

CONSOLIDATED FINANCIAL STATEMENTS, REPORTS,
SUPPLEMENTARY INFORMATION, AND SCHEDULE
REQUIRED BY THE UNIFORM GUIDANCE

Cedars-Sinai Health System
Years Ended June 30, 2023 and 2022
With Reports of Independent Auditors

Ernst & Young LLP



Cedars-Sinai Health System
Consolidated Financial Statements, Reports,
Supplementary Information, and Schedule Required by the Uniform Guidance
Years Ended June 30, 2023 and 2022

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Report of Independent Auditors

Management and the Board of Directors
Cedars-Sinai Health System

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Cedars-Sinai Health System (the Health System), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Health System at June 30, 2023 and 2022, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Health System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health System’s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Health System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health System's ability to continue as a going concern for a reasonable period of time.

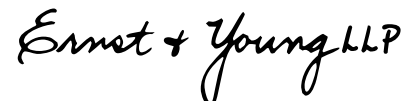
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 23, 2023. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023 on our consideration of the Health System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health System's internal control over financial reporting and compliance.



October 23, 2023, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is March 1, 2024.

Cedars-Sinai Health System

Consolidated Balance Sheets (Dollar Amounts Expressed in Thousands)

	June 30	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,028,800	\$ 1,178,692
Short-term investments	1,232,599	1,164,090
Board-designated assets	1,829,299	1,551,955
Current portion of assets limited as to use:		
Funds held by trustee	8,158	8,334
Pledges receivable	78,770	72,865
Managed care reserve fund	75,166	82,240
Patient accounts receivable	1,061,893	968,693
Inventory	80,201	76,871
Prepaid expenses and other assets	411,058	478,333
Total current assets	6,805,944	5,582,073
Assets limited as to use:		
Investments	882,536	843,869
Pledges receivable, less current portion	300,019	305,235
Funds held by trustee	594,987	680,387
Beneficial interest in net assets of Huntington Trust	461,588	438,490
	2,239,130	2,267,981
Property and equipment, net	4,493,204	4,362,727
Goodwill and other intangible assets	119,640	142,857
Equity method investments	379,668	335,808
Other noncurrent assets	504,048	443,976
Operating lease right-of-use assets	419,095	461,434
Financing lease right-of-use assets	11,175	17,329
Total assets	\$ 14,971,904	\$ 13,614,185

Cedars-Sinai Health System

Consolidated Balance Sheets (continued)

(Dollar Amounts Expressed in Thousands)

	June 30	
	2023	2022
Liabilities and net assets		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 714,715	\$ 813,705
Due to third-party payers	3,011	37,308
Accrued payroll and related liabilities	545,050	517,980
Risk pool liabilities	97,989	91,540
Current maturities of long-term debt	57,612	56,715
Current operating lease liabilities	88,695	84,073
Current financing lease liabilities	5,439	6,916
Total current liabilities	1,512,511	1,608,237
Long-term debt, less current maturities	2,589,663	2,667,185
Long-term operating lease liabilities	394,858	442,089
Long-term financing lease liabilities	7,267	12,449
Accrued workers' compensation and malpractice insurance claims, less current portion	180,523	220,768
Pension liability	45,683	62,126
Other liabilities	82,922	84,815
Net assets:		
Without donor restrictions:		
Controlling interests	8,205,981	6,670,723
Noncontrolling interests	45,576	43,086
With donor restrictions	1,906,920	1,802,707
Total net assets	10,158,477	8,516,516
Total liabilities and net assets	\$ 14,971,904	\$ 13,614,185

See accompanying notes.

