes the nicotine portion of e-cigarettes at the same rate as other tobacco products (95 percent of the wholesale price), requires child-resistant packages for e-liquids and prohibits sales from kiosks. Minnesota's excise tax on e-cigarettes has been shown to influence product sales and use.[65] High prices on cigarettes and other tobacco products are proven to reduce youth initiation of smoking, and they also motivate existing smokers to make and sustain quit attempts.[66] In addition to e-cigarettes being covered by the Clean Indoor Air Act, many private businesses restrict e-cigarette use as well, though there are no comprehensive clean indoor air policies on Minnesota's American Indian tribal lands.

- In 2019, the State Legislature passed and Governor Tim Walz signed a bill extended the Minnesota Clean Indoor Air Act (Freedom to Breathe Act) to prohibit e-cigarette use in all indoor workplaces where cigarette smoking is already prohibited. Taking effect in August of 2019, the change followed a long line of Minnesota communities passing such restrictions at the local level. Minnesotans statewide are now protected from e-cigarette aerosol in indoor public spaces. While the new law covers indoor public spaces, Minnesotans are also imposing such policies in their homes.

- Although e-cigarettes are considered tobacco products under federal and state law, and have not been approved for smoking cessation, QUITPLAN Services, ClearWay Minnesota's free tobacco cessation program, neither endorses nor discourages e-cigarette use to quit smoking. QUITPLAN Services suggests smokers stop both cigarette and e-cigarette use, but does not press them if they wish to continue using e-cigarettes after quitting combustible tobacco use. QUITPLAN Services also encourages participants to use FDA-approved NRT rather than e-cigarettes. Counselors communicate to smokers that while short-term e-cigarette use is generally recognized as less harmful than cigarette smoking, the risks of long-term e-cigarette use are not well understood.

- Some communities nationally and here in Minnesota are restricting the sale of e-cigarettes altogether. In 2019, San Francisco banned the sale of all e-cigarettes in the city. Juul is currently backing a ballot measure to overturn that policy. In 2018, Brooklyn Center, Minnesota, passed a policy to restrict the sale of all e-cigarettes to adult only tobacco shops.

- In July 2019, Rep. Raja Krishnamoorthi, the Chairman of the U.S House Subcommittee on Economic and Consumer Policy, released a supplemental memo based on approximately 55,000 non-public documents JUUL Labs, Inc. produced to the Subcommittee and the Massachusetts Attorney General in response to the Subcommittee's investigation launched in June 2019. The Subcommittee found documents revealed examples of direct marketing to youth by JUUL, the e-cigarette manufacturer that controls a 70+ percent market share for vaping products. The company's tactics included paying schools for the opportunity to present "addiction education" sessions in high-school classrooms (without teachers present), running a summer camp for kids as young as third-graders, and paying social media "influencers" to vape on youth-followed channels of YouTube, Instagram, etc. Demographic data on the students and campers was also collected for use by the company. In addition to their youth marketing, the company also had initiatives to build inroads among American Indian tribes and veterans' groups.

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Appendix F

Statement of Financial Objectives & Policies

ClearWay Minnesota℠

Statement of Investment Objectives and Policies

Approved: March 18, 2020

TABLE OF CONTENTS

I. PURPOSE OF STATEMENT

This Statement of Investment Objectives and Policies ("Statement") for ClearWay Minnesota℠ is intended to:

A. Outline investment-related responsibilities of ClearWay Minnesota management, Board of Directors and Audit/Finance Committee to manage ClearWay Minnesota assets.

B. Establish formal, yet flexible, investment guidelines incorporating prudent asset allocation and realistic total return goals.

C. Create standards of investment performance which are historically achievable and by which the performance of ClearWay Minnesota management will be measured, over a reasonable time period.

The investment needs, objectives and funding goals will vary over time depending on ClearWay Minnesota's operating environment, amount of funds to be invested, and timeframe for investing. ClearWay Minnesota is expected to end its Organizational life on December 31, 2021. Based on this timing, investment objectives will be principally focused on conservation of liquidity versus longer term asset growth. However, at all times the overall Objectives and Policies identified herein should be adhered to with respect to investment decisions, performance and measurement.

This Statement may be reviewed annually by the Board, Audit/Finance Committee, and ClearWay Minnesota management to ensure its contents' relevance to current capital market conditions and ClearWay Minnesota's needs.

II. FUND DESCRIPTION

ClearWay Minnesota was established in September, 1998. ClearWay Minnesota is a not-for-profit corporation which over its 25-year corporate existence, administers designated funds from the Minnesota tobacco litigation settlement. ClearWay Minnesota's mission is to enhance life for all Minnesotans by reducing tobacco use and exposure to secondhand smoke through research, action and collaboration. ClearWay Minnesota serves Minnesota through its grant-making program, individual stop-smoking services and statewide outreach activities. ClearWay Minnesota has a Board of Directors which oversees ClearWay Minnesota's investments. ClearWay Minnesota's Audit/Finance Committee assist the Board in making investment policy decisions.

III. RESPONSIBILITIES – BOARD AND AUDIT/FINANCE COMMITTEE

The Board acknowledges responsibility as a fiduciary of ClearWay Minnesota. In the management and investment of ClearWay Minnesota assets, the Board must act prudently and for the best long-term interests of ClearWay Minnesota. The Board holds responsibility to monitor the progress of ClearWay Minnesota's investments toward achieving ClearWay Minnesota's investment objectives, compliance with the policies and guidelines as stated in this Statement, and to consider other investment matters, as appropriate.

Responsibilities of the Audit/Finance Committee as delegated through their Charter include:

A. Advising the Board on this Statement of Investment Objectives and Policies. With input from ClearWay Minnesota management, the Audit/Finance Committee will periodically review this Statement and recommend changes to the Board as appropriate.

B. Making such other recommendations to the Board on such other policies and procedures regarding stewardship and oversight of ClearWay Minnesota's financial assets as the Committee shall from time to time determine.

C. Selecting and terminating when appropriate, after reviewing any analysis and recommendations of ClearWay Minnesota management, any outside financial advisory and consulting services as determined to be necessary, and investment vehicles consistent with ClearWay Minnesota policies.

D. Receive and review periodic reporting from ClearWay Minnesota management to support the financial performance and adherence to the Statement of Investment Objectives and Policies, and periodically reporting to the Board regarding the management and performance of ClearWay Minnesota's financial assets.

E. Assuring that one or more persons is/are appointed to carry out the technical administrative functions as a proxy for the Committee, e.g. signing documents. This may be a member of ClearWay Minnesota's Administration Department.

IV. INVESTMENT OBJECTIVES

A. The primary investment objectives of ClearWay Minnesota over its 25-year life limited time horizon has been to grow capital prudently, while ensuring the safety of invested funds, and maintaining appropriate liquidity to meet known spending commitments. ClearWay Minnesota will be actively invested to maximize growth of capital, and the accumulation and reinvestment of dividend and interest income. ClearWay Minnesota's investments will be diversified to the extent possible to control risk, while maintaining necessary liquidity to meet cash flow requirements.

B. ClearWay Minnesota approaches its final years of existence with limited investment timelines. Therefore, investment objectives and asset allocation strategies will focus more heavily on maintaining liquidity through minimal risk investments for preservation and certainty of funds.

C. ClearWay Minnesota will monitor the asset allocation structure on an annual basis to ensure the asset allocation aligns with then current circumstances and needs.

V. ASSET ALLOCATION AND REBALANCING

A. ASSET ALLOCATION

Based upon current circumstances and needs, ClearWay Minnesota is focusing investment strategy on the following two asset segments to meet investment objectives of maximizing returns through minimal risk investments and liquidity.

<u>Segment 1: Private Equity</u>

The Private Equity segment of the portfolio was put in place in calendar year 2007 to achieve growth in excess of the Capital Appreciation segment of the portfolio by investing capital consistent with the realization of maximum total return while minimizing risks to the greatest extent possible. The net cash flow from the Private Equity Segment is used to offset a portion of the anticipated budgeted spending. Private equity includes investments in special opportunity vehicles that exhibit a similar risk and return pattern to more traditional private equity strategies (e.g., venture capital, buyouts, distressed debt and secondary private equity).

On September 30, 2019, over 95% of private equity investments were liquidated to minimize ongoing investment risk in this asset segment, and increase certainty of liquidity to meet future cash flow needs. One private equity investment remains outstanding with a net asset value reported of approximately $500,000, which is expected to be liquidated over the remaining organizational life of ClearWay Minnesota. No additional private equity commitments will be made in the future.

<u>Segment 2: Treasury Ladder/Cash</u>

The use of a U.S. Treasury ladder is designed to maximize investment returns while providing adequate and timely availability of funds to meet necessary obligations throughout the remaining life of ClearWay Minnesota. The assets in this segment shall be invested in primarily interest bearing money market funds or certificates of deposit for time periods not to exceed the operating need for the invested funds. Any funds invested in a Treasury Ladder approach will be made with the intention of being held to maturity.

B. REBALANCING THE PLAN

Asset Segment	**Rebalancing Policy**
Private Equity	Cash distributions received will be used to fund operations. No new investments will be made in this segment.
Treasury Ladder/Cash	Due to the limited remaining Organizational life and short-term operating needs, investments not already in Private Equity will be held within this segment. Most funds will be held in interest bearing, FDIC insured money market funds. A treasury ladder may be established if investment returns are favorable, with short-term maturities that will be necessary to meet estimated spending requirements.

VI. PERFORMANCE MEASUREMENT STANDARDS

The primary performance goal with respect to the total returns for ClearWay Minnesota and for each investment component of ClearWay Minnesota is to achieve a return in excess of the market (passive) benchmark mix outlined below.

A. INVESTMENT SEGMENT COMPARISON

1. Segment 1: Private Equity

Investment Component	**Index**
Private Equity	Wilshire 5000 Index

2. Segment 2: Treasury Ladder/Cash

Investment Component	**Index**
Treasury Ladder	BofA ML 1-3 Year Treasury Index

B. TOTAL PORTFOLIO COMPARISON

To arrive at a total portfolio performance comparison, a weighted average mix of each of the asset segments indices return shown above will be used. The overall performance goal is to outperform the weighted average market benchmark mix. However, given the short-term remaining life of the organization, requirements necessary to preserve capital and maintain liquidity will also need to be considered in evaluating overall portfolio performance.

VII. ASSET GUIDELINES

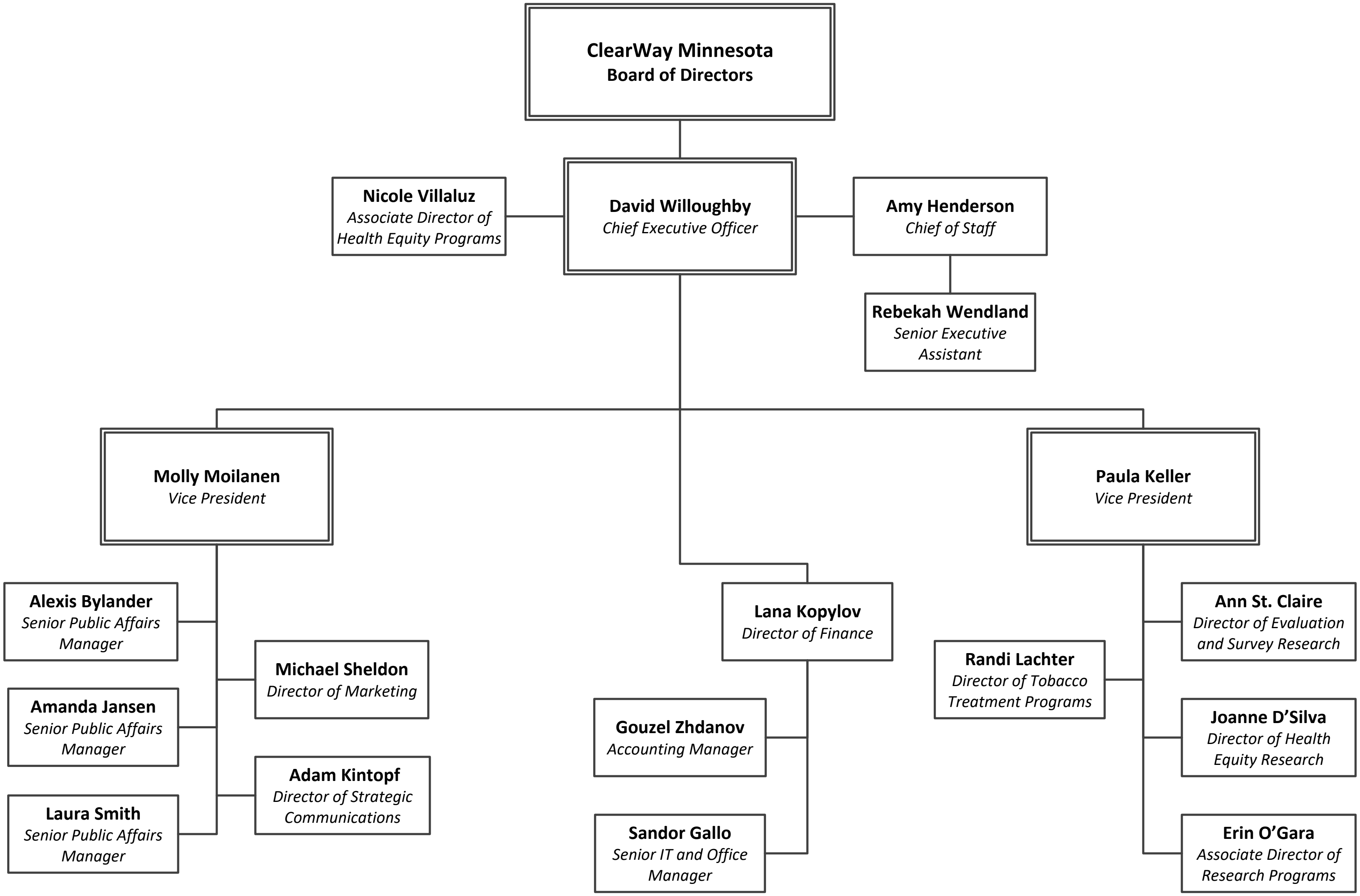
ClearWay Minnesota has adopted the general investment asset guidelines of the Minnesota State Board of Investment contained in the Minnesota Statutes, Chapter 11A, Section 24.

In addition, ClearWay Minnesota may invest in any securities issued by tobacco-free firms, defined as those which generate revenues no greater than 15% from tobacco products.

ClearWay℠ MINNESOTA

Appendix G

Organizational Chart


ClearWay Minnesota
Board of Directors
Nicole Villaluz
Associate Director of Health Equity Programs
David Willoughby
Chief Executive Officer
Amy Henderson
Chief of Staff
Rebekah Wendland
Senior Executive Assistant
Molly Moilanen
Vice President
Paula Keller
Vice President
Alexis Bylander
Senior Public Affairs Manager
Michael Sheldon
Director of Marketing
Amanda Jansen
Senior Public Affairs Manager
Adam Kintopf
Director of Strategic Communications
Laura Smith
Senior Public Affairs Manager
Lana Kopylov
Director of Finance
Gouzel Zhdanov
Accounting Manager
Sandor Gallo
Senior IT and Office Manager
Ann St. Claire
Director of Evaluation and Survey Research
Randi Lachter
Director of Tobacco Treatment Programs
Joanne D'Silva
Director of Health Equity Research
Erin O'Gara
Associate Director of Research Programs

As of 10/2019

Appendix H

Executive Management Team Biosketches

ClearWay Minnesota^{SM} Executive Management Team Biosketches

ClearWay Minnesota's staff is made up of individuals with expertise in public health, tobacco cessation, research, community development, finance, investments, communications, public affairs and nonprofit administration. For Fiscal Year 2020, the Executive Management Team of the organization consisted of:

Chief Executive Officer David J. Willoughby, M.A.
David J. Willoughby has served as Chief Executive Officer of ClearWay Minnesota since November of 2000, and leads the organization's efforts around quit-smoking programs, research programs and grant-making, education and outreach to communities, public policies to reduce tobacco's harm and other initiatives.

In addition to his responsibilities at ClearWay Minnesota, Willoughby works with the Funder's Alliance, a group of state foundation executive directors from across the country who work on tobacco control. He is also active in a group of leaders from limited-life foundations similar to ClearWay Minnesota. Willoughby served on the Board of the North American Quitline Consortium (NAQC) for five years and was Board Chair of that organization for three years.

Before joining ClearWay Minnesota, Willoughby was Vice President of Cancer Prevention and Control for the Southwest Division of the American Cancer Society in Arizona. He also served on the Arizona Advisory Council on Tobacco Prevention and Cessation.

Willoughby is bilingual in Spanish and English, and holds a Bachelor of Arts degree in theology and a Master's in counseling.

Vice President Paula Keller, M.P.H.
Paula Keller oversees all aspects of ClearWay Minnesota's research and cessation activities, including but not limited to the Minnesota Adult Tobacco Survey (MATS) and QUITPLAN® Services.

Keller has 30 years of experience in tobacco cessation, tobacco control policy and public health. She has extensive program management and policy analysis experience and has published on a variety of tobacco control topics. She also currently serves on the North American Quitline Consortium's Advisory Council and co-chairs the Society for Research on Nicotine and Tobacco's Public Health Policy Research Network. Prior to joining ClearWay Minnesota in 2010, Keller was Senior Policy Advisor for the University of Wisconsin Center for Tobacco Research and Intervention.

Keller earned a Bachelor's degree in community health education from the University of Wisconsin – La Crosse and a Master's of Public Health in public health policy and administration from the University of Michigan.

Vice President Molly Moilanen, M.P.P.
Molly Moilanen oversees ClearWay Minnesota's marketing, communications and public policy efforts. For nearly a decade, Moilanen has co-chaired the statewide tobacco control coalition, currently called Minnesotans for a Smoke-Free Generation, which has more than 60 member organizations. In 2013, the coalition helped pass the largest tobacco tax in Minnesota history projected to prevent nearly 50,000 youth from becoming addicted to tobacco. Other notable coalition accomplishments under Moilanen's leadership include passing statewide legislation adding e-cigarettes to Minnesota's clean indoor air policy and securing an annual state appropriation for tobacco cessation services. Since joining ClearWay Minnesota in 2004, Moilanen has managed cessation programs, developed ClearWay Minnesota's local policy grant program, served on the strategic planning team and helped pass the statewide smoking ban.

Before joining ClearWay, Moilanen served as a Senior Program Officer managing the state's AmeriCorps programs. She also worked in the Minnesota Senate and taught public policy courses at Concordia University in St. Paul.

Moilanen graduated from Grinnell College with a B.A. in political science and earned a Master's degree in public policy from the Humphrey School of Public Affairs at the University of Minnesota.

Interim Chief Financial Officer Bruce Noyes
Bruce Noyes was retained in July of 2019 as the Interim Chief Financial Officer (CFO) to replace Steven Bader, who departed after five years with ClearWay Minnesota. In the role as Interim CFO, Noyes has worked with the CEO, the Executive Management Team and the Board of Directors to provide direction and oversight over organizational investment, finance and accounting responsibilities and reporting. During his tenure, Noyes has supported the successful liquidation of the majority of the private equity investments for ClearWay Minnesota to minimize ongoing investment risks and uncertainty of future cash flows. Noyes has supported the strategic financial planning and cash flow modeling required for management and the Board to manage cash flow availability against the competing needs of programs and resources required as the organization plans for termination of operations as of December 2021. During his tenure as Interim CFO he has worked closely with the Audit/Finance Committee to provide reporting and information necessary to support their role and responsibilities.

Prior to joining ClearWay Minnesota, Noyes had nearly 40 years of experience as a management consultant providing financial and operations consulting, business advisory and interim leadership services, with a focus in the health care industry and not-for-profit organizations. His experience includes a broad base of finance, operations, and information system implementation experience with hospitals, health systems, physician organizations, academic medical centers, long-term care and home care organizations.

Chief Financial Officer Steven Bader (resigned in July of 2019)
Steven Bader was responsible for all investment, administration, finance and accounting programs at ClearWay Minnesota from 2015 through 2019. Working closely with the ClearWay Minnesota Executive Management Team and Board of Directors, Bader focused on strategic long-term financial planning as ClearWay Minnesota prepares for its sunset. During his tenure as

CFO, he was instrumental in overseeing the development and/or improvement of comprehensive personnel, administrative, investment, IT and budgeting policies to prepare for the final phase of operations.

In July of 2019, Bader resigned from ClearWay Minnesota. His duties are now shared by David Willoughby and Bruce Noyes (see above).

Chief of Staff Amy Henderson
Amy Henderson oversees the activities and strategic initiatives of the office of the CEO and Board of Directors. Working closely with the CEO and Board, Henderson is focused on operational efficiency, managing special projects and providing strategic counsel on governance, compliance and other matters focused on best practices. Henderson developed plans preparing for the organization's sunset, including a comprehensive governance restructuring and organizational dissolution plan to ensure a smooth closure of business operations.

Since joining ClearWay Minnesota in 2003, Henderson has served in many roles such as Executive Services Manager and Senior Board Relations Manager focused on efficiently managing the operations of the executive team and Board of Directors. Henderson holds a Bachelor's degree of Business Administration from John Brown University in Arkansas.

Director of Finance Lana Kopylov
During her 20-plus years with ClearWay Minnesota, Lana Kopylov has overseen the organization's finance and accounting, compliance and reporting, human resources and administrative functions. Kopylov works closely with the Audit/Finance Committee, ensuring that appropriate systems are in place to maintain effective internal controls within all aspects of the organization, an internal reporting system, and an account structure with proper disclosure and accountability for all financial activities. She coordinates management of ClearWay Minnesota's annual budgeting process with the annual planning process, and oversees appropriate financial due diligence on grant applicants and on the financial monitoring of grantees.

Kopylov is bilingual in Russian and English and holds a Bachelor's degree in Finance and Accounting.

Appendix I

Financial Statements Together With Independent Auditors' Report

OlsenThielen & Co., Ltd.
CPAS AND ADVISORS

ClearWay Minnesota^{SM}

Financial Statements
Together with
Independent Auditor's Report

June 30, 2020

CLEARWAY MINNESOTA[SM]

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
ClearWay Minnesota[SM]
Bloomington, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of ClearWay Minnesota[SM] (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020 and 2019 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ClearWay Minnesota[SM] as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Olsen Thielen + Co., Ltd.

Roseville, Minnesota
August 27, 2020

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CLEARWAY MINNESOTA℠

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
Cash	$ 250,149	$ 250,149
Accounts Receivable	48,503	9,598
Prepaid Expenses	20,116	49,317
Investments	6,346,239	14,441,492
Equipment and Leasehold Improvements, Net	753	9,121
TOTAL ASSETS	$ 6,665,760	$ 14,759,677

LIABILITIES AND NET ASSETS

	2020	2019
LIABILITIES:		
Accounts Payable	$ 208,629	$ 427,731
Accrued Expenses	774,604	558,926
Grants Payable	95,164	521,417
Total Liabilities	1,078,397	1,508,074
NET ASSETS:		
Without Donor Restrictions- Designated for Tobacco Research and Other Tobacco Control Purposes	5,587,363	13,251,603
Total Net Assets	5,587,363	13,251,603
TOTAL LIABILITIES AND NET ASSETS	$ 6,665,760	$ 14,759,677

The accompanying notes are an integral part of the financial statements.

CLEARWAY MINNESOTA℠

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
REVENUE AND GAINS:		
Net Investment Losses	$ (57,291)	$ (113,816)
Contributions and Grants	3,438	13,602
Total Revenue and Losses	(53,853)	(100,214)
EXPENSES:		
Program Services:		
Tobacco Cessation	5,537,903	7,858,375
Research and Other Tobacco Issues	901,746	1,383,282
Total Program Services	6,439,649	9,241,657
Supporting Services:		
General and Administrative	1,170,738	1,361,724
Total Expenses	7,610,387	10,603,381
CHANGE IN NET ASSETS	(7,664,240)	(10,703,595)
NET ASSETS at Beginning of Year	13,251,603	23,955,198
NET ASSETS at End of Year	$ 5,587,363	$ 13,251,603

The accompanying notes are an integral part of the financial statements.

CLEARWAY MINNESOTA℠

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020					2019				
	Program Services					Program Services				
	Tobacco Cessation	Research and Other Tobacco Issues	Total	General and Administrative	Grand Total	Tobacco Cessation	Research and Other Tobacco Issues	Total	General and Administrative	Grand Total
Salaries	$ 1,134,067	$ 270,385	$ 1,404,452	$ 746,964	$ 2,151,416	$ 1,158,108	$ 425,359	$ 1,583,467	$ 845,392	$ 2,428,859
Benefits	243,377	65,065	308,442	164,126	472,568	280,557	102,382	382,939	206,349	589,288
Retention/Severance	124,223	28,891	153,114	81,456	234,570	141,528	51,981	193,509	103,312	296,821
Payroll Taxes	97,226	22,612	119,838	63,753	183,591	91,356	33,554	124,910	66,688	191,598
Total Personnel Expenses	1,598,893	386,953	1,985,846	1,056,299	3,042,145	1,671,549	613,276	2,284,825	1,221,741	3,506,566
Consultants	5,819	2,124	7,943	4,165	12,108	6,489	2,370	8,859	4,445	13,304
Evaluation Fees	19,916	44,635	64,551	–	64,551	40,638	41,091	81,729	–	81,729
Professional Fees	59,162	20,948	80,110	41,076	121,186	68,301	28,081	96,382	45,690	142,072
Occupancy	51,062	18,870	69,932	37,000	106,932	62,058	22,865	84,923	42,885	127,808
Telephone	16,993	7,968	24,961	10,212	35,173	18,640	8,299	26,939	10,262	37,201
Equipment Rental and Repair	5,411	2,000	7,411	3,921	11,332	6,316	2,327	8,643	4,365	13,008
Printing	5,479	130	5,609	–	5,609	24,731	615	25,346	19	25,365
Postage	326	93	419	175	594	1,780	738	2,518	1,161	3,679
Office Supplies	2,342	774	3,116	1,466	4,582	5,349	1,912	7,261	3,542	10,803
Program Supplies	6,900	2,333	9,233	2,101	11,334	10,883	1,959	12,842	1,042	13,884
Conferences and Meetings	4,402	2,811	7,213	1,031	8,244	19,841	6,875	26,716	5,913	32,629
Travel	15,016	6,214	21,230	2,257	23,487	35,486	16,785	52,271	3,751	56,022
Insurance	6,699	2,476	9,175	4,854	14,029	7,947	2,928	10,875	5,491	16,366
Public Education/Relations	1,806,149	970	1,807,119	1,903	1,809,022	3,290,780	2,513	3,293,293	3,728	3,297,021
Program Grants and Contracts	1,927,075	400,265	2,327,340	–	2,327,340	2,576,461	626,548	3,203,009	–	3,203,009
Depreciation	3,996	1,477	5,473	2,896	8,369	8,600	3,169	11,769	5,943	17,712
Miscellaneous	2,263	705	2,968	1,382	4,350	2,526	931	3,457	1,746	5,203
Total Functional Expenses	$ 5,537,903	$ 901,746	$ 6,439,649	$ 1,170,738	$ 7,610,387	$ 7,858,375	$ 1,383,282	$ 9,241,657	$ 1,361,724	$ 10,603,381
Percent of Total Expense	72.8%	11.8%	84.6%	15.4%	100.0%	74.2%	13.0%	87.2%	12.8%	100.0%

The accompanying notes are an integral part of the financial statements.

CLEARWAY MINNESOTA℠

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	**$ (7,664,240)**	$ (10,703,595)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Flows From Operating Activities:		
Depreciation	**8,369**	17,712
Realized and Unrealized Losses on Investments, Net	**226,398**	349,471
Change in Assets and Liabilities:		
Accounts Receivable	**(38,905)**	36,399
Prepaid Expenses	**29,201**	(1,872)
Accounts Payable	**(219,102)**	(69,090)
Accrued Expenses	**215,678**	49,482
Grants Payable	**(426,253)**	(1,006,339)
Net Cash Flows From Operating Activities	**(7,868,854)**	(11,327,832)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	**(4,000,000)**	(9,999,799)
Proceeds from Sale of Investments	**11,868,854**	21,327,720
Net Cash Flows From Investing Activities	**7,868,854**	11,327,921
NET CHANGE IN CASH	**–**	89
CASH at Beginning of Year	**250,149**	250,060
CASH at End of Year	**$ 250,149**	$ 250,149

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

ClearWay Minnesota[SM] (Organization) is an independent, nonprofit organization that works to improve the health of all Minnesotans by eliminating the harm caused by tobacco. The Organization was created in 1998 to administer 3 percent ($202 million) of Minnesota's tobacco settlement funds over a period of 25 years.

The mission of the Organization is to enhance life in Minnesota by reducing tobacco use and exposure to secondhand smoke through research, action and collaboration. The Organization's work is grounded in sound science and public health best practices and includes a comprehensive body of tobacco cessation programs (marketed as QUITPLAN® Services), extensive grant-making activities in areas of research, policy and community development, and media campaigns to raise awareness of the harms of tobacco use and secondhand smoke exposure.

The Organization's operations will conclude effective December 31, 2021, subject to court approval. The Organization's Strategic Plan has prioritized planning for its limited life to facilitate a smooth transition out of existence.

Basis of Presentation

Financial statement presentation follows generally accepted accounting principles as outlined in the Financial Accounting Standards Board's *Accounting Standards Codification* (ASC) 958. Under ASC 958 the Organization is required to report information regarding its financial position and activities according to two classes of net assets, without donor restrictions and with donor restrictions. The Organization has no net assets with donor restrictions.

Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Receivables are reported at the amount the Organization expects to collect on balances outstanding at year end. The Organization monitors outstanding balances and periodically writes off balances that are determined to be uncollectible. The Organization has concluded that losses on balances outstanding at year end will be immaterial.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are carried at cost or, if donated, at the approximated fair value at the date of donation. Additions, improvements or major renewals are capitalized. If items of property are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gain or loss thereon is reflected in the statement of activities. The Organization capitalizes assets with a cost of $2,500 or greater.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment and Leasehold Improvements (Continued)

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements	5 - 10 Years
Furniture and fixtures	7 Years
Office equipment	5 Years
Computer software and equipment	3 Years

As of June 30, 2020, nearly all equipment and leasehold improvements have been fully depreciated or amortized. There are no plans for acquiring any significant new capital assets over the remaining life of the Organization.

Revenue Recognition

Government grants and contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional grants and contributions are not recognized until they become unconditional. Conditional grants and contributions become unconditional when eligible expenditures, as defined in each grant or contract are made. Expenditures under government grants are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these grants, the Organization will record such disallowance at the time the final assessment is made.

Investments

Investments in marketable securities are stated at fair value, which is determined by quoted market prices at June 30, 2020 and 2019. For alternative investment fund of funds and private equity fund of funds, for which there is no public market, fair value is estimated using values provided by external investment managers. These can consist of private equity investments, limited partnerships, mutual funds, and hedge funds and are recorded at approximate fair value as determined and approved by the managers or valuation committees of the alternative investments based upon judgments, which include, among other factors, restrictions affecting marketability and operating results. Because these alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investment existed.

Changes in fair value are recorded as unrealized gains or losses in the period of change. Realized gains and losses on sales of securities are generally determined using the specific identification method.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investment will occur in the near future and that such changes could materially affect the investment balances.

