

Form **990-T****Exempt Organization Business Income Tax Return**
(and proxy tax under section 6033(e))

OMB No 1545-0687

2017Department of the Treasury
Internal Revenue ServiceFor calendar year 2017 or other tax year beginning 07/01, 2017, and ending 06/30, 2018.▶ 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 OnlyA ☐ Check box if
address changedName of organization (☐ Check box if name changed and see instructions)D **Employer identification number**
(Employees' trust, see instructions)

B Exempt under section

☒ 501(c)(3) ☐ 220(e)
☐ 408(e) ☐ 530(a)
☐ 408A ☐ 529(a)
Print
or
Type

THE CHILDREN'S HOSPITAL OF PHILADELPHIA

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

3401 CIVIC CENTER BOULEVARD

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

PHILADELPHIA, PA 19104-4388

23-1352166

E **Unrelated business activity codes**
(See instructions)

525990

C Book value of all assets
at end of year

4507815514.

F Group exemption number (See instructions.) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

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? ☒ Yes ☐ No

If "Yes," enter the name and identifying number of the parent corporation. ▶ ATTACHMENT 1

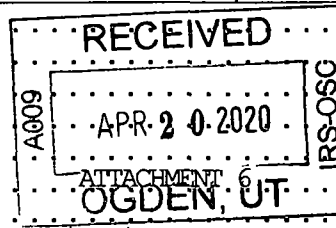
J The books are in care of ▶ THOMAS TODOROW Telephone number ▶ 215-590-1000

Part I Unrelated Trade or Business Income

	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales <u>1,052,240.</u>			
b Less returns and allowances <u> </u> c Balance ▶	1c <u>1,052,240.</u>		
2 Cost of goods sold (Schedule A, line 7)	2 <u>565,100.</u>		
3 Gross profit. Subtract line 2 from line 1c	3 <u>487,140.</u>		487,140.
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (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 <u>10,890.</u>	ATCH 2	10,890.
13 Total. Combine lines 3 through 12	13 <u>498,030.</u>		498,030.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	
20 Charitable contributions (See instructions for limitation rules)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule) ATTACHMENT 3	28	771,449.
29 Total deductions. Add lines 14 through 28	29	771,449.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	-273,419.
31 Net operating loss deduction (limited to the amount on line 30)	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	-273,419.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	-273,419.



For Paperwork Reduction Act Notice, see instructions.

Form **990-T** (2017)

7X2740 2 000 JSA 6610PK 1467

V 17-7.10

SCANNED
AUG 24 2020020211 509
66 Batched in
OGDEN

341

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here ☐ See instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order).
 (1) \$ (2) \$ (3) \$

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$
 (2) Additional 3% tax (not more than \$100,000) \$

c Income tax on the amount on line 34. **35c**

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041). **36**

37 Proxy tax. See instructions **37**

38 Alternative minimum tax **38**

39 Tax on Non-Compliant Facility Income. See instructions **39**

40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies. **40**

Part IV Tax and Payments

41 a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116). **41a**

b Other credits (see instructions). **41b**

c General business credit. Attach Form 3800 (see instructions). **41c**

d Credit for prior year minimum tax (attach Form 8801 or 8827). **41d**

e Total credits. Add lines 41a through 41d. **41e**

42 Subtract line 41e from line 40. **42**

43 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule). **43**

44 Total tax. Add lines 42 and 43. **44** 0.

45 a Payments: A 2016 overpayment credited to 2017. **45a** 59.

b 2017 estimated tax payments. **45b**

c Tax deposited with Form 8868. **45c**

d Foreign organizations: Tax paid or withheld at source (see instructions). **45d**

e Backup withholding (see instructions). **45e**

f Credit for small employer health insurance premiums (Attach Form 8941). **45f**

g Other credits and payments ☐ Form 2439 ☒ Form 4136 ☒ Other 46,683. Total **45g** 46,683. **46** 46,742.