Cedars-Sinai Health System

Consolidated Statements of Operations and Changes in Net Assets

(Dollar Amounts Expressed in Thousands)

	Year Ended June 30	
	2023	2022
Net assets without donor restrictions		
Net patient service revenues before Medi-Cal Fee Program	\$ 6,325,384	\$ 5,849,795
Medi-Cal Fee Program revenue	67,664	151,059
Net patient service revenues	6,393,048	6,000,854
Premium revenues	356,312	328,225
Other operating revenues	199,371	320,761
Net assets released from restrictions	328,878	276,622
Contributions of nonfinancial assets	–	25,896
Total revenues, gains, and other support	7,277,609	6,952,358
Expenses:		
Salaries and related costs	3,589,571	3,269,829
Professional fees	585,739	543,325
Materials, supplies, and other	2,447,921	2,325,111
Medi-Cal Fee Program expense	84,771	171,928
Interest	76,716	65,313
Depreciation and amortization	349,743	317,651
Total expenses	7,134,461	6,693,157
Income from operations	143,148	259,201
Investment income (loss)	350,917	(437,453)
Income on equity method investments	880,392	28,846
Other components of net periodic benefit cost	11,769	34,936
Loss on extinguishment of debt	–	(567)
Excess (deficiency) of revenues over expenses before inherent contribution from affiliation	1,386,226	(115,037)
Inherent contribution from affiliation	–	434,388
Excess of revenues over expenses	1,386,226	319,351
Excess of revenues over expenses attributable to noncontrolling interests	(509)	(1,367)
Excess of revenues over expenses attributable to the Health System	\$ 1,385,717	\$ 317,984

Cedars-Sinai Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (Dollar Amounts Expressed in Thousands)

	Year Ended June 30	
	2023	2022
Net assets without donor restrictions (continued)		
Controlling interests activity:		
Excess of revenues over expenses attributable to the Health System	\$ 1,385,717	\$ 317,984
Net assets released from restrictions related to property and equipment	39,615	14,364
Change in pension liability	109,926	126,065
Increase in net assets without donor restrictions attributable to the Health System	1,535,258	458,413
Noncontrolling interests activity:		
Purchase of noncontrolling interests	8,172	–
Excess of revenues over expenses attributable to noncontrolling interests	509	1,367
Distributions to noncontrolling interests	(6,191)	(6,136)
Increase (decrease) in net assets without donor restrictions attributable to noncontrolling interests	2,490	(4,769)
Increase in net assets without donor restrictions	1,537,748	453,644
Net assets with donor restrictions		
Inherent contribution from affiliation	–	684,385
Contributions, grants, and other	425,867	408,211
Investment income (loss)	23,741	(318)
Net assets released from restrictions	(368,493)	(290,986)
Change in interest in Huntington Trust net assets	23,098	(54,771)
Increase in net assets with donor restrictions	104,213	746,521
Increase in net assets	1,641,961	1,200,165
Net assets at beginning of year	8,516,516	7,316,351
Net assets at end of year	\$ 10,158,477	\$ 8,516,516

See accompanying notes.

Cedars-Sinai Health System

Consolidated Statements of Cash Flows (Dollar Amounts Expressed in Thousands)