Included in investments on the statement of financial position are money market and short-term investment funds. The money market and short-term investment funds are readily convertible to cash and are stated at cost plus accrued interest, which approximates fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

Under generally accepted accounting principles as outlined in the Financial Accounting Standards Board's *Accounting Standards Codification* (ASC) 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

<u>Level 1</u> - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

<u>Level 2</u> - Financial assets and liabilities are valued using inputs that are quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 included private collateralized mortgage obligations and private corporate debt securities. The Organization has no level 2 investments.

<u>Level 3</u> - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. The Organization has no level 3 investments.

The fair values of the Organization's investments were determined based on inputs as presented in Note 3.

The Organization follows ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value (NAV) per Share (or Its Equivalent).* This guidance removes those investments that calculate NAV per share from the fair value hierarchy. If it is probable an investment that was measured at the net asset value will be sold at an amount different from the net asset valuation, the valuation is based on the Funds estimated discounted cash flows, transactions in the secondary market and bids received from potential buyers.

Functional Allocation of Expense

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. General and administrative that are common to several functions are allocated based on the proportion of each program's direct and personnel expenses to the total program direct and personnel expenses. As a result of the Organization's limited life status, the percentage of program expenses to total expenses has decreased for the year ended June 30, 2020 as compared to previous years. This ratio will be expected to continue to decline as the Organization wraps-up programs and services through its planned end of existence date of December 31, 2021.

Program Grants and Contracts

Grants payable are stated at fair value by discounting payments due in more than one year. Grants payable cancelled in a subsequent year are recorded in the year of cancellation.

Program grants and contract expenses are reported on the statements of functional expenses net of grant cancellations, if any.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from Minnesota income taxes.

The Organization follows the current accounting guidance related to uncertainty in income taxes. This guidance clarifies the recognition threshold and measurement requirements for income tax positions taken or expected to be taken in income tax returns. This includes positions that the entity is exempt from income taxes or not subject to additional income tax liability on unrelated business income. Under the standards, the Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities. The Organization has identified no significant income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

Advertising Expense

Advertising expense is expensed as incurred.

NOTE 2 - EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements at June 30, 2020 and 2019 consist of the following:

	2020	2019
Leasehold Improvements	**$ 26,243**	$ 26,243
Furniture and Fixtures	**67,157**	67,157
Office Equipment	**50,761**	50,761
Computer Software and Equipment	**186,420**	194,622
	330,581	338,783
Less Accumulated Depreciation	**329,828**	329,662
Net Equipment and Leasehold Improvements	**$ 753**	$ 9,121

Depreciation expense for the years ended June 30, 2020 and 2019 was $8,369 and $17,712, respectively.

NOTE 3 - INVESTMENTS

Investments are stated at fair value at June 30, 2020 and 2019, and consisted of the following:

	2020	2019
Money Market and Short-Term Investment Funds	**$ 5,985,697**	$ 8,992,312
Private Equity Fund of Funds Measured at Fair Value	**–**	4,907,000
Investments Measured at Net Asset Value	**360,542**	542,180
Total	**$ 6,346,239**	$ 14,441,492

Net investment losses for the years ended June 30, 2020 and 2019 consisted of the following:

	2020	2019
Interest Income	**$ 152,238**	$ 262,800
Realized and Unrealized Losses on Investments, Net	**(226,398)**	(349,471)
Associated UBIT and Other Revenue	**16,869**	(27,145)
Total	**$ (57,291)**	$ (113,816)

The following tables, as of June 30, 2020 and 2019, provide information by Level for assets that are measured at fair value.

Description	Total	Fair Value Measurements Using Inputs Considered As Level 1	Level 2	Level 3
2020:				
Investments Excluded from the Fair Value Hierarchy:				
Money Market and Short-Term Investment Funds	**$ 5,985,697**			
Investments Measured at Net Asset Value	**360,542**			
Total Investments	**$ 6,346,239**			
2019:				
Investments Included in the Fair Value Hierarchy:				
Private Equity Fund of Funds	$ 4,907,000			$ 4,907,000
Investments Excluded from the Fair Value Hierarchy:				
Money Market and Short-Term Investment Funds	$ 8,992,312			
Investments Measured at Net Asset Value	542,180			
Total Investments	$ 14,441,492			

On September 30, 2019, the organization completed the sale of two private equity funds that represented approximately 92% of its value in private equity securities as of that date. These investments were reported at fair value included in the fair value hierarchy as of June 30, 2019. A realized loss of $44,760 and unrealized loss of $1,184,062 was recorded in 2020 and 2019 related to the sale of these securities, including the transaction costs for legal and transfer services associated with the sale.

NOTE 3 - INVESTMENTS (Continued)

As of June 30, 2020, the Organization has one remaining private equity fund that is reported at net asset value. The Organization uses the net asset value on this investment as reported by fund management to determine the fair value of these investments, which do not have a readily determinable fair value, and either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company. The net asset value on these funds change during the year based on any new capital amounts contributed to the funds, from distributions received from the funds, or by any reported realized and unrealized gains/losses reported by the funds. During the year ended June 30, 2020 there were no distributions received or new capital contributed. An unrealized loss of $181,638 has been recorded on this investment for fiscal year 2020 based on the net asset value reported as of June 30, 2020. The Partnership of the private equity fund announced that the fund will be dissolved and will enter a period of orderly liquidation as of April 13, 2020. It is anticipated that full liquidation of the fund will be completed within an 18-month period. The final liquidation value of the investment is not known at this time but may differ from the current net asset value reported as of June 30, 2020.

Private equity fund of funds valued using the net asset valuation method includes investments in funds of funds holding underlying positions in funds owning private assets. The valuation method includes unobservable inputs used to determine the value of the private equity investments that are estimated based on the capital account balances reported by underlying partnerships subject to the funds, management review and judgment. Underlying investments are valued quarterly and have restrictive liquidity provisions. Investing in private equity provides diversification, growth potential, and wider market access to the overall portfolio.

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2020 and 2019 are as follows:

	2020 Net Asset Value	2019 Net Asset Value	Unfunded Commit-ments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private Equity Fund of Funds	**$ 360,542**	$ 542,180	$ 60,000	N/A	N/A
Total Investments Measured at Net Asset Value	**$ 360,542**	$ 542,180			

The Organization has purchase commitments of $60,000 to invest in private equity fund of funds' portfolios (including funds measured at both net asset value and fair value). The Organization does not anticipate the remaining purchase commitments will be called.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization maintains and manages adequate operating reserves per policies set by the Board of Directors. The Finance Committee regularly reviews and recommends investment and reserve policies to the Board of Directors for approval.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

Investments consist of funds designated by the Board of Directors for operating reserves. Investment earnings are typically re-invested in the investment portfolio. The Organization may spend from these board designated investments to meet general operating expenditure requirements. The Organization has a limited life and operations are expected to end on December 31, 2021. Financial assets available for general expenditure as of June 30, 2020 and 2019 consist of the following:

	2020	2019
Financial Assets:		
Cash and Cash Equivalents	**$ 250,149**	$ 250,149
Accounts Receivable	**48,503**	9,598
Investments	**6,346,239**	14,441,492
Total Financial Assets	**6,644,891**	14,701,239
Less Financial Assets not Available within One Year:		
Investment not Expected to be Redeemed within One Year	**(36,054)**	(271,090)
Amounts Available for General Expenditure within One Year	**$ 6,608,837**	$ 14,430,149

NOTE 5 - CONCENTRATIONS

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. Cash is insured in an ICS (Insured Cash Sweep) account. Large deposits placed with an ICS Network bank (Choice Bank), use the ICS service to place funds into demand deposit accounts, money market deposit accounts or both, at other FDIC-insured member institutions. The placement of funds occurs in increments below the standard FDIC insurance maximum of $250,000 so that both principal and interest are eligible for FDIC insurance. By working directly with Choice Bank, the Organization can access insurance coverage from many banks

NOTE 6 - GRANTS PAYABLE

Grants payable at June 30, 2020 and 2019, are as follows:

	2020	2019
Payable in Less Than One Year	**$ 95,164**	$ 449,082
Payable in One to Five Years	**–**	77,398
Subtotal	**95,164**	526,480
Less: Discount to Present Value at 7.00%	**–**	5,063
Total Grants Payable	**$ 95,164**	$ 521,417

NOTE 7 - RETENTION/SEVERANCE PAY PLAN

In 2018, the Organization implemented a retention/severance plan. The purpose of the plan is to retain staff to accomplish the stated goals and mission of the Organization and to help ease the financial burden resulting from the loss of employment due to involuntary termination of employment due to workforce reduction or restructuring resulting from the Organization's life-limited status.

Employee retention/severance benefits have been offered to eligible employees. The total amount estimated to be incurred for current employees over the life of the plan as of June 30, 2020 is $910,692. The amount recognized in expense in 2020 and 2019 and included with personnel expenses on the statement of functional expenses is $234,570 and $296,821. The cumulative retention/severance pay plan liability at June 30, 2020 and 2019 is $646,335 and $446,242 and is included in accrued expenses on the statement of financial position. Changes in the retention/severance pay plan liability for the years ended June 30, 2020 and 2019 are as follows:

Retention/Severance Pay Plan Liability, at June 30, 2018	$ 351,012
Accrue Current Year Expense, Net of Adjustment for Employees who Voluntarily Terminated Early	– 230,038
Payments Made in Current Year	(134,808)
Retention/Severance Pay Plan Liability, at June 30, 2019	**446,242**
Accrue Current Year Expense, Net of Adjustment for Employees who Voluntarily Terminated Early	**234,570**
Payments Made in Current Year	**(34,477)**
Retention/Severance Pay Plan Liability, at June 30, 2020	**$ 646,335**

NOTE 8 - RETIREMENT PLAN

The Organization participates in a 401(k) defined contribution retirement investment plan that covers all employees who meet eligibility requirements. For the years ended June 30, 2020 and 2019, the plan provided eligible employees with a 50% matching contribution up to 5% of the employee's compensation, a safe harbor contribution of 3% and a discretionary employer contribution of 7%. Contributions to the plan by the Organization totaled $282,860 and $347,193 for the years ended June 30, 2020 and 2019, respectively.

NOTE 9 - COMMITMENTS

The Organization has entered into leases for office space and equipment. Future minimum lease payments for the next five years under these lease agreements are as follows:

Years Ending June 30:	
2021	$ 111,930
2022	20,447
Total	$ 132,377

Occupancy expense for the years ended June 30, 2020 and 2019, was $106,932 and $127,808, respectively.

NOTE 10 - SUBSEQUENT EVENTS

The Organization evaluated its June 30, 2020 financial statements for subsequent events through August 27, 2020, the date the financial statements were approved by the Audit/Finance Committee of the Organization. Except as discussed below, there were no subsequent events which would require recognition or disclosure in the financial statements.

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact their operations and financial statements. The Organization has a life-limited status and has sufficient assets to continue to the end of their existence, planned as of December 31, 2021.

Appendix J

Audited Financial Statement Certification

ClearWay℠
MINNESOTA

AUDITED FINANCIAL STATEMENT CERTIFICATION

David J. Willoughby certifies that:

1. He has reviewed the audited financial statements for the years ended June 30, 2020 and 2019 of ClearWay Minnesota;

2. Based on the knowledge of the undersigned, after due review and consideration, the financial statements, and other financial information included in the statements, fairly present in all material respects the financial condition, results of operations and cash flows of ClearWay Minnesota as of, and for, the period presented in these financial statements.

3. Based on the knowledge of the undersigned, there are appropriate procedures, processes and adequate systems of internal controls in place at ClearWay Minnesota to support the undersigned's representation in paragraph 2 above that the financial statements fairly represent the financial condition, results of operations and cash flows of ClearWay Minnesota, and to detect noncompliance with applicable laws and regulations and with the governing documents and policies of ClearWay Minnesota.

Dated: August 20, 2020

Signature: David J. Willoughby

David J. Willoughby
Chief Executive Officer

ClearWay℠

MINNESOTA

Appendix K

IRS Form 990
June 30, 2020

Form **990** (Rev. January 2020)
Department of the Treasury Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2019
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning JUL 1, 2019 and ending JUN 30, 2020

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending

C Name of organization: CLEARWAY MINNESOTA (SM)
Doing business as
Number and street (or P.O. box if mail is not delivered to street address): 2 APPLETREE SQ, 8011 34TH AV S   Room/suite
City or town, state or province, country, and ZIP or foreign postal code: MINNEAPOLIS, MN 55425

D Employer identification number: 41-1921094
E Telephone number: 952-767-1400
G Gross receipts $ 12,043,971.

F Name and address of principal officer: DAVID J. WILLOUGHBY
SAME AS C ABOVE

H(a) Is this a group return for subordinates? ☐ Yes ☒ No
H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527
J Website: ▶ WWW.CLEARWAYMN.ORG
K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶
L Year of formation: 1998 **M** State of legal domicile: MN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: CLEARWAY MINNESOTA IS AN INDEPENDENT NONPROFIT ORGANIZATION WORKING TO IMPROVE THE HEALTH OF

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	25
6	Total number of volunteers (estimate if necessary)	6	18
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	49,689.
b	Net unrelated business taxable income from Form 990-T, line 39	7b	43,132.

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	13,602.	3,438.
9	Program service revenue (Part VIII, line 2g)	0.	0.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,545,700.	3,939,074.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,797.	66,558.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,576,099.	4,009,070.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,203,009.	2,327,340.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,506,566.	3,042,145.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	3,905,104.	2,243,474.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	10,614,679.	7,612,959.
19	Revenue less expenses. Subtract line 18 from line 12	<9,038,580.>	<3,603,889.>

	Net Assets or Fund Balances	Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	14,759,677.	6,665,760.
21	Total liabilities (Part X, line 26)	1,508,074.	1,078,397.
22	Net assets or fund balances. Subtract line 21 from line 20	13,251,603.	5,587,363.

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here
▶ Signature of officer — Date 11/5/2020
▶ DAVID J. WILLOUGHBY, CHIEF EXEC OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LINDA M. NELSON, CPA	Linda M. Nelson	10/27/20		P00205567

Firm's name ▶ OLSEN THIELEN & CO., LTD — Firm's EIN ▶ 41-1360831
Firm's address ▶ 2675 LONG LAKE ROAD ST. PAUL, MN 55113 — Phone no. 651-483-4521

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

932001 01-20-20 LHA For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2019)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:

SEE PART I, LINE 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [X] Yes [ ] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 3,179,190. including grants of $ 1,375,668.) (Revenue $ 0.)

COMMUNICATIONS AND PUBLIC AFFAIRS

COMMUNICATIONS AND OUTREACH ACTIVITIES HELP CLEARWAY MINNESOTA TO PROMOTE CESSATION SERVICES, TO MOTIVATE MINNESOTA TOBACCO USERS TO QUIT AND TO EDUCATE MINNESOTANS ABOUT TOBACCO'S DANGERS. CLEARWAY MINNESOTA DEVELOPS CAMPAIGNS AFTER EXTENSIVE RESEARCH AND PLANNING, USING GUIDELINES FROM THE U.S. CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) AND LEARNING FROM THE EXPERIENCES OF NATIONAL AND STATE PARTNERS.

CLEARWAY MINNESOTA CONDUCTS STATEWIDE ADVERTISING CAMPAIGNS CONSISTING OF PAID BROADCAST, INTERNET, PRINT AND OUT-OF-HOME ADVERTISING. ADDITIONALLY, CLEARWAY MINNESOTA CONDUCTS OUTREACH INCLUDING COMMUNITY VISITS, MEDIA INTERVIEWS AND MEETINGS WITH COMMUNITY LEADERS. THIS WORK

4b (Code:) (Expenses $ 901,746. including grants of $ 400,265.) (Revenue $ 0.)

RESEARCH

CLEARWAY MINNESOTA CONTRACTS FOR SURVEILLANCE RESEARCH EFFORTS THAT MONITOR TOBACCO USE, ATTITUDES AND BEHAVIORS OVER TIME AND MEASURE THE IMPACT OF TOBACCO CONTROL POLICIES AND PROGRAMS. DURING FISCAL YEAR 2020, CLEARWAY MINNESOTA ENGAGED IN TWO MAJOR SURVEILLANCE INITIATIVES, THE 2018 MINNESOTA ADULT TOBACCO SURVEY (MATS), AND THE SECOND ITERATION OF THE TRIBAL TOBACCO USE PROJECT (TTUP II) SURVEY.

DURING FISCAL YEAR 2020, SEVERAL CONTRACTS WERE INITIATED TO ASSIST IN THE DISSEMINATION OF MATS RESULTS, INCLUDING ANALYZING DATA AND WRITING SELECT PAPERS. THESE CONTRACTS INCLUDED ONE WITH PROFESSIONAL DATA ANALYSTS, WHICH PROVIDES PRIMARY DATA ANALYSIS FOR MATS FINDINGS, AND

4c (Code:) (Expenses $ 2,308,524. including grants of $ 501,219.) (Revenue $ 0.)

CESSATION

SINCE INCEPTION, CLEARWAY MINNESOTA HAS PROVIDED EVIDENCE-BASED OR PROMISING PROGRAMS TO HELP MINNESOTANS QUIT TOBACCO USE. OVER 19 YEARS, QUITPLAN SERVICES HELPED MORE THAN 197,000 MINNESOTANS IN THEIR ATTEMPTS TO QUIT. AS OF APRIL 1, 2020, QUITPLAN SERVICES NO LONGER ACCEPTED NEW PARTICIPANTS, AND THE PROGRAM CONCLUDED JUNE 30, 2020.

QUITPLAN SERVICES CONSISTED OF THE QUITPLAN HELPLINE AND INDIVIDUAL QUITPLAN SERVICES. THE QUITPLAN HELPLINE PROVIDED TELEPHONE COUNSELING AND PRINTED MATERIALS TO UNINSURED MINNESOTANS AND THOSE WHOSE INSURANCE DOES NOT COVER CESSATION HELP. OVER-THE-COUNTER NICOTINE REPLACEMENT PRODUCTS IN THE FORM OF PATCHES, GUM AND LOZENGES WERE

4d Other program services (Describe on Schedule O.)

(Expenses $ 50,189. including grants of $ 50,189.) (Revenue $ 0.)

4e Total program service expenses ▶ 6,439,649.

SEE SCHEDULE O FOR CONTINUATION(S)

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of any individual described in line 28a? *If "Yes," complete Schedule L, Part IV*	28b		X
c	A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note:** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V [X]

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	20			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance *(continued)*

			Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return ... 2a 25			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation on Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country ▶ SEE SCHEDULE O			
	See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year ... 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 ... 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities ... 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders ... 11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) ... 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year ... 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note: See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans ... 13b			
c	Enter the amount of reserves on hand ... 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation on Schedule O*	14b		
15	Is the organization subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment(s) during the year?	15		X
	If "Yes," see instructions and file Form 4720, Schedule N.			
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16		X
	If "Yes," complete Form 4720, Schedule O.			

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI ..... [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.				
b	Enter the number of voting members included on line 1a, above, who are independent	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Did the organization have members or stockholders?		6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses on Schedule O*		9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶MN

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[X] Own website [ ] Another's website [X] Upon request [ ] Other *(explain on Schedule O)*

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records ▶

LANA KOPYLOV, DIRECTOR OF FINANCE - 952-767-1406
8011 34TH AVE S, STE 400, MINNEAPOLIS, MN 55425

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

See instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) DAVID J. WILLOUGHBY CHIEF EXECUTIVE OFFICER	40.00			X				189,462.	0.	50,046.
(2) MOLLY MOILANEN VICE PRESIDENT	40.00					X		142,565.	0.	42,280.
(3) PAULA KELLER VICE PRESIDENT	40.00					X		137,050.	0.	41,528.
(4) LANA KOPYLOV DIRECTOR OF FINANCE	40.00					X		117,731.	0.	33,385.
(5) AMY HENDERSON CHIEF OF STAFF	40.00					X		112,006.	0.	30,676.
(6) MICHAEL SHELDON DIRECTOR OF MARKETING	40.00					X		115,884.	0.	17,856.
(7) STEVEN BADER CFO (THRU JULY 10, 2019)	40.00			X				93,427.	0.	38,469.
(8) LAURIE LAFONTAINE BOARD CHAIR	10.00	X		X				0.	0.	0.
(9) KAREN KRAEMER VICE CHAIR	6.00	X		X				0.	0.	0.
(10) STEVEN MCWHIRTER TREASURER (THRU SEPT 2019)	2.00	X		X				0.	0.	0.
(11) GREG WULF TREASURER (BEG SEPT 2019)	2.00	X		X				0.	0.	0.
(12) SARAH OQUIST SECRETARY	2.00	X		X				0.	0.	0.
(13) NEVADA LITTLEWOLF DIRECTOR	1.00	X						0.	0.	0.
(14) ANNIE VARS DIRECTOR	2.00	X						0.	0.	0.
(15) BRIAN OSBERG DIRECTOR	4.00	X						0.	0.	0.
(16) GAIL AMUNDSON DIRECTOR	2.00	X						0.	0.	0.
(17) JANET AVERY DIRECTOR	1.00	X						0.	0.	0.

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(18) MAE BROOKS DIRECTOR	2.00	X						0.	0.	0.
(19) JUDY BROWN DIRECTOR	1.00	X						0.	0.	0.

		(D)	(E)	(F)
1b	Subtotal ▶	908,125.	0.	254,240.
c	Total from continuation sheets to Part VII, Section A ▶	0.	0.	0.
d	Total (add lines 1b and 1c) ▶	908,125.	0.	254,240.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 12

			Yes	No
3	Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
HABERMAN & ASSOCIATES, INC., 430 1ST AVE NORTH, STE 216, MINNEAPOLIS, MN 55401	MEDIA BUY AND ADVERTISING SERVICES	1,773,944.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 1

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e 3,438.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f	1g $				
	h **Total.** Add lines 1a-1f ▶		3,438.			
Program Service Revenue		Business Code				
	2 a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		105,121.			105,121.
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6 a Gross rents	6a				
	b Less: rental expenses	6b				
	c Rental income or (loss)	6c				
	d Net rental income or (loss) ▶					
		(i) Securities / (ii) Other				
	7 a Gross amount from sales of assets other than inventory	7a 11,868,854.				
	b Less: cost or other basis and sales expenses	7b 8,034,901.				
	c Gain or (loss)	7c 3,833,953.				
	d Net gain or (loss) ▶		3,833,953.			3,833,953.
	8 a Gross income from fundraising events (not including $ ______ of contributions reported on line 1c). See Part IV, line 18	8a				
	b Less: direct expenses	8b				
	c Net income or (loss) from fundraising events ▶					
	9 a Gross income from gaming activities. See Part IV, line 19	9a				
	b Less: direct expenses	9b				
	c Net income or (loss) from gaming activities ▶					
	10 a Gross sales of inventory, less returns and allowances	10a				
	b Less: cost of goods sold	10b				
	c Net income or (loss) from sales of inventory ▶					
Miscellaneous Revenue		Business Code				
	11 a PTNRSHP UNRELATED BUSINESS INCOME	900099	49,689.		49,689.	
	b MISCELLANEOUS INCOME	900099	16,869.			16,869.
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		66,558.			
	12 **Total revenue.** See instructions ▶		4,009,070.	0.	49,689.	3,955,943.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX [X]

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	2,277,340.	2,277,340.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	50,000.	50,000.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	272,200.	177,686.	94,514.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,168,382.	1,415,515.	752,867.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	251,544.	164,181.	87,363.	
9 Other employee benefits	166,428.	108,626.	57,802.	
10 Payroll taxes	183,591.	119,838.	63,753.	
11 Fees for services (nonemployees):				
a Management				
b Legal	20,781.	13,737.	7,044.	
c Accounting	20,290.	13,413.	6,877.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	2,572.		2,572.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	80,115.	52,960.	27,155.	
12 Advertising and promotion				
13 Office expenses	68,624.	50,749.	17,875.	
14 Information technology				
15 Royalties				
16 Occupancy	106,932.	69,932.	37,000.	
17 Travel	23,487.	21,230.	2,257.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	8,244.	7,213.	1,031.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	8,369.	5,473.	2,896.	
23 Insurance	14,029.	9,175.	4,854.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PUBLIC EDUCATION/RELATI	1,809,022.	1,807,119.	1,903.	
b EVALUATION FEES	64,551.	64,551.	0.	
c CONSULTANTS	12,108.	7,943.	4,165.	
d OTHER EXPENSES	4,350.	2,968.	1,382.	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	7,612,959.	6,439,649.	1,173,310.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ [ ] if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	250,149.	1	250,149.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net	373.	3	48,090.
	4	Accounts receivable, net	9,225.	4	413.
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	49,317.	9	20,116.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a 330,581.			
	b	Less: accumulated depreciation — 10b 329,828.	9,121.	10c	753.
	11	Investments - publicly traded securities	8,992,312.	11	5,985,697.
	12	Investments - other securities. See Part IV, line 11	5,449,180.	12	360,542.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 33)	14,759,677.	16	6,665,760.
Liabilities	17	Accounts payable and accrued expenses	986,657.	17	983,233.
	18	Grants payable	521,417.	18	95,164.
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	1,508,074.	26	1,078,397.
Net Assets or Fund Balances		**Organizations that follow FASB ASC 958, check here ▶ ☒ and complete lines 27, 28, 32, and 33.**			
	27	Net assets without donor restrictions	13,251,603.	27	5,587,363.
	28	Net assets with donor restrictions		28	
		Organizations that do not follow FASB ASC 958, check here ▶ ☐ and complete lines 29 through 33.			
	29	Capital stock or trust principal, or current funds		29	
	30	Paid-in or capital surplus, or land, building, or equipment fund		30	
	31	Retained earnings, endowment, accumulated income, or other funds		31	
	32	Total net assets or fund balances	13,251,603.	32	5,587,363.
	33	Total liabilities and net assets/fund balances	14,759,677.	33	6,665,760.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,009,070.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,612,959.
3	Revenue less expenses. Subtract line 2 from line 1	3	<3,603,889.>
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	13,251,603.
5	Net unrealized gains (losses) on investments	5	<4,060,351.>
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	5,587,363.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☒

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other ____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2019
Open to Public Inspection

Name of the organization: CLEARWAY MINNESOTA (SM)
Employer identification number: 41-1921094

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ____
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: ____
10 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
12 [X] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a [X] **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations 1

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
SEE SCHEDULE A, PART VI, SUPPLEMENTAL INFORMATION		6	X		SEE SCHEDULE A, PART VI, SUPPLEMENTAL INFORMATION	
Total					0.	0.

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2018 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2019.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2018.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2019.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2018.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16	Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2019** (line 10c, column (f), divided by line 13, column (f))	17	%
18	Investment income percentage from **2018** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2019.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2018.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* **Part VI** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1	X	
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		X
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		X
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* **Part VI** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* **Part VI** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.*	4a		X
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* **Part VI** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in* **Part VI,** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		X
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* **Part VI.**	6	X	
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	7		X
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).*	8		X
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* **Part VI.**	9a		X
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* **Part VI.**	9b		X
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* **Part VI.**	9c		X
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer 10b below.*	10a		X
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Part IV Supporting Organizations *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		X
b	A family member of a person described in (a) above?	11b		X
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in* **Part VI.**	11c		X

Section B. Type I Supporting Organizations

			Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* **Part VI** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1	X	
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* **Part VI** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		X

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* **Part VI** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* **Part VI** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* **Part VI** *the role the organization's supported organizations played in this regard.*	3		

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the yea***(see instructions).**

a ☐ The organization satisfied the Activities Test. *Complete* **line 2** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* **line 3** *below.*

c ☐ The organization supported a governmental entity. *Describe in* **Part VI** *how you supported a government entity (see instructions).*

			Yes	No
2	Activities Test. **Answer (a) and (b) below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* **Part VI identify those supported organizations and explain** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* **Part VI** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. **Answer (a) and (b) below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in* **Part VI.**	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* **Part VI** *the role played by the organization in this regard.*	3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (explain in detail in **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in **Part VI**). See instructions.	
7 **Total annual distributions.** Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in **Part VI**). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in **Part VI**). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f **Total** of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: $			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in **Part VI.** See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in **Part VI**. See instructions.			
7 **Excess distributions carryover to 2020.** Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PART I, LINE 12G

COLUMNS (i) & (ii) - STATE OF MINNESOTA THROUGH THE SECOND JUDICIAL DISTRICT COURT. CLEARWAY MINNESOTA (SM) WAS CREATED BY (AND REMAINS SUBJECT TO THE AUTHORITY OF) THE STATE OF MINNESOTA'S JUDICIAL BRANCH, HAVING BEEN FORMED BY ORDER OF THE STATE'S SECOND JUDICIAL DISTRICT COURT TO RECEIVE AND ADMINISTER FUNDS WON BY THE STATE OF MINNESOTA IN THE STATE'S SUCCESSFUL LAWSUIT AGAINST A CONGLOMERATE OF TOBACCO COMPANIES FOR REMEDIES AND RELIEF FROM INJURIES TO THE HEALTH AND WELFARE OF THE PEOPLE OF THE STATE. FROM INCEPTION THE ORGANIZATION'S GOVERNANCE STRUCTURE HAS BEEN UNDER CONTROL OF THAT COURT, AND THE ORGANIZATION'S BOARD IS COMPRISED IN PART OF APPOINTEES WHO SERVE AT THE PLEASURE OF THE STATE'S LEGISLATURE AND EXECUTIVE BRANCHES. EIN IS N/A.

COLUMN (iv) - AS EXPLAINED IN CLEARWAY MINNESOTA (SM)'S EXEMPTION APPLICATION, THERE IS NO SPECIFIC NAMING OF A "SUPPORTED" ORGANIZATION IN THE ARTICLES OF INCORPORATION, BUT THE ARTICLES WERE PART OF THE COURT'S ORDER WHICH ITSELF BOTH CREATES THE ORGANIZATION WITH PURPOSES AND GOVERNANCE STRUCTURE FURTHERING THE STATE'S NEEDS AS MANDATED BY THE COURT ORDER.

COLUMN (v) - 100% OF THE ORGANIZATION'S PROGRAM SERVICE EXPENDITURES ($6,439,649) RELATE TO UNDERTAKINGS THAT ARE MANDATED BY TERMS ESTABLISHED AT THE TIME OF THE ORGANIZATION'S FORMATION BY THE COURT, MEMORIALIZED WITHIN AND CONTROLLING PURSUANT TO THE ORGANIZATION'S ARTICLES OF INCORPORATION.

Part VI Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

COLUMN (vi) - 100% OF THE ORGANIZATION'S MANAGEMENT EXPENDITURES ($1,173,310), AS WELL AS THE ENTIRETY OF ITS EFFORTS CONDUCTED VIA VOLUNTEERS, SUPPORT THE ORGANIZATION'S UNDERTAKINGS FURTHERING THE MEETING OF THE STATE OF MINNESOTA'S NEEDS ADDRESSED IN THE RESPONSE FOR THE PRECEDING COLUMN, (v).