47 Estimated tax penalty (see instructions). Check if Form 2220 is attached. **47**

48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed. **48**

49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid. **49** 46,742.

50 Enter the amount of line 49 you want: **Credited to 2018 estimated tax** **50** **Refunded** 46,742.

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

51 At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here **Yes** **No**

52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? **Yes** **No**

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

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

Signature of officer **Thomas J. Bohman** Date **04/01/20** Title **CFO**

Paid Preparer Use Only

Print/Type preparer's name **ERICA R MCREYNOLDS** Preparer's signature **Erica** Date **03/02/2020** Check ☐ if self-employed PTIN **P00977806**

Firm's name **PRICEWATERHOUSECOOPERS LLP** Firm's EIN **13-4008324**

Firm's address **2001 MARKET ST, SUITE 1800, PHILADELPHIA, PA 19103** Phone no. **267-330-3000**

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

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2.	7	565,100.
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	565,100.			
5 Total. Add lines 1 through 4b	5	565,100.			X

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

(see instructions) **ATCH 5

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).
Totals ►				
Total dividends-received deductions included in column 8 ►				

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

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)

Totals

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

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B)

Totals

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

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B)			Enter here and on page 1, Part II, line 26

Totals

Schedule J - Advertising Income (see instructions)**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						

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

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

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I. ▶						
Totals, Part II (lines 1-5) ▶	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)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

Form 990-T (2017)

Form **4626****Alternative Minimum Tax - Corporations**

OMB No 1545-0123

Department of the Treasury
Internal Revenue Service

▶ Attach to the corporation's tax return.

▶ Go to www.irs.gov/Form4626 for instructions and the latest information.**2017**

Name		Employer identification number
THE CHILDREN'S HOSPITAL OF PHILADELPHIA		
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).		
1	Taxable income or (loss) before net operating loss deduction	1 -273,419.
2	Adjustments and preferences:	
a	Depreciation of post-1986 property	2a
b	Amortization of certified pollution control facilities	2b
c	Amortization of mining exploration and development costs	2c
d	Amortization of circulation expenditures (personal holding companies only)	2d
e	Adjusted gain or loss	2e
f	Long-term contracts	2f
g	Merchant marine capital construction funds	2g
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h
i	Tax shelter farm activities (personal service corporations only)	2i
j	Passive activities (closely held corporations and personal service corporations only)	2j
k	Loss limitations	2k
l	Depletion	2l
m	Tax-exempt interest income from specified private activity bonds	2m
n	Intangible drilling costs	2n
o	Other adjustments and preferences SEE STATEMENT 7	2o NONE
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3 -273,419.
4	Adjusted current earnings (ACE) adjustment:	
a	ACE from line 10 of the ACE worksheet in the instructions	4a -273,419.
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See instructions	4b
c	Multiply line 4b by 75% (0.75). Enter the result as a positive amount	4c
d	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. Note: You must enter an amount on line 4d (even if line 4b is positive)	4d
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount }	4e
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT.	5 -273,419.
6	Alternative tax net operating loss deduction. See instructions ATTACHMENT 8	6
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7 -273,419.
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):	
a	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-	8a
b	Multiply line 8a by 25% (0.25)	8b
c	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-	8c NONE
9	Subtract line 8c from line 7. If zero or less, enter -0-	9
10	Multiply line 9 by 20% (0.20).	10
11	Alternative minimum tax foreign tax credit (AMTFTC). See instructions	11
12	Tentative minimum tax. Subtract line 11 from line 10.	12
13	Regular tax liability before applying all credits except the foreign tax credit	13 NONE
14	Alternative minimum tax. 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	14 NONE

For Paperwork Reduction Act Notice, see separate instructions.

