

Form 990-T

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

OMB No 1545-0687

For calendar year 2018 or other tax year beginning 07/01, 2018, and ending 06/30, 2019

2018

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form990T for instructions and the latest information 1906

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

Form header section including: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets; D Employer identification number 33-0265266; E Unrelated business activity code 525990; F Group exemption number; G Check organization type 501(c) corporation.

H Enter the number of the organization's unrelated trades or businesses 2. Describe the only (or first) unrelated trade or business here DEBT FINANCED INCOME FROM K-1S.

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

The books are in care of MIKALYN KLUTH Telephone number 714-509-4124

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Less returns and allowances, Cost of goods sold, etc. Total income 1,024,006; Total expenses 853,217; Total net 170,789.

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include Compensation of officers, directors, and trustees, Salaries and wages, Charitable contributions, etc. Total deductions 20,096; Unrelated business taxable income before net operating loss deduction 150,693.

SCANNED NOV 16 2020

55 Received in Batching Ogden SEP 18 2020

ENVELOPE POSTMARK DATE JUN 30 2020

4

9-14

Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Includes lines 33-38 for unrelated business taxable income.

Part IV Tax Computation

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

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 45-55 for tax and payments.

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

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions 56-58 regarding foreign accounts and distributions.

Sign Here section containing signature of officer, date (5/27/2020), title (CFO/ASSISTANT SECRETARY), and a box for IRS discussion consent.

Table with 4 columns: Field name, Value, Field name, Value. Includes fields for Preparer's name, signature, date, firm name, and address.

**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									
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													
							<table border="1"> <tr> <td>8</td> <td>Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?</td> <td>Yes</td> <td>No</td> </tr> <tr> <td></td> <td></td> <td></td> <td>X</td> </tr> </table>	8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No				X
8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No												
			X												

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

(see instructions)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	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) ATCH 3				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
			1,024,006.	853,217.
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)						
<b>Totals from Part I</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
<b>Totals, Part II (lines 1-5)</b> . . . . . ▶						

**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 . . . . . ▶			

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

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

OMB No 1545-0687

**2018**

For calendar year 2018 or other tax year beginning 07/01, 2018, and ending 06/30, 2019

Department of the Treasury  
Internal Revenue Service

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

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

Name of organization **CHILDREN'S HEALTHCARE OF CALIFORNIA** Employer identification number **33-0265266**

Unrelated business activity code (see instructions) ▶ **525990**

Describe the unrelated trade or business ▶ **UNRELATED BUSINESS INCOME FROM K-1S**

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1 a</b> Gross receipts or sales				
<b>b</b> Less returns and allowances	<b>c</b> Balance ▶			
<b>1 c</b>				
<b>2</b> Cost of goods sold (Schedule A, line 7)	<b>2</b>			
<b>3</b> Gross profit Subtract line 2 from line 1c	<b>3</b>			
<b>4 a</b> Capital gain net income (attach Schedule D)	<b>4 a</b>			
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4 b</b>			
<b>c</b> Capital loss deduction for trusts	<b>4 c</b>			
<b>5</b> Income (loss) from a partnership or an S corporation (attach statement) <b>ATCH. 4</b>	<b>5</b>	-319,370.		-319,370.
<b>6</b> Rent income (Schedule C)	<b>6</b>			
<b>7</b> Unrelated debt-financed income (Schedule E)	<b>7</b>			
<b>8</b> Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	<b>8</b>			
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>			
<b>10</b> Exploited exempt activity income (Schedule I)	<b>10</b>			
<b>11</b> Advertising income (Schedule J)	<b>11</b>			
<b>12</b> Other income (See instructions, attach schedule)	<b>12</b>			
<b>13</b> Total Combine lines 3 through 12	<b>13</b>	-319,370.		-319,370.

**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 )

<b>14</b> Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>			
<b>15</b> Salaries and wages	<b>15</b>			
<b>16</b> Repairs and maintenance	<b>16</b>			
<b>17</b> Bad debts	<b>17</b>			
<b>18</b> Interest (attach schedule) (see instructions)	<b>18</b>			
<b>19</b> Taxes and licenses	<b>19</b>			
<b>20</b> Charitable contributions (See instructions for limitation rules)	<b>20</b>			
<b>21</b> Depreciation (attach Form 4562)	<b>21</b>			
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return	<b>22 a</b>			<b>22 b</b>
<b>23</b> Depletion	<b>23</b>			
<b>24</b> Contributions to deferred compensation plans	<b>24</b>			
<b>25</b> Employee benefit programs	<b>25</b>			
<b>26</b> Excess exempt expenses (Schedule I)	<b>26</b>			
<b>27</b> Excess readership costs (Schedule J)	<b>27</b>			
<b>28</b> Other deductions (attach schedule)	<b>28</b>			
<b>29</b> Total deductions Add lines 14 through 28	<b>29</b>			
<b>30</b> Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	<b>30</b>			-319,370.
<b>31</b> Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	<b>31</b>			
<b>32</b> Unrelated business taxable income Subtract line 31 from line 30	<b>32</b>			-319,370.

