

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

180608 11493 OMB No 1545-0687

For calendar year 2017 or other tax year beginning 07/01, 2017, and ending 06/30, 2018

2017

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form990T for instructions and the latest information. Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Header section containing: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets at end of year; D Employer identification number; E Unrelated business activity codes; F Group exemption number; G Check organization type.

H Describe the organization's primary unrelated business activity: LABORATORY TESTING FOR NON-PATIENTS. I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? X Yes. J The books are in care of THOMAS TODOROW Telephone number 215-590-1000.

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include: 1a Gross receipts or sales 1,052,240; 2 Cost of goods sold 565,100; 3 Gross profit 487,140; 12 Other income 4,966,215; 13 Total. Combine lines 3 through 12. 5,453,355.

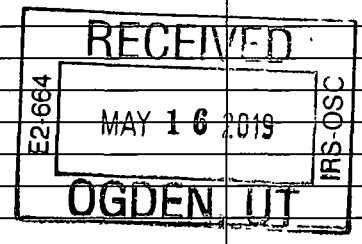


Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include: 14 Compensation of officers, directors, and trustees; 20 Charitable contributions (ATTACHMENT 5); 28 Other deductions (ATTACHMENT 3); 29 Total deductions 771,449; 30 Unrelated business taxable income before net operating loss deduction 4,681,906; 31 Net operating loss deduction (ATTACHMENT 6) 4,681,906; 34 Unrelated business taxable income 0.

SCANNED JUL 01 2019

293931450650549

616

Part III Tax Computation

Table with 4 columns: Line number, Description, Amount, and Total. Includes rows for Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), Tax on Non-Compliant Facility Income (39), and Total (40).

Part IV Tax and Payments

Table with 4 columns: Line number, Description, Amount, and Total. Includes rows for Foreign tax credit (41a-d), Total credits (41e), Subtract line 41e from line 40 (42), Other taxes (43), Total tax (44), Payments (45a-f), Total payments (46), Estimated tax penalty (47), Tax due (48), Overpayment (49), and Refunded (50).

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

Table with 3 columns: Question number, Question text, and Yes/No columns. Includes questions 51, 52, and 53 regarding foreign interests and tax-exempt interest.

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. Preparer or preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: THOMAS J TODOROW, Date: 4/29/19, Title: ASSISTANT TREASURER. Includes a box for 'May the IRS discuss this return with the preparer shown below?' with 'Yes' checked.

Paid Preparer Use Only section containing: Print/Type preparer's name (ERICA R MCREYNOLDS), Preparer's Signature (Erica M), Date (04/22/2019), Firm's name (PRICEWATERHOUSECOOPERS LLP), Firm's EIN (13-4008324), Firm's address (2001 MARKET ST, SUITE 1800, PHILADELPHIA, PA 19103), and Phone no (267-330-3000).

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

<b>1</b> Inventory at beginning of year	<b>1</b>		<b>6</b> Inventory at end of year	<b>6</b>	
<b>2</b> Purchases	<b>2</b>		<b>7</b> Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2.	<b>7</b>	565,100.
<b>3</b> Cost of labor	<b>3</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
<b>4a</b> Additional section 263A costs (attach schedule)	<b>4a</b>				
<b>b</b> Other costs (attach schedule)**	<b>4b</b>	565,100.			
<b>5</b> Total. Add lines 1 through 4b	<b>5</b>	565,100.			X

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions) \*\* ATCH 4

**1. Description of property**

(1)
(2)
(3)
(4)

**2. Rent received or accrued**

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	

**(c) Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . ▶

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

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

1 Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
<b>Totals</b> . . . . . ▶				
<b>Total dividends-received deductions</b> included in column 8 . . . . . ▶				

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

Table with 6 columns: 1 Name of controlled organization, 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.

Nonexempt Controlled Organizations

Table with 5 columns: 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.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

Table with 5 columns: 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).

Totals

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

Table with 7 columns: 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, 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).

Totals

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 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).

Totals (carry to Part II, line (5))

**Part II** Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I.</b> . . . . . ▶						
<b>Totals, Part II (lines 1-5)</b> . . . . . ▶	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27

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

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

# Alternative Minimum Tax - Corporations

**2017**

▶ Attach to the corporation's tax return.

▶ Go to [www.irs.gov/Form4626](http://www.irs.gov/Form4626) for instructions and the latest information.