	Year Ended June 30	
	2023	2022
Operating activities		
Increase in net assets	\$ 1,641,961	\$ 1,200,165
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Inherent contribution from affiliation	–	(1,118,773)
Loss (gain) on disposal of property and equipment	731	(71)
Depreciation expense	326,315	294,229
Loss on extinguishment of debt	–	567
Pension benefits adjustment	(109,926)	(126,065)
Amortization of goodwill and other intangibles	23,428	23,422
Amortization of deferred financing costs and bond premiums	(17,519)	(14,944)
Amortization of operating lease right-of-use assets	81,892	85,753
Restricted contributions	(33,047)	(32,862)
Unrealized (gains) losses on investments	(281,625)	730,391
Gains on equity method investments	(880,392)	(28,846)
Distributions to noncontrolling interests	6,191	6,136
Distributions from unconsolidated entities	9,099	28,901
Noncontrolling interests from acquisitions	(7,502)	–
Change in interest in net assets of Huntington Trust	(23,098)	54,771
Changes in operating assets and liabilities:		
Patient accounts receivable	(93,200)	(81,029)
Due to third-party payers	(34,297)	(79,860)
Inventory, prepaid expenses, and other current assets	57,075	(23,248)
Assets limited as to use	6,561	(19,998)
Accounts payable and other accrued liabilities	(94,856)	45,256
Accrued payroll and related liabilities	27,070	26,800
Risk pool liabilities	6,449	(17,469)
Operating lease liabilities	(85,842)	(90,779)
Other long-term liabilities	13,307	(24,898)
Net cash provided by operating activities before net sales (purchases) of trading investments	538,775	837,549
Net sales (purchases) of trading investments	98,748	(119,283)
Net cash provided by operating activities	637,523	718,266
Investing activities		
Expenditures for property and equipment	(453,700)	(419,870)
Acquisition of property held for future use	(6,255)	(47,423)
Purchase consideration for asset acquisitions	–	(49,283)
Cash received for acquisitions, net of cash paid	–	64,044
Net release (purchase) of assets held by bond trustee	96,205	(615,713)
Investments in unconsolidated entities	(79,652)	(140,947)
Sales of equity method investments	899,347	–
Sales of alternative investments	8,893	49,604
Purchases of alternative investments	(169,559)	(578,628)
Net cash provided by (used in) investing activities	295,279	(1,738,216)

Cedars-Sinai Health System

Consolidated Statements of Cash Flows (continued)

(Dollar Amounts Expressed in Thousands)

	Year Ended June 30	
	2023	2022
Financing activities		
Principal payments on long-term debt	\$ (38,665)	\$ (43,541)
Repayment of long-term note	(20,441)	–
Principal payments on finance lease liabilities	(6,659)	(6,760)
Distributions to noncontrolling interests	(6,191)	(6,136)
Cash received to acquire noncontrolling interests	5,862	–
Proceeds from borrowings under revolving line of credit	–	30,000
Repayment of revolving line of credit	–	(30,000)
Proceeds from issuance of long-term debt, net cost of issuance	–	1,506,455
Repayment of debt upon extinguishment	–	(466,499)
Restricted contributions	33,047	32,862
Net cash (used in) provided by financing activities	(33,047)	1,016,381
Increase (decrease) in cash, cash equivalents, and restricted cash	899,755	(3,569)
Cash, cash equivalents, and restricted cash – beginning of year	1,298,636	1,302,205
Cash, cash equivalents, and restricted cash – end of year	\$ 2,198,391	\$ 1,298,636
Supplemental disclosure of cash flow information		
Interest paid	\$ 97,951	\$ 60,496

The Health System capitalized property and equipment of \$51,741 and \$55,808 at June 30, 2023 and 2022, respectively, that had not been paid and is included on the consolidated balance sheets under accounts payable and other accrued liabilities.

See accompanying notes.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (Dollar Amounts Expressed in Thousands)

June 30, 2023 and 2022

1. Organization

Cedars-Sinai Health System, a California nonprofit, public benefit corporation (the Health System), is tax-exempt under the provisions of the Internal Revenue Code (the Code) and applicable provisions of the California Revenue and Taxation Code. Cedars-Sinai Health System was created and incorporated in May 2017 as the parent organization to facilitate an affiliation between Cedars-Sinai Medical Center and Torrance Health Association, Inc. Effective May 1, 2017, the Health System became the sole corporate member of Cedars-Sinai Medical Center and its affiliates. Effective February 1, 2018, the Health System became the sole corporate member of Torrance Health Association, Inc. and its affiliates. Effective August 4, 2021, the Health System became the sole corporate member of Pasadena Health Association, Ltd. and its affiliates. The accompanying consolidated financial statements include the accounts of the Health System and its affiliate or subsidiary organizations, as detailed below:

Cedars-Sinai – The accompanying consolidated financial statements include the accounts of Cedars-Sinai Medical Center and its affiliates, collectively referred to as Cedars-Sinai, as of and for the years ended June 30, 2023 and 2022. The following entities are included in the accompanying consolidated financial statements:

Cedars-Sinai Medical Center (CSMC) is a California nonprofit, public benefit corporation that owns and operates a hospital with 915 licensed beds in Los Angeles, California, and provides patient care, medical research, health education, and community service. Cedars-Sinai Medical Center is the sole corporate member of Cedars-Sinai Medical Care Foundation and CFHS Holdings, Inc.