PART IV, SECTION A, LINE 6

HISTORICALLY, AND IN LINE WITH REPORTING OBLIGATIONS TO THE STATE'S COURTS AND OFFICIALS, CLEARWAY MINNESOTA HAS REPORTED PAYMENTS TO ORGANIZATIONS ISSUED UNDER RFPS, AND SOME PAYMENTS TO INDIVIDUALS PROVIDED UNDER RFPS, AS "GRANTS," IN LARGE PART TO ENSURE SYNCHRONICITY WITH THE EXPANDED REPORTING ON SUCH "GRANTS" EFFECTED UPON SCHEDULE I AND REPORTING TO THE STATE'S COURT CLEARWAY MINNESOTA MAKES ON AN ANNUAL BASIS. HOWEVER, THE CHARACTERIZATION OF THE RECIPIENTS AS GRANTEES RATHER THAN AS PROVIDERS OF SERVICES IN LINE WITH THE "GRANT" PROGRAMS' RFPS HAS ALWAYS BEEN AN ISSUE IN PREPARATION OF FORM 990'S PART IX STATEMENT OF FUNCTIONAL EXPENSES, AS THE EXPENDITURES COULD BE REPORTED UPON LINE 11 RATHER THAN LINE 1 (IN THE CASE OF "GRANT" AGREEMENTS WITH ORGANIZATIONS) OR LINE 2 (IN THE CASE OF "GRANT" AGREEMENTS WITH INDIVIDUALS), AND THE EXPANDED REPORTING UPON SAME IN SCHEDULE I). ACCORDINGLY, THE "YES" ANSWER AT PART IV SECTION A LINE 6 IS NOT INDICATIVE OF A VIOLATION OF REG. 1.509(A)-4(I)(2), AS CLEARWAY MINNESOTA RECOGNIZES THAT AS A SUPPORTING ORGANIZATION IT MUST ENGAGE SOLELY IN ACTIVITIES THAT SUPPORT OR BENEFIT ITS SUPPORTED ORGANIZATION AND NOT DEVIATE FROM THIS REQUIREMENT, WHICH PER THE CITED REGULATIONS IN GENERAL MEANS THAT SUPPORTING ORGANIZATIONS ARE ALLOWED TO:

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

- MAKE GRANTS DIRECTLY TO SUPPORTED ORGANIZATIONS;
- PROVIDE SERVICES AND FACILITIES DIRECTLY TO ITS SUPPORTED ORGANIZATIONS;
- MAKE GRANTS OR PROVIDE SERVICES OR FACILITIES TO EITHER INDIVIDUAL MEMBERS OF THE CHARITABLE CLASS BENEFITED BY ITS SUPPORTED ORGANIZATION OR OTHER SUPPORTING ORGANIZATIONS THAT ALSO SUPPORT OR BENEFIT ITS SUPPORTED ORGANIZATION.

CLEARWAY MINNESOTA'S OPERATION OF RFP'S TO EFFECT THE "GRANTS" PROGRAMS EFFECTUATED IN THE SPECIFIC PROGRAM ARENAS NOTED IN THIS FORM'S PART III LINES 4A-4D (AND FULLY DISCUSSED IN FLOW-OVER NARRATION FROM THAT PART TO SCHEDULE O) IS THE METHODOLOGY THAT THE STATE OF MINNESOTA EMBRACED, BOTH WHEN CLEARWAY WAS CREATED AND FUNDED WITH THE STATE OF MINNESOTA'S MONIES AND AS THE STATE CONTINUES TO MAKE GRANTS AND HAVE REPORTING ON SAME PROVIDED BACK TO THE STATE'S COURT AND OFFICIALS.

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
CLEARWAY MINNESOTA (SM)	41-1921094

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ▶ $

3 Volunteer hours for political campaign activities

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)	73,404.	
b Total lobbying expenditures to influence a legislative body (direct lobbying)	72,803.	
c Total lobbying expenditures (add lines 1a and 1b)	146,207.	
d Other exempt purpose expenditures	7,464,180.	
e Total exempt purpose expenditures (add lines 1c and 1d)	7,610,387.	
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.	530,519.	

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

	(a)	(b)
g Grassroots nontaxable amount (enter 25% of line 1f)	132,630.	
h Subtract line 1g from line 1a. If zero or less, enter -0-	0.	
i Subtract line 1f from line 1c. If zero or less, enter -0-	0.	
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ Yes	☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2016	**(b)** 2017	**(c)** 2018	**(d)** 2019	**(e)** Total
2a Lobbying nontaxable amount	893,620.	909,511.	680,169.	530,519.	3,013,819.
b Lobbying ceiling amount (150% of line 2a, column(e))					4,520,729.
c Total lobbying expenditures	122,801.	117,092.	158,361.	146,207.	544,461.
d Grassroots nontaxable amount	223,405.	227,378.	170,042.	132,630.	753,455.
e Grassroots ceiling amount (150% of line 2d, column (e))					1,130,183.
f Grassroots lobbying expenditures	57,215.	59,015.	88,619.	73,404.	278,253.

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

PART II-A - BRIEF DESCRIPTION OF ORGANIZATION'S LOBBYING ACTIVITIES:

RESEARCH SHOWS PUBLIC POLICIES THAT REDUCE SECONDHAND SMOKE EXPOSURE AND MAKE TOBACCO PRODUCTS LESS ACCESSIBLE WORK WITH QUIT-SMOKING PROGRAMS TO REDUCE TOBACCO'S HARM TO THE PUBLIC. BECAUSE SUCH POLICIES HELP REDUCE SMOKING RATES AND REDUCE EXPOSURE TO SECONDHAND SMOKE, CLEARWAY MINNESOTA SUPPORTS WORK IN THIS AREA.

Part IV Supplemental Information *(continued)*

IN FISCAL YEAR 2020, CLEARWAY MINNESOTA CONTRACTED WITH LOCKRIDGE, GRINDAL, NAUEN PLLP FOR DIRECT LOBBYING SERVICES. THIS YEAR'S LOBBYING WORK FOCUSED ON SECURING SUSTAINED FUNDING FOR STATEWIDE TOBACCO PREVENTION, INCREASING THE TOBACCO SALE AGE TO 21 AND PROHIBITING THE SALE OF FLAVORED TOBACCO PRODUCTS IN MINNESOTA. OTHER LOBBYING ACTIVITIES INCLUDED GRASSROOTS, COMMUNICATIONS AND PUBLIC RELATIONS EFFORTS SUCH AS PAID POSTS ON SOCIAL MEDIA OUTLETS. THIS YEAR, CLEARWAY MINNESOTA AWARDED SEVEN POLICY GRANTS TO NONPROFIT ORGANIZATIONS AND LOCAL UNITS OF GOVERNMENT TO REDUCE THE HARM TOBACCO CAUSES MINNESOTA THROUGH COALITION BUILDING, POLICY ADVOCACY AND PUBLIC EDUCATION. UP TO 6 PERCENT OF THEIR GRANT AWARD CAN BE USED FOR LOBBYING ACTIVITIES. AT THE LOCAL LEVEL, GRANTEES LED CAMPAIGNS TO INCREASE THE TOBACCO SALE AGE TO 21, INCREASE THE PRICE OF TOBACCO PRODUCTS AND RESTRICTING YOUTH ACCESS TO CANDY-, FRUIT- AND MENTHOL-FLAVORED TOBACCO PRODUCTS.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2019
Open to Public Inspection

Name of the organization: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
☐ Preservation of land for public use (for example, recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of a historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange program
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ______ %

b Permanent endowment ▶ ______ %

c Term endowment ▶ ______ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) Unrelated organizations	3a(i)		
(ii) Related organizations	3a(ii)		
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		26,243.	26,243.	0.
d Equipment		304,338.	303,585.	753.
e Other				

Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶ 753.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A) PRIVATE EQUITY FUND OF		
(B) FUNDS	360,542.	END-OF-YEAR MARKET VALUE
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	360,542.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ... [X]

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	<53,853.>
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a	<4,060,351.>		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	<4,060,351.>
3	Subtract line **2e** from line **1**			3	4,006,498.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	2,572.		
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	2,572.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	4,009,070.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	7,610,387.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	7,610,387.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	2,572.		
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	2,572.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	7,612,959.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

FIN 48 (ASC 740) DISCLOSURE FROM AUDITED FINANCIAL STATEMENTS:

THE ORGANIZATION IS EXEMPT FROM FEDERAL INCOME TAXES UNDER THE PROVISIONS OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE ORGANIZATION IS ALSO EXEMPT FROM MINNESOTA INCOME TAXES.

THE ORGANIZATION FOLLOWS THE CURRENT ACCOUNTING GUIDANCE RELATED TO UNCERTAINTY IN INCOME TAXES. THIS GUIDANCE CLARIFIES THE RECOGNITION THRESHOLD AND MEASUREMENT REQUIREMENTS FOR INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN INCOME TAX RETURNS. THIS INCLUDES POSITIONS THAT THE ENTITY IS EXEMPT FROM INCOME TAXES OR NOT SUBJECT TO ADDITIONAL INCOME TAX LIABILITY ON UNRELATED BUSINESS INCOME. UNDER THE STANDARDS, THE

Part XIII **Supplemental Information** *(continued)*

ORGANIZATION RECOGNIZES TAX BENEFITS FROM UNCERTAIN TAX POSITIONS ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITIONS WILL BE SUSTAINED ON EXAMINATION BY TAXING AUTHORITIES. THE ORGANIZATION HAS IDENTIFIED NO SIGNIFICANT INCOME TAX UNCERTAINTIES. THE ORGANIZATION FILES INFORMATION RETURNS AS A TAX-EXEMPT ORGANIZATION. SHOULD THAT STATUS BE CHALLENGED IN THE FUTURE, ALL YEARS SINCE INCEPTION COULD BE SUBJECT TO REVIEW BY THE IRS.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2019
Open to Public Inspection

Name of the organization: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
EUROPE (INCLUDING ICELAND & GREENLAND) - ALBANIA, ANDORRA, AUSTRIA, BELGIUM			INVESTMENT IN COLLER INTERNATIONAL PARTNERS V-B, L.P. FUND		360,542.
3 a Subtotal	0	0			360,542.
b Total from continuation sheets to Part I	0	0			0.
c **Totals** (add lines 3a and 3b)	0	0			360,542.

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 **(a)** Name of organization	**(b)** IRS code section and EIN (if applicable)	**(c)** Region	**(d)** Purpose of grant	**(e)** Amount of cash grant	**(f)** Manner of cash disbursement	**(g)** Amount of noncash assistance	**(h)** Description of noncash assistance	**(i)** Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3 Enter total number of other organizations or entities ▶

932072 10-12-19

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Region	**(c)** Number of recipients	**(d)** Amount of cash grant	**(e)** Manner of cash disbursement	**(f)** Amount of noncash assistance	**(g)** Description of noncash assistance	**(h)** Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ☐ Yes ☒ No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; don't file with Form 990)* ☐ Yes ☒ No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations (see Instructions for Form 5471)* ☐ Yes ☒ No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* ☐ Yes ☒ No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* ☐ Yes ☒ No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990)* ☐ Yes ☒ No

Part V **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information. See instructions.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047
2019
Open to Public Inspection

Name of the organization: CLEARWAY MINNESOTA (SM)
Employer identification number: 41-1921094

Part I **General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II **Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
AMERICAN INDIAN CANCER FOUNDATION 3001 BROADWAY STREET NE, STE 185 MINNEAPOLIS, MN 55413	27-0300026	501C(3)	29,181.	0.			SUPPORT FOR AMERICAN INDIAN QUITLINE
AMERICAN INDIAN CANCER FOUNDATION 3001 BROADWAY STREET NE, STE 185 MINNEAPOLIS, MN 55413	27-0300026	501C(3)	317,321.	0.			PLANNING FOR THE SECOND TRIBAL TOBACCO USE PROJECT (TTUP-II)
AMERICAN LUNG ASSOCIATION OF THE UPPER MIDWEST - 490 CONCORDIA AVENUE - ST. PAUL, MN 55103	20-4392201	501C(3)	179,797.	0.			FY'20 LOCAL POLICY GRANT
AMERICAN LUNG ASSOCIATION OF THE UPPER MIDWEST - 490 CONCORDIA AVENUE - ST. PAUL, MN 55103	20-4392201	501C(3)	179,193.	0.			FY'20 LOCAL POLICY GRANT
ASSOCIATION FOR NONSMOKERS-MINNESOTA (ANSR) - 2395 UNIVERSITY AVE W, SUITE 310 - ST. PAUL, MN 55114	41-1410442	501C(3)	48,700.	0.			TOBACCO INDUSTRY TRACKING
ASSOCIATION FOR NONSMOKERS-MINNESOTA (ANSR) - 2395 UNIVERSITY AVE W, SUITE 310 - ST. PAUL, MN 55114	41-1410442	501C(3)	423,000.	0.			FY'20 LOCAL POLICY GRANT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 6.

3 Enter total number of other organizations listed in the line 1 table ▶ 5.

SEE PART IV FOR COLUMN (H) DESCRIPTIONS

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ASSOCIATION FOR NONSMOKERS-MINNESOTA (ANSR) - 2395 UNIVERSITY AVE W, SUITE 310 - ST. PAUL, MN 55114	41-1410442	501C(3)	60,000.	0.			FY'20 LOCAL POLICY TECHNICAL ASSISTANCE GRANT
CONSUMER WELLNESS SOLUTIONS, INC. 11000 OPTUM CIRCLE EDEN PRAIRIE, MN 55344	20-0231080	FOR PROFIT CORP	497,438.	0.			QUITPLAN HELPLINE
CONSUMER WELLNESS SOLUTIONS, INC. 11000 OPTUM CIRCLE EDEN PRAIRIE, MN 55344	20-0231080	FOR PROFIT CORP	3,810.	0.			PROCESSING FEE FOR REFERRALS TO QUITPLAN SERVICES
HORIZON PUBLIC HEALTH 809 ELM STREET, STE 1200 ALEXANDRIA, MN 56308	41-1373630	GOVERNMENT	132,000.	0.			FY'20 LOCAL POLICY GRANT
LOCKRIDGE GRINDAL NAUEN P.L.L.P. 100 WASHINGTON AVE SOUTH MINNEAPOLIS, MN 55401	41-1340615	FOR PROFIT PARTNERSH	135,000.	0.			STATEWIDE LOBBYING
NORTHPOINT HEALTH & WELLNESS CENTER - 1315 PENN AVENUE NORTH - MINNEAPOLIS, MN 55411	20-0898277	501C(3)	170,000.	0.			FY'20 LOCAL POLICY GRANT
PARTNERSHIP 4 HEALTH COMMUNITY HEALTH BOARD - 715 11TH ST NORTH, STE 303 - MOORHEAD, MN 56560	47-1274432	GOVERNMENT	155,493.	0.			FY'20 LOCAL POLICY GRANT
PROFESSIONAL DATA ANALYSTS, GBC 219 MAIN STREET SE, STE 302 MINNEAPOLIS, MN 55414	41-1862390	FOR PROFIT CORP	35,971.	0.			MATS 2018 STATISTICAL ANALYSIS AND DISSEMINATION SUPPORT
RAPP STRATEGIES INC. 333 SOUTH SEVENTH ST, STE 2400 MINNEAPOLIS, MN 55402	41-1426445	FOR PROFIT CORP	190,812.	0.			PUBLIC AFFAIRS

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SCOTT CONSULTING PARTNERS LLC 21850 ROSSES ROAD RICHLAND CENTER, WI 53581	26-4786001	FOR PROFIT LLC	5,020.	0.			TTEP EVALUATION DISSEMINATION, TTS MAINTENANCE, OTHER TTEP EVALUATION DISSEMINATION
GRANT CANCELLATIONS - CURRENT YEAR ESTIMATE			<298,327.>	0.			GRANT CANCELLATIONS - CURRENT YEAR ESTIMATE
GRANT CANCELLATIONS - PRIOR YEAR ACTUAL			<31,870.>	0.			GRANT CANCELLATIONS - PRIOR YEAR ACTUAL
GRANTS $5,000 AND UNDER			11,277.	0.			GRANTS $5,000 AND UNDER
GRANT-RELATED EXPENSES			28,461.	0.			GRANT-RELATED EXPENSES
CHANGE IN GRANT NET PRESENT VALUE			5,063.	0.			CHANGE IN GRANT NET PRESENT VALUE

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
CONSULTATION ON MENTHOL EVALUATION AND MATS 2018 DISSEMINATION	1	50,000.	0.	N/A	N/A

Part IV **Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

CLEARWAY MINNESOTA'S PROGRAMMATIC GRANT AND CONTRACT MONITORING PROCEDURES ARE SET FORTH IN THE GRANT-MAKING PROCESS GUIDELINES AND CONTRACTING GUIDELINES. THESE DOCUMENTS SERVE AS OFFICIAL DOCUMENTATION OF CLEARWAY MINNESOTA'S GRANT-MAKING AND CONTRACTING PROCESS AND AS A GUIDE FOR STAFF AS THEY CREATE FUNDING OPPORTUNITY ANNOUNCEMENTS, PLAN REVIEW PROCESSES, MONITOR AWARDS AND CLOSE OUT GRANTS AND CONTRACTS.

CLEARWAY MINNESOTA RECOGNIZES THAT MONITORING IS ESSENTIAL IN SUPPORTING

Part IV Supplemental Information

THE CAPACITY OF GRANTEES AND CONTRACTORS TO MAKE SIGNIFICANT CONTRIBUTIONS TO THE FIELD OF TOBACCO CONTROL IN MINNESOTA. THE PURPOSE OF MONITORING IS:

- TO ENSURE ACCOUNTABILITY AND PROPER USE OF FUNDS;
- TO VERIFY COMPLIANCE WITH LEGAL AND GRANT-MAKING REQUIREMENTS;
- TO ENSURE TIMELY PROGRESS IN MEETING PROJECT GOALS;
- TO IDENTIFY ISSUES AND WORK WITH THE GRANTEE TO ADDRESS THEM; AND
- TO IDENTIFY OPPORTUNITIES FOR DISSEMINATION AND SUPPORT FOR FINDINGS/RESULTS.

SEVERAL MONITORING TOOLS ARE USED INCLUDING ORIENTATION OR START UP MEETINGS, REPORTS, SITE VISITS AND CONFERENCE CALLS.

THROUGHOUT THE PROJECT PERIOD, GRANTEES AND VENDORS SUBMIT PROGRESS AND FINANCIAL REPORTS. IN-PERSON MEETINGS ARE SCHEDULED ON AN AS-NEEDED BASIS DEPENDING ON THE SCOPE, NEEDS AND PROGRESS OF THE PROJECT. GRANT PAYMENTS ARE RELEASED ACCORDING TO THE APPROVED PAYMENT SCHEDULE, AND ONLY IF ALL PROGRESS AND FINANCIAL REPORTS HAVE BEEN APPROVED. CONTRACTOR INVOICES ARE APPROVED ONLY FOR THOSE SERVICES AND DELIVERABLES PROVIDED AS SPECIFIED IN THE CONTRACT.

CLEARWAY MINNESOTA STAFF MAY OPT TO USE SITE VISITS OR REVERSE SITE VISITS WITH GRANTEES OR CONTRACTORS. THE SCOPE AND FREQUENCY OF SITE VISITS VARIES BY DEPARTMENT AND PROJECT TYPE. CLEARWAY MINNESOTA MAY ALSO OFFER TECHNICAL ASSISTANCE, TRAINING, AND NETWORKING OPPORTUNITIES TO GRANTEES AND CONTRACTORS.

PART II, LINE 1, COLUMN (H):

Part IV Supplemental Information

NAME OF ORGANIZATION OR GOVERNMENT: SCOTT CONSULTING PARTNERS LLC

(H) PURPOSE OF GRANT OR ASSISTANCE: TTEP EVALUATION DISSEMINATION, TTS MAINTENANCE, OTHER TTEP EVALUATION DISSEMINATION ACTIVITIES

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (such as maid, chauffeur, chef)			
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2		
3	Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☐ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee			
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" on line 5a or 5b, describe in Part III.			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" on line 6a or 6b, describe in Part III.			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DAVID J. WILLOUGHBY	(i)	189,462.	0.	0.	28,665.	21,381.	239,508.	0.
CHIEF EXECUTIVE OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) MOLLY MOILANEN	(i)	142,565.	0.	0.	21,825.	20,455.	184,845.	0.
VICE PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) PAULA KELLER	(i)	137,050.	0.	0.	20,718.	20,810.	178,578.	0.
VICE PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) LANA KOPYLOV	(i)	117,731.	0.	0.	16,838.	16,547.	151,116.	0.
DIRECTOR OF FINANCE	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047
2019
Open to Public Inspection

Name of the organization	Employer identification number
CLEARWAY MINNESOTA (SM)	41-1921094

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:
ALL MINNESOTANS BY ELIMINATING THE HARM CAUSED BY TOBACCO. CLEARWAY MINNESOTA WAS CREATED IN 1998 TO ADMINISTER 3 PERCENT ($202 MILLION) OF MINNESOTA'S TOBACCO SETTLEMENT FUNDS OVER A PERIOD OF 25 YEARS. CLEARWAY MINNESOTA'S OPERATIONS WILL CONCLUDE IN 2021, SUBJECT TO COURT APPROVAL.

CLEARWAY MINNESOTA'S MISSION IS TO ENHANCE LIFE FOR ALL MINNESOTANS BY REDUCING TOBACCO USE AND EXPOSURE TO SECONDHAND SMOKE THROUGH RESEARCH, ACTION AND COLLABORATION.

THE ORGANIZATION'S WORK IS GROUNDED IN ESTABLISHED AND EMERGING SCIENCE AND IN PUBLIC HEALTH BEST AND PROMISING PRACTICES. IT INCLUDES A COMPREHENSIVE BODY OF TOBACCO CESSATION PROGRAMS (MARKETED AS QUITPLAN SERVICES), EXTENSIVE GRANT-MAKING ACTIVITIES IN AREAS OF RESEARCH, POLICY AND COMMUNITY DEVELOPMENT, AND MEDIA CAMPAIGNS TO RAISE AWARENESS OF TOBACCO'S HARMS AND TO PROMOTE QUITTING.

FORM 990, PART III, LINE 3, CHANGES IN PROGRAM SERVICES:
QUITPLAN SERVICES, CLEARWAY MINNESOTA'S(SM) FREE PROGRAM TO HELP COMMERCIAL TOBACCO USERS QUIT, CONCLUDED IN FISCAL YEAR 2020. (SEE CESSATION, LINE 4C.)

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:
PROVIDES OPPORTUNITIES FOR THE PUBLIC TO LEARN MORE ABOUT CLEARWAY MINNESOTA'S MISSION, PROGRAMS AND ACTIVITIES, AND TO GIVE CLEARWAY

Name of the organization: CLEARWAY MINNESOTA (SM)

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MINNESOTA FEEDBACK. CLEARWAY MINNESOTA'S COMMUNICATIONS WORK ALSO INCLUDES CUSTOMIZED OUTREACH TO DIVERSE COMMUNITIES.

IN FISCAL YEAR 2020, CLEARWAY MINNESOTA CONTRACTED WITH HABERMAN, A FULL-SERVICE MARKETING AGENCY. HABERMAN HELPED PLAN PAID AND EARNED MEDIA CAMPAIGNS AND MEDIA BUYING, AND PROVIDED MEDIA RELATIONS SUPPORT AND SOCIAL MEDIA EXPERTISE.

CLEARWAY MINNESOTA EMPLOYS MASS-MEDIA STRATEGIES TO EDUCATE THE PUBLIC ABOUT THE HARMS OF TOBACCO. THIS YEAR'S ADVERTISING CAMPAIGN WAS MODIFIED DUE TO THE END OF QUITPLAN SERVICES (SEE LINE 4C) AND A REDUCED BUDGET FROM PREVIOUS YEARS. IT CONTINUED PROMOTING QUITPLAN SERVICES AND THE AMERICAN INDIAN QUITLINE THROUGH JANUARY 2020 AND PROVIDED COMMUNICATION REGARDING THE CLOSEOUT THROUGH MARCH 2020. CLEARWAY MINNESOTA ALSO CONTINUED ITS SEE WHAT YOU'VE BEEN MISSING CAMPAIGN, DEMONSTRATING THE HARMFUL EFFECTS OF TOBACCO AND ENCOURAGING MINNESOTANS TO DO MORE TO PROTECT YOUTH FROM TOBACCO.

IN FISCAL YEAR 2020, THE PUBLIC AFFAIRS DEPARTMENT USED RAPP STRATEGIES, INC., AS OUR PUBLIC AFFAIRS VENDOR. RAPP STRATEGIES PROVIDED PUBLIC AFFAIRS STRATEGY, MEDIA RELATIONS AND GRASSROOTS SUPPORT AS WELL AS GRANTEE TECHNICAL ASSISTANCE TO FURTHER OUR GOALS.

THIS YEAR, CLEARWAY MINNESOTA AWARDED SEVEN GRANTS TO MINNESOTA NONPROFITS AND LOCAL UNITS OF GOVERNMENT TO REDUCE TOBACCO'S HARM THROUGH COALITION BUILDING, POLICY ADVOCACY AND PUBLIC EDUCATION. ALL GRANTEES CONTRIBUTED TO CLEARWAY MINNESOTA'S STATEWIDE POLICY GOALS BY EDUCATING LAWMAKERS ABOUT THE GROWING YOUTH TOBACCO EPIDEMIC IN

Name of the organization: CLEARWAY MINNESOTA (SM)

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MINNESOTA AND THE IMPORTANCE OF PASSING STRONG STATEWIDE POLICIES TO HELP SMOKERS QUIT AND PREVENT YOUTH FROM STARTING, INCLUDING RAISING THE TOBACCO SALE AGE TO 21, PROHIBITING THE SALE OF FLAVORED TOBACCO PRODUCTS AND INCREASING FUNDING FOR TOBACCO PREVENTION. NOTABLY, LOCAL POLICY GRANTEES LED OVER 40 SUCCESSFUL CITY AND COUNTY CAMPAIGNS TO INCREASE THE TOBACCO SALE AGE TO 21, INCREASE THE PRICE OF TOBACCO PRODUCTS AND/OR RESTRICT YOUTH ACCESS TO CANDY-, FRUIT- AND MENTHOL-FLAVORED TOBACCO PRODUCTS.

CLEARWAY MINNESOTA MARKETING, COMMUNICATIONS AND PUBLIC AFFAIRS STAFF MEMBERS, GRANTEES AND CONTRACTORS ALSO SHARE FINDINGS FROM OUR WORK LOCALLY, AT THE STATE LEVEL AND NATIONALLY.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:
ANOTHER WITH DR. RAYMOND BOYLE, WHO PROVIDES DATA ANALYSIS AND MATS RESULTS DISSEMINATION THROUGH PEER-REVIEWED PAPERS. WORK TO DISSEMINATE MATS FINDINGS CONCLUDED AT THE END OF FISCAL YEAR 2020.

THE SECOND TRIBAL TOBACCO USE PROJECT (TTUP II) IS CONTRACTED TO THE AMERICAN INDIAN CANCER FOUNDATION. DURING FISCAL YEAR 2020, TTUP II CONTINUED SURVEY IMPLEMENTATION AND DATA COLLECTION. ONCE DATA IS COLLECTED, TTUP II WILL GENERATE STATEWIDE AND TRIBAL-SPECIFIC DATA ON COMMERCIAL AND TRADITIONAL TOBACCO USE AND RELATED KNOWLEDGE, ATTITUDES, AND BELIEFS AMONG AMERICAN INDIAN ADULTS IN MINNESOTA. RESULTS WILL HIGHLIGHT CHANGES SINCE THE FIRST TTUP SURVEY AND SERVE AS A GUIDE FOR TRIBAL AND STATEWIDE STAKEHOLDERS FOR REDUCING THE HARMS OF COMMERCIAL TOBACCO USE STATEWIDE AND WITHIN INDIVIDUAL TRIBAL NATIONS.

Name of the organization: CLEARWAY MINNESOTA (SM)

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CLEARWAY MINNESOTA ALSO CONTRACTS TO EVALUATE MAJOR PROGRAMMATIC EFFORTS. IN COLLABORATION WITH THE CENTER FOR PREVENTION AT BLUE CROSS AND BLUE SHIELD OF MINNESOTA AND THE MINNESOTA DEPARTMENT OF HEALTH, A VARIETY OF EVALUATION EFFORTS HAVE BEEN UNDERTAKEN TO ASSESS THE IMPACT OF POLICIES THAT RESTRICT THE SALE OF MENTHOL TOBACCO PRODUCTS, WHICH WERE IMPLEMENTED IN DULUTH, MINNEAPOLIS, SAINT PAUL AND OTHER MINNESOTA COMMUNITIES. STAFF AND PARTNERS ARE WORKING TO ENSURE THAT THIS WORK IS DISSEMINATED WIDELY. IN FISCAL YEAR 2020, A CONTRACT WITH RAINBOW RESEARCH, INC., DISSEMINATED FINDINGS ON THE YOUTH IMPACT OF POLICIES; A CONTRACT WITH PROFESSIONAL DATA ANALYSTS ANALYZED EVALUATION DATA; AND A CONTRACT WITH BOSMA CONSULTING LLC CONDUCTED, PRODUCED AND COMPLETED DISSEMINATION OF CASE STUDIES FOCUSING ON POLICY PASSAGE AND IMPLEMENTATION.

CLEARWAY MINNESOTA CONTINUED TO SUPPORT ONGOING RESEARCH GRANTS THAT WERE FUNDED IN PREVIOUS FISCAL YEARS. THESE GRANTS WERE AWARDED TO ACADEMIC, PROFESSIONAL AND COMMUNITY-BASED ORGANIZATIONS AROUND THE STATE TO CONDUCT RESEARCH THAT ADVANCES SCIENTIFIC KNOWLEDGE OF EFFECTIVE TOBACCO CONTROL PROGRAMS AND POLICIES. IN FISCAL YEAR 2020, 10 ONGOING GRANTS WERE MONITORED AND SUPPORTED BY CLEARWAY MINNESOTA STAFF. ALL RESEARCH GRANTS CONCLUDED IN FISCAL YEAR 2020. ADDITIONALLY, A SIX-MONTH EXTENSION WAS GRANTED TO AN EXISTING CONTRACT WITH THE UNIVERSITY OF WISCONSIN CENTER FOR TOBACCO RESEARCH AND INTERVENTION TO PROVIDE DISSEMINATION SUPPORT TO ONE OF CLEARWAY MINNESOTA'S RESEARCH GRANTEES.

DURING FISCAL YEAR 2020, CLEARWAY MINNESOTA, IN PARTNERSHIP WITH OTHER TOBACCO CONTROL RESEARCHERS, PARTICIPATED IN NUMEROUS NATIONAL, STATE

Name of the organization: CLEARWAY MINNESOTA (SM)

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AND LOCAL CONFERENCE PRESENTATIONS AND PUBLISHED IN SEVERAL PEER-REVIEWED PUBLICATIONS. CLEARWAY MINNESOTA RESEARCH STAFF AND CONTRACTORS PUBLISHED TWO WHITE PAPERS AND 11 PEER-REVIEWED SCIENTIFIC PAPERS. RESEARCH STAFF PRESENTED FOUR ORAL PRESENTATIONS AND FIVE POSTERS AT THE NATIONAL CONFERENCE ON TOBACCO OR HEALTH. ORAL PRESENTATIONS REPORTED THE RESULTS OF OUR MENTHOL POLICY EVALUATION AND THE DEVELOPMENT OF A MEDIA CAMPAIGN ON HONORING TRADITIONAL TOBACCO TRADITIONS IN THE AMERICAN INDIAN COMMUNITY. RESEARCH STAFF ALSO PRESENTED FOUR POSTERS AND ONE ORAL PRESENTATION AT THE SOCIETY FOR RESEARCH ON NICOTINE AND TOBACCO (SRNT) ANNUAL CONFERENCE. THE ORAL PRESENTATION PRESENTED HIGHLIGHTS OF OUR MENTHOL EVALUATION. LAST, RESEARCH STAFF COORDINATED AND MODERATED A SPECIAL SESSION ON MENTHOL EVALUATION RESULTS, AND PRESENTED ONE POSTER AT THE MEETING OF THE AMERICAN PUBLIC HEALTH ASSOCIATION (APHA).