For Paperwork Reduction Act Notice, see instructions

Schedule M (Form 990-T) 2018

FORM 990T - PART II - LINE 20 - CHARITABLE CONTRIBUTIONS

UNRELATED TRADE OR BUSINESS INCOME	170,789.
ADD DOMESTIC PRODUCTION ACTIVITIES DEDUCTION (DPAD)	0.
LESS: DEDUCTIONS W/O CHARITABLE CONTRIBUTIONS & DPAD & NOL CARRYOVER	3,352.
NOL CARRYOVER	101,098.
	<u>          </u>
	* 10%
CHARITABLE CONTRIBUTION LIMITATION (10%)	16,744.
CHARITABLE CONTRIBUTION	16,744.
<u>CHARITABLE CONTRIBUTION DEDUCTION (SMALLER OF THE ABOVE TWO)</u>	<u>          </u>
	<u>16,744.</u>

ATTACHMENT 2

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

TAX PREP FEES

3,352.

PART II - LINE 28 - OTHER DEDUCTIONS

3,352.



SCHEDULE E - UNRELATED DEBT-FINANCED INCOME

ATTACHMENT 3

1 <u>DESCRIPTION OF DEBT-FINANCED PROPERTY</u>	2 <u>GROSS INCOME</u>	3 <u>DEDUCTIONS DIRECTLY CONNECTED (3A)</u>	4 <u>AVERAGE ACQUISITION DEBT</u>	5 <u>AVERAGE ADJUSTED BASIS</u>	6 <u>% 4 IS OF 5</u>	7 <u>GROSS INCOME REPORTABLE (2 X 6)</u>	8 <u>ALLOCABLE DEDUCTIONS 6 * (3A + 3B)</u>
FULLERTON MOB NO 2, LLC	26,155	21,698	147,671	219,673	67,223	17,582	14,586
2727 IMPERIAL LLC	65,447	71,698	486,142	466,213	100,000	65,447	71,698
7901 METROPOLIS DRIVE	885,488	714,331	7,782,656	8,459,022	92,004	814,684	657,213
2767 IMPERIAL LLC	84,108	70,912	521,265	330,946	100,000	84,108	70,912
3601 21ST STREET	42,185	38,808	358,043	353,925	100,000	42,185	38,808
1702 KAISER AVENUE	13,718	523					
TOTALS						<u>1,024,006</u>	<u>853,217</u>

UNRELATED BUSINESS INCOME FROM K-1S

SCHEDULE M LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS AND/OR S CORPORATIONS

INNOVATION INSTITUTE, LLC EIN: 90-0745066 -319,370.

INCOME (LOSS) FROM PARTNERSHIPS AND/OR S CORPORATIONS -319,370.

ATTACHMENT 5FORM 990-T, PAGE 1, PART II, CHARITABLE CONTRIBUTIONS

<u>YEAR</u> <u>ENDING</u>	<u>AMOUNT</u> <u>GENERATED</u>	<u>AMOUNT</u> <u>UTILIZED</u>	<u>YEAR</u> <u>UTILIZED</u>	<u>CARRYOVER</u>
6/30/2016	14,337,000	9,598	6/30/2016	14,327,402
6/30/2017	-			14,327,402
6/30/2018	-	18,699	6/30/2018	14,308,703
6/30/2019	-	16,744	6/30/2019	14,291,959
NET OPERATING LOSS CARRYOVER TO 6/30/2020				<u>14,291,959</u>

ATTACHMENT 6

FORM 990-T, PAGE 1, PART II, NET OPERATING LOSS - GENERAL

<u>YEAR</u> <u>ENDING</u>	<u>AMOUNT</u> <u>GENERATED</u>	<u>AMOUNT</u> <u>UTILIZED</u>	<u>YEAR</u> <u>UTILIZED</u>	<u>CARRYOVER</u>
6/30/2017	269,390	-		269,390
6/30/2018		150,694	6/30/2018	118,696
6/30/2019		101,098	6/30/2019	-
<u>NET OPERATING LOSS CARRYOVER TO 6/30/2020</u>				<u>-</u>

CHILDREN'S HEALTHCARE OF CALIFORNIA

33-0265266

ATTACHMENT 7

FORM 990-T, PAGE 1, PART II, NET OPERATING LOSS - K-1 UBI

<u>YEAR</u> <u>ENDING</u>	<u>AMOUNT</u> <u>GENERATED</u>	<u>AMOUNT</u> <u>UTILIZED</u>	<u>YEAR</u> <u>UTILIZED</u>	<u>CARRYOVER</u>
6/30/2019	319,370			319,370
NET OPERATING LOSS CARRYOVER TO 6/30/2020				<u>319,370</u>