Cedars-Sinai Medical Care Foundation is a California nonprofit, public benefit corporation that operates, manages, and maintains primary care and specialty clinics, as well as multispecialty clinics; holds payer contracts and the assets of acquired physician and physician group practices and independent practice associations; and contracts for physician services pursuant to professional services agreements.

CFHS Holdings, Inc. is a California nonprofit, public benefit corporation that does business as Marina Del Rey Hospital (MDRH). MDRH is a community hospital with 133 licensed beds.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

1. Organization (continued)

Torrance Affiliates – The accompanying consolidated financial statements include the accounts of Torrance Health Association, Inc. and its affiliates, collectively referred to as Torrance Affiliates, as of and for the years ended June 30, 2023 and 2022. The following entities are included in the accompanying consolidated financial statements:

Torrance Health Association, Inc. (THA) is a California nonprofit, public benefit corporation that does business as Torrance Memorial Health System. The Health System is the sole corporate member of THA. THA was formed to engage in various health-care-related activities and is the sole corporate member of Torrance Memorial Medical Center and Torrance Memorial Medical Center Health Care Foundation.

Torrance Memorial Medical Center (TMMC) is a California nonprofit, public benefit corporation and is licensed as a 610-bed general acute care hospital that provides inpatient, outpatient, and emergency care services for residents in the surrounding South Bay community.

Torrance Memorial Medical Center Health Care Foundation is a California nonprofit, public benefit corporation organized to raise funds for the support of TMMC.

Huntington Affiliates – The accompanying consolidated financial statements include the accounts of Pasadena Hospital Association, Ltd. and its affiliates, collectively referred to as Huntington Affiliates, as of June 30, 2023 and 2022, for the year ended June 30, 2023, and for the period from August 4, 2021 (the date of affiliation) to June 30, 2022. The following entities are included in the accompanying consolidated financial statements:

Pasadena Hospital Association, Ltd. (PHA) is a California nonprofit, public benefit corporation that does business as Huntington Hospital (HH). The Health System is the sole corporate member of PHA. Huntington Hospital is licensed as a 544-bed general acute care hospital that provides inpatient, outpatient, and emergency care services for residents in the surrounding San Gabriel Valley community. PHA is the sole corporate member of Huntington Medical Foundation and is the sole shareholder of Congress Services Corporation.

Huntington Medical Foundation is a California nonprofit, public benefit corporation that does business as Huntington Health Physicians and conducts medical research and health education and provides health care to its patients through contracted medical groups.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

2. Affiliations

On July 15, 2020, the Health System entered into an affiliation agreement with PHA for the purpose of PHA joining the Health System's integrated health care delivery system. On August 4, 2021, the affiliation was completed upon the appropriate government regulatory approvals. The Health System became the sole corporate member of PHA as part of the affiliation that includes commitments to continue investment in PHA through enterprise information technology, expanded ambulatory services, and enhanced physician development. It will also enable collaborations with the other entities in the Health System to ensure access to high-quality, accessible, and affordable care throughout the region. The Health System approved PHA's \$560,000 capital strategic plan for the ten-year period ending 2029 and agreed to make up to \$300,000 available for such purpose from such sources as the Health System determines, if needed. The affiliation did not involve consideration and resulted in an excess of fair value of identifiable assets acquired over fair value of liabilities assumed under the business combination accounting guidance, which has been recorded as a contribution from affiliation of \$434,388 on the consolidated statement of operations and changes in net assets and a contribution from affiliation of \$684,385 within net assets with donor restrictions on the consolidated statement of changes in net assets. The Collis P. and Howard Huntington Memorial Hospital Trust (the Trust) is a charitable trust which owns properties and investments that are to be held to produce returns for the benefit of PHA. PHA recorded a beneficial interest in the net assets of the Trust of \$493,261, representing the net assets in the Trust that will be used to support the operations of PHA. The results of operations for PHA are included in the consolidated statements of operations and changes in net assets beginning on August 4, 2021. From the date of affiliation through June 30, 2022, the Health System recognized revenue of \$720,452 and excess of revenues over expenses of \$358,540 attributable to PHA. The Health System recognized fair value estimates of assets acquired and liabilities assumed as follows:

Cash and investments without donor restrictions	\$ 328,236
Assets limited as to use	94,058
Other current assets	195,065
Current liabilities	(226,978)
Property and equipment, net	650,034
Other noncurrent assets	62,544
Beneficial interest in net assets of Huntington Trust	493,261
Total debt	(323,780)
Other noncurrent liabilities	(153,667)
Fair value of net assets	<u>\$ 1,118,773</u>

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

2. Affiliations (continued)

The following pro forma (unaudited) consolidated financial information presents the Health System's results, assuming the PHA affiliation occurred on July 1, 2021:

	<u>2022</u>	<u>2022</u>
	<i>Actual</i>	<i>Pro forma</i> <i>(Unaudited)</i>
Total revenues	\$ 6,952,358	\$ 6,972,971
Income from operations	259,201	256,605
Excess (deficiency) of revenues over expenses	317,984	(116,978)
Change in net assets without donor restrictions	453,644	18,593
Change in net assets with donor restrictions	746,521	62,797

A nonrecurring inherent contribution from affiliation without donor restrictions of \$434,388 and an inherent contribution from affiliation with donor restrictions of \$684,385 are included within the pro forma results in the year ended June 30, 2022.

3. Summary of Significant Accounting Policies

Principles of Consolidation

All significant intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation. In the consolidated statement of cash flows, the pension benefits adjustment for the year ended June 30, 2022 of \$126,065 was reclassified from changes in other long-term liabilities to a separate line item, pension benefits adjustment. There was no impact of this reclassification on net cash provided by operations for the year ended June 30, 2022.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates include the carrying amounts of goodwill and property and equipment, valuation of pledges receivable, purchase accounting for acquisitions, valuation of patient accounts receivable, liabilities for medical claims incurred but not reported, third-party payables and receivables, risk pool liabilities, pension obligations, and self-insured programs. Actual results could differ from those estimates.

Operating Revenues

The Health System records revenue in several financial statement categories: net patient service revenues (including Medi-Cal Fee Program revenue), premium revenues, other operating revenues, and net assets released from restrictions. Performance obligations are identified based on the nature of the services provided.

Net Patient Service Revenues

Net patient service revenues are reported at the amount that reflects the consideration to which the Health System expects to be entitled in exchange for providing patient care. These amounts, representing a transaction price, are due from third-party payers (including health insurers and government programs), patients, and others and include variable consideration for retroactive revenue adjustments due to settlement of reviews and audits.

Generally, the Health System bills the third-party payers and patients several days after the services are performed or shortly after discharge. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Health System. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. The Health System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

that patient, usually at the time of discharge. These services are considered to be a single performance obligation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges upon discharge. The Health System believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Outpatient services are performance obligations satisfied at a point in time and revenue is recognized when services are provided and the Health System does not believe it is required to provide additional services to the patient.

The Health System has elected the practical expedient allowed under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-32-18, *Revenue from Contracts with Customers – Overall – Measurement – The Existence of a Significant Financing Component in the Contract*, and does not adjust the promised amount of consideration from patients and third-party payers for the effects of a significant financing component due to the Health System's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payer pays for that service will be one year or less. However, the Health System does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Health System has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers – Overall – Disclosure – Transaction Price Allocated to the Remaining Performance Obligations*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

The Health System is utilizing the portfolio approach practical expedient in ASC 606 for contracts related to net patient service revenue. The Health System accounts for the contracts within each portfolio as a collective group, rather than individual contracts, based on the payment pattern expected in each portfolio category and the similar nature and characteristics of the patients within each portfolio. The portfolios consist of major payer classes for inpatient revenue and outpatient revenue. Based on historical collection trends and other analyses, the Health System has concluded that revenue for a given portfolio would not be materially different from accounting for revenue on a contract-by-contract basis.