Name **THE CHILDREN'S HOSPITAL OF PHILADELPHIA** Employer identification number **23-1352166**

**Note:** See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e)

<b>1</b>	Taxable income or (loss) before net operating loss deduction . . . . .	<b>1</b>	<b>4,681,906.</b>
<b>2</b>	<b>Adjustments and preferences:</b>		
<b>a</b>	Depreciation of post-1986 property . . . . .	<b>2a</b>	
<b>b</b>	Amortization of certified pollution control facilities . . . . .	<b>2b</b>	
<b>c</b>	Amortization of mining exploration and development costs . . . . .	<b>2c</b>	
<b>d</b>	Amortization of circulation expenditures (personal holding companies only) . . . . .	<b>2d</b>	
<b>e</b>	Adjusted gain or loss . . . . .	<b>2e</b>	
<b>f</b>	Long-term contracts . . . . .	<b>2f</b>	
<b>g</b>	Merchant marine capital construction funds. . . . .	<b>2g</b>	
<b>h</b>	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only) . . . . .	<b>2h</b>	
<b>i</b>	Tax shelter farm activities (personal service corporations only) . . . . .	<b>2i</b>	
<b>j</b>	Passive activities (closely held corporations and personal service corporations only) . . . . .	<b>2j</b>	
<b>k</b>	Loss limitations . . . . .	<b>2k</b>	
<b>l</b>	Depletion . . . . .	<b>2l</b>	
<b>m</b>	Tax-exempt interest income from specified private activity bonds . . . . .	<b>2m</b>	
<b>n</b>	Intangible drilling costs . . . . .	<b>2n</b>	
<b>o</b>	Other adjustments and preferences . . . . . SEE. STATEMENT. . . 7.	<b>2o</b>	<b>-51,450.</b>
<b>3</b>	Pre-adjustment alternative minimum taxable income (AMTI) Combine lines 1 through 2o . . . . .	<b>3</b>	<b>4,630,456.</b>
<b>4</b>	<b>Adjusted current earnings (ACE) adjustment:</b>		
<b>a</b>	ACE from line 10 of the ACE worksheet in the instructions . . . . .	<b>4a</b>	<b>4,630,456.</b>
<b>b</b>	Subtract line 3 from line 4a If line 3 exceeds line 4a, enter the difference as a negative amount See instructions . . . . .	<b>4b</b>	
<b>c</b>	Multiply line 4b by 75% (0.75) Enter the result as a positive amount . . . . .	<b>4c</b>	
<b>d</b>	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments See instructions <b>Note: You must enter an amount on line 4d (even if line 4b is positive)</b> . . . . .	<b>4d</b>	
<b>e</b>	ACE adjustment • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the <b>smaller</b> of line 4c or line 4d as a negative amount } . . . . .	<b>4e</b>	
<b>5</b>	Combine lines 3 and 4e If zero or less, stop here, the corporation does not owe any AMT . . . . .	<b>5</b>	<b>4,630,456.</b>
<b>6</b>	Alternative tax net operating loss deduction See instructions . . . . SEE. STATEMENT. . . 8.	<b>6</b>	<b>4,167,410.</b>
<b>7</b>	<b>Alternative minimum taxable income.</b> Subtract line 6 from line 5 If the corporation held a residual interest in a REMIC, see instructions . . . . .	<b>7</b>	<b>463,046.</b>
<b>8</b>	<b>Exemption phase-out</b> (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c)		
<b>a</b>	Subtract \$150,000 from line 7 If completing this line for a member of a controlled group, see instructions If zero or less, enter -0- . . . . .	<b>8a</b>	
<b>b</b>	Multiply line 8a by 25% (0.25) . . . . .	<b>8b</b>	
<b>c</b>	Exemption Subtract line 8b from \$40,000 If completing this line for a member of a controlled group, see instructions If zero or less, enter -0- . . . . .	<b>8c</b>	
<b>9</b>	Subtract line 8c from line 7 If zero or less, enter -0- . . . . .	<b>9</b>	<b>463,046.</b>
<b>10</b>	Multiply line 9 by 20% (0.20) . . . . .	<b>10</b>	<b>46,685.</b>
<b>11</b>	Alternative minimum tax foreign tax credit (AMTFTC) See instructions . . . . .	<b>11</b>	
<b>12</b>	Tentative minimum tax Subtract line 11 from line 10. . . . .	<b>12</b>	<b>46,685.</b>
<b>13</b>	Regular tax liability before applying all credits except the foreign tax credit . . . . .	<b>13</b>	<b>NONE</b>
<b>14</b>	<b>Alternative minimum tax.</b> Subtract line 13 from line 12 If zero or less, enter -0- Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return . . . . .	<b>14</b>	<b>46,685.</b>

For Paperwork Reduction Act Notice, see separate instructions.