Form **4626** (2017)

THE CHILDREN'S HOSPITAL OF PHILADELPHIA

23-1352166

ATTACHMENT 1

NAME AND FEIN OF PARENT CORPORATION

THE CHILDREN'S HOSPITAL OF PHILADELPHIA FOUNDATION
23-2237932

ATTACHMENT 2

PART I - LINE 12 - OTHER INCOME

THIRD PARTY CALL CENTER REVENUE

10,890.

PART I - LINE 12 - OTHER INCOME

10,890.

ATTACHMENT 3FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

DOMESTIC PRODUCTION ACTIVITIES DEDUCTION UNDER SECTION 199

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

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

FORM 990T - LINE 45G - OTHER CREDITS AND PAYMENTS

AMOUNT OF TAX FROM LINE 48 OF THE ORIGINAL RETURN 46,683.

TOTAL LINE 45G - OTHER CREDITS AND PAYMENTS 46,683.

ATTACHMENT 5

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

DIRECT COSTS OF TESTS

565,100.

TOTAL OTHER COSTS

565,100.

LINE 19 - CONTRIBUTIONS DEDUCTION

1. TAXABLE INCOME (EXCLUDING CONTRIBUTIONS AND DOMESTIC PRODUCTION ACTIVITIES DEDUCTION)	-273,419.
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	-6,457,285.
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		
06/30/2014	5,438.	NONE		5,438.
06/30/2015	2,000,000.	NONE		2,000,000.
TOTAL	2,898,501.	NONE		2,005,438.

EXPIRED CARRYOVER: 893,063.

FORM 1120, PAGE 1 DETAIL

LINE 29A - 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.			6,183,866.
06/30/2018	273,419.	273,419.			273,419.
TOTAL	7,136,693.	6,457,285.			6,457,285.

FORM 4626 DETAIL

LINE 20 - OTHER ADJUSTMENTS - CONTRIBUTIONS DEDUCTION

1.	AMTI (EXCLUDING CONTRIBUTIONS AND DOMESTIC PRODUCTION ACTIVITIES DEDUCTION)	-273,419.
2.	LESS: NOL CARRYOVER	
3.	PLUS: CAPITAL LOSS CARRYBACK	
4.	AMTI WITHOUT REGARD TO CONTRIBUTIONS, SPECIAL DEDUCTIONS, DOMESTIC PRODUCTION ACTIVITIES DEDUCTION, NOL CARRYBACKS, AND CAPITAL LOSS CARRYBACKS	-273,419.
5.	CONTRIBUTION DEDUCTION LIMITATION (AMTI X 10%)	NONE
6.	AMOUNT OF DEDUCTIBLE CONTRIBUTIONS	3,004,360.

7.	CONTRIBUTION DEDUCTION (LESSER OF LINE 5 OR LINE 6)	NONE
		=====

5 YEAR CONTRIBUTIONS CARRYOVER - 10% INCOME CAP

YEAR ENDING	AMOUNT AVAILABLE	AMOUNT UTILIZED	CARRYOVER TO NEXT YEAR
06/30/2013	998,922.	NONE	
06/30/2014	5,438.	NONE	5,438.
06/30/2015	2,000,000.	NONE	2,000,000.

TOTAL	3,004,360.	NONE	2,005,438.
		=====	=====

EXPIRED CARRYOVER:	998,922.
	=====

LINE 20 - CONTRIBUTIONS ADJUSTMENT

REGULAR CONTRIBUTIONS	NONE
AMT CONTRIBUTIONS	NONE

CONTRIBUTION ADJUSTMENT	NONE
	=====

FORM 4626 DETAIL

LINE 6 - NON-SRLY AMT NOL DEDUCTION

YEAR ENDING	ORIGINAL NOL	AMOUNT AVAILABLE	AMOUNT USED	CARRYOVER TO NEXT YEAR
06/30/2014	6,863,274.	6,234,942.		6,234,942.
06/30/2018	273,419.	273,419.		273,419.
TOTAL	7,136,693.	6,508,361.		6,508,361.