The Health System has agreements with third-party payers that provide for payments to the Health System at amounts different from established rates. For uninsured patients who do not qualify for charity care, the Health System recognizes revenue based on established rates, subject to certain discounts and implicit price concessions as determined by the Health System. The Health System determines the transaction price based on standard charges for services provided, reduced by explicit price concessions provided to third-party payers, discounts provided to uninsured patients in accordance with the Health System's policy, and implicit price concessions provided to uninsured patients. Explicit price concessions are based on contractual agreements, discount policies, and historical experience. Implicit price concessions represent differences between amounts billed and the estimated consideration the Health System expects to receive from patients, which are determined based on historical collection experience, current market conditions, and other factors. Credit impairments occurring after the date of revenue recognition are recorded in materials, supplies, and other expenses on the consolidated statements of operations and changes in net assets; the amount recognized in materials, supplies, and other expenses related to impairment losses did not have a material impact on the consolidated financial statements for the years ended June 30, 2023 or 2022.

Generally, patients who are covered by third-party payers are responsible for patient responsibility balances, including deductibles and coinsurance, which vary in amount. The Health System estimates the transaction price for patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any explicit price concessions, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net patient service revenue in the period such changes occur or when it can be reasonably determined such change is probable. Adjustments arising from a change in the transaction price did not have a material impact on the consolidated financial statements for the years ended June 30, 2023 or 2022.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

The Health System is paid a prospectively determined rate for the majority of inpatient acute care and outpatient care provided, including skilled nursing, home health, rehabilitation, and psychiatric services (principally Medicare, Medi-Cal, and certain other payers). These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Payments for capital are received on a prospective basis for the Health System's medical education costs, subject to certain limits. The Health System is paid for cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by the Health System and audits by Medicare.

Laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation as well as significant regulatory action, and in the normal course of business, the Health System is subject to contractual reviews and audits from the Medicare and Medi-Cal programs. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. The Health System believes it is in compliance with all applicable laws and regulations governing the Medicare and Medi-Cal programs and that adequate provisions have been made for any adjustments that may result from final settlements, and it is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that may have a material impact on the accompanying consolidated financial statements.

Settlements with third-party payers for retroactive adjustments due to reviews and audits are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care in the period the related services are provided. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payer, and the Health System's historical settlement activity, including an assessment to ensure it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known or as years are settled or are no longer subject to such reviews and audits. Estimation differences between final settlements and amounts accrued in previous years are reported as adjustments of the current year's net patient service revenues. Adjustments arising from a change in estimated settlements did not have a material impact on the consolidated financial statements for the years ended June 30, 2023 or 2022.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Net patient service revenues by major payer source is as follows:

	Year Ended June 30	
	2023	2022
Medicare	\$ 1,381,047	\$ 1,270,138
Medi-Cal	200,775	281,084
Commercial and managed care	4,595,950	4,243,427
Self-pay and other	215,276	206,205
Net patient service revenues	<u>\$ 6,393,048</u>	<u>\$ 6,000,854</u>

The percentage of inpatient and outpatient services, calculated on the basis of usual and customary charges, is as follows:

	Year Ended June 30	
	2023	2022
Inpatient services	61%	63%
Outpatient services	39	37

The Health System provides charity care to patients who do not have the ability to pay and who meet certain criteria under its financial assistance policy. This policy defines charity care as uncompensated services provided to patients who cannot afford health care because of inadequate resources and/or who are uninsured. The Health System does not report charity care as net patient service revenues. During the years ended June 30, 2023 and 2022, the Health System incurred \$61,658 and \$55,391, respectively, in costs to provide charity care, which are calculated based on a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Medi-Cal Fee Program