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:
PROVIDED AS APPROPRIATE. HELPLINE ENROLLEES COULD ALSO ADD INTEGRATED TEXT MESSAGING AND/OR EMAIL SUPPORT SERVICES AS PART OF THE PROGRAM. THE QUITPLAN HELPLINE ALSO OFFERED THREE SPECIAL PROGRAMS: ONE FOR PREGNANT WOMEN, ONE FOR THOSE LIVING WITH MENTAL ILLNESS AND/OR SUBSTANCE USE DISORDERS, AND THE AMERICAN INDIAN QUITLINE.

INDIVIDUAL QUITPLAN SERVICES INCLUDED NICOTINE REPLACEMENT STARTER KITS, A TEXT-MESSAGING PROGRAM, AN EMAIL PROGRAM AND/OR A PRINTED QUIT GUIDE. ALL ADULT MINNESOTANS COULD RECEIVE INDIVIDUAL QUITPLAN SERVICES. TOBACCO USERS COULD REGISTER FOR ANY QUITPLAN SERVICE EITHER ONLINE (AT WWW.QUITPLAN.COM) OR BY PHONE.

Name of the organization CLEARWAY MINNESOTA (SM)

Employer identification number 41-1921094

DURING FISCAL YEAR 2020:

- 1,096 TOBACCO USERS ENROLLED IN THE QUITPLAN HELPLINE; AND

- 8,012 TOBACCO USERS ENROLLED IN ONE OR MORE OF THE INDIVIDUAL QUITPLAN SERVICES.

WE MONITORED QUITPLAN SERVICES TO ENSURE HIGH-QUALITY SERVICES ARE BEING DELIVERED AND TO GUIDE DECISION-MAKING AND RESOURCE ALLOCATION.

UNTIL MARCH 31, 2020, CLEARWAY MINNESOTA ALSO PARTNERED WITH MAJOR MINNESOTA HEALTH PLANS THAT PROVIDE TELEPHONE COUNSELING SERVICES THROUGH THE MINNESOTA QUITLINE COLLABORATIVE. THIS COLLABORATIVE PROVIDES A FORUM FOR ALL MINNESOTA QUITLINE SERVICE PROVIDERS TO SHARE INFORMATION AND LEARN ABOUT BEST PRACTICES. THE COLLABORATIVE AND THE MINNESOTA DEPARTMENT OF HEALTH SUPPORT THE MINNESOTA QUITLINE NETWORK, WHICH ALLOWS HEALTH CARE PROFESSIONALS AND COMMUNITY ORGANIZATIONS TO USE A SINGLE FORM AND FAX NUMBER TO REFER THE PEOPLE THEY SERVE TO TELEPHONE QUITLINE SUPPORT, REGARDLESS OF INSURANCE STATUS.

CLEARWAY MINNESOTA CESSATION STAFF MEMBERS CONTINUE TO SHARE FINDINGS FROM OUR WORK LOCALLY, AT THE STATE LEVEL AND NATIONALLY.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

COMMUNITY DEVELOPMENT

CLEARWAY MINNESOTA FUNDS EFFORTS IN PRIORITY POPULATIONS (BLACK, AMERICAN INDIAN, ASIAN, ASIAN AMERICAN, PACIFIC ISLANDER, LATINX, AND LESBIAN, GAY, BISEXUAL, TRANSGENDER AND QUEER [LGBTQ] COMMUNITIES, AS WELL AS OTHER GROUPS) TO CREATE AWARENESS ABOUT TOBACCO'S HARMS, TO PROMOTE STOP-SMOKING SERVICES AND TO BUILD TOBACCO CONTROL LEADERSHIP

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Employer identification number: 41-1921094

SKILLS. PRIORITY POPULATIONS HAVE A DISPROPORTIONATE TOBACCO-RELATED DISEASE BURDEN AND DISPARITIES.

IN FISCAL YEAR 2020, CLEARWAY MINNESOTA ASSOCIATE DIRECTOR OF HEALTH EQUITY COCO VILLALUZ WAS SELECTED TO BE A CO-CHAIR FOR THE HEALTH EQUITY PROGRAM SUBCOMMITTEE FOR THE NATIONAL CONFERENCE ON TOBACCO OR HEALTH THAT WAS HELD IN MINNEAPOLIS, AUGUST 27-29, 2019.

THEY ALSO CO-FACILITATED AN ANCILLARY MEETING WITH THE NATIONAL NATIVE NETWORK'S PROGRAM MANAGER, JOSH HUDSON. AN INDIAN COUNTRY ROUNDTABLE, THIS MEETING FOCUSED ON NETWORKING, OPPORTUNITIES TO CROSS-SHARE AND THE BEGINNING STAGES OF PLANNING A NATIONAL TRIBAL TOBACCO PREVENTION CONFERENCE.

COMMUNITY DEVELOPMENT STAFF PRESENTED AT THE UNIVERSITY OF ALBANY SCHOOL OF PUBLIC HEALTH AS PART OF THE NEW YORK STATE TOBACCO CONTROL PROFESSIONAL DEVELOPMENT INSTITUTE IN ALBANY, NY ON MARCH 4-5, 2020.

COMMUNITY DEVELOPMENT STAFF CONTINUED TO SUPPORT DISSEMINATION AROUND TRIBAL TOBACCO WORK IN MINNESOTA WITH SCOTT CONSULTING THAT HIGHLIGHTS THE IMPACT OF THE TRIBAL TOBACCO EDUCATION AND POLICY INITIATIVE. COMMUNITY DEVELOPMENT STAFF ALSO WORKED WITH THE AMERICAN INDIAN CANCER FOUNDATION ON A TRADITIONAL TOBACCO WEBSITE.

ADDITIONALLY, CLEARWAY MINNESOTA COMMUNITY DEVELOPMENT STAFF PARTNERED WITH THE UNIVERSITY OF MINNESOTA-DULUTH SCHOOL OF MEDICINE'S NATIVE AMERICANS INTO MEDICINE SUMMER PROGRAM TO HOST A GATHERING OF NATIVE AMERICANS (GONA).

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FINALLY, CLEARWAY MINNESOTA COMMUNITY DEVELOPMENT STAFF, FORMER GRANTEES AND CONTRACTORS CONTINUED TO SHARE FINDINGS FROM OUR WORK LOCALLY, AT THE STATE LEVEL AND NATIONALLY.

EXPENSES $ 50,189. INCLUDING GRANTS OF $ 50,189. REVENUE $ 0.

FORM 990, PART V, LINE 4B, LIST OF FOREIGN COUNTRIES:

GUERNSEY, CAYMAN ISLANDS, BRITISH VIRGIN IS

FORM 990, PART VI, SECTION B, LINE 11B:

THE IRS FORM 990 AND ATTACHMENTS ARE COMPLETED BY THE INDEPENDENT AUDITOR AND REVIEWED BY STAFF AND LEGAL COUNSEL. THE FORM IS PRESENTED TO THE AUDIT/FINANCE COMMITTEE AND THE BOARD OF DIRECTORS FOR REVIEW AND APPROVAL. THE COMMITTEE AND BOARD RECEIVE THE DOCUMENT APPROXIMATELY ONE WEEK IN ADVANCE OF THE RESPECTIVE MEETING AT WHICH IT IS REVIEWED. THE INDEPENDENT AUDITOR IS AVAILABLE TO ANSWER ANY QUESTIONS THAT MAY ARISE.

FORM 990, PART VI, SECTION B, LINE 12C:

CONFLICTS OF INTEREST, INCLUDING POLICIES RELATING TO LOANS AND GIFTS, ARE GOVERNED BY CLEARWAY MINNESOTA'S CONFLICT OF INTEREST POLICY.

ENFORCEMENT OF THE CONFLICT OF INTEREST POLICY SHALL BE MADE BY THE CLEARWAY MINNESOTA BOARD, ON THE RECOMMENDATION OF THE EXECUTIVE/GOVERNANCE COMMITTEE OF THE BOARD, OR OF A COMMITTEE DESIGNATED BY THAT COMMITTEE.

CLEARWAY MINNESOTA REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY. THE BOARD REQUIRES EACH BOARD MEMBER AND EMPLOYEE TO BE ADVISED OF THIS POLICY, AND PROVIDED A

Name of the organization: CLEARWAY MINNESOTA (SM)

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COPY, IMMEDIATELY UPON ASSUMING THEIR CLEARWAY MINNESOTA DUTIES OR RELATIONSHIP, AND TO BE PERIODICALLY REMINDED OF THIS POLICY AND EDUCATED CONCERNING ITS APPLICATION. EVERY BOARD MEMBER AND EMPLOYEE IS RESPONSIBLE FOR KNOWING AND OBSERVING THE POLICY.

EACH BOARD MEMBER AND EMPLOYEE IS REQUIRED TO SUBMIT A CERTIFICATE OF COMPLIANCE ANNUALLY. THE CERTIFICATE OF COMPLIANCE REQUIRES BOARD MEMBERS AND EMPLOYEES TO REVIEW A LIST OF CURRENT CLEARWAY MINNESOTA GRANTEES AND CONTRACTORS AND TO DISCLOSE AFFILIATIONS WITH ANY ORGANIZATIONS THAT HAVE GRANTS OR CONTRACTS WITH CLEARWAY MINNESOTA.

CLEARWAY MINNESOTA HAS A CONFLICT OF INTEREST SCREENING PROCESS TO IDENTIFY POTENTIAL CONFLICTS INVOLVING APPLICANTS FOR FUNDING THAT HAVE NOT HAD A GRANT OR CONTRACT WITH CLEARWAY MINNESOTA DURING THE PAST YEAR. THIS PROCESS IDENTIFIES POTENTIAL CONFLICTS EARLY IN THE APPLICATION PROCESS IN ORDER TO IMPLEMENT CONFLICT OF INTEREST MITIGATION STRATEGIES THAT MAY BE NECESSARY DURING THE APPLICATION REVIEW PROCESS.

BOARD DIRECTORS AND STAFF HAVE THE RESPONSIBILITY TO DISCLOSE TO THE ORGANIZATION THE RELEVANT FACTS OF ANY PROPOSED ACTION INVOLVING CLEARWAY MINNESOTA IN WHICH THEY HAVE POSSIBLE OR PERCEIVED CONFLICTS AS SOON AS THEY ARE DISCOVERED.

FORM 990, PART VI, SECTION B, LINE 15:

CLEARWAY MINNESOTA REVIEWS COMPENSATION (SALARY RANGES AND BENEFITS) ON AN ANNUAL BASIS. AT LEAST EVERY TWO YEARS, AN INDEPENDENT COMPENSATION CONSULTANT COMPARES ALL JOBS TO APPLICABLE MARKET SURVEYS TO DETERMINE COMPENSATION COMPETITIVENESS TO THE MARKET. EVERY YEAR, THE CONSULTANT,

Name of the organization: CLEARWAY MINNESOTA (SM)

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UTILIZING THE MOST RECENT MARKET TRENDS, PROVIDES CLEARWAY MINNESOTA WITH GUIDELINES TO DETERMINE COMPENSATION INCREASES. FROM THESE ANALYSES, PAY RANGE MODIFICATIONS AND THE ANNUAL BUDGETED SALARY MERIT INCREASE PERCENTAGE ARE DETERMINED. THIS INFORMATION IS REVIEWED BY THE EXECUTIVE/GOVERNANCE COMMITTEE, AND BY THE BOARD OF DIRECTORS, WHICH MAKES THE FINAL DECISION ON SALARY RANGE LEVELS AND BUDGET AMOUNTS.

ALL STAFF SALARY CHANGES, EXCEPT THAT OF THE CHIEF EXECUTIVE OFFICER, ARE REVIEWED AND APPROVED BY THE CHIEF EXECUTIVE OFFICER. JOB PERFORMANCE AND SALARY CHANGES FOR THE CHIEF EXECUTIVE OFFICER ARE REVIEWED ANNUALLY BY THE EXECUTIVE/GOVERNANCE COMMITTEE AND APPROVED BY THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION C, LINE 18:

IRS FORMS 1023 AND 990 ARE AVAILABLE ON OUR WEBSITE AT WWW.CLEARWAYMN.ORG. WE ALSO MAKE IRS DOCUMENTS AVAILABLE IN OUR OFFICE FOR PUBLIC INSPECTION.

FORM 990, PART VI, SECTION C, LINE 19:

CLEARWAY MINNESOTA'S GOVERNING DOCUMENTS, INCLUDING ITS CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS, ARE AVAILABLE AT THE CLEARWAY MINNESOTA OFFICE FOR INSPECTION.

FORM 990, PART IX, LINE 11D:

SEE SCHEDULE A PART VI, NARRATIVE RELATING TO REPORTING CONTRACTS AS GRANTS (WITH RESPECT TO SCHEDULE A, SECTION A, LINE 6) AND SCHEDULE C PART IV, NARRATIVE RELATING TO LOBBYING ACTIVITIES AND USE OF VENDORS, RELATING TO ABSENCE OF DOLLAR DISCLOSURE.

FORM 990, PART IX:

Name of the organization: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

THE ORGANIZATION ALLOCATES ITS EXPENSES ON A FUNCTIONAL BASIS AMONG ITS VARIOUS PROGRAMS AND SUPPORT SERVICES. EXPENSES THAT CAN BE IDENTIFIED WITH A SPECIFIC PROGRAM ARE ALLOCATED DIRECTLY ACCORDING TO THEIR NATURAL EXPENDITURE CLASSIFICATION. GENERAL AND ADMINISTRATIVE THAT ARE COMMON TO SEVERAL FUNCTIONS ARE ALLOCATED BASED ON THE PROPORTION OF EACH PROGRAM'S DIRECT AND PERSONNEL EXPENSES TO THE TOTAL PROGRAM DIRECT AND PERSONNEL EXPENSES. AS A RESULT OF THE ORGANIZATION'S LIMITED LIFE STATUS, THE PERCENTAGE OF PROGRAM EXPENSES TO TOTAL EXPENSES HAS DECREASED FOR THE YEAR ENDED JUNE 30, 2020 AS COMPARED TO PREVIOUS YEARS. THIS RATIO WILL BE EXPECTED TO CONTINUE TO DECLINE AS THE ORGANIZATION WRAPS-UP PROGRAMS AND SERVICES THROUGH ITS PLANNED END OF EXISTENCE DATE OF DECEMBER 31, 2021.

FORM 990, PART XII, LINE 2C:

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

Appendix L

IRS Form 990T
June 30, 2020

Form **990-T**

Department of the Treasury
Internal Revenue Service

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

For calendar year 2019 or other tax year beginning JUL 1, 2019 , and ending JUN 30, 2020 .

▶ 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).

OMB No. 1545-0047

2019

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

A ☐ Check box if address changed

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

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
CLEARWAY MINNESOTA (SM)

Number, street, and room or suite no. If a P.O. box, see instructions.
2 APPLETREE SQ, 8011 34TH AV S

City or town, state or province, country, and ZIP or foreign postal code
MINNEAPOLIS, MN 55425

D Employer identification number (Employees' trust, see instructions.)
41-1921094

E Unrelated business activity code (See instructions.)
900099

C Book value of all assets at end of year
6,665,760.

F Group exemption number (See instructions.) ▶

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

H Enter the number of the organization's unrelated trades or businesses. ▶ 1 Describe the only (or first) unrelated trade or business here ▶ PARTNERSHIP INVESTMENT . If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

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

J The books are in care of ▶ LANA KOPYLOV, DIRECTOR OF FINANCE Telephone number ▶ 952-767-1406

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)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a	40,149.		40,149.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b	539.		539.
c	Capital loss deduction for trusts	4c			
5	Income (loss) from a partnership or an S corporation (attach statement)	5	9,015.	STMT 1	9,015.
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	49,703.		49,703.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(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	4,813.
20	Depreciation (attach Form 4562) — 20		
21	Less depreciation claimed on Schedule A and elsewhere on return — 21a	21b	
22	Depletion	22	
23	Contributions to deferred compensation plans	23	
24	Employee benefit programs	24	
25	Excess exempt expenses (Schedule I)	25	
26	Excess readership costs (Schedule J)	26	
27	Other deductions (attach schedule) SEE STATEMENT 2	27	744.
28	**Total deductions.** Add lines 14 through 27	28	5,557.
29	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	29	44,146.
30	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30	0.
31	Unrelated business taxable income. Subtract line 30 from line 29	31	44,146.

Part III Total Unrelated Business Taxable Income

32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32	44,146.
33	Amounts paid for disallowed fringes	33	
34	Charitable contributions (see instructions for limitation rules) STMT 4 STMT 5	34	14.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35	44,132.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	36	
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37	44,132.
38	Specific deduction (Generally $1,000, but see line 38 instructions for exceptions)	38	1,000.
39	**Unrelated business taxable income.** Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39	43,132.

Part IV Tax Computation

40	**Organizations Taxable as Corporations.** Multiply line 39 by 21% (0.21) ▶	40	9,058.
41	**Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 39 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	41	
42	**Proxy tax.** See instructions ▶	42	
43	Alternative minimum tax (trusts only)	43	
44	**Tax on Noncompliant Facility Income.** See instructions	44	
45	**Total.** Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45	9,058.

Part V Tax and Payments

46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	46a			
b	Other credits (see instructions)	46b			
c	General business credit. Attach Form 3800	46c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	46d			
e	**Total credits.** Add lines 46a through 46d			46e	
47	Subtract line 46e from line 45			47	9,058.
48	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule)			48	
49	**Total tax.** Add lines 47 and 48 (see instructions)			49	9,058.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3			50	0.
51 a	Payments: A 2018 overpayment credited to 2019	51a	2,680.		
b	2019 estimated tax payments	51b			
c	Tax deposited with Form 8868	51c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	51d			
e	Backup withholding (see instructions)	51e			
f	Credit for small employer health insurance premiums (attach Form 8941)	51f			
g	Other credits, adjustments, and payments: ☐ Form 2439 ______ ☐ Form 4136 ______ ☐ Other ______ Total ▶	51g			
52	**Total payments.** Add lines 51a through 51g			52	2,680.
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐			53	
54	**Tax due.** If line 52 is less than the total of lines 49, 50, and 53, enter amount owed ▶			54	6,378.
55	**Overpayment.** If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid ▶			55	
56	Enter the amount of line 55 you want: **Credited to 2020 estimated tax** ▶ **Refunded** ▶			56	

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

		Yes	No
57	At any time during the 2019 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 ▶ SEE STATEMENT 3	X	
58	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
59	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] Signature of officer | 11/5/2020 Date | ▶ CHIEF EXEC OFFICER 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
LINDA M. NELSON, CPA	Linda M. Nelson	10/27/20		P00205567
Firm's name ▶ OLSEN THIELEN & CO., LTD			Firm's EIN ▶ 41-1360831	
Firm's address ▶ 2675 LONG LAKE ROAD ST. PAUL, MN 55113			Phone no. 651-483-4521	

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		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					
b Other costs (attach schedule)	4b					
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) ▶		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)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	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). 0.	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). 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). 0.			Enter here and on page 1, Part I, line 9, column (B). 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). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 25. 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) ▶	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 26. 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	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT 1

DESCRIPTION	NET INCOME OR (LOSS)
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - ORDINARY BUSINE	9,668.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - NET RENTAL REAL	<746.>
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - INTEREST INCOME	633.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - DIVIDEND INCOME	100.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - OTHER INCOME (L	<640.>
TOTAL INCLUDED ON FORM 990-T, PAGE 1, LINE 5	9,015.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT 2

DESCRIPTION	AMOUNT
TAX PREPARATION FEES	744.
TOTAL TO FORM 990-T, PAGE 1, LINE 27	744.

FORM 990-T	NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST	STATEMENT 3

NAME OF COUNTRY

GUERNSEY
CAYMAN ISLANDS
BRITISH VIRGIN ISLANDS

FORM 990-T CONTRIBUTIONS STATEMENT 4

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
FROM MESIROW FINANCIAL K-1	N/A	14.
TOTAL TO FORM 990-T, PAGE 2, LINE 34		14.

FORM 990-T	CONTRIBUTIONS SUMMARY	STATEMENT 5

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT		
QUALIFIED CONTRIBUTIONS SUBJECT TO 25% LIMIT		
CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS		
FOR TAX YEAR 2014		
FOR TAX YEAR 2015		
FOR TAX YEAR 2016		
FOR TAX YEAR 2017		
FOR TAX YEAR 2018		
TOTAL CARRYOVER		
TOTAL CURRENT YEAR 10% CONTRIBUTIONS	14	
TOTAL CONTRIBUTIONS AVAILABLE	14	
TAXABLE INCOME LIMITATION AS ADJUSTED	4,315	
EXCESS CONTRIBUTIONS	0	
EXCESS 100% CONTRIBUTIONS	0	
TOTAL EXCESS CONTRIBUTIONS	0	
ALLOWABLE CONTRIBUTIONS DEDUCTION		14
TOTAL CONTRIBUTION DEDUCTION		14

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

2019

Name: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? ▶ ☐ Yes ☒ No
If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

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				<182.>

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	<182.>

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				40,331.

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	14	
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h	15	40,331.

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	40,149.
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	18	40,149.

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

Form **8949**

Department of the Treasury
Internal Revenue Service

Sales and Other Dispositions of Capital Assets

▶ Go to www.irs.gov/Form8949 for instructions and the latest information.
▶ File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No. 1545-0074

2019

Attachment Sequence No. **12A**

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no. 41-1921094

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part I **Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

Note: You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box A, B, or C below. Check only one box. If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(A)** Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
☐ **(B)** Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
☒ **(C)** Short-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER							<182.>
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 1b** (if **Box A** above is checked), **line 2** (if **Box B** above is checked), or **line 3** (if **Box C** above is checked) ▶							<182.>

Note: If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on page 1	Social security number or taxpayer identification no.
CLEARWAY MINNESOTA (SM)	41-1921094

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II **Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☒ **(F)** Long-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) Gain or (loss). Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL							
PRIVATE EQUITY							
PARTNER							40,331.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) ▶							40,331.

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2019

Attachment Sequence No. 27

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Identifying number: 41-1921094

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER						539.

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows	7	539.

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years. See instructions SEE STATEMENT 6	8	660.
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions	9	0.

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	539.
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	539.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.		
a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040 or Form 1040-SR), Part I, line 4	18b	

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** See line 1 before completing.)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 **If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975. See instructions	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a. See instructions	26b				
c Subtract line 26a from line 24. If residential rental property **or** line 24 isn't more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 **If section 1252 property:** Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 **If section 1254 property:**					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 **If section 1255 property:**					
a Applicable percentage of payments excluded from income under section 126. See instructions	29a				
b Enter the **smaller** of line 24 or 29a. See instructions	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

FORM 4797 NONRECAPTURED NET SECTION 1231 LOSSES FROM PRIOR YEARS STATEMENT 6

TAX YEAR	SECTION 1231 LOSSES	SECTION 1231 LOSSES RECAPTURED	NONRECAPTURED SECTION 1231 LOSSES
2014	0.	0.	0.
2015	0.	0.	0.
2016	0.	0.	0.
2017	0.	0.	0.
2018	660.	0.	660.
TOTAL TO FORM 4797, LINE 8	660.	0.	660.

TAXABLE YEAR **2019**

California Exempt Organization Business Income Tax Return

928961 12-04-19

FORM **109**

Calendar Year 2019 or fiscal year beginning (mm/dd/yyyy) 07/01/2019 , and ending (mm/dd/yyyy) 06/30/2020

Corporation/Organization name: CLEARWAY MINNESOTA (SM)

California corporation number: 8151898

Additional information. See instructions.

FEIN: 41-1921094

Street address (suite/room no.): 2 APPLETREE SQ, 8011 34TH AV S

PMB no.

City (If the corporation has a foreign address, see instructions.): MINNEAPOLIS

State: MN

ZIP code: 55425

Foreign country name

Foreign province/state/county

Foreign postal code

A First Return Filed? ☐ Yes ☒ No

B Is this an education IRA within the meaning of R&TC Section 23712? ☐ Yes ☒ No

C Is the organization under audit by the IRS or has the IRS audited in a prior year? • ☐ Yes ☒ No

D Final Return? • ☐ Dissolved ☐ Surrendered (Withdrawn) ☐ Merged/Reorganized

Enter date (mm/dd/yyyy) •

E Amended Return • ☐ Yes ☒ No

F Accounting Method Used: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other

G Nature of trade or business PARTNERSHIP INVESTMENT

H Is the organization a non-exempt charitable trust as described in IRC Section 4947(a)(1)? • ☐ Yes ☒ No

I Is this organization claiming any former; Enterprise Zone (EZ), Los Angeles Revitalization Zone (LARZ), Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or Manufacturing Enhancement Area (MEA) tax benefits? • ☐ Yes ☒ No

J Is this organization a qualified pension, profit-sharing, or stock bonus plan as described in IRC Section 401(a)? • ☐ Yes ☒ No

K Unrelated Business Activity (UBA) Code • 900099

L Is this a Hospital? • ☐ Yes ☒ No

If "Yes," attach federal Schedule H (Form 990)

Taxable Corporation	1	Unrelated business taxable income from Side 2, Part II, line 30 •	1	47,945 00
	2	Mult. ln 1 by the avg. apport. pctg .0000% from the Sch. R, Apport. Formula Wksht, Part A, ln 2 or Part B, ln 5. See instr. •	2	0 00
	3	Enter the lesser amt from ln 1 or ln 2. If the unrelated bus. activity is wholly in CA and Sch. R was not compltd, enter the amt from ln 1 •	3	0 00
Taxable Trust	4	Unrelated business taxable income from Side 2, Part II, line 30 •	4	00
Tax Computation	5	Unrelated business taxable income from line 3 or line 4 •	5	00
	6	EZ, LARZ, LAMBRA, or TTA NOL carryover deduction •	6	00
	7	Net Operating Loss deduction. See General Information N •	7	00
	8	Add line 6 and line 7 •	8	00
	9	Net unrelated business taxable income. Subtract line 8 from line 5 •	9	00
	10	Tax 8.84 % x line 9. See General Information J •	10	00
	11	Tax credits from Schedule B. See instructions •	11	00
Total Tax	12	Balance. Subtract line 11 from line 10. If line 11 is greater than line 10, enter -0- •	12	00
	13	Alternative minimum tax. See General Information O •	13	00
	14	Total tax. Add line 12 and line 13 •	14	0 00
Payments	15	Overpayment from a prior year allowed as a credit •	15	00
	16	2019 estimated tax payments. See instructions •	16	00
	17	Withholding (Form 592-B and/or 593.) See instructions •	17	00
	18	Amount paid with extension (form FTB 3539) •	18	00
	19	Total payments and credits. Add line 15 through line 18 •	19	00
Use Tax/ Tax Due/ Overpayment	20	**Use tax.** See instructions •	20	00
	21	Payments balance. If line 19 is more than line 20, subtract line 20 from line 19 •	21	00
	22	**Use tax balance.** If line 20 is more than line 19, subtract line 19 from line 20 •	22	00
	23	Tax due. Subtract line 21 from line 14. Pay entire amount with return. See instructions •	23	00
	24	Overpayment. Subtract line 14 from line 21. See instructions •	24	00
	25	Enter amount of line 24 to be applied to 2020 estimated tax •	25	00

Refund or Amount Due

26 Refund. If line 25 is less than line 24, then subtract line 25 from line 24	26		00
a Fill in the account information to have the refund directly deposited. Routing number	26a		
b Type: Checking ☐ Savings ☐ c Account Number	26c		
27 Penalties and interest. See General Information M	27		00
28 ☐ Check if estimate penalty computed using Exception B or C and attach form FTB 5806			
29 Total amount due. Add line 22, line 23, line 25, and line 27, then subtract line 24	29		00

Unrelated Business Taxable Income

Part I Unrelated Trade or Business Income

1 a Gross receipts or gross sales ____ b Less returns and allowances ____ c Balance	1c		00
2 Cost of goods sold and/or operations (Schedule A, line 7)	2		00
3 Gross profit. Subtract line 2 from line 1c	3		00
4 a Capital gain net income. See Specific Line Instructions - Trusts attach Schedule D (541)	4a	40,149	00
b Net gain (loss) from Part II, Schedule D-1	4b	539	00
c Capital loss deduction for trusts	4c		00
5 Income (or loss) from partnerships, limited liability companies, or S corporations. See specific line instructions. Attach Schedule K-1 (565, 568, or 100S) or similar schedule SEE STATEMENT 7	5	9,015	00
6 Rental income (Schedule C)	6		00
7 Unrelated debt-financed income (Schedule D)	7		00
8 Investment income of an R&TC Section 23701g, 23701i, or 23701n organization (Schedule E)	8		00
9 Interest, Annuities, Royalties and Rents from controlled organizations (Schedule F)	9		00
10 Exploited exempt activity income (Schedule G)	10		00
11 Advertising income (Schedule H, Part III, Column A)	11		00
12 Other income. Attach schedule	12		00
13 Total unrelated trade or business income. Add line 3 through line 12	13	49,703	00

Part II Deductions Not Taken Elsewhere (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees from Schedule I	14		00
15 Salaries and wages	15		00
16 Repairs	16		00
17 Bad debts	17		00
18 Interest	18		00
19 Taxes	19		00
20 Contributions SEE STATEMENT 8	20	14	00
21 a Depreciation (Corporations and Associations - Schedule J) (Trusts - form FTB 3885F) 21a ____ 00			
b Less: depreciation claimed on Schedule A 21b ____ 00	21		00
22 Depletion	22		00
23 a Contributions to deferred compensation plans	23a		00
b Employee benefit programs	23b		00
24 Other deductions SEE STATEMENT 9	24	744	00
25 Total deductions. Add line 14 through line 24	25	758	00
26 Unrelated business taxable income before allowable excess advertising costs. Subtract line 25 from line 13	26	48,945	00
27 Excess advertising costs (Schedule H, Part III, Column B)	27		00
28 Unrelated business taxable income before specific deduction. Subtract line 27 from line 26	28	48,945	00
29 Specific deduction	29	1,000	00
30 Unrelated business taxable income. Subtract line 29 from line 28. If line 28 is a loss, enter line 28	30	47,945	00

Sign Here

To learn about your privacy rights, how we may use your information, and the consequences for not providing the requested information, go to ftb.ca.gov/forms and search for 1131. To request this notice by mail, call 800.852.5711.
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 ▶ D Kellogg | Title: CHIEF EXEC OFFICER | Date: 11/5/2020 | Telephone

Paid Preparer's Use Only

Preparer's signature ▶ Lydia M. Nelson | Date: 10/27/20 | Check if self-employed ▶ ☐ | PTIN P00205567

Firm's name (or yours, if self-employed) and address ▶ OLSEN THIELEN & CO., LTD
2675 LONG LAKE ROAD
ST. PAUL, MN 55113

FEIN 41-1360831
Telephone 651-483-4521

May the FTB discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

Schedule A Cost of Goods Sold and/or Operations.