**Adjusted Current Earnings (ACE) Worksheet**

Keep for Your Records

▶ See ACE Worksheet Instructions

<b>1</b>	Pre-adjustment AMTI Enter the amount from line 3 of Form 4626. . . . .		<b>1</b>	4,630,456.
<b>2</b>	ACE depreciation adjustment			
	<b>a</b> AMT depreciation . . . . .	<b>2a</b>		
	<b>b</b> ACE depreciation			
	<b>(1)</b> Post-1993 property . . . . .	<b>2b(1)</b>		
	<b>(2)</b> Post-1989, pre-1994 property . . . . .	<b>2b(2)</b>		
	<b>(3)</b> Pre-1990 MACRS property . . . . .	<b>2b(3)</b>		
	<b>(4)</b> Pre-1990 original ACRS property. . . . .	<b>2b(4)</b>		
	<b>(5)</b> Property described in sections 168(f)(1) through <b>(4)</b> . . . . .	<b>2b(5)</b>		
	<b>(6)</b> Other property . . . . .	<b>2b(6)</b>		
	<b>(7)</b> Total ACE depreciation Add lines 2b(1) through 2b(6) . . . . .	<b>2b(7)</b>		
	<b>c</b> ACE depreciation adjustment Subtract line 2b(7) from line 2a. . . . .		<b>2c</b>	
<b>3</b>	Inclusion in ACE of items included in earnings and profits (E&P)			
	<b>a</b> Tax-exempt interest income . . . . .	<b>3a</b>		
	<b>b</b> Death benefits from life insurance contracts . . . . .	<b>3b</b>		
	<b>c</b> All other distributions from life insurance contracts (including surrenders) . . . . .	<b>3c</b>		
	<b>d</b> Inside buildup of undistributed income in life insurance contracts . . . . .	<b>3d</b>		
	<b>e</b> Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list) . . . . .	<b>3e</b>		
	<b>f</b> Total increase to ACE from inclusion in ACE of items included in E&P Add lines 3a through 3e . . . . .		<b>3f</b>	
<b>4</b>	Disallowance of items not deductible from E&P			
	<b>a</b> Certain dividends received. . . . .	<b>4a</b>		
	<b>b</b> Dividends paid on certain preferred stock of public utilities that are deductible under section 247 (as affected by P L 113-295, Div A, section 221(a)(41)(A), Dec 19, 2014, 128 Stat. 4043). . . . .	<b>4b</b>		
	<b>c</b> Dividends paid to an ESOP that are deductible under section 404(k) . . . . .	<b>4c</b>		
	<b>d</b> Nonpatronage dividends that are paid and deductible under section 1382(c). . . . .	<b>4d</b>		
	<b>e</b> Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list). . . . .	<b>4e</b>		
	<b>f</b> Total increase to ACE because of disallowance of items not deductible from E&P Add lines 4a through 4e . . . . .		<b>4f</b>	
<b>5</b>	Other adjustments based on rules for figuring E&P			
	<b>a</b> Intangible drilling costs . . . . .	<b>5a</b>		
	<b>b</b> Circulation expenditures . . . . .	<b>5b</b>		
	<b>c</b> Organizational expenditures . . . . .	<b>5c</b>		
	<b>d</b> LIFO inventory adjustments . . . . .	<b>5d</b>		
	<b>e</b> Installment sales . . . . .	<b>5e</b>		
	<b>f</b> Total other E&P adjustments Combine lines 5a through 5e . . . . .		<b>5f</b>	
<b>6</b>	Disallowance of loss on exchange of debt pools . . . . .		<b>6</b>	
<b>7</b>	Acquisition expenses of life insurance companies for qualified foreign contracts . . . . .		<b>7</b>	
<b>8</b>	Depletion . . . . .		<b>8</b>	
<b>9</b>	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property . . . . .		<b>9</b>	
<b>10</b>	<b>Adjusted current earnings.</b> Combine lines 1, 2c, 3f, 4f, and 5f through 9 Enter the result here and on line 4a of Form 4626 . . . . .		<b>10</b>	4,630,456.

NAME AND FEIN OF PARENT CORPORATION

THE CHILDREN'S HOSPITAL OF PHILADELPHIA FOUNDATION  
23-2237932



ATTACHMENT 2

PART I - LINE 12 - OTHER INCOME

QTF UBI ADDBACK	4,955,325.
THIRD PARTY CALL CENTER REVENUE	10,890.

PART I - LINE 12 - OTHER INCOME	<u>4,966,215.</u>
---------------------------------	-------------------

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

ADMINISTRATIVE AND OVERHEAD EXPENSES	764,519.
ACCOUNTING FEES	6,930.

PART II - LINE 28 - OTHER DEDUCTIONS	<u>771,449.</u>
--------------------------------------	-----------------

ATTACHMENT 4

FORM 990T - SCHEDULE A - LINE 4B - OTHER COSTS

DIRECT COSTS OF TESTS

565,100.