As part of the American Recovery and Reinvestment Act economic stimulus package passed in 2009, Congress temporarily increased the Federal Medical Assistance Percentage for all states, allowing states to draw down increased federal dollars for hospitals that provide medical care for Medicaid patients. California hospitals organized to pursue this stimulus funding through the California Hospital Fee Programs (the Programs). Passed into law by the California state government and approved by the Centers for Medicare & Medicaid Services (CMS) in fiscal 2012, the Programs provide enhanced revenues related to provision of services to Medicaid patients, offset to a degree by the requirement to pay a fee (known as the Quality Assurance (QA) Fee) based on established rates applied to each hospital's historical patient days. Supplemental payments received meet all criteria related to revenue recognition, and the related QA Fees are both probable and estimable. Accordingly, related supplemental payments have been recognized as revenue and related QA Fees recognized as expense on the consolidated statements of operations and changes in net assets pertaining to the 30-month Program covering the period from January 1, 2017 through June 30, 2019, a 30-month Program covering the period from July 1, 2019 through December 31, 2021, and a 12-month Program covering the period from January 1, 2022 through December 31, 2022. In connection with the Programs, the Health System applied for a grant from the California Health Foundation & Trust (CHFT) related to future shortfalls from the Programs and recorded this grant in other operating revenues. Medi-Cal Fee Programs revenues and expenses are as follows:

	Year Ended June 30	
	2023	2022
Medi-Cal Fee Program revenue	\$ 67,664	\$ 151,059
Medi-Cal Fee Program expense	(84,771)	(171,928)
CHFT grant revenue	17,107	27,727
Income from operations from Medi-Cal Fee Program	\$ –	\$ 6,858

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) *(Dollar Amounts Expressed in Thousands)*

3. Summary of Significant Accounting Policies (continued)

Premium Revenues

The Health System has agreements with various health maintenance organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, monthly capitation payments are received based on the number of each HMO's participants, regardless of services performed. These agreements also contain risk-sharing provisions with medical groups, whereby additional amounts may be due or paid. In addition, the HMOs make fee-for-service payments for non-capitated services based upon discounted fee schedules. The monthly capitation payments received are recorded as premium revenues.

The costs of health services provided by other health care providers to participants, including administrative costs and out-of-area or emergency services, are included in professional fees and totaled \$100,082 and \$102,604 for the years ended June 30, 2023 and 2022, respectively. Such costs are accrued in the period in which the services are provided based in part on estimates, including an accrual for services provided by others but not reported to the Health System.

Other Operating Revenues

The Health System has additional revenue streams from tuition, health professionals, rental properties, parking, contributions with no restrictions, and certain contributions released from restrictions. Revenue is recognized when obligations under the terms of the contract are satisfied. Revenues from these services are measured as the amount of consideration the Health System expects to receive for those services. For the years ended June 30, 2023 and 2022, the Health System recognized \$0 and \$30,835 in COVID-19 Relief Funds from the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act), respectively, which has been recorded in other operating revenues as further described in Note 13.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Net Assets Released From Restrictions