Method of inventory valuation (specify) N/A

1 Inventory at beginning of year	1		00
2 Purchases	2		00
3 Cost of labor ●	3		00
4 a Additional IRC Section 263A costs. Attach schedule	4a		00
b Other costs. Attach schedule ●	4b		00
5 Total. Add line 1 through line 4b	5		00
6 Inventory at end of year	6		00
7 Cost of goods sold and/or operations. Subtract line 6 from line 5. Enter here and on Side 2, Part I, line 2	7		00

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to this organization? ☐ Yes ☒ No

Schedule B Tax Credits.

1 Enter credit name	code ●	● 1		00
2 Enter credit name	code ●	● 2		00
3 Enter credit name	code ●	● 3		00
4 Total. Add line 1 through line 3. If claiming more than 3 credits, enter the total of all claimed credits on line 4. Enter here and on Side 1, line 11		4		00

Schedule K Add-On Taxes or Recapture of Tax.

1 Interest computation under the look-back method for completed long-term contracts. Attach form FTB 3834 ●	1		00
2 Interest on tax attributable to installment: a Sales of certain timeshares or residential lots ●	2a		00
b Method for non-dealer installment obligations ●	2b		00
3 IRC Section 197(f)(9)(B)(ii) election to recognize gain on the disposition of intangibles ●	3		00
4 Credit recapture. Credit name ●	4		00
5 Total. Combine the amounts on line 1 through line 4	5		00

Schedule R Apportionment Formula Worksheet. Use only for unrelated trade or business amounts.

Part A. Standard Method - Single-Sales Factor Formula. Complete this part only if the corporation uses the single-sales factor formula.

	(a) Total within and outside California	(b) Total within California	(c) Percent within California [(b) ÷ (a)] x 100
1 **Total Sales**	● 49,689	● 0	
2 **Apportionment percentage.** Divide total sales column (b) by total sales column (a) and multiply the result by 100. Enter the result here and on Form 109, Side 1, line 2.			● .0000%

Part B. Three Factor Formula. Complete this part only if the corporation uses the three-factor formula.

	(a) Total within and outside California	(b) Total within California	(c) Percent within California [(b) ÷ (a)] x 100
1 **Property factor:**	●	●	●
2 **Payroll factor:** Wages and other compensation of employees	●	●	●
3 **Sales factor:** Gross sales and/or receipts less returns and allowances	●	●	●
4 **Total percentage:** Add the percentages in column (c)			
5 **Average apportionment percentage:** Divide the factor on line 4 by 3 and enter the result here and on Form 109, Side 1, line 2. See instructions for exceptions			

Schedule C Rental Income from Real Property and Personal Property Leased with Real Property

For rental income from debt-financed property, use Schedule D, R&TC Section 23701g, Section 23701i, and Section 23701n organizations. See instructions for exceptions.

1 Description of property	2 Rent received or accrued	3 Percentage of rent attributable to personal property
		%
		%
		%

4 Complete if any item in column 3 is more than 50%, or for any item if the rent is determined on the basis of profit or income		5 Complete if any item in column 3 is more than 10%, but not more than 50%		
(a) Deductions directly connected	(b) Income includible, column 2 less column 4(a)	(a) Gross income reportable, column 2 x column 3	(b) Deductions directly connected with personal property	(c) Net income includible, column 5(a) less column 5(b)

Add columns 4(b) and column 5(c). Enter here and on Side 2, Part I, line 6

Schedule D Unrelated Debt-Financed Income

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	(b) Other deductions

4 Amount of average acquisition indebtedness on or allocable to debt-financed property	5 Average adjusted basis of or allocable to debt-financed property	6 Debt basis percentage, column 4 ÷ column 5	7 Gross income reportable, column 2 x column 6	8 Allocable deductions, total of columns 3(a) and 3(b) x column 6	9 Net income (or loss) includible, column 7 less column 8
		%			
		%			
		%			
Total. Enter here and on Side 2, Part I, line 7					

Schedule E Investment Income of an R&TC Section 23701g, Section 23701i, or Section 23701n Organization

1 Description	2 Amount	3 Deductions directly connected	4 Net investment income, column 2 less column 3	5 Set-asides	6 Balance of investment income, column 4 less column 5
Total. Enter here and on Side 2, Part I, line 8					
Enter gross income from members (dues, fees, charges, or similar amounts)					

Schedule F Interest, Annuities, Royalties and Rents from Controlled Organizations

		Exempt Controlled Organizations			
1 Name of controlled organizations	2 Employer Identification Number	3 Net unrelated income (loss)	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					

Nonexempt Controlled Organizations

7 Taxable Income	8 Net unrelated income (loss)	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				
5 Add columns 6 and 11				
6 Subtract line 5 from line 4. Enter here and on Side 2, Part I, line 9				

Schedule G Exploited Exempt Activity Income, other than Advertising Income

1 Description of exploited activity (attach schedule if more than one unrelated activity is exploiting the same exempt activity)	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income from unrelated trade or business, column 2 less column 3	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expense, column 6 less column 5 but not more than column 4	8 Net income includible, column 4 less column 7 but not less than zero
Total. Enter here and on Side 2, line 10							

Schedule H Advertising Income and Excess Advertising Costs

Part I Income from Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising income or excess advertising costs. If column 2 is greater than column 3, complete columns 5, 6, and 7. If column 3 is greater than column 2, enter the excess in Part III, column B(b). Do not complete columns 5, 6, and 7.	5 Circulation income	6 Readership costs	7 If column 5 is greater than column 6, enter the income shown in column 4, in Part III, column A(b). If column 6 is greater than column 5, subtract the sum of column 6 and column 3 from the sum of column 5 and column 2. Enter amount in Part III, column A(b). If the amount is less than zero, enter -0-.
Totals						

Part II Income from Periodicals Reported on a Separate Basis

Part III Column A - Net Advertising Income

(a) Enter "consolidated periodical" and/or names of non-consolidated periodicals	(b) Enter total amount from Part I, column 4 or 7, and amount listed in Part II, column 4 or 7
Enter total here and on Side 2, Part I, line 11	

Part III Column B - Excess Advertising Costs

(a) Enter "consolidated periodical" and/or names of non-consolidated periodicals	(b) Enter total amount from Part I, column 4, and amounts listed in Part II, column 4
Enter total here and on Side 2, Part II, line 27	

Schedule I Compensation of Officers, Directors, and Trustees

1 Name of Officer	2 SSN or ITIN	3 Title	4 Percent of time devoted to business	5 Compensation attributable to unrelated business	6 Expense account allowances
			%		
			%		
			%		
			%		
			%		
Total. Enter here and on Side 2, Part II, line 14					

Schedule J Depreciation (Corporations and Associations only. Trusts use form FTB 3885F.)

1 Group and guideline class or description of property	2 Date acquired (mm/dd/yyyy)	3 Cost or other basis	4 Depreciation allowed or allowable in prior years	5 Method of computing depreciation	6 Life or rate	7 Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
3 Other depreciation						
4 Total						
5 Amount of depreciation claimed elsewhere on return						
6 Balance. Subtract line 5 from line 4. Enter here and on Side 2, Part II, line 21a						

CA 109 INCOME OR (LOSS) FROM PARTNERSHIPS, LIMITED LIABILITY COMPANIES OR S CORPORATIONS STATEMENT 7

DESCRIPTION	AMOUNT
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - ORDINARY BUSINE	9,668.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - NET RENTAL REAL	<746.>
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - INTEREST INCOME	633.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - DIVIDEND INCOME	100.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - OTHER INCOME (L	<640.>
TOTAL TO FORM 109, PAGE 2, LINE 5	9,015.

CA 109 CASH CHARITABLE CONTRIBUTIONS STATEMENT 8

DESCRIPTION	AMOUNT
FROM MESIROW FINANCIAL K-1	14.
TOTAL INCLUDED ON FORM 109, PAGE 2, LINE 20	14.

CA 109 OTHER DEDUCTIONS STATEMENT 9

DESCRIPTION	AMOUNT
TAX PREPARATION FEES	744.
TOTAL TO FORM 109, PAGE 2, LINE 24	744.

TAXABLE YEAR **2019**

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under IRC Sections 179 and 280F(b)(2))

CALIFORNIA SCHEDULE **D-1**

Complete and attach this schedule to your tax return only if your California gains or losses are different from your federal gains or losses.

Name(s) as shown on tax return: CLEARWAY MINNESOTA (SM)

SSN, ITIN, CA SOS file no., California Corp. no., or FEIN: 8151898 41-1921094

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft - Property Held More Than 1 Year

Use federal Form 4684, Casualties and Thefts, to report involuntary conversions from casualty and theft.

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on federal Form 1099-S, Proceeds From Real Estate Transactions (or a substitute statement), that you will be including on line 2 or line 10, (column (d)), or on line 23 1

2 (a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Date sold (mm/dd/yyyy)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (Loss) Subtract (f) from the sum of (d) and (e)
STATEMENT	10					539.

3 Gain, if any, from federal Form 4684, line 39	3	
4 IRC Section 1231 gain from installment sales from form FTB 3805E, line 26 or line 37	4	
5 IRC Section 1231 gain or (loss) from like-kind exchanges from federal Form 8824 (completed using California amounts)	5	
6 Gain, if any, from line 35, from other than casualty and theft	6	
7 Combine line 2 through line 6. Enter gain or (loss) here and on the appropriate line as follows:	7	539

IRC Section 179 Assets: For reporting the sale or disposition of assets for which an IRC Section 179 expense deduction was claimed in a prior year, see instructions. **Partnerships or Limited Liability Companies (classified as partnerships):** Enter the gain or (loss) on Schedule K (565 or 568), line 10. Skip lines 8, 9, 11, and 12 below. **S corporations:** If line 7 is zero or a loss, enter the amount on line 11 below and skip line 8 and line 9. If line 7 is a gain, continue to line 8. **All others:** If line 7 is zero or a loss, enter the amount on line 11 below and skip line 8 and line 9. If line 7 is a gain and you did not have any prior year IRC Section 1231 losses, or they were recaptured in an earlier year, enter the gain as follows: **Form 540 and Form 540NR filers,** enter the gain on Schedule D (540 or 540NR), line 1, and skip lines 8, 9, and 12 below; **Form 100 and Form 100W filers,** enter the gain on Form 100 or 100W, Side 6, Schedule D, Part II, line 6, and skip lines 8, 9, and 12 below.

8 Nonrecaptured net IRC Section 1231 losses from prior years. Enter as a positive number. See instructions STMT 11	8	660
9 Subtract line 8 from line 7. If zero or less, enter -0-	9	0

S corporations: If line 9 is more than zero, enter this amount on Schedule D (100S), Section B, Part II, line 5 and enter the amount, if any, from line 8 on line 12 below. If line 9 is zero, enter the amount from line 7 on line 12 below. **All others:** If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the amount from line 9 as follows: **Form 540 and Form 540NR filers,** enter as a capital gain on Schedule D (540 or 540NR), line 1; **Form 100 and Form 100W filers,** enter the gain on Form 100 or 100W, Side 6, Schedule D, Part II, line 6. If line 9 is zero, enter the amount from line 7 on line 12 below. See instructions.

Part II Section A - Ordinary Gains and Losses

10 Ordinary gains and losses not included on line 11 through line 16 (include property held 1 year or less):

11 Loss, if any, from line 7	11	( )
12 Gain, if any, from line 7, or amount from line 8, if applicable. See instructions	12	539
13 Gain, if any, from line 34	13	
14 Net gain or (loss) from federal Form 4684, line 31 and line 38a (completed using California amounts)	14	
15 Ordinary gain from installment sales from form FTB 3805E, line 25 or line 36. See instructions	15	
16 Ordinary gain or (loss) from like-kind exchanges from federal Form 8824 (completed using California amounts)	16	
17 Combine line 10 through line 16	17	539

18 For all except individual tax returns, enter the amount from line 17 on the appropriate line of your tax return and skip line a and line b below. For individual tax returns, complete line a and line b below: see instructions.

a If the loss on line 11 includes a loss from federal Form 4684, Section B, Part II, column (b)(ii) of line 30 or line 35, enter that part of the loss here. See instructions	18a	
b Redetermine the gain or (loss) on line 17, excluding the loss, if any, on line 18a. Enter here and on line 20	18b	

Part II Section B - Adjusting California Ordinary Gain or Loss For individual tax returns (Form 540 and Form 540NR) only.

19 Enter ordinary federal gain or (loss) from federal Schedule 1 (Form 1040 or 1040-SR), line 4	19	
20 Enter ordinary California gain or (loss) from line 18b	20	
21 Ordinary gain or loss adjustment: Compare line 19 and line 20. See instructions.		
a If line 19 is more than line 20, enter the difference here and on Sch. CA (540), Part I or Sch. CA (540NR), Part II, Section B, line 4, col. B	21a	
b If line 20 is more than line 19, enter the difference here and on Sch. CA (540), Part I or Sch. CA (540NR), Part II, Section B, line 4, col. C	21b	

Part III Gain from Disposition of Property Under IRC Sections 1245, 1250, 1252, 1254, and 1255

Description of IRC Sections 1245, 1250, 1252, 1254, and 1255 property.	Date acquired (mm/dd/yyyy)	Date sold (mm/dd/yyyy)
22 A		
B		
C		
D		

Relate the properties on lines 22A through 22D to these columns ▶		Property A	Property B	Property C	Property D
23 Gross sales price	23				
24 Cost or other basis plus expense of sale	24				
25 Depreciation (or depletion) allowed or allowable	25				
26 Adjusted basis. Subtract line 25 from line 24	26				
27 Total gain. Subtract line 26 from line 23	27				
28 **If IRC Section 1245 property:**					
a Depreciation allowed or allowable from line 25	28a				
b Enter the **smaller** of line 27 or line 28a	28b				
29 **If IRC Section 1250 property:** If straight-line depreciation was used, enter -0- on line 29g, except for a corporation subject to IRC Sec. 291:					
a Additional depreciation after 12/31/76	29a				
b Applicable percentage multiplied by the **smaller** of line 27 or line 29a	29b				
c Subtract line 29a from line 27. If line 27 is not more than line 29a, skip line 29d and line 29e	29c				
d Additional depreciation after 12/31/70 and before 1/1/77	29d				
e Enter the **smaller** of line 29c or line 29d	29e				
f IRC Section 291 amount (for corporations only)	29f				
g Add line 29b, line 29e, and line 29f	29g				
30 **If IRC Section 1252 property:** Skip section if you did not dispose of farm land or if form is being completed for a partnership.					
a Soil, water, and land clearing expenses	30a				
b Applicable percentage multiplied by line 30a	30b				
c Enter the **smaller** of line 27 or line 30b	30c				
31 **If IRC Section 1254 property:**					
a Intangible drilling and development costs deducted after 12/31/76	31a				
b Enter the **smaller** of line 27 or line 31a	31b				
32 **If IRC Section 1255 property:**					
a Applicable percentage of payments excluded from income under IRC Section 126	32a				
b Enter the **smaller** of line 27 or line 32a	32b				

Summary of Part III Gains. Complete property column A through column D for line 23 through line 32b before going to line 33.

33 Total gains for all properties. Add column A through column D of line 27	33	
34 Add column A through column D of lines 28b, 29g, 30c, 31b, and 32b. Enter here and on line 13	34	
35 Subtract line 34 from line 33. Enter the portion from other than casualty and theft here and on line 6. Enter the portion from casualty and theft on federal Form 4684, line 33	35	

Part IV Recapture Amounts Under IRC Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less

		(a) Expense deductions	(b) Recovery deductions
36 Expense deductions or recovery deductions. See instructions	36		
37 Depreciation or recovery deductions. See instructions	37		
38 Recapture amount. Subtract line 37 from line 36. See instructions	38		

SCHEDULE D-1 PROPERTY HELD MORE THAN ONE YEAR STATEMENT 10

PROPERTY DESCRIPTION	DATE ACQUIRED	DATE SOLD	SALES PRICE	DEPR. ALLOWED	COST OR BASIS	GAIN OR (LOSS)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER						539.
TOTAL TO SCH D-1, PART I, LINE 2						539.

CA SCHEDULE D-1 NONRECAPTURED NET SECTION 1231 LOSSES FROM PRIOR YEARS STATEMENT 11

TAX YEAR	(A) SECTION 1231 LOSSES	(B) SECTION 1231 LOSSES RECAPTURED	(C) (A) MINUS (B)
2014	0.	0.	0.
2015	0.	0.	0.
2016	0.	0.	0.
2017	0.	0.	0.
2018	660.	0.	660.
TOTAL TO SCHEDULE D-1, LINE 8	660.	0.	660.

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2019

Attachment Sequence No. 27

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Identifying number: 41-1921094

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
MESIROW FINANCIAL						
PRIVATE EQUITY						
PARTNER						539.

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows	7	539.

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years. See instructions SEE STATEMENT 12	8	660.
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions	9	0.

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	539.
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	539.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.		
a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040 or Form 1040-SR), Part I, line 4	18b	

LHA **For Paperwork Reduction Act Notice, see separate instructions.**

918011 12-04-19

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** See line 1 before completing.)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 **If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975. See instructions	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a. See instructions	26b				
c Subtract line 26a from line 24. If residential rental property **or** line 24 isn't more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 **If section 1252 property:** Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 **If section 1254 property:**					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 **If section 1255 property:**					
a Applicable percentage of payments excluded from income under section 126. See instructions	29a				
b Enter the **smaller** of line 24 or 29a. See instructions	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

FORM 4797 NONRECAPTURED NET SECTION 1231 LOSSES FROM PRIOR YEARS STATEMENT 12

TAX YEAR	SECTION 1231 LOSSES	SECTION 1231 LOSSES RECAPTURED	NONRECAPTURED SECTION 1231 LOSSES
2014	0.	0.	0.
2015	0.	0.	0.
2016	0.	0.	0.
2017	0.	0.	0.
2018	660.	0.	660.
TOTAL TO FORM 4797, LINE 8	660.	0.	660.

TAXABLE YEAR **2019**

California Exempt Organization Annual Information Return

928941 12-04-19

FORM **199**

Calendar Year 2019 or fiscal year beginning (mm/dd/yyyy) 07/01/2019 , and ending (mm/dd/yyyy) 06/30/2020 .

Corporation/Organization name: CLEARWAY MINNESOTA (SM)

California corporation number: 8151898

Additional information. See instructions.

FEIN: 41-1921094

Street address (suite or room): 2 APPLETREE SQ, 8011 34TH AV S

PMB no.

City: MINNEAPOLIS

State: MN

ZIP code: 55425

Foreign country name

Foreign province/state/county

Foreign postal code

A First Return ..... [ ] Yes [X] No

B Amended Return ..... ● [ ] Yes [X] No

C IRC Section 4947(a)(1) trust ..... [ ] Yes [X] No

D Final Information Return?

● [ ] Dissolved [ ] Surrendered (Withdrawn) [ ] Merged/Reorganized

Enter date: (mm/dd/yyyy) ●

E Check accounting method: (1) [ ] Cash (2) [X] Accrual (3) [ ] Other

F Federal return filed? (1) ● [X] 990T (2) ● [ ] 990PF (3) ● [ ] Sch H (990)

(4) [X] Other 990 series

G Is this a group filing? See instructions ..... ● [ ] Yes [X] No

H Is this organization in a group exemption ..... [ ] Yes [X] No

If "Yes," what is the parent's name?

I Did the organization have any changes to its guidelines not reported to the FTB? See instructions ..... ● [ ] Yes [X] No

J If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions. ..... ● [ ] Yes [X] No

K Is the organization exempt under R&TC Section 23701g? ● [ ] Yes [X] No

If "Yes," enter the gross receipts from nonmember sources $

L If organization is a public charity exempt under R&TC Section 23701d and meets the filing fee exception, check box. No filing fee is required ..... ● [ ]

M Is the organization a Limited Liability Company? ..... ● [ ] Yes [X] No

N Did the organization file Form 100 or Form 109 to report taxable income? ..... ● [X] Yes [ ] No

O Is the organization under audit by the IRS or has the IRS audited in a prior year? ..... ● [ ] Yes [X] No

P Is federal Form 1023/1024 pending? ..... [ ] Yes [X] No

Date filed with IRS

Part I Complete Part I unless not required to file this form. See General Information B and C.

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8 ●	1	12,040,533 00
	2	Gross dues and assessments from members and affiliates ●	2	00
	3	Gross contributions, gifts, grants, and similar amounts received ●	3	3,438 00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than $50,000, see General Information B ●	4	12,043,971 00
	5	Cost of goods sold ● 5 — 00		
	6	Cost or other basis, and sales expenses of assets sold ● 6 — 8,034,901 00		
	7	Total costs. Add line 5 and line 6	7	8,034,901 00
	8	Total gross income. Subtract line 7 from line 4 ●	8	4,009,070 00
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18 ●	9	7,604,590 00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8 ●	10	<3,595,520> 00
Filing Fee	11	Total payments ●	11	00
	12	Use tax. See General Information K ●	12	00
	13	Payments balance. If line 11 is more than line 12, subtract line 12 from line 11 ●	13	00
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12 ●	14	00
	15	Filing fee $10 or $25. See General Information F	15	10 00
	16	Penalties and Interest. See General Information J	16	00
	17	Balance due. Add line 12, line 15, and line 16. Then subtract line 11 from the result ●	17	10 00

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 ▶ [signature]

Title: CHIEF EXEC OFF

Date: 11/5/2020

● Telephone

Paid Preparer's Use Only

Preparer's signature ▶ Linda M. Nelson

Date: 10/27/20

Check if self-employed ▶ [ ]

● PTIN: P00205567

Firm's name (or yours, if self-employed) and address ▶ OLSEN THIELEN & CO., LTD
2675 LONG LAKE ROAD
ST. PAUL, MN 55113

● Firm's FEIN: 41-1360831

● Telephone: 651-483-4521

May the FTB discuss this return with the preparer shown above? See instructions ..... ● [X] Yes [ ] No

CLEARWAY MINNESOTA (SM) 41-1921094

Part II Organizations with gross receipts of more than $50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

928951 12-04-19

			Line	Amount	
Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	1		00
	2	Interest	2	105,121	00
	3	Dividends	3		00
	4	Gross rents	4		00
	5	Gross royalties	5		00
	6	Gross amount received from sale of assets (See Instructions) STATEMENT 1	6	11,868,854	00
	7	Other income SEE STATEMENT 2	7	66,558	00
	8	**Total** gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	8	12,040,533	00
Expenses and Disbursements	9	Contributions, gifts, grants, and similar amounts paid	9	2,327,340	00
	10	Disbursements to or for members	10		00
	11	Compensation of officers, directors, and trustees SEE STATEMENT 3	11	272,200	00
	12	Other salaries and wages	12	2,168,382	00
	13	Interest	13		00
	14	Taxes	14	183,591	00
	15	Rents	15	106,932	00
	16	Depreciation and depletion (See instructions)	16		00
	17	Other Expenses and Disbursements SEE STATEMENT 4	17	2,546,145	00
	18	**Total** expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	18	7,604,590	00

Schedule L Balance Sheet

	Beginning of taxable year (a)	(b)	End of taxable year (c)	(d)
Assets				
1 Cash		250,149		250,149
2 Net accounts receivable		9,225		413
3 Net notes receivable				
4 Inventories				
5 Federal and state government obligations				
6 Investments in other bonds				
7 Investments in stock				
8 Mortgage loans				
9 Other investments STMT 5		14,441,492		6,346,239
10 a Depreciable assets	338,783		330,581	
b Less accumulated depreciation	(329,662	9,121	(329,828)	753
11 Land				
12 Other assets STMT 6		49,690		68,206
13 **Total assets**		14,759,677		6,665,760
Liabilities and net worth				
14 Accounts payable				
15 Contributions, gifts, or grants payable		986,657		983,233
16 Bonds and notes payable		521,417		95,164
17 Mortgages payable				
18 Other liabilities				
19 Capital stock or principal fund				
20 Paid-in or capital surplus. Attach reconciliation				
21 Retained earnings or income fund		13,251,603		5,587,363
22 **Total liabilities and net worth**		14,759,677		6,665,760

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than $50,000.

1 Net income per books	<3,595,520>	7 Income recorded on books this year not included in this return	
2 Federal income tax		8 Deductions in this return not charged against book income this year	
3 Excess of capital losses over capital gains		9 Total. Add line 7 and line 8	
4 Income not recorded on books this year		10 Net income per return. Subtract line 9 from line 6	<3,595,520>
5 Expenses recorded on books this year not deducted in this return			
6 Total. Add line 1 through line 5	<3,595,520>		

CA 199 GROSS AMOUNT FROM SALE OF ASSETS STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
			PURCHASED

	COST OR OTHER BASIS	DEPREC.	EXPENSE OF SALE	GROSS SALES PRICE
	8,034,901.	0.	0.	11,868,854.
TOTAL TO FORM 199, PAGE 2, LN 6	8,034,901.	0.	0.	11,868,854.

CA 199 OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
PTNRSHP UNRELATED BUSINESS INCOME	49,689.
MISCELLANEOUS INCOME	16,869.
TOTAL TO FORM 199, PART II, LINE 7	66,558.

CA 199 COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES STATEMENT 3

NAME AND ADDRESS	TITLE AND AVERAGE HRS WORKED/WK	COMPENSATION
DAVID J. WILLOUGHBY 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	CHIEF EXECUTIVE OFFICER 40.00	0.
MOLLY MOILANEN 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	VICE PRESIDENT 40.00	0.
PAULA KELLER 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	VICE PRESIDENT 40.00	0.
LANA KOPYLOV 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR OF FINANCE 40.00	0.
AMY HENDERSON 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	CHIEF OF STAFF 40.00	0.
MICHAEL SHELDON 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR OF MARKETING 40.00	0.
STEVEN BADER 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	CFO (THRU JULY 10, 2019) 40.00	0.
LAURIE LAFONTAINE 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	BOARD CHAIR 10.00	0.
KAREN KRAEMER 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	VICE CHAIR 6.00	0.
STEVEN MCWHIRTER 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	TREASURER (THRU SEPT 2019) 2.00	0.
GREG WULF 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	TREASURER (BEG SEPT 2019) 2.00	0.

SARAH OQUIST 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	SECRETARY 2.00	0.
NEVADA LITTLEWOLF 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR 1.00	0.
ANNIE VARS 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR 2.00	0.
BRIAN OSBERG 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR 4.00	0.
GAIL AMUNDSON 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR 2.00	0.
JANET AVERY 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR 1.00	0.
MAE BROOKS 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR 2.00	0.
JUDY BROWN 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425	DIRECTOR 1.00	0.
TOTAL TO FORM 199, PART II, LINE 11		0.

CA 199 OTHER EXPENSES STATEMENT 4

DESCRIPTION	AMOUNT
PUBLIC EDUCATION/RELATI	1,809,022.
EVALUATION FEES	64,551.
CONSULTANTS	12,108.
OTHER EXPENSES	4,350.
PENSION PLAN CONTRIBUTIONS	251,544.
OTHER EMPLOYEE BENEFITS	166,428.
LEGAL FEES	20,781.
ACCOUNTING FEES	20,290.
INVESTMENT MANAGEMENT FEES	2,572.
OTHER PROFESSIONAL FEES	80,115.
OFFICE EXPENSES	68,624.
TRAVEL	23,487.

CONFERENCES AND CONVENTIONS	8,244.
INSURANCE	14,029.
TOTAL TO FORM 199, PART II, LINE 17	2,546,145.

CA 199 OTHER INVESTMENTS STATEMENT 5

DESCRIPTION	BEG. OF YEAR	END OF YEAR
PRIVATE EQUITY FUND OF FUNDS	5,449,180.	360,542.
OTHER PUBLICLY TRADED SECURITIES	8,992,312.	5,985,697.
TOTAL TO FORM 199, SCHEDULE L, LINE 9	14,441,492.	6,346,239.

CA 199 OTHER ASSETS STATEMENT 6

DESCRIPTION	BEG. OF YEAR	END OF YEAR
PLEDGES AND GRANTS RECEIVABLE	373.	48,090.
PREPAID EXPENSES AND DEFERRED CHARGES	49,317.	20,116.
TOTAL TO FORM 199, SCHEDULE L, LINE 12	49,690.	68,206.

Massachusetts Department of Revenue
Form M-990T
Unrelated Business Income Tax Return

2019

For calendar year 2019 or taxable period beginning JULY 1, 2019 and ending JUNE 30, 2020

Most corporate excise taxpayers, including tax-exempt corporations and trusts, are subject to the electronic filing requirements. See Technical Information Release 16-9.

Name of company: CLEARWAY MINNESOTA (SM)
Federal Identification number: 41-1921094

Mailing address: 2 APPLETREE SQ, 8011 34TH AV S

City/Town: MINNEAPOLIS
State: MN
ZIP: 55425
Phone number: 952-767-1400

Name of treasurer:
Fill in if a Taxpayer Disclosure Statement is enclosed ☐

Fill in if
☐ Amended return (see "Amended return" in instructions) ☐ Federal amendment ☐ Federal audit ☒ Final return

Exempt under IRC section (fill in one only)
☒ 501 ☐ 408(e) ☐ 408A ☐ 529(a) ☐ 220(e) ☐ 530(a)

Organization type (fill in one only)
☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other

Excise calculation. Use whole dollar method.

1	Unrelated business taxable income (from U.S. Form 990T, line 39)	▶ 1	43,132.
2	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	▶ 2	4,813.
3	Section 168(k) "bonus" depreciation adjustment	▶ 3	
4	Section 31I and 31K intangible expense add back adjustment	▶ 4	
5	Federal NOL add back adjustment (See instructions)	▶ 5	
6	Section 31J and 31K interest expense add back adjustment	▶ 6	
7	Reserved for future use	▶ 7	
8	Abandoned Building Renovation deduction .... Total cost [ ] x .10 =	▶ 8	
9	Other adjustments, including research and development expenses (enclose explanation)	▶ 9	
10	Income subject to apportionment. See instructions	▶ 10	47,945.
11	Income apportionment percentage (from Schedule F, line 5 or 1.0, whichever applies)	▶ 11	.000352
12	Multiply line 10 by line 11	▶ 12	17.
13	Income not subject to apportionment	▶ 13	
14	Add lines 12 and 13	▶ 14	17.
15	Certified Massachusetts solar or wind power deduction	▶ 15	
16	Taxable income before net operating loss deduction	16	17.

Declaration

Under penalties of perjury, I declare that to the best of my knowledge and belief, this return and enclosures are true, correct and complete.

Signature of appropriate corporate officer (see instructions): D. Willoughby
Date: 11/5/2020
Phone: 952-767-1413

Signature of paid preparer: Linda M. Nelson
Date: 10/27/20
Employer Identification number: 41-1360831
Address: ST. PAUL, MN 55113

If you are signing as an authorized delegate of the appropriate corporate officer, check here ☐ and enclose Massachusetts Form M-2848, Power of Attorney. The Privacy Act Notice is available upon request. Mail to: **Massachusetts Department of Revenue, PO Box 7067, Boston, MA 02204.**

Name of company
CLEARWAY MINNESOTA (SM)

Federal Identification number
41-1921094

Excise calculation (cont'd.)

17 Loss carryover deduction (from Schedule NOL)	▶17	
18 Taxable income. Subtract line 17 from line 16	▶18	17.
19 Multiply line 18 by .08	19	1.
20 Credit recapture (enclose Schedule CRS) and/or additional tax on installment sales. See instructions	▶20	
21 Excise due before credits. Add lines 19 and 20	21	1.

Credits. Any credit being claimed must be determined with respect to the unrelated business activity being reported on this return.