TOTAL OTHER COSTS

565,100.

LINE 20 - CONTRIBUTIONS DEDUCTION

1.	TAXABLE INCOME (EXCLUDING CONTRIBUTIONS AND DOMESTIC PRODUCTION ACTIVITIES DEDUCTION)	4,681,906.
2.	LESS: NOL CARRYOVER	6,183,866.
3.	PLUS: CAPITAL LOSS CARRYBACK	
4.	TAXABLE INCOME WITHOUT REGARD TO CONTRIBUTIONS, SPECIAL DEDUCTIONS, DOMESTIC PRODUCTION ACTIVITIES DEDUCTION, NOL CARRYBACKS, AND CAPITAL LOSS CARRYBACKS	-1,501,960.
5.	CONTRIBUTION DEDUCTION LIMITATION (TAXABLE INCOME X 10%)	NONE
6.	AMOUNT OF DEDUCTIBLE CONTRIBUTIONS	2,898,501.
		-----
7.	CONTRIBUTION DEDUCTION (LESSER OF LINE 5 OR LINE 6)	NONE
		=====

LINE 19 - 5 YEAR CONTRIBUTION CARRYOVER - 10% INCOME CAP

YEAR ENDING	AMOUNT AVAILABLE	AMOUNT UTILIZED	CONVERTED TO NOL CARRYOVER	CARRYOVER TO NEXT YEAR
06/30/2013	893,063.	NONE	468,191.	
06/30/2014	5,438.	NONE		5,438.
06/30/2015	2,000,000.	NONE		2,000,000.
-----		-----	-----	-----
TOTAL	2,898,501.	NONE	468,191.	2,005,438.
=====		=====	=====	=====

EXPIRED CARRYOVER: 424,872.

FORM 990-T, PAGE 1 DETAIL

LINE 31 - NON-SRLY NOL DEDUCTION

YEAR ENDING	ORIGINAL NOL	AMOUNT AVAILABLE	AMOUNT USED	CONVERTED CONTRIBUTIONS	CARRYOVER TO NEXT YEAR
06/30/2014	6,863,274.	6,183,866.	4,681,906.	468,191.	1,970,151.
TOTAL	6,863,274.	6,183,866.	4,681,906.	468,191.	1,970,151.

FORM 4626 DETAIL

LINE 20 - OTHER ADJUSTMENTS - CONTRIBUTIONS DEDUCTION

1.	AMTI (EXCLUDING CONTRIBUTIONS AND DOMESTIC PRODUCTION ACTIVITIES DEDUCTION)	4,681,906.
2.	LESS: NOL CARRYOVER	4,167,410.
3.	PLUS: CAPITAL LOSS CARRYBACK	
4.	AMTI WITHOUT REGARD TO CONTRIBUTIONS, SPECIAL DEDUCTIONS, DOMESTIC PRODUCTION ACTIVITIES DEDUCTION, NOL CARRYBACKS, AND CAPITAL LOSS CARRYBACKS	514,496.
5.	CONTRIBUTION DEDUCTION LIMITATION (AMTI X 10%)	51,450.
6.	AMOUNT OF DEDUCTIBLE CONTRIBUTIONS	3,004,360.
7.	CONTRIBUTION DEDUCTION (LESSER OF LINE 5 OR LINE 6)	51,450.

5 YEAR CONTRIBUTIONS CARRYOVER - 10% INCOME CAP

YEAR ENDING	AMOUNT AVAILABLE	AMOUNT UTILIZED	CONVERTED TO NOL CARRYOVER	CARRYOVER TO NEXT YEAR
06/30/2013	998,922.	51,450.	375,066.	
06/30/2014	5,438.			5,438.
06/30/2015	2,000,000.			2,000,000.
TOTAL	3,004,360.	51,450.	375,066.	2,005,438.

EXPIRED CARRYOVER: 572,406.

LINE 20 - CONTRIBUTIONS ADJUSTMENT

REGULAR CONTRIBUTIONS	NONE
AMT CONTRIBUTIONS	51,450.
CONTRIBUTION ADJUSTMENT	-51,450.

LINE 20 - OTHER ADJUSTMENTS

CONTRIBUTIONS	-51,450.
TOTAL	-51,450.

FORM 4626 DETAIL

LINE 6 - NON-SRLY AMT NOL DEDUCTION

YEAR ENDING	ORIGINAL NOL	AMOUNT AVAILABLE	AMOUNT USED	CONVERTED CONTRIBUTIONS	CARRYOVER TO NEXT YEAR
06/30/2014	6,863,274.	6,234,942.	4,167,410.	375,066.	2,442,598.
TOTAL	6,863,274.	6,234,942.	4,167,410.	375,066.	2,442,598.