22 Total credits. Enclose Schedule CMS	▶22	

Excise after credits

23 Excise due before voluntary contributions. Subtract line 22 from line 21. Not less than "0"	23	1.
24 Voluntary contribution for endangered wildlife conservation	▶24	
25 Total excise plus voluntary contribution. Add lines 23 and 24	▶25	1.

Payments

26 2018 overpayment applied to 2019 estimated tax	▶26	
27 2019 Massachusetts estimated tax payments (do not include amount in line 26)	▶27	
28 Payment made with extension	▶28	
29 Payment with original return. Use only if amending a return	▶29	
30 Pass-through entity withholding ... Payer Identification number ▶ 41-1921094	▶30	3.
31 Total refundable credits. Enclose Schedule CMS	▶31	
32 Total payments. Add lines 26 through 31	32	3.

Refund or balance due

33 Amount overpaid. Subtract line 25 from line 32	33	2.
34 Amount overpaid to be credited to 2020 estimated tax	▶34	
35 Amount overpaid to be refunded. Subtract line 34 from line 33	▶35	2.
36 Balance due. Subtract line 32 from line 25	▶36	
37a M-2220 penalty	▶37a	
37b Other penalties	▶37b	
37 Total penalty. Add lines 37a and 37b	37	
38 Interest on unpaid balance	▶38	
39 Total payment due at time of filing	▶39	

2019 Schedule F
MA19066011019
Income Apportionment

CLEARWAY MINNESOTA (SM) 41 1921094

Fill in:
- Section 38 manufacturer
- Mutual fund service corporation reporting sales of mutual funds only
- Mutual fund service corporation reporting sales of non-mutual funds
- X Other
- Change in method of calculating one or more factors from prior year

LOCATION	STATE	FACILITY TYPE	ACCEPTS ORDERS	REG. IN STATE	FILES IN STATE

Apportionment Factors

1. Tangible property				
a. Property owned	Massachusetts		Worldwide	
b. Property rented	Massachusetts		Worldwide	
c. Total property owned and rented	Massachusetts		Worldwide	
d. Tangible property apportionment percentage			1d	
2. Payroll				
a. Total payroll	Massachusetts		Worldwide	
b. Payroll apportionment percentage			2b	
3. Sales				
a. Tangible (destination)	Massachusetts			
b. Tangible (throw back)	Massachusetts		Worldwide	
c. Services	Massachusetts		Worldwide	
d. Rents and royalties	Massachusetts		Worldwide	
e. Other sales factors	Massachusetts	35	Worldwide	49689
f. Total sales factors	Massachusetts	35	Worldwide	49689
g. Sales apportionment percentage			3g	.000704
4. Apportionment percentage			4	.001408
5. Massachusetts apportionment percentage			5	.000352

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10/26/2020 15:19:49

Massachusetts Department of Revenue

2019

Form 3K-1 Partner's Massachusetts Information

Tax year beginning: 01-01-2019 | Tax year ending: 12-31-2019

Calendar year filers enter 01–01–2019 and 12–31–2019 below; fiscal year filers enter appropriate dates

NAME OF PARTNER: CLEARWAY MINNESOTA C/O LANA KOPYLOV

TAXPAYER IDENTIFICATION NUMBER: 41-1921094

ADDRESS: 8011 34TH AVE SOUTH SUITE 400 | CITY/TOWN/POST OFFICE: MINNEAPOLIS | STATE: MN | ZIP + 4: 55425

NAME OF PARTNERSHIP: MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P.

FEDERAL IDENTIFICATION NUMBER: 20-5889427

ADDRESS: 353 N. CLARK ST. | CITY/TOWN/POST OFFICE: CHICAGO | STATE: IL | ZIP + 4: 60654

A. Type of partnership (fill in **one** only): ☐ Individual resident ☐ Individual nonresident ☐ Trust or estate ☐ S corporation ☐ Partnership or other PTE ☐ IRA ☐ Disregarded entity ☒ Exempt organization ☐ Corporation

B. Type of partner: ☐ General partner or LLC member–manager ☒ Limited partner or other member

C. Type of form submission: ☒ Final ☐ Amended return

D. Fill in if there was a sale, transfer or liquidation of any part of this partnership interest during the tax year ☐

E. Fill in if the partnership participated in one or more installment sales transactions ☐

If Yes, indicate whether information has been communicated to the partner to calculate an addition to Massachusetts tax under MGL ch 62C, § 32A based on the following Internal Revenue Code (IRC) provisions (fill in all that apply): ☐ IRC § 453A ☐ IRC § 453(i)(2)(B)

PARTNER'S DISTRIBUTIVE SHARE

▼ IF A LOSS, MARK AN X IN BOX

1	Massachusetts ordinary income or loss (from Form 3, line 20)	107 00
2	Guaranteed payments to partners (deductible and capitalized; from U.S. Form 1065, Schedule K)	00
3	Separately stated deductions	00
4	Combine lines 1 through 3	107 00
5	Credits available:	
5a	a. Taxes due to another jurisdiction (full-year residents and part-year residents only)	00
5b	b. Lead paint credit	00
5c	c. ☐ Economic Opportunity Area ☐ Economic Development Incentive Program	00
5d	d. Brownfields credit (see instructions)	00
5e	e. Low-Income Housing credit	00
5f	f. Historic Rehabilitation credit	00
5g	g. Film Incentive credit (see instructions)	00
5h	h. Medical Device credit	00
5i	i. Employer Wellness Program credit	00
5j	j. Farming and Fisheries credit	00
5k	k. Certified Housing Development credit	00
5l	l. Life Sciences	00
5m	m. Veterans Hire credit	00
5n	n. Low-Income Housing Donation credit	00

BE SURE TO CONTINUE SCHEDULE 3K-1 ON OTHER SIDE

Partner # 18

NAME OF PARTNER: CLEARWAY MINNESOTA C/O LANA KOPYLOV

TAXPAYER IDENTIFICATION NUMBER: 41-1921094

o. Refundable Film credit (see instructions)	5o		0 0
p. Refundable Dairy credit	5p		0 0
q. Refundable Conservation credit	5q		0 0
r. Refundable Community Investment credit	5r		0 0
s. Angel Investor credit	5s		0 0
t. Apprentice credit	5t		0 0
u. Vacant Storefront credit	5u		0 0
v. Total credits	5v		0 0
6 Credit recapture (see instructions)	6		0 0
7 Net income or loss from rental real estate activity (from Form 3, line 23)	7	×	(1) 0 0
8 Net income or loss from other rental activity (from Form 3, line 26)	8		0 0
9 Interest from U.S. obligations (from Form 3, line 28)	9		0 0
10 Interest (5.05%) from Massachusetts banks (from Form 3, line 29)	10		0 0
11 Other interest and dividend income (from Form 3, line 30)	11		35 0 0
12 Non-Massachusetts state and municipal bond interest (from Form 3, line 31)	12		0 0
13 Royalty income (from Form 3, line 32)	13		0 0
14 Short-term capital gains (from Form 3, line 33)	14		3 0 0
15 Short-term capital losses (from Form 3, line 34)	15		0 0
16 Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Form 3, line 35)	16		0 0
17 Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Form 3, line 36)	17		0 0
18 Long-term capital gain or loss (from Form 3, line 37)	18		46 0 0
19 Net gain or loss under IRC § 1231 (from Form 3, line 38)	19		0 0
20 Long-term gains on collectibles and pre-1996 installment sales (from Form 3, line 39)	20		0 0
21 Differences and adjustments (from Form 3, line 40)	21		0 0

CORPORATE PARTNER INFORMATION

22 State and municipal bond interest not included in U.S. net income	22		0 0
23 Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	23		0 0
24 Other adjustments, if any	24		0 0

NAME OF PARTNER: CLEARWAY MINNESOTA C/O LANA KOPYLOV

TAXPAYER IDENTIFICATION NUMBER: 41-1921094

RECONCILIATION OF PARTNER'S CAPITAL ACCOUNT

25	Balance at beginning of year		2,883,868 00
26	Massachusetts net income for year		190 00
27	Entire net income for year	×	(2,277,868) 00
28	Capital contributions		00
29	Withdrawals		606,000 00
30	Balance at end of year. Add lines 25, 27 and 28 and subtract line 29		00

PARTNER'S SHARE OF PROFIT, LOSS AND CAPITAL

		Beginning	Ending
31	Percentage of profit	0.006597	0.004916
32	Percentage of loss	0.006597	0.004916
33	Percentage of capital	0.006329	0.000000
34	Non-recourse liabilities		- 00
35	Qualified non-recourse financing		70 00
36	Recourse liabilities		00

PASS-THROUGH ENTITY PAYMENT AND CREDIT INFORMATION

Declaration election code: ■ Withholding ○ Composite ○ Member-self file ○ Exempt PTE ○ Insurance company ○ Non-profit ○ Exempt corporate limited partner

37	Withholding amount	3 00
38	Payments made in a composite filing	00
39	Credit for amounts withheld by lower-tier entity. Payer identification number: SEE STATEMENT	3 00
40	Payments made with a composite filing by lower-tier entity (informational only)	00

Partner # 18

MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P.
CLEARWAY MINNESOTA C/O LANA KOPYLOV

20-5889427

MASSACHUSETTS SCHEDULE 3K-1 – LINE 38 – LOWER TIER ENTITY WITHHOLDING

PASS-THROUGH ENTITY	EIN	WITHHOLDING AMOUNT
MADISON DEARBORN CAPITAL PARTNERS VI-B, L.P.	26-1274505	2
TA XI NS-A FEEDER, L.P.	30-0867819	1

DEPARTMENT OF REVENUE

2019 M4NP Unrelated Business Income Tax (UBIT) Return

For tax-exempt organizations, cooperatives, homeowners associations, and political organizations with unrelated business income.

Tax year beginning 07012019, 2019, and ending 06302020 *(required)*

Name of Organization	FEIN	Minnesota Tax ID (required)
CLEARWAY MINNESOTA (SM)	411921094	4088767

Mailing Address: 2 APPLETREE SQ, 8011 34TH AV S — ☐ Check if New Address

This Organization Files Federal Form *(check one)*: [X] 990-T ☐ 1120-C ☐ 1120-H ☐ 1120-POL

City: MINNEAPOLIS County: HENNEPIN State: MN ZIP Code: 55425

Exempt Under IRS Section *(check one)*: [X] 501(c)(3) ☐ 528 ☐ Other:

Check All That Apply: ☐ Amended Return ☐ Filing Under an Extension ☐ Final Return *(see inst., pg. 4)* Enter Close Date:

Enter your NAICS Codes *(see instructions, pg. 4)*: 900099 /

Are you filing a combined income return? ☐ Yes [X] No

Was 100 percent of the business conducted in Minnesota for this tax year? [X] Yes ☐ No (complete and attach Schedule M4NPA)

You must round amounts to nearest whole dollar.

1	Federal taxable income **before** net operating loss and specific deduction *(from federal Form 990-T, line 29 or total of line 29 from all 990-T schedule Ms; 1120-C, line 25c; 1120-H, line 17; or 1120-POL, line 17c)*	1	44146
2	Total additions to federal taxable income *(from M4NPI, line 1)*	2	
3	Federal taxable income after additions *(add lines 1 and 2)*	3	44146
4	Total subtractions from federal taxable income *(from M4NPI, line 2)*	4	14
5	Federal taxable income (loss) after subtractions. *(See instructions.)* If you conducted business both within and outside Minnesota, complete M4NPA. *(See instructions, pg. 4.)* If 100% of your activities were conducted in Minnesota, do not complete M4NPA. Enter line 5 on line 6	5	44132
6	Minnesota taxable net income (loss) *(from M4NPA, line 10.)* If 100% of your activities were conducted in Minnesota, enter amount from line 5 above.	6	44132
7	Minnesota net operating loss deduction *(from M4NP NOL)*	7	
8	Subtract line 7 from line 6 *(if zero or less, enter zero)*	8	44132
9	Total deductions from taxable net income *(from M4NPI, line 3)*	9	1000
10	Taxable income *(subtract line 9 from line 8; if zero or less, enter zero)*	10	43132
11	Regular tax *(multiply line 10 by 9.8% [0.098]; if zero or less, enter zero)*	11	4227
12	Proxy tax *(see instructions, pg. 4)*	12	
13	Tax before credits *(add lines 11 and 12)*	13	4227
14	Total credits against tax *(from M4NPI, line 4)*	14	
15	Minnesota tax liability *(subtract line 14 from line 13; if zero or less, enter zero)*	15	4227

Continued next page

2019 M4NP UBIT Return, Page 2 *(continued)*

Name of Organization	FEIN	Minnesota Tax ID
CLEARWAY MINNESOTA (SM)	411921094	4088767

16	Minnesota Nongame Wildlife Fund donation *(see instructions, pg. 4)*	16		
17	Add lines 15 and 16	17		4227
18	Total refundable credits *(from M4NPI, line 5)*	18		
19	Amount credited from your 2018 Form M4NP, line 32	19	1280	
20	2019 estimated tax payments	20		
21	2019 extension payment	21		
22	Total refundable credits and payments *(add lines 18, 19, 20, and 21)*	22		1280
23	Subtract line 22 from line 17	23		2947
24	Penalty *(determine from worksheet in the instructions, pg. 5)*	24		
25	Interest *(determine from worksheet in the instructions, pg. 5)*	25		
26	Additional charge for underpayment of estimated tax *(from M15NP, line 17)*	26		
27	Tax, Nongame Wildlife Fund donation, penalty, interest and additional charge for underpayment of estimated tax *(add lines 17, 24, 25, and 26)*	27		4227
28	Amount from line 27	28		4227
29	Amount from line 22	29		1280
30	**AMOUNT DUE.** If line 28 is more than or equal to line 29, subtract line 29 from 28	30		2947

Payment method: [X] Electronic *(see inst., pg. 2)* [ ] Check *(see inst., pg. 2)* [ ] Amended return payment by check *(see inst., pg. 2)*

31	**OVERPAYMENT.** If line 29 is more than line 28, subtract line 28 from line 29	31	
32	Amount of line 31 to be credited to your 2020 estimated tax	32	
33	Refund *(subtract line 32 from line 31)*	33	

To have your refund direct deposited, enter your banking information below.

Account type: [ ] Checking [ ] Savings
Routing number:
Account number *(use an account not associated with any foreign banks)*:

I declare that this return is correct and complete to the best of my knowledge and belief.

Authorized Signature	Title	Date	Daytime Phone
[signature]	CHIEF EXEC OFFICER	11/5/2020	9527671400

Paid Preparer's Signature	PTIN	Date	Daytime Phone
Linda M. Nelson	P00205567	10/27/20	6514834521

Email Address for Correspondence, if Desired: DWILLOUGHBY@CLEARWAYMN.ORG

This email address belongs to (check one): [ ] Employee [ ] Paid Preparer

[X] I authorize the Minnesota Department of Revenue to discuss this tax return with the paid preparer listed here.

Attach a complete copy of your federal Form 990-T, 1120-C, 1120-H or 1120-POL and all supporting schedules.

Mail to: Minnesota Revenue, Mail Station 1257, St. Paul, MN 55146-1257

DEPARTMENT OF REVENUE

2019 M4NPI Income Adjustments, Deductions and Credits

For tax-exempt organizations, cooperatives, homeowners associations, and political organizations with unrelated business income.
See instructions on page 7.

Name of Organization	FEIN	Minnesota Tax ID
CLEARWAY MINNESOTA (SM)	411921094	4088767

You must round amounts to nearest whole dollar.

1	Additions to federal taxable income due to changes not adopted by Minnesota **Enter on Form M4NP, line 2** *(you must provide a brief explanation below)*			1
2	Subtractions from federal taxable income			
a	Advertising revenues from a newspaper published by a section 501(c)(4) organization	2a		
b	Lawful gambling expenditures under Minnesota Statutes, Chapter 349, not deducted on federal return *(see instructions, pg. 7)*	2b		
c	Charitable contributions from federal form 990-T line 34	2c	14	
d	Subtractions due to federal changes not adopted by Minnesota *(you must provide a brief explanation below)*	2d		
e	Other subtractions from income *(you must provide a brief explanation below)*	2e		
	Total subtractions *(add lines 2a through 2e)* **Enter on Form M4NP, line 4.**			2 — 14
3	Deductions from taxable net income			
a	Federal specific or special deductions	3a	1000	
b	Other deductions *(you must provide a brief explanation below)*	3b		
	Total deductions from taxable net income *(add lines 3a and 3b)* **Enter on Form M4NP, line 9.**			3 — 1000
4	Credits against tax			
a	Employer Transit Pass Credit *(from ETP, line 4)*	4a		
b	SEED Capital Investment Credit *(see instructions, pg. 7)*	4b		
c	Tax Credit for Owners of Agricultural Assets	4c		
d	Other credits against tax *(you must provide a brief explanation below)*	4d		
	Total credits against tax *(add lines 4a through 4d)* **Enter on Form M4NP, line 14.**			4
5	Refundable credits			
a	Historic Structure Rehabilitation Credit *(attach credit certificate)* and **enter NPS project number** ______	5a		
b	Other refundable credits *(you must provide a brief explanation below)*	5b		
	Total refundable credits *(add lines 5a and 5b)* **Enter on Form M4NP, line 18.**			5

DEPARTMENT OF REVENUE

2019 M15NP Additional Charge for Underpayment of Estimated Tax

For tax-exempt organizations, cooperatives, homeowners associations and political organizations with unrelated business income.

Complete this schedule if your total tax is more than $500 or you did not pay the correct amount of estimated tax by the due dates.

Name of Organization	FEIN	Minnesota Tax ID
CLEARWAY MINNESOTA (SM)	411921094	4088767

Check installment method used on this schedule *(must check one box):*

[X] Standard Installment Method [ ] Adjusted Seasonal Installment Method [ ] Annualized Income Installment Method

You must round amounts to nearest whole dollar.

1 Enter your 2019 total tax liability *(from 2019 M4NP, line 15 minus line 18)* 1 4227

If $500 or less, do not complete this form. You owe no additional charge.

2 Enter your 2018 regular tax *(from 2018 Form M4NP, line 15 minus line 18)* 2 1244

3 Required annual payment. Enter the amount from line 1 or line 2, whichever is less 3 1244

Exceptions: If you did not file a 2018 return or filed a return for less than a full 12-month period in the preceding tax year, or you did not have a 2018 tax liability, you must enter the amount from line 1.

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
4 Enter the due dates	4	09152019	12162019	03162020	06152020
5 Required installments *(see instructions)*	5	311	311	311	311
6 Amount paid each period *(see instructions)* **Complete lines 7-13 for one column before completing the next column.** For the first column only, enter the amount from line 6 on line 10.	6	1280			
7 Enter the amount from line 13 of the previous column	7		969	658	347
8 Add lines 6 and 7	8		969	658	347
9 Add lines 11 and 12 of the previous column	9				
10 Subtract line 9 from line 8. If less than zero, enter zero	10	1280	969	658	347
11 Remaining underpayment from previous period. If line 10 is zero, subtract line 8 from line 9. Otherwise, enter zero	11				
12 **UNDERPAYMENT.** If line 10 is less than or equal to line 5, subtract line 10 from line 5, enter the result and go to line 6 of the next column. Otherwise, go to line 13	12				
13 **OVERPAYMENT.** If line 5 is less than line 10, subtract line 5 from line 10 and enter the result. Go to line 6 of the next column	13	969	658	347	36
14 Date underpayment is paid or regular due date of 2019 return, whichever is earlier	14				
15 Number of days from the due date on line 4 to the date on line 14	15				
16 Additional charge *(line 15 ÷ 365 x .05 x line 12)*	16				

17 **TOTAL.** Add amounts on line 16. Enter this amount on M4NP, line 26 17

Attach this schedule to Form M4NP.

959581 10-02-19

UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

MN

Name(s)	Identifying Number
CLEARWAY MINNESOTA (SM)	41-1921094

(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			

Penalty Due (Sum of Column F). ....

* Date of estimated tax payment, withholding credit date or installment due date.

912511
04-01-19

Form **990-T**

Department of the Treasury
Internal Revenue Service

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

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

▶ 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).

OMB No. 1545-0047

2019

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

STATE COPY

A ☐ Check box if address changed

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

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
CLEARWAY MINNESOTA (SM)

Number, street, and room or suite no. If a P.O. box, see instructions.
2 APPLETREE SQ, 8011 34TH AV S

City or town, state or province, country, and ZIP or foreign postal code
MINNEAPOLIS, MN 55425

D Employer identification number (Employees' trust, see instructions.)
41-1921094

E Unrelated business activity code (See instructions.)
900099

C Book value of all assets at end of year
6,665,760.

F Group exemption number (See instructions.) ▶

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

H Enter the number of the organization's unrelated trades or businesses. ▶ 1 Describe the only (or first) unrelated trade or business here ▶ PARTNERSHIP INVESTMENT . If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

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

J The books are in care of ▶ LANA KOPYLOV, DIRECTOR OF FINANCE Telephone number ▶ 952-767-1406

Part I Unrelated Trade or Business Income

		Line	(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)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a	40,149.		40,149.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b	539.		539.
c	Capital loss deduction for trusts	4c			
5	Income (loss) from a partnership or an S corporation (attach statement)	5	9,015.	STMT 1	9,015.
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	49,703.		49,703.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Deductions must be directly connected with the unrelated business income.)

		Line	Amount
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	4,813.
20	Depreciation (attach Form 4562) — 20		
21	Less depreciation claimed on Schedule A and elsewhere on return — 21a	21b	
22	Depletion	22	
23	Contributions to deferred compensation plans	23	
24	Employee benefit programs	24	
25	Excess exempt expenses (Schedule I)	25	
26	Excess readership costs (Schedule J)	26	
27	Other deductions (attach schedule) SEE STATEMENT 2	27	744.
28	**Total deductions.** Add lines 14 through 27	28	5,557.
29	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	29	44,146.
30	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30	0.
31	Unrelated business taxable income. Subtract line 30 from line 29	31	44,146.

Part III Total Unrelated Business Taxable Income

32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32	44,146.
33	Amounts paid for disallowed fringes	33	
34	Charitable contributions (see instructions for limitation rules) STMT 4 STMT 5	34	14.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35	44,132.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	36	
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37	44,132.
38	Specific deduction (Generally $1,000, but see line 38 instructions for exceptions)	38	1,000.
39	**Unrelated business taxable income.** Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39	43,132.

Part IV Tax Computation

40	**Organizations Taxable as Corporations.** Multiply line 39 by 21% (0.21) ▶	40	9,058.
41	**Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 39 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	41	
42	**Proxy tax.** See instructions ▶	42	
43	Alternative minimum tax (trusts only)	43	
44	**Tax on Noncompliant Facility Income.** See instructions	44	
45	**Total.** Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45	9,058.

Part V Tax and Payments

46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	46a			
b	Other credits (see instructions)	46b			
c	General business credit. Attach Form 3800	46c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	46d			
e	**Total credits.** Add lines 46a through 46d			46e	
47	Subtract line 46e from line 45			47	9,058.
48	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule)			48	
49	**Total tax.** Add lines 47 and 48 (see instructions)			49	9,058.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3			50	0.
51 a	Payments: A 2018 overpayment credited to 2019	51a	2,680.		
b	2019 estimated tax payments	51b			
c	Tax deposited with Form 8868	51c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	51d			
e	Backup withholding (see instructions)	51e			
f	Credit for small employer health insurance premiums (attach Form 8941)	51f			
g	Other credits, adjustments, and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶	51g			
52	**Total payments.** Add lines 51a through 51g			52	2,680.
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐			53	
54	**Tax due.** If line 52 is less than the total of lines 49, 50, and 53, enter amount owed ▶			54	6,378.
55	**Overpayment.** If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid ▶			55	
56	Enter the amount of line 55 you want: **Credited to 2020 estimated tax** ▶ **Refunded** ▶			56	

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

		Yes	No
57	At any time during the 2019 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 ▶ SEE STATEMENT 3	X	
58	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
59	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 | Date | CHIEF EXEC OFFICER 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
LINDA M. NELSON, CPA				P00205567
Firm's name ▶ OLSEN THIELEN & CO., LTD			Firm's EIN ▶	41-1360831
Firm's address ▶ 2675 LONG LAKE ROAD ST. PAUL, MN 55113			Phone no.	651-483-4521

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		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b Other costs (attach schedule)	4b				
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) ▶ 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)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

923721 01-27-20

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). 0.	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). 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). 0.			Enter here and on page 1, Part I, line 9, column (B). 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). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 25. 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) ▶	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 26. 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 INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 1

DESCRIPTION	NET INCOME OR (LOSS)
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - ORDINARY BUSINE	9,668.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - NET RENTAL REAL	<746.>
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - INTEREST INCOME	633.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - DIVIDEND INCOME	100.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - OTHER INCOME (L	<640.>
TOTAL INCLUDED ON FORM 990-T, PAGE 1, LINE 5	9,015.

FORM 990-T OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
TAX PREPARATION FEES	744.
TOTAL TO FORM 990-T, PAGE 1, LINE 27	744.

FORM 990-T NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST STATEMENT 3

NAME OF COUNTRY
GUERNSEY
CAYMAN ISLANDS
BRITISH VIRGIN ISLANDS

FORM 990-T CONTRIBUTIONS STATEMENT 4

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
FROM MESIROW FINANCIAL K-1	N/A	14.
TOTAL TO FORM 990-T, PAGE 2, LINE 34		14.

FORM 990-T — CONTRIBUTIONS SUMMARY — STATEMENT 5

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT		
QUALIFIED CONTRIBUTIONS SUBJECT TO 25% LIMIT		
CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS		
FOR TAX YEAR 2014		
FOR TAX YEAR 2015		
FOR TAX YEAR 2016		
FOR TAX YEAR 2017		
FOR TAX YEAR 2018		
TOTAL CARRYOVER		
TOTAL CURRENT YEAR 10% CONTRIBUTIONS	14	
TOTAL CONTRIBUTIONS AVAILABLE	14	
TAXABLE INCOME LIMITATION AS ADJUSTED	4,315	
EXCESS CONTRIBUTIONS	0	
EXCESS 100% CONTRIBUTIONS	0	
TOTAL EXCESS CONTRIBUTIONS	0	
ALLOWABLE CONTRIBUTIONS DEDUCTION		14
TOTAL CONTRIBUTION DEDUCTION		14

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

2019

Name: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? ▶ ☐ Yes ☒ No

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

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				<182.>

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	<182.>

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				40,331.

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	14	
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h	15	40,331.

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	40,149.
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	18	40,149.

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

921051
12-16-19

Form **8949**

Department of the Treasury
Internal Revenue Service

Sales and Other Dispositions of Capital Assets

▶ Go to www.irs.gov/Form8949 for instructions and the latest information.
▶ File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No. 1545-0074

2019

Attachment Sequence No. **12A**

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no. 41-1921094

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part I **Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

Note: You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box A, B, or C below. Check only one box. If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(A)** Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(B)** Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☒ **(C)** Short-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER							<182.>
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 1b** (if **Box A** above is checked), **line 2** (if **Box B** above is checked), or **line 3** (if **Box C** above is checked) ▶							<182.>

Note: If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on page 1

CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no. 41-1921094

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II **Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☒ **(F)** Long-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). **See instructions.** (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER							40,331.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) ▶							40,331.

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2019

Attachment Sequence No. **27**

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Identifying number: 41-1921094

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
MESIROW FINANCIAL						
PRIVATE EQUITY						
PARTNER						539.

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows	7	539.

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years. See instructions SEE STATEMENT 6	8	660.
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions	9	0.

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	539.
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	539.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.		
a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040 or Form 1040-SR), Part I, line 4	18b	

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** See line 1 before completing.)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 **If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975. See instructions	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a. See instructions	26b				
c Subtract line 26a from line 24. If residential rental property **or** line 24 isn't more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 **If section 1252 property:** Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 **If section 1254 property:**					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 **If section 1255 property:**					
a Applicable percentage of payments excluded from income under section 126. See instructions	29a				
b Enter the **smaller** of line 24 or 29a. See instructions	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

FORM 4797 NONRECAPTURED NET SECTION 1231 LOSSES FROM PRIOR YEARS STATEMENT 6

TAX YEAR	SECTION 1231 LOSSES	SECTION 1231 LOSSES RECAPTURED	NONRECAPTURED SECTION 1231 LOSSES
2014	0.	0.	0.
2015	0.	0.	0.
2016	0.	0.	0.
2017	0.	0.	0.
2018	660.	0.	660.
TOTAL TO FORM 4797, LINE 8	660.	0.	660.

NEW YORK STATE 2019

CT-2

Department of Taxation and Finance

Corporation Tax Return Summary

THIS FORM MUST BE FILED WITH YOUR RETURN

1	Legal name of corporation	1.	CLEARWAY MINNESOTA (SM)
2	Payment enclosed	2.	250.00
3	Return type	3.	CT13
4	Employer ID number (EIN)	4.	41-1921094
5	File number (FCC)	5.	MM8
6	Period beginning date *(mm-dd-yy)*	6.	07-01-19
7	Period ending date *(mm-dd-yy)*	7.	06-30-20
8	Amended *(Y=1; N=0)*	8.	0
9	Address change *(Y=1; N=0)*	9.	0
10	Final *(Y=1; N=0)*	10.	
11	NAICS code	11.	900099
12	MTA indicator *(None = 0, Y =1, N = 2, Both = 3)*	12.	
13	Federal 1120-H filed *(Y = 1, N = 0)*	13.	
14	REIT/RIC indicator *(Y =1, N = 0)*	14.	
15	Tax due/MTA surcharge	15.	250.00
16	Mandatory first installment (MFI) - no extension filed and tax due is over $1,000	16.	
17	Balance due	17.	250.00
18	Amount of overpayment credited to next period - NYS	18.	
19	Refund of overpayment	19.	
20	Refund of unused tax credits	20.	
21	Tax credits to be credited as an overpayment to next year's return	21.	
22	Amount of overpayment credited to next period - MTA	22.	
23	Amount of MTA surcharge retaliatory tax credit to be refunded	23.	
24	Fixed dollar minimum	24.	
25	Designated agent's (Article 9-A) or combined parent's (Article 33) EIN	25.	-
26	New York receipts	26.	
27	Have you been convicted of an offense (NYS Penal Law, Art. 200 or 496, or section 195.20)?	27.	
28	Paid preparer's EIN	28.	41-1360831
29	Preparer's NYTPRIN	29.	
30	Excl. code	30.	

541001191019

984951
12-11-19 **1019**

For office use only

Form CT-186-E filers only

31	Excise tax on telecommunication services - NYS	31.	
32	Excise tax on mobile telecommunication services subject to the 2.9% rate	32.	
33	Total excise tax on telecommunication services	33.	
34	Tax on gross income - NYS	34.	
35	MTA surcharge related to non-mobile telecommunication services	35.	
36	MTA surcharge related to telecommunication services subject to the 0.721% tax rate	36.	
37	Total MTA surcharge related to telecommunication services	37.	
38	MTA surcharge on gross income	38.	
39	Balance due - NYS	39.	
40	Balance due - MTA	40.	
41	Provided telecommunication services in the MCTD this year? *(None = 0, Y = 1, N = 2, Both = 3)*	41.	
42	Subject to supervision of the Department of Public Service and provided utility services in the MCTD this year? *(None = 0, Y = 1, N = 2, Both = 3)*	42.	
43	Overpayment credited to next year's tax - NYS	43.	
44	Overpayment credited to next year's tax - MTA	44.	
45	Refund of overpayment - NYS	45.	
46	Refund of overpayment - MTA	46.	
47	Refund of unused tax credits - NYS	47.	
48	Refund of unused tax credits - MTA	48.	
49	Refundable tax credits to be credited to next year's tax - NYS	49.	
50	Refundable tax credits to be credited to next year's tax - MTA	50.	

NEW YORK STATE

2019

CT-13

Amended return ☐

Department of Taxation and Finance

Unrelated Business Income Tax Return

Tax Law - Article 13

All filers enter tax period: beginning 07-01-19 ending 06-30-20

Employer identification number (EIN)	File number	Business telephone number		If you claim an overpayment, mark an X in the box
41-1921094	MM8	952-767-1400		☐

Legal name of corporation	Trade name/DBA
CLEARWAY MINNESOTA (SM)	

Mailing name (if different from legal name above)	State or country of incorporation	Date received (for Tax Department use only)
c/o	MINNESOTA	
Number and street or PO box: 2 APPLETREE SQ, 8011 34TH AV S	Date of incorporation: 09-21-98	
City / State / ZIP code: MINNEAPOLIS, MN 55425	Foreign corporations: date began business in NYS	

NAICS business code number (from federal return)	If address/phone above is new, mark an X in the box		Audit (for Tax Department use only)
900099	☐	If you need to update your address or phone information for corporation tax, or other tax types, you can do so online. See *Business information* in Form CT-1.	
Principal unrelated business activity (see instructions): PARTNERSHIP INVESTMENT			

Form CT-247, *Application for Exemption from Corporation Franchise Taxes by a Not-For-Profit Organization* - Have you filed this New York State application for exemption? *(see instructions)* .... Yes ☐ No ☒

Mark an *X* in this box if you are an employee trust as defined in Internal Revenue Code (IRC) section 401(a) .... ☐

Mark an *X* in this box if you ceased operating the unrelated business during the tax year covered by this return *(see section* Who must file Form CT-13 *in the instructions)* .... ● ☐

		Payment enclosed
A. Pay amount shown on line 22. Make payable to: ***New York State Corporation Tax*** ◄ Attach your payment here. Detach all check stubs. *(See instructions for details.)*	A	250.

Computation of income and tax

1	Federal unrelated business taxable income before net operating loss deduction and after $1,000 specific deduction		1	43,146.
2	New York State Article 13 and Article 23 tax deducted on federal return		2	250.
3	Additions required for shareholders of federal S corporations *(see instructions)*		3	
4	Grossed-up taxes for shareholders of New York S corporations *(see instructions)*		4	
5	Other additions *(see instructions)*		5	
6	Add lines 1 through 5		6	43,396.
7	Other income *(see instructions)*	7		
8	Federal S corporation shareholder subtractions *(see instructions)*	8		
9	Other subtractions *(see instructions)*	9		
10	Total subtractions *(add lines 7, 8, and 9)*		10	
11	Taxable income before net operating loss deduction *(subtract line 10 from line 6)*		11	43,396.
12	New York net operating loss deduction *(attach federal and NYS computations; see instructions)*		12	
13	Taxable income *(subtract line 12 from line 11)*		13	43,396.
14	Allocated taxable income *(multiply line 13 by* 1.1069 *% from line 42; or enter amount from line 13 if allocation is not claimed)* ●		14	480.
15	Tax based on income *(multiply line 14 by 9% (.09))*		15	43.
16	Minimum tax		16	250 • 00
17	Tax *(line 15 or line 16, whichever is larger)*		17	250.
18	Total prepayments from line 46 ●		18	
19	Balance *(if line 18 is less than line 17, subtract line 18 from line 17)*		19	250.
20	Interest on late payment *(see instructions)* ●		20	
21	Late filing and late payment penalties *(see instructions)* ●		21	
22	Balance due *(add lines 19, 20, and 21 and enter here; enter the payment amount on line A above)*		22	250.
23	Overpayment *(if line 17 is less than line 18, subtract line 17 from line 18)*		23	
24	Amount of overpayment on line 23 to be **credited to next year**		24	
25	Amount of overpayment on line 23 to be **refunded** *(subtract line 24 from line 23)*		25	

See page 3 for third-party designee, certification, and signature entry areas.

Have you been audited by the Internal Revenue Service in the past 5 years? Yes ☐ No ☒ If *Yes,* list years: ____

Federal return was filed on: 990-T ☒ Other: ____ ☐ **Attach a complete copy of your federal return.**

Schedule A - Unrelated business allocation

If you did not maintain a regular place of business outside New York State, leave this schedule blank. A regular place of business is any office, factory, warehouse, or other space regularly used by the taxpayer in its unrelated business. If you claim this allocation, attach a list of each place of business, the location, nature of activities, and number and duties of employees.

Average value of:		A New York State	B Everywhere
26 Real estate owned *(see instructions)*	26		
27 Gross rents *(attach list; see instructions)*	27		
28 Inventories owned	28		
29 Other tangible personal property owned *(see instructions)*	29		
30 **Total** *(add lines 26 through 29)*	30		

31 Percentage in New York State *(divide line 30, column A, by line 30, column B)* | 31 | %

Receipts in the regular course of business from:		A New York State	B Everywhere
32 Sales of tangible personal property shipped to points within New York State	32		
33 All sales of tangible personal property	33		
34 Services performed	34		
35 Rentals of property	35		
36 Other business receipts	36	550.	49,689.
37 **Total** *(add lines 32 through 36)*	37	550.	49,689.

38 Percentage in New York State *(divide line 37, column A, by line 37, column B)* | 38 | 1.1069 %

39 Wages, salaries, and other compensation of employees *(except general executive officers; see instructions)*	39		

40 Percentage in New York State *(divide line 39, column A, by line 39, column B)*	40	%
41 **Total of New York State percentages** *(add lines 31, 38, and 40)*	41	1.1069 %
42 Business allocation percentage *(divide line 41 by three or by the number of percentages)*	42	1.1069 %

Composition of prepayments claimed on line 18*		**Date paid**	**Amount**
43 Payment with extension request, Form CT-5, line 5	43		
44a Second installment from Form CT-400	44a		
44b Third installment from Form CT-400	44b		
44c Fourth installment from Form CT-400	44c		
45 Amount of overpayment credited from prior years		45	
46 Total prepayments *(add lines 43 through 45; enter here and on line 18)*		46	

* Taxpayers subject to the unrelated business income tax are not required to make estimated tax payments. If you did make these unrequired payments, report them on lines 44a, 44b, and 44c.

Amended return information

If filing an amended return, mark an *X* in the box for any items that apply and attach documentation.

Final federal determination • ☐ If marked, enter date of determination: • ____

Capital loss carryback • ☐ Federal return filed Form 1139 • ☐

Amended Form 990-T • ☐

400002191019

Third-party designee *(see instructions)*	Yes ☐ No ☐	Designee's name *(print)*	Designee's phone number
	Designee's email address		PIN

Certification: I certify that this return and any attachments are to the best of my knowledge and belief true, correct, and complete.

Authorized person	Printed name of authorized person: DAVID J. WILLOUGHBY	Signature of authorized person: D J Willoughby	Official title: CHIEF EXEC OFFICER	
	Email address of authorized person: dwilloughby@clearwaymn.org		Telephone number: 952-767-1413	Date: 11/5/2020

Paid preparer use only *(see instr.)*	Firm's name *(or yours if self-employed)*: OLSEN THIELEN & CO., LTD	Firm's EIN: 41-1360831	Preparer's PTIN or SSN: P00205567
	Signature of individual preparing this return: Linda M. Nelson	Address / City / State / ZIP code: 2675 LONG LAKE ROAD ST. PAUL, MN 55113	
	Email address of individual preparing this return	Preparer's NYTPRIN or Excl. code	Date: 10/27/20

See instructions for where to file.

FORM 990-T | INCOME (LOSS) FROM PARTNERSHIPS | STATEMENT 1

DESCRIPTION	NET INCOME OR (LOSS)
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - ORDINARY BUSINE	9,668.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - NET RENTAL REAL	<746.>
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - INTEREST INCOME	633.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - DIVIDEND INCOME	100.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - OTHER INCOME (L	<640.>
TOTAL INCLUDED ON FORM 990-T, PAGE 1, LINE 5	9,015.

FORM 990-T | OTHER DEDUCTIONS | STATEMENT 2

DESCRIPTION	AMOUNT
TAX PREPARATION FEES	744.
TOTAL TO FORM 990-T, PAGE 1, LINE 27	744.

FORM 990-T | NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST | STATEMENT 3

NAME OF COUNTRY

GUERNSEY
CAYMAN ISLANDS
BRITISH VIRGIN ISLANDS

FORM 990-T CONTRIBUTIONS STATEMENT 4

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
FROM MESIROW FINANCIAL K-1	N/A	14.
TOTAL TO FORM 990-T, PAGE 2, LINE 34		14.

FORM 990-T CONTRIBUTIONS SUMMARY STATEMENT 5

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT		
QUALIFIED CONTRIBUTIONS SUBJECT TO 25% LIMIT		
CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS		
FOR TAX YEAR 2014		
FOR TAX YEAR 2015		
FOR TAX YEAR 2016		
FOR TAX YEAR 2017		
FOR TAX YEAR 2018		
TOTAL CARRYOVER		
TOTAL CURRENT YEAR 10% CONTRIBUTIONS	14	
TOTAL CONTRIBUTIONS AVAILABLE	14	
TAXABLE INCOME LIMITATION AS ADJUSTED	4,315	
EXCESS CONTRIBUTIONS	0	
EXCESS 100% CONTRIBUTIONS	0	
TOTAL EXCESS CONTRIBUTIONS	0	
ALLOWABLE CONTRIBUTIONS DEDUCTION		14
TOTAL CONTRIBUTION DEDUCTION		14

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

2019

Name: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? ▶ ☐ Yes ☒ No

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

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				<182.>

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	<182.>

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				40,331.

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	14	
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h	15	40,331.

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	40,149.
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	18	40,149.

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

Form **8949**

Department of the Treasury
Internal Revenue Service

Sales and Other Dispositions of Capital Assets

▶ Go to www.irs.gov/Form8949 for instructions and the latest information.
▶ File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No. 1545-0074

2019

Attachment Sequence No. **12A**

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no. 41-1921094

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part I **Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.
Note: You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box A, B, or C below. Check only one box. If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(A)** Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
☐ **(B)** Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
☒ **(C)** Short-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL							
PRIVATE EQUITY							
PARTNER							<182.>
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 1b** (if **Box A** above is checked), **line 2** (if **Box B** above is checked), or **line 3** (if **Box C** above is checked) ▶							<182.>

Note: If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on page 1: CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no. 41-1921094

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II Long-Term.

Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☒ **(F)** Long-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER							40,331.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) ▶							40,331.

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

MARYLAND FORM **500**

CORPORATION INCOME TAX RETURN

195000005

2019

$

OR FISCAL YEAR BEGINNING 0701 2019, ENDING 063020

411921094
Federal Employer Identification Number (9 digits)

FEIN Applied for Date (MMDDYY)

092198
Date of Organization or Incorporation (MMDDYY)

Business Activity Code No. (6 digits)

Please Print Using Blue or Black Ink Only

CLEARWAY MINNESOTA SM
Name

TWO APPLETREE SQ 8011 34TH AVE S STE 400
Current Mailing Address Line 1 (Street No. and Street Name or PO Box)

Current Mailing Address Line 2 (Apt No., Suite No., Floor No.)

MINNEAPOLIS
City or town

MN
State

55425
ZIP Code

+4

Do not write in this space.
06 ME 20 YE

STAPLE CHECK HERE

CHECK HERE IF:

- ☐ Name or address has changed
- ☐ Inactive corporation
- ☐ First filing of the corporation
- ☒ Final Return
- ☐ This tax year's beginning and ending dates are different from last year's due to an acquisition or consolidation.

SEE CORPORATION INSTRUCTIONS. ATTACH A COPY OF THE FEDERAL INCOME TAX RETURN THROUGH SCHEDULE M2.

1a. Federal Taxable Income (Enter amount from Federal Form 1120 line 28 or Form 1120-C line 25c.) See Instructions. Check applicable box:
☐ 1120 ☐ 1120-REIT ☒ 990T
☐ Other: ______ IF 1120S, FILE ON FORM 510 .... 1a. 44876.

1b. Special Deductions (Federal Form 1120 line 29b or Form 1120-C line 26b.) .... 1b.

1c. Federal Taxable Income before net operating loss deduction (Subtract line 1b from 1a) .... 1c. 44876.

MARYLAND ADJUSTMENTS TO FEDERAL TAXABLE INCOME
(All entries must be positive amounts.)

ADDITION ADJUSTMENTS

2a. Section 10-306.1 related party transactions .... 2a.

2b. Decoupling Modification Addition adjustment (Enter code letter(s) from instructions.) .... __ __ __ __ 2b.

2c. Total Maryland Addition Adjustments to Federal Taxable Income (Add lines 2a and 2b) .... 2c.

SUBTRACTION ADJUSTMENTS

3a. Section 10-306.1 related party transactions .... 3a.

3b. Dividends for domestic corporation claiming foreign tax credits (Federal form 1120/1120C Schedule C line 18) .... 3b.

3c. Dividends from related foreign corporations (Federal form 1120/1120C Schedule C line 14, 16b and 16c) .... 3c.

3d. Decoupling Modification Subtraction adjustment (Enter code letter(s) from instructions.) .... __ __ __ __ 3d.

3e. Total Maryland Subtraction Adjustments to Federal Taxable Income (Add lines 3a through 3d.) .... 3e.

4. Maryland Adjusted Federal Taxable Income before NOL deduction is applied (Add lines 1c and 2c, and subtract line 3e.) .... 4. 44876.

NAME CLEARWAY MINNES FEIN 411921094

5.	Enter Adjusted Federal NOL Carry-forward available from previous tax years (including FDSC Carry-forward) on a separate company basis (Enter NOL as a positive amount.)	▶ 5.	
6.	**Maryland Adjusted Federal Taxable Income** (If line 4 is less than or equal to zero, enter amount from line 4.) (If line 4 is greater than zero, subtract line 5 from line 4 and enter result. If result is less than zero, enter zero.)	6.	44876.
	MARYLAND ADDITION MODIFICATIONS (All entries must be positive amounts.)		
7a.	State and local income tax STATEMENT 1	▶ 7a.	4813.
7b.	Dividends and interest from another state, local or federal tax exempt obligation	▶ 7b.	
7c.	Net operating loss modification recapture (Do not enter NOL carryover. See instructions.)	▶ 7c.	
7d.	Domestic Production Activities Deduction	▶ 7d.	
7e.	Deduction for Dividends paid by captive REIT	▶ 7e.	
7f.	Other additions (Enter code letter(s) from instructions and attach schedule)	▶ 7f.	
7g.	Total Addition Modifications (Add lines 7a through 7f.)	7g.	4813.
	MARYLAND SUBTRACTION MODIFICATIONS (All entries must be positive amounts.)		
8a.	Income from US Obligations	▶ 8a.	
8b.	Other subtractions (Enter code letter(s) from instructions and attach schedule)	▶ 8b.	0.
8c.	Total Subtraction Modifications (Add lines 8a and 8b.)	8c.	0.
	NET MARYLAND MODIFICATIONS		
9.	Total Maryland Modifications (Subtract line 8c from 7g. If less than zero, enter negative amount.)	9.	4813.
10.	Maryland Modified Income (Add lines 6 and 9.)	10.	49689.
	APPORTIONMENT OF INCOME (To be completed by multistate corporations whose apportionment factor is less than 1, otherwise skip to line 13.)		
11.	Maryland apportionment factor (from page 4 of this form) (If factor is zero, enter .000001.)	▶ 11.	.008513
12.	Maryland apportionment income (Multiply line 10 by line 11.)	12.	423.
13.	Maryland taxable income (from line 10 or line 12, whichever is applicable.)	13.	423.
14.	Tax (Multiply line 13 by 8.25%.)	14.	35.
15a.	Estimated tax paid with Form 500D, Form MW506NRS and/or credited from 2018 overpayment	▶ 15a.	
15b.	Tax paid with an extension request (Form 500E)	▶ 15b.	
15c.	Nonrefundable business income tax credits from Part AAA. (See instructions for Form 500CR.)		
15d.	Refundable business income tax credits from Part DDD. (See instructions for Form 500CR.)		
15e.	The Heritage Structure Rehabilitation Tax Credit is claimed on line 1 of Part DDD on Form 500CR. Check here ☐ if you are a non-profit corporation.		
15f.	Nonresident tax paid on behalf of the corporation by pass-through entities (Attach Maryland Schedule K-1.)	▶ 15f.	
15g.	Total payments and credits (Add lines 15a through 15f.)	15g.	
16.	Balance of tax due (If line 14 exceeds line 15g, enter the difference.)	▶ 16.	35.
17.	Overpayment (If line 15g exceeds line 14, enter the difference.)	▶ 17.	
18.	Interest and/or penalty from Form 500UP ______ or late payment interest ______ TOTAL.	▶ 18.	
19.	Total balance due (Add lines 16 and 18, or if line 18 exceeds line 17 enter the difference.)	19.	35.

You must file this form electronically to claim business tax credits from Form 500CR.

NAME CLEARWAY MINNES FEIN 411921094

20. Amount of overpayment to be applied to estimated tax for 2020 (not to exceed the net of line 17 less line 18) ▶ 20. ______

21. Amount of overpayment TO BE REFUNDED (Add lines 18 and 20, and subtract the total from line 17.) ▶ 21. ______

DIRECT DEPOSIT OF REFUND (See Instructions.) **Be sure the account information is correct.**

If this refund will go to an account outside of the United States, then to comply with banking rules, place a "Y" in this box and see Instructions. ▶ ☐

For the direct deposit option, complete the following information clearly and legibly.

22a. Type of account: ▶ ☐ Checking ☐ Savings

22b. Routing Number (9-digits): ▶ ______

22c. Account number: ▶ ______

INFORMATIONAL PURPOSES ONLY (LINES 23 & 24)

23. NOL generated in Current Year - Carryforward 20 years and carry back 2 years (farming loss **ONLY**). (If line 6 is less than zero, enter on line 23.) 23. 0.

24. NAM generated in Current Year - Carried Forward/Back with Loss on Line 23 per Section 10-205(e) (If line 6 is less than zero AND line 9 is greater than zero, enter the amount from line 9 on line 24.) 24. 0.

NAME CLEARWAY MINNES FEIN 411921094

Schedule A - COMPUTATION OF APPORTIONMENT FACTOR (Applies only to multistate corporations. See instructions.)

NOTE: Special apportionment formulas are required for rental/leasing, financial institutions, transportation and manufacturing companies. Worldwide headquartered companies see instructions.	Column 1 TOTALS WITHIN MARYLAND	Column 2 TOTALS WITHIN AND WITHOUT MARYLAND	Column 3 DECIMAL FACTOR (Column 1 ÷ Column 2 rounded to six places)
1A. Receipts a. Gross receipts or sales less returns and allowances			
b. Dividends			
c. Interest			
d. Gross rents			
e. Gross royalties			
f. Capital gain net income			
g. Other income (Attach schedule.) STMT 2	423	49688	
h. Total receipts (Add lines 1A(a) through 1A(g), for Columns 1 and 2.)	423	49688	.008513
1B. Receipts Multiply factor on line 1A, Column 3 by 3. Disregard this line if special apportionment formula is used			.025539
2. Property a. Inventory			
b. Machinery and equipment			
c. Buildings			
d. Land			
e. Other tangible assets (Attach schedule.)			
f. Rent expense capitalized (multiply by eight)			
g. Total property (Add lines 2a through 2f, for Columns 1 and 2.)			.
3. Payroll a. Compensation of officers			
b. Other salaries and wages			
c. Total payroll (Add lines 3a and 3b, for Columns 1 and 2.)			.

4. **Total of factors** (Add entries in Column 3.) .034052

5. **Maryland apportionment factor** Divide line 4 by six for three-factor formula, or by the number of factors used if special apportionment formula required. (If factor is zero, enter .000001 on line 11 page 2.) .008513

☐ **Check here if special apportionment formula is used.**

MARYLAND FORM **500**

CORPORATION INCOME TAX RETURN

195000405

2019
page 5

NAME CLEARWAY MINNES FEIN 411921094

SCHEDULE B - ADDITIONAL INFORMATION REQUIRED (Attach a separate schedule if more space is necessary.)

1. Telephone number of corporation tax department: 9527671400
2. Address of principal place of business in Maryland (if other than indicated on page 1):
3. Brief description of operations in Maryland:
4. Has the Internal Revenue Service made adjustments (for a tax year in which a Maryland return was required) that were not previously reported to the Maryland Revenue Administration Division? ☐ Yes ☒ No
   If "yes", indicate tax year(s) here: ______ and submit an amended return(s) together with a copy of the IRS adjustment report(s) under separate cover.
5. Did the corporation file employer withholding tax returns/forms with the Maryland Revenue Administration Division for the last calendar year? ☐ Yes ☒ No
6. Is this entity part of the federal consolidated filing? ▶ ☐ Yes ☒ No

If a multistate operation, provide the following:

7. Is this entity a multistate corporation that is a member of a unitary group? ▶ ☐ Yes ☒ No
8. Is this entity a multistate manufacturer with more than 25 employees? ▶ ☐ Yes ☒ No

SIGNATURE AND VERIFICATION

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. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Check here ☒ if you authorize your preparer to discuss this return with us.

Officer's Signature Date 11/5/2020

David J. Willoughby, C.E.O.
Officer's Name and Title

Linda M. Nelson
LINDA M NELSON CPA
Preparer's Signature **(Required by Law)**

OLSEN THIELEN CO LTD
2675 LONG LAKE ROAD
Preparer's name/or Firm's name, address and telephone number
ROSEVILLE MN 551131117
6514834521

▶ P00205567
Preparer's PTIN **(Required by Law)**

▶ ___ ___ ___
CODE NUMBERS (3 digits per line)

INCLUDE ALL REQUIRED PAGES OF FORM 500

Make checks payable to and mail to:
Comptroller Of Maryland
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Your FEIN On Check Using Blue Or Black Ink.)

MD 500 ADDITION MODIFICATION: STATE AND LOCAL INCOME TAXES — STATEMENT 1

DESCRIPTION	AMOUNT
MARYLAND TAXES - BASED ON INCOME	35.
MASSACHUSETTS TAXES - BASED ON INCOME	1.
MINNESOTA TAXES - BASED ON INCOME	4227.
NEW YORK TAXES - BASED ON INCOME	250.
VERMONT TAXES - BASED ON INCOME	300.
TOTAL TO FORM 500, PAGE 2, LINE 7A	4813.

MD 500 RECEIPTS - OTHER INCOME — STATEMENT 2

DESCRIPTION	MARYLAND	EVERYWHERE
OTHER RECEIPTS	423.	49688.
TOTALS TO FORM 500, PAGE 4, LINE 1A(G)	423.	49688.

Form **990-T**

Department of the Treasury
Internal Revenue Service

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

For calendar year 2019 or other tax year beginning JUL 1, 2019 , and ending JUN 30, 2020

▶ 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).

OMB No. 1545-0047

2019

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

STATE COPY

A [ ] Check box if address changed

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

C Book value of all assets at end of year 6,665,760.

Print or Type

Name of organization ([ ] Check box if name changed and see instructions.)
CLEARWAY MINNESOTA (SM)

Number, street, and room or suite no. If a P.O. box, see instructions.
2 APPLETREE SQ, 8011 34TH AV S

City or town, state or province, country, and ZIP or foreign postal code
MINNEAPOLIS, MN 55425

D Employer identification number (Employees' trust, see instructions.)
41-1921094

E Unrelated business activity code (See instructions.)
900099

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. ▶ 1 Describe the only (or first) unrelated trade or business here ▶ PARTNERSHIP INVESTMENT . 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
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ LANA KOPYLOV, DIRECTOR OF FINANCE Telephone number ▶ 952-767-1406

Part I Unrelated Trade or Business Income

		Line	(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)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a	40,149.		40,149.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b	539.		539.
c	Capital loss deduction for trusts	4c			
5	Income (loss) from a partnership or an S corporation (attach statement)	5	9,015.	STMT 1	9,015.
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	49,703.		49,703.

Part II Deductions Not Taken Elsewhere
(See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

		Line	Amount
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	4,813.
20	Depreciation (attach Form 4562) — 20		
21	Less depreciation claimed on Schedule A and elsewhere on return — 21a	21b	
22	Depletion	22	
23	Contributions to deferred compensation plans	23	
24	Employee benefit programs	24	
25	Excess exempt expenses (Schedule I)	25	
26	Excess readership costs (Schedule J)	26	
27	Other deductions (attach schedule) SEE STATEMENT 2	27	744.
28	**Total deductions.** Add lines 14 through 27	28	5,557.
29	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	29	44,146.
30	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30	0.
31	Unrelated business taxable income. Subtract line 30 from line 29	31	44,146.

Part III Total Unrelated Business Taxable Income

32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32	44,146.
33	Amounts paid for disallowed fringes	33	
34	Charitable contributions (see instructions for limitation rules) STMT 4 STMT 5	34	14.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35	44,132.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	36	
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37	44,132.
38	Specific deduction (Generally $1,000, but see line 38 instructions for exceptions)	38	1,000.
39	**Unrelated business taxable income.** Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39	43,132.

Part IV Tax Computation

40	**Organizations Taxable as Corporations.** Multiply line 39 by 21% (0.21) ▶	40	9,058.
41	**Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 39 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	41	
42	**Proxy tax.** See instructions ▶	42	
43	Alternative minimum tax (trusts only)	43	
44	**Tax on Noncompliant Facility Income.** See instructions	44	
45	**Total.** Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45	9,058.

Part V Tax and Payments

46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	46a			
b	Other credits (see instructions)	46b			
c	General business credit. Attach Form 3800	46c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	46d			
e	**Total credits.** Add lines 46a through 46d			46e	
47	Subtract line 46e from line 45			47	9,058.
48	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule)			48	
49	**Total tax.** Add lines 47 and 48 (see instructions)			49	9,058.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3			50	0.
51 a	Payments: A 2018 overpayment credited to 2019	51a	2,680.		
b	2019 estimated tax payments	51b			
c	Tax deposited with Form 8868	51c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	51d			
e	Backup withholding (see instructions)	51e			
f	Credit for small employer health insurance premiums (attach Form 8941)	51f			
g	Other credits, adjustments, and payments: ☐ Form 2439 ____ ☐ Form 4136 ____ ☐ Other ____ Total ▶	51g			
52	**Total payments.** Add lines 51a through 51g			52	2,680.
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐			53	
54	**Tax due.** If line 52 is less than the total of lines 49, 50, and 53, enter amount owed ▶			54	6,378.
55	**Overpayment.** If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid ▶			55	
56	Enter the amount of line 55 you want: **Credited to 2020 estimated tax** ▶ **Refunded** ▶			56	

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

		Yes	No
57	At any time during the 2019 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 ▶ SEE STATEMENT 3	X	
58	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
59	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 | Date | ▶ CHIEF EXEC OFFICER 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
LINDA M. NELSON, CPA				P00205567
Firm's name ▶ OLSEN THIELEN & CO., LTD			Firm's EIN ▶ 41-1360831	
Firm's address ▶ 2675 LONG LAKE ROAD ST. PAUL, MN 55113			Phone no. 651-483-4521	

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

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

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%)	2. Rent received or accrued (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)	3. (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)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	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). 0.	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). 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). 0.			Enter here and on page 1, Part I, line 9, column (B). 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). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 25. 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) ▶	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 26. 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 — INCOME (LOSS) FROM PARTNERSHIPS — STATEMENT 1

DESCRIPTION	NET INCOME OR (LOSS)
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - ORDINARY BUSINE	9,668.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - NET RENTAL REAL	<746.>
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - INTEREST INCOME	633.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - DIVIDEND INCOME	100.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - OTHER INCOME (L	<640.>
TOTAL INCLUDED ON FORM 990-T, PAGE 1, LINE 5	9,015.

FORM 990-T — OTHER DEDUCTIONS — STATEMENT 2

DESCRIPTION	AMOUNT
TAX PREPARATION FEES	744.
TOTAL TO FORM 990-T, PAGE 1, LINE 27	744.

FORM 990-T — NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST — STATEMENT 3

NAME OF COUNTRY

GUERNSEY
CAYMAN ISLANDS
BRITISH VIRGIN ISLANDS

FORM 990-T CONTRIBUTIONS STATEMENT 4

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
FROM MESIROW FINANCIAL K-1	N/A	14.
TOTAL TO FORM 990-T, PAGE 2, LINE 34		14.

FORM 990-T — CONTRIBUTIONS SUMMARY — STATEMENT 5

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT		
QUALIFIED CONTRIBUTIONS SUBJECT TO 25% LIMIT		
CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS		
FOR TAX YEAR 2014		
FOR TAX YEAR 2015		
FOR TAX YEAR 2016		
FOR TAX YEAR 2017		
FOR TAX YEAR 2018		
TOTAL CARRYOVER		
TOTAL CURRENT YEAR 10% CONTRIBUTIONS	14	
TOTAL CONTRIBUTIONS AVAILABLE	14	
TAXABLE INCOME LIMITATION AS ADJUSTED	4,315	
EXCESS CONTRIBUTIONS	0	
EXCESS 100% CONTRIBUTIONS	0	
TOTAL EXCESS CONTRIBUTIONS	0	
ALLOWABLE CONTRIBUTIONS DEDUCTION		14
TOTAL CONTRIBUTION DEDUCTION		14

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

2019

Name: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? ▶ [ ] Yes [X] No

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

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				<182.>

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	<182.>

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				40,331.

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	14	
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h	15	40,331.

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	40,149.
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	18	40,149.

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

Form **8949**

Department of the Treasury
Internal Revenue Service

Sales and Other Dispositions of Capital Assets

▶ Go to www.irs.gov/Form8949 for instructions and the latest information.

▶ File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No. 1545-0074

2019

Attachment Sequence No. **12A**

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no. 41-1921094

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part I **Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

Note: You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box A, B, or C below. Check only one box. If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(A)** Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(B)** Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☒ **(C)** Short-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) Gain or (loss). Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER							<182.>
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 1b** (if **Box A** above is checked), **line 2** (if **Box B** above is checked), or **line 3** (if **Box C** above is checked) ▶							<182.>

Note: If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form 8949 (2019) Attachment Sequence No. **12A** Page **2**

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on page 1

CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no.

41-1921094

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II **Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☒ **(F)** Long-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER							40,331.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) ▶							40,331.

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2019

Attachment Sequence No. 27

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Identifying number: 41-1921094

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 ..... | 1 |

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER						539.

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows	7	539.

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years. See instructions SEE STATEMENT 6	8	660.
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions	9	0.

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	539.
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	539.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.

a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040 or Form 1040-SR), Part I, line 4	18b	

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** See line 1 before completing.)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 **If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975. See instructions	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a. See instructions	26b				
c Subtract line 26a from line 24. If residential rental property **or** line 24 isn't more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 **If section 1252 property:** Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 **If section 1254 property:** a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 **If section 1255 property:** a Applicable percentage of payments excluded from income under section 126. See instructions	29a				
b Enter the **smaller** of line 24 or 29a. See instructions	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

FORM 4797 NONRECAPTURED NET SECTION 1231 LOSSES FROM PRIOR YEARS STATEMENT 6

TAX YEAR	SECTION 1231 LOSSES	SECTION 1231 LOSSES RECAPTURED	NONRECAPTURED SECTION 1231 LOSSES
2014	0.	0.	0.
2015	0.	0.	0.
2016	0.	0.	0.
2017	0.	0.	0.
2018	660.	0.	660.
TOTAL TO FORM 4797, LINE 8	660.	0.	660.

Vermont Department of Taxes

Form CO-411

Vermont Corporate Income Tax Return

* 1 9 4 1 1 1 1 0 2 *

Check Appropriate Box(es)

- [ ] Accounting Period Change
- [ ] Amended Return
- [ ] Extended Return
- [ ] Federal Extension Requested
- [ ] Unitary Combined
- [ ] Unitary Consolidated
- [ ] PL 86-272 is Applicable
- [X] Final Return (Cancels Account)

Entity Name (Principal Vermont Corporation): CLEARWAY MINNESOTA (SM)	FEIN: 411921094	Primary 6-digit NAICS number:
Address: TWO APPLETREE SQ, 8011 34TH AVE S, S	Tax year BEGIN date (YYYYMMDD): 20190701	Tax year END date (YYYYMMDD): 20200630
Address (Line 2):	Number of companies in Water's Edge Group: 0	Number with Vermont Nexus: 0
City: MINNEAPOLIS / State: MN / ZIP Code: 55425		
Foreign Country:		

Federal tax return filed (Check one box): [ ] 1120 [ ] 1120-F [X] 990-T [ ] 1120-H [ ] Other

Place an "X" in the box left of the line number to indicate a loss amount.

Enter all amounts in whole dollars.

1. FEDERAL TAXABLE INCOME (Federal Form 1120, Line 30 plus any deduction for a federal net operating loss, Line 29a.) .... [ ] Check to indicate loss **1.** 44876 .00
2. Bonus Depreciation Adjustment (see instructions) .... [ ] Check to indicate loss **2.** .00
3. Federal Taxable Income adjusted for disallowance of Bonus Depreciation (Add Lines 1 and 2) .... [ ] Check to indicate loss **3.** 44876 .00
4. ADD (a) Interest on non-Vermont state and local Obligations .... **4a.** .00
   (b) State and local income or franchise taxes .... [ ] Check to indicate loss **4b.** 4813 .00
   LESS (c) Non-business income or loss allocated everywhere (Schedule BA-402, Line 1a, or leave blank) .... [ ] Check to indicate loss **4c.** .00
   (d) Foreign dividends received. .... **4d.** .00
   (e) Interest on U.S. Government obligations .... **4e.** .00
   (f) "Gross Up" required by IRC sec. 78 and other excludable income .... **4f.** .00
   (g) Targeted Job Credit salary and wage expense addback .... **4g.** .00
5. NET APPORTIONABLE INCOME (Add Lines 3, 4(a), and 4(b). Then subtract Lines 4(c) through 4(g).) .... [ ] Check to indicate loss **5.** 49689 .00

Check box if exception to minimum tax applies:

- [ ] SMALL FARM CORPORATION ($75 minimum)
- [ ] NO VERMONT ACTIVITY ($0)
- [ ] HOMEOWNER'S / CONDO ASSOC. (Federal Form 1120-H only) ($0)

Entity Name	
CLEARWAY MINNESOTA (SM)	
FEIN	Fiscal Year Ending (YYYYMMDD)
411921094	20200630

* 1 9 4 1 1 1 2 0 2 *

6. Vermont Percentage (100% or amount from Schedule BA-402, Line 22) Calculate percentage to six places to the right of the decimal point		6.	.000000 %
7. Apportionable Income (Form CO-411, Line 5)	☐ Check to indicate loss	7.	49689 .00
8. Income Apportioned to Vermont (Multiply Lines 6 and 7)	☐ Check to indicate loss	8.	.00
9. Income Allocated to Vermont (Schedule BA-402, Line 1b)	☐ Check to indicate loss	9.	.00
10. Foreign Dividends Allocated to Vermont (Schedule BA-402, Line 1d)		10.	.00
11. Net Vermont Income Allocated and Apportioned to Vermont (Add Lines 8, 9, and 10.)	☐ Check to indicate loss	11.	.00
12. Vermont Net Operating Loss deduction applied (attach schedule)		12.	.00
13. Vermont Net taxable Income for this entity (Line 11 minus Line 12)	☐ Check to indicate loss	13.	.00
14. Vermont Tax. Apply Vermont Tax Rates (below) to amount on Line 13		14.	300 .00
15. Credits (Schedule BA-404, Column C, Line 11)		15.	.00
16. Use Tax for taxable items on which no sales tax was charged, including online purchases		16.	.00
17. Tax Due for this entity (Subtract Line 15 from Line 14. To that result, add Line 16)		17.	300 .00
18. Gross Receipts (For purpose of minimum tax calculation. See instructions)		18.	.00

TAX COMPUTATION SCHEDULE

(Effective for taxable periods beginning January 1, 2012)

IF VERMONT NET INCOME IS	TAX IS
$10,000 or less	6.00%
$10,001 - $25,000	$600 plus 7.00% of excess over $10,000
$25,001 and over	$1,650 plus 8.50% of excess over $25,000

IF VERMONT GROSS RECEIPTS ARE	MINIMUM TAX IS
$2,000,000 or less	$300
$2,000,001 - $5,000,000	$500
$5,000,001 and over	$750

File the return on the due date required under the Internal Revenue Code, unless extended.

Pay by the due date required under the Internal Revenue Code, even if the return is extended.

Corporations with liabilities over $500, see instructions for estimated payments on Vermont Form CO-414.

Entity Name	
CLEARWAY MINNESOTA (SM)	
FEIN: 411921094	Fiscal Year Ending (YYYYMMDD): 20200630

* 1 9 4 1 1 1 3 0 2 *

Amount from Line 17 300

19. Total Tax Due (Add Line 17 plus Line 13 of all attached Schedules CO-421 ..... 19. 300 .00
20. Payments
    - 20a. Estimated Payments ..... 20a. .00
    - 20b. Payment with Extension ..... 20b. .00
    - 20c. Nonresident Estimated Payments (Form WH-435) ..... 20c. .00
    - 20d. Real Estate Withholding Payments (Form RW-171) ..... 20d. .00
    - 20e. Prior Year Overpayment Applied ..... 20e. .00

20f. Total Payments (Add Lines 20a through 20e) ..... 20f. .00

21. **Balance Due.** If Line 19 is more than Line 20f, subtract Line 20f from Line 19. Make checks payable to Vermont Department of Taxes ..... 21. 300 .00
22. Payment submitted with this return ..... 22. .00
23. Overpayment. If Line 20f is more than Line 19, Subtract Line 19 from Line 20f ..... 23. .00
24. Overpayment to be applied to next tax year ..... 24. .00
25. Overpayment to be refunded (Subtract Line 24 from Line 23) ..... 25. .00

I hereby certify that I am an officer or authorized agent responsible for the taxpayer's compliance with the requirements of Title 32 of the Vermont Statutes and that this return is true, correct, and complete to the best of my knowledge. If prepared by a person other than the taxpayer, this declaration further provides that under 32 V.S.A. ¼5901, this information has not been and will not be used for any other purpose, or made available to any other person, other than for the preparation of this return unless a separate valid consent form is signed by the taxpayer and retained by the preparer.

Signature of Responsible Officer	Date (MMDDYYYY)	Daytime Telephone Number
D. J. Willoughby	11/5/2020	952-767-1400
Printed Name: David J. Willoughby	Email Address (optional)	

[X] Check if the Department of Taxes may discuss this return with the preparer shown.

Paid Preparer's Signature	Date (MMDDYYYY)	Preparer's Telephone Number
Luise M. Nelson	10/27/2020	651-483-4521
Preparer's Printed Name: OLSEN THIELEN & CO., LT	Email Address (optional)	
Firm's Name (or yours if self-employed): 2675 LONG LAKE ROAD	EIN	Preparer's SSN or PTIN
Firm's Address (or yours if self-employed) (Street, City, State, ZIP Code): ROSEVILLE, MN 55113		[ ] Check if self-employed

Send return and check to: Vermont Department of Taxes
133 State Street
Montpelier, VT 05633-1401

For Department Use Only	
Ck. Amt.	Init.

Vermont Department of Taxes

Schedule BA-402

Vermont Apportionment & Allocation

* 1 9 4 0 2 1 1 0 2 *

For Unitary filers, complete a separate Schedule BA-402 for each taxable affiliate

Attach to Form CO-411 or Form BI-471

Entity Name (same as on Form CO-411 or Form BI-471)	Fiscal Year Ending (YYYYMMDD)	FEIN
CLEARWAY MINNESOTA (SM)	20200630	411921094
FOR UNITARY GROUPS ONLY - Name of Affiliate		Affiliate's FEIN

PART 1 Directly Allocated Non-Business Income, Other Non-Apportionable Income and Foreign Dividends

Place an "x" in the box left of the line number to indicate a loss amount.

Enter all amounts in WHOLE DOLLARS.

	Everywhere	Vermont
1a-b. Nonbusiness Income or Other Non-Apportionable Income	☐ Check to indicate loss 1a. .00	☐ Check to indicate loss 1b. .00
1c-d. Foreign Dividends	☐ Check to indicate loss 1c. .00	☐ Check to indicate loss 1d. .00

PART 2 Sales and Receipts Factor

Section A Sales and Receipts Factor

	Everywhere	Vermont
2. Sales or gross receipts	2. .00	
3. Services performed in Vermont		3. .00
4. Sales delivered or shipped to purchasers in Vermont from outside Vermont		4. .00
5. Sales delivered or shipped to purchasers in Vermont from within Vermont		5. .00
6. Sales shipped from Vermont to the U.S. Government		6. .00
7. Sales shipped from Vermont to purchasers in a state where the entity is not taxable		7. .00
8. Business interest	8a. .00	8b. .00
9. Royalties	9a. .00	9b. .00
10. Gross rents	10a. STMT 1 .00	10b. .00
11. Other business income (attach detailed supporting statement)	11a. 49688 .00	11b. .00
12. TOTAL INCOME, SALES, AND GROSS RECEIPTS (Add Lines 2-11)	12a. 49688 .00	12b. .00

12c. Vermont Sales and Receipts factor as percent of Everywhere. (Divide Line 12b by Line 12a). Calculate percentage to six places to the right of the decimal point ..... 12c. .000000 %

Entity Name (same as on Form CO-411 or Form BI-471)	
CLEARWAY MINNESOTA (SM)	
FEIN 411921094	Fiscal Year Ending (YYYYMMDD) 20200630

* 1 9 4 0 2 1 2 0 2 *

Section B Salaries and Wages Factor

		Everywhere		Vermont
13. TOTAL SALARIES AND WAGES	13a.	.00	13b.	.00
13c. Vermont as percent of Everywhere (Divide Line 13b by Line 13a). Calculate percentage to six places to the right of the decimal point			13c.	.000000 %

Section C Property Factor (Average value during year)

		Everywhere		Vermont
14. Inventories	14a.	.00	14b.	.00
15. Buildings and other depreciable assets (original cost)	15a.	.00	15b.	.00
16. Depletable assets (original cost)	16a.	.00	16b.	.00
17. Land	17a.	.00	17b.	.00
18. Other assets (attach schedule)	18a.	.00	18b.	.00
19. Rented real and personal property (Multiply annual rent by 8)	19a.	.00	19b.	.00
20. TOTAL PROPERTY (Add Lines 14 through 19)	20a.	.00	20b.	.00
20c. Vermont as percent of Everywhere (Divide Line 20b by Line 20a) Calculate percentage to six places to the right of the decimal point			20c.	%

Section D Vermont Apportionment Factors

21. VERMONT COMBINED FACTORS (Sales and Receipts, Double-weighted) (Add Line 12c twice, and Lines 13c and 20c above). Calculate percentage to six places to the right of the decimal point ..... 21. .000000 %

22. VERMONT APPORTIONMENT FACTOR (Divide Line 21 by 4 or as indicated below). Calculate percentage to six places to the right of the decimal point ..... 22. .000000 %

Express as a decimal to six places. If there are less than three factors with an "Everywhere" denominator, then divide Line 21 as follows:

- Sales/Receipts and Salaries and Wages - divide by 3
- Sales/Receipts and Property - divide by 3
- Salaries and Wages and Property - divide by 2
- Sales/Receipts only - divide by 2
- Salaries and Wages only - divide by 1
- Property only - divide by 1

(Transcribe to Form CO-411, Line 6; or Schedule CO-421, Line 1; or Schedule BI-472, Line 10; or Schedule BI-473, Line 11.)

VT BA-402 SECTION A OTHER BUSINESS INCOME STATEMENT 1

DESCRIPTION	EVERYWHERE	VERMONT
OTHER RECEIPTS	49,688.	0.
TOTALS TO FORM BA-402, PAGE 1, LINE 11	49,688.	0.

Form **990-T**

Department of the Treasury
Internal Revenue Service

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

For calendar year 2019 or other tax year beginning JUL 1, 2019 , and ending JUN 30, 2020 .

▶ 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).

OMB No. 1545-0047

2019

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

A [ ] Check box if address changed

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

C Book value of all assets at end of year 6,665,760.

Print or Type

Name of organization ([ ] Check box if name changed and see instructions.)
CLEARWAY MINNESOTA (SM)

Number, street, and room or suite no. If a P.O. box, see instructions.
2 APPLETREE SQ, 8011 34TH AV S

City or town, state or province, country, and ZIP or foreign postal code
MINNEAPOLIS, MN 55425

D Employer identification number (Employees' trust, see instructions.)
41-1921094

E Unrelated business activity code (See instructions.)
900099

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. ▶ 1 Describe the only (or first) unrelated trade or business here ▶ PARTNERSHIP INVESTMENT . 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
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ LANA KOPYLOV, DIRECTOR OF FINANCE Telephone number ▶ 952-767-1406

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)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a	40,149.		40,149.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b	539.		539.
c	Capital loss deduction for trusts	4c			
5	Income (loss) from a partnership or an S corporation (attach statement)	5	9,015.	STMT 1	9,015.
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	49,703.		49,703.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(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	4,813.
20	Depreciation (attach Form 4562)	20		
21	Less depreciation claimed on Schedule A and elsewhere on return	21a	21b	
22	Depletion		22	
23	Contributions to deferred compensation plans		23	
24	Employee benefit programs		24	
25	Excess exempt expenses (Schedule I)		25	
26	Excess readership costs (Schedule J)		26	
27	Other deductions (attach schedule) SEE STATEMENT 2		27	744.
28	**Total deductions.** Add lines 14 through 27		28	5,557.
29	Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13		29	44,146.
30	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30	0.
31	Unrelated business taxable income. Subtract line 30 from line 29		31	44,146.

Part III Total Unrelated Business Taxable Income

32	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	32	44,146.
33	Amounts paid for disallowed fringes	33	
34	Charitable contributions (see instructions for limitation rules) STMT 4 STMT 5	34	14.
35	Total unrelated business taxable income before pre-2018 NOLs and specific deduction. Subtract line 34 from the sum of lines 32 and 33	35	44,132.
36	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	36	
37	Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35	37	44,132.
38	Specific deduction (Generally $1,000, but see line 38 instructions for exceptions)	38	1,000.
39	**Unrelated business taxable income.** Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37	39	43,132.

Part IV Tax Computation

40	**Organizations Taxable as Corporations.** Multiply line 39 by 21% (0.21) ▶	40	9,058.
41	**Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 39 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	41	
42	**Proxy tax.** See instructions ▶	42	
43	Alternative minimum tax (trusts only)	43	
44	**Tax on Noncompliant Facility Income.** See instructions	44	
45	**Total.** Add lines 42, 43, and 44 to line 40 or 41, whichever applies	45	9,058.

Part V Tax and Payments

46a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	46a			
b	Other credits (see instructions)	46b			
c	General business credit. Attach Form 3800	46c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	46d			
e	**Total credits.** Add lines 46a through 46d			46e	
47	Subtract line 46e from line 45			47	9,058.
48	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule)			48	
49	**Total tax.** Add lines 47 and 48 (see instructions)			49	9,058.
50	2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3			50	0.
51 a	Payments: A 2018 overpayment credited to 2019	51a	2,680.		
b	2019 estimated tax payments	51b			
c	Tax deposited with Form 8868	51c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	51d			
e	Backup withholding (see instructions)	51e			
f	Credit for small employer health insurance premiums (attach Form 8941)	51f			
g	Other credits, adjustments, and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶	51g			
52	**Total payments.** Add lines 51a through 51g			52	2,680.
53	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐			53	
54	**Tax due.** If line 52 is less than the total of lines 49, 50, and 53, enter amount owed ▶			54	6,378.
55	**Overpayment.** If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid ▶			55	
56	Enter the amount of line 55 you want: **Credited to 2020 estimated tax** ▶ **Refunded** ▶			56	

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

		Yes	No
57	At any time during the 2019 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 ▶ SEE STATEMENT 3	X	
58	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
59	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 | Date | ▶ CHIEF EXEC OFFICER 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
LINDA M. NELSON, CPA				P00205567
Firm's name ▶ OLSEN THIELEN & CO., LTD			Firm's EIN ▶ 41-1360831	
Firm's address ▶ 2675 LONG LAKE ROAD ST. PAUL, MN 55113			Phone no. 651-483-4521	

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		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				
b Other costs (attach schedule)	4b				
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) ▶		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)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

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

		Exempt Controlled Organizations			
1. Name of controlled organization	2. Employer identification number	3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶			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).
Totals ▶	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 25.
Totals ▶	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) ▶	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 26. 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.

CLEARWAY MINNESOTA (SM) 41-1921094

FORM 990-T	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT 1

DESCRIPTION	NET INCOME OR (LOSS)
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - ORDINARY BUSINE	9,668.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - NET RENTAL REAL	<746.>
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - INTEREST INCOME	633.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - DIVIDEND INCOME	100.
MESIROW FINANCIAL PRIVATE EQUITY PARTNERSHIP FUND IV, L.P. - OTHER INCOME (L	<640.>
TOTAL INCLUDED ON FORM 990-T, PAGE 1, LINE 5	9,015.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT 2

DESCRIPTION	AMOUNT
TAX PREPARATION FEES	744.
TOTAL TO FORM 990-T, PAGE 1, LINE 27	744.

FORM 990-T	NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST	STATEMENT 3

NAME OF COUNTRY

GUERNSEY
CAYMAN ISLANDS
BRITISH VIRGIN ISLANDS

FORM 990-T | CONTRIBUTIONS | STATEMENT 4

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
FROM MESIROW FINANCIAL K-1	N/A	14.
TOTAL TO FORM 990-T, PAGE 2, LINE 34		14.

FORM 990-T CONTRIBUTIONS SUMMARY STATEMENT 5

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT		
QUALIFIED CONTRIBUTIONS SUBJECT TO 25% LIMIT		
CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS		
FOR TAX YEAR 2014		
FOR TAX YEAR 2015		
FOR TAX YEAR 2016		
FOR TAX YEAR 2017		
FOR TAX YEAR 2018		
TOTAL CARRYOVER		
TOTAL CURRENT YEAR 10% CONTRIBUTIONS	14	
TOTAL CONTRIBUTIONS AVAILABLE	14	
TAXABLE INCOME LIMITATION AS ADJUSTED	4,315	
EXCESS CONTRIBUTIONS	0	
EXCESS 100% CONTRIBUTIONS	0	
TOTAL EXCESS CONTRIBUTIONS	0	
ALLOWABLE CONTRIBUTIONS DEDUCTION		14
TOTAL CONTRIBUTION DEDUCTION		14

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

2019

Name: CLEARWAY MINNESOTA (SM)

Employer identification number: 41-1921094

Did the corporation dispose of any investment(s) in a qualified opportunity fund during the tax year? ▶ ☐ Yes ☒ No
If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

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				<182.>

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	<182.>

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				40,331.

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	14	
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h	15	40,331.

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	40,149.
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	18	40,149.

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

Form **8949**

Department of the Treasury
Internal Revenue Service

Sales and Other Dispositions of Capital Assets

▶ Go to www.irs.gov/Form8949 for instructions and the latest information.
▶ File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

OMB No. 1545-0074

2019

Attachment Sequence No. **12A**

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no. 41-1921094

Before you check Box A, B, or C below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part I **Short-Term.** Transactions involving capital assets you held 1 year or less are generally short-term (see instructions). For long-term transactions, see page 2.

Note: You may aggregate all short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 1a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box A, B, or C below. Check only one box. If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(A)** Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
☐ **(B)** Short-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
☒ **(C)** Short-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). **See instructions.** (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL							
PRIVATE EQUITY							
PARTNER							
							<182.>
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 1b** (if **Box A** above is checked), **line 2** (if **Box B** above is checked), or **line 3** (if **Box C** above is checked) ▶							<182.>

Note: If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on page 1

CLEARWAY MINNESOTA (SM)

Social security number or taxpayer identification no.

41-1921094

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II **Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- [ ] **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- [ ] **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- [X] **(F)** Long-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price)	(e) Cost or other basis. See the **Note** below and see *Column (e)* in the instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See instructions. (f) Code(s)	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) & combine the result with column (g)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER							40,331.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) ▶							40,331.

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2019

Attachment Sequence No. 27

Name(s) shown on return: CLEARWAY MINNESOTA (SM)

Identifying number: 41-1921094

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 ..... **1**

Part I **Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year** (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
MESIROW FINANCIAL PRIVATE EQUITY PARTNER						539.

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows	7	539.

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years. See instructions SEE STATEMENT 6	8	660.
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions	9	0.

Part II **Ordinary Gains and Losses** (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	539.
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	539.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.		
a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040 or Form 1040-SR), Part I, line 4	18b	

LHA **For Paperwork Reduction Act Notice, see separate instructions.**

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** See line 1 before completing.)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 **If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975. See instructions	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a. See instructions	26b				
c Subtract line 26a from line 24. If residential rental property **or** line 24 isn't more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 **If section 1252 property:** Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 **If section 1254 property:** a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 **If section 1255 property:** a Applicable percentage of payments excluded from income under section 126. See instructions	29a				
b Enter the **smaller** of line 24 or 29a. See instructions	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

FORM 4797 NONRECAPTURED NET SECTION 1231 LOSSES FROM PRIOR YEARS STATEMENT 6

TAX YEAR	SECTION 1231 LOSSES	SECTION 1231 LOSSES RECAPTURED	NONRECAPTURED SECTION 1231 LOSSES
2014	0.	0.	0.
2015	0.	0.	0.
2016	0.	0.	0.
2017	0.	0.	0.
2018	660.	0.	660.
TOTAL TO FORM 4797, LINE 8	660.	0.	660.

ClearWay[SM]
MINNESOTA

Appendix M

Charitable Organization Annual Report
For June 30, 2020

TAX RETURN FILING INSTRUCTIONS

MINNESOTA ANNUAL REPORT

FOR THE YEAR ENDING

JUNE 30, 2020

Prepared for	CLEARWAY MINNESOTA (SM) 2 APPLETREE SQ, 8011 34TH AV S MINNEAPOLIS, MN 55425
Prepared by	OLSEN THIELEN & CO., LTD 2675 LONG LAKE ROAD ST. PAUL, MN 55113
Amount due or refund	BALANCE DUE OF $25.00
Make check payable to	STATE OF MINNESOTA
Mail tax return and check (if applicable) to	MINNESOTA ATTORNEY GENERALS OFFICE CHARITIES DIVISION 445 MINNESOTA STREET, SUITE 1200 ST. PAUL, MN 55101-2130
Return must be mailed on or before	JANUARY 15, 2021
Special Instructions	THE REPORT SHOULD BE SIGNED AND DATED BY THE AUTHORIZED INDIVIDUAL(S). INCLUDE THE ORGANIZATION'S FEDERAL EMPLOYER IDENTIFICATION NUMBER AND 2019 ANNUAL REPORT ON THE REMITTANCE. PLEASE COMPLETE THE "SIGNATURES AND AKNOWLEDGMENT" SECTION, ALSO ON PAGE 6

Mail To: Minnesota Attorney General's Office Charities Division 445 Minnesota Street, Suite 1200 St. Paul, MN 55101-2130 **Website Address:** *www.ag.state.mn.us/charity*	**STATE OF MINNESOTA** **CHARITABLE ORGANIZATION ANNUAL REPORT FORM** (Pursuant to Minn. Stat. ch. 309)	C2

SECTION A: Organization Information

Legal Name of Organization CLEARWAY MINNESOTA (SM)

Federal EIN: 41-1921094

Fiscal Year-End: 06302020
mm/dd/yyyy

Did the organization's fiscal year-end change? ☐ Yes ☒ No

Mailing Address:	**Physical Address:**
DAVID WILLOUGHBY Contact Person	DAVID WILLOUGHBY Contact Person
2 APPLETREE SQ, 8011 34TH AV S Street Address	2 APPLETREE SQ, 8011 34TH AV S Street Address
MINNEAPOLIS, MN 55425 City, State, and ZIP Code	MINNEAPOLIS, MN 55425 City, State, and ZIP Code
952-767-1400 Phone Number	952-767-1400 Phone Number
DWILLOUGHBY@CLEARWAYMN.ORG Email Address	DWILLOUGHBY@CLEARWAYMN.ORG Email Address

1. Organization's website: WWW.CLEARWAYMN.ORG

2. List all of the organization's alternate and former names (attach list if more space is needed).
   ☐ Alternate ☐ Former
   ☐ Alternate ☐ Former

3. List all names under which the organization solicits contributions (attach list if more space is needed).

4. Is the organization incorporated pursuant to Minn. Stat. ch. 317A? ☒ Yes ☐ No

5. Total amount of contributions the organization received from Minnesota donors: $ 3,438.

6. Has the organization's tax-exempt status with the IRS changed?
   ☐ Yes ☒ No If yes, attach explanation.

7. Has the organization significantly changed its purpose(s) or program(s)?
   ☐ Yes ☒ No If yes, attach explanation.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

8. Has the organization been denied the right to solicit contributions by any court or government agency?
☐ Yes ☒ No If yes, attach explanation.

9. Does the organization use the services of a professional fundraiser (outside solicitor or consultant) to solicit contributions in Minnesota? ☐ Yes ☒ No
If yes, provide the following information for each (attach list if more space is needed):

Name of Professional Fundraiser | Compensation

Street Address | City, State, and ZIP Code

10. Is the organization a food shelf? ☐ Yes ☒ No
If yes, is the organization required to file an audit? ☐ Yes, audit attached ☐ No
Note: An organization that has total revenue of more than $750,000 is required to file an audit prepared in accordance with generally accepted accounting principles by an independent CPA or LPA. The value of donated food to a nonprofit food shelf may be excluded from the total revenue if the food is donated for subsequent distribution at no charge and is not resold.

11. Do any directors, officers, or employees of the organization or its related organization(s) receive total compensation* of more than $100,000? ☒ Yes ☐ No
If yes, provide the following information for the five highest paid individuals:

Name and title	Compensation*	Other compensation
DAVID J. WILLOUGHBY CHIEF EXECUTIVE OFFICER	189,462.	50,046.
MOLLY MOILANEN VICE PRESIDENT	142,565.	42,280.
PAULA KELLER VICE PRESIDENT	137,050.	41,528.
LANA KOPYLOV DIRECTOR OF FINANCE	117,731.	33,385.
AMY HENDERSON CHIEF OF STAFF	112,006.	30,676.

*Compensation is defined as the total amount reported on Form W-2 (Box 5) or Form 1099-MISC (Box 7) issued by the organization and its related organizations to the individual. *See* Minn. Stat. § 309.53, subd. 3(i) and Minn. Stat. § 317A.011 for definitions.

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

SECTION B: Financial Information

This section must be completed by organizations that file an IRS Form 990-EZ, 990-PF, or 990-N. Organizations that file an IRS Form 990 may skip Section B and go directly to Section C.

INCOME

1.	Contributions Received	$ ____________	1
2.	Government Grants	$ ____________	2
3.	Program Service Revenue	$ ____________	3
4.	Other Revenue	$ ____________	4
5.	**TOTAL INCOME**	**$ ____________**	**5**

EXPENSES

6.	Program Expenses	$ ____________	6
7.	Management & General Expenses	$ ____________	7
8.	Fund-raising Expenses	$ ____________	8
9.	**TOTAL EXPENSES**	**$ ____________**	**9**
10.	**EXCESS or DEFICIT** (Line 5 minus Line 9)	**$ ____________**	**10**

ASSETS

11.	Cash	$ ____________	11
12.	Land, Buildings & Equipment	$ ____________	12
13.	Other Assets	$ ____________	13
14.	**TOTAL ASSETS**	**$ ____________**	**14**

LIABILITIES

15.	Accounts Payable	$ ____________	15
16.	Grants Payable	$ ____________	16
17.	Other Liabilities	$ ____________	17
18.	**TOTAL LIABILITIES**	**$ ____________**	**18**

FUND BALANCE/NET WORTH

$ ____________

(Line 14 minus Line 18)

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

Section B (continued): Statement of Functional Expenses

This expense statement must be prepared in accordance with generally accepted accounting principles. Each column must be completed, and Columns B, C, and D must equal Column A. The amount on Line 25, Column A must match Line 17 of IRS Form 990-EZ or Line 26 of IRS Form 990-PF.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1. Grants and other assistance to governments and organizations in the U.S.				
2. Grants and other assistance to individuals in the U.S.				
3. Grants and other assistance to governments, organizations, and individuals outside the U.S.				
4. Benefits paid to or for members				
5. Compensation of current officers, directors, trustees, and key employees				
6. Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B)				
7. Other salaries and wages				
8. Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9. Other employee benefits				
10. Payroll taxes				
11. Fees for services (non-employees):				
a. Management				
b. Legal				
c. Accounting				
d. Lobbying				
e. Professional fundraising services				
f. Investment management fees				
g. Other				
12. Advertising and promotion				
13. Office expenses				
14. Information technology				
15. Royalties				
16. Occupancy				
17. Travel				
18. Payments of travel or entertainment expenses for any federal, state, or local public officials				
19. Conferences, conventions, and meetings				
20. Interest				
21. Payments to affiliates				
22. Depreciation, depletion, and amortization				
23. Insurance				
24. Other expenses. Itemize expenses not covered above. Expenses labeled miscellaneous may not exceed 5% of total expenses (Line 25).				
a.				
b.				
c.				
d.				
25. **Total functional expenses.** Add lines 1 through 24d				
26. **Joint costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in Column B joint costs from a combined educational campaign and fundraising solicitation				

C2

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

Section C: Board of Directors Signatures and Acknowledgment

The form must be executed pursuant to a resolution of the board of directors, trustees, or managing group and must be signed by two officers of the organization. *See* Minn. Stat. § 309.52, subd. 3.

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

CHAIR, BOARD OF DIRECTOR (Title) and TREASURER (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

__________ (Board of Directors, Trustees, or Managing Group) adopted on the ______

day of ______, 20___, approving the contents of the document, and do hereby certify that the

__________ (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the operations and finances of the organization. We further state that the information supplied is true, correct and complete to the best of our knowledge.

LAURIE LAFONTAINE	GREGORY WULF
Name (Print)	Name (Print)
Laurie Lafontaine	Gregory R. Wulf
Signature	Signature
CHAIR, BOARD OF DIRECTORS	TREASURER
Title	Title
9/16/2020	10/28/2020
Date	Date