Unconditional promises to give cash, marketable securities, and other assets are reported at fair value at the date the promise is received to the extent estimated to be collectible by the Health System. Conditional promises to give and indications of intentions to give are not recognized until the conditions are satisfied or removed. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are transferred to net assets without donor restrictions and reported on the consolidated statements of operations and changes in net assets as net assets released from restrictions. If the purpose relates to operations, net assets released from restrictions are reported on the consolidated statements of operations and changes in net assets and included in excess of revenues over expenses. If the purpose relates to capital, net assets released from restrictions are reported on the consolidated statements of changes in net assets and excluded from excess of revenues over expenses. Donor-restricted contributions relating to financial assets whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying consolidated financial statements as other operating revenues. Donor-restricted contributions relating to nonfinancial assets, such as properties, supplies, pharmaceuticals, clothing, and services, whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying consolidated financial statements as contributions of nonfinancial assets. No amounts have been reflected in the consolidated financial statements for donated services, as the Health System pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Health System with various programs. For the years ended June 30, 2023 and 2022, the Health System recognized \$0 and \$25,896, respectively, in contributions of nonfinancial assets related to contributed properties that did not have donor-imposed restrictions. The contributed properties will be used as investment properties in order to earn rental incomes. The Health System estimated the fair value of contributed properties based on appraisal reports received based on either a discounted cash flow analysis or market comparables.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Grant revenue is recognized in the period it is earned based on when the applicable project expenses are incurred and project milestones are achieved. The Health System records grants as conditional contributions which contain milestones that must be overcome by the Health System before grant revenue is recorded. Grant payments received in advance of related project expenses and the achievement of project milestones are recorded as contract liability and included in accounts payable and other accrued liabilities. The Health System recognizes grant revenue on the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Excess of Revenues Over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenues over expenses, which is considered the performance indicator. Changes in net assets without donor restrictions, which are excluded from the excess of revenues over expenses, consistent with U.S. GAAP, primarily include contributions of long-lived assets (including assets acquired using grants or contributions that by donor restrictions were to be used for the purposes of acquiring such assets) and retirement benefits adjustments.

Net Assets With Donor Restrictions

Net assets with donor restrictions are those whose use by the Health System has been restricted by donors to a specific time period or purpose or those whose use has been restricted by donors and are to be maintained by the Health System in perpetuity. Donor-restricted gifts and bequests are recorded as an addition to net assets with donor restrictions in the period received and include amounts held in perpetuity or for terms designated by the donor, including the fair value of charitable trusts for which the Health System is an income beneficiary. Earnings on donor-restricted gifts are recorded as investment income in net assets without donor restrictions unless the income or loss is restricted by donor or law and subsequently used in accordance with the donor's designation. Net assets with donor restrictions are primarily for research, education, and capital projects.

Inventory

Inventory, primarily supplies and pharmaceuticals, is stated at cost (using the first-in, first-out method), which is not in excess of net realizable value.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Other Noncurrent Assets

Other noncurrent assets consist of the following:

	June 30	
	2023	2022
Investments without readily determinable fair value	\$ 153,281	\$ 147,720
Property held for future use	157,207	140,776
Self-insurance recoveries receivable	49,331	84,449
Pension plan asset	126,105	52,399
Other	18,124	18,632
	\$ 504,048	\$ 443,976

The Health System has investments in unconsolidated entities that are accounted for at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer, as fair value for these investments is not readily determinable. The ownership interest in these entities is less than 20% or the Health System does not have the ability to exercise significant influence over the operating and financial policies of the investee. The Health System evaluates these investments for impairment annually or when indicators of impairment exist. No indicators of impairment existed as of June 30, 2023 or 2022. Based on observable transactions, the Health System recorded (decreases) increases of \$(2,135) and \$16,754 within investment income (loss) in the consolidated statements of operations and changes in net assets for the years ended June 30, 2023 and 2022, respectively.

The Health System has investment properties (land and/or buildings) that are held in order to earn rental income and/or for capital appreciation which are recorded at cost. The Health System evaluates these investment properties for impairment annually or when indicators of impairment exist. No indicators of impairment existed as of June 30, 2023 or 2022.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Equity Method Investments

The Health System has investments in unconsolidated entities that are accounted for under the equity method, and the gain or loss in such investments is reflected in income on equity method investments on the consolidated statements of operations and changes in net assets. The ownership interest in these unconsolidated entities is at least 20% but not more than 50%, reflecting the ability to exercise significant influence over the operating and financial policies of the investee.

On March 12, 2019, Providence St. Joseph Health (Providence) and CSMC formed Tarzana Medical Center, LLC (Tarzana), in which CSMC owns a 49% membership interest, to own and operate Providence Tarzana Medical Center (PTMC). As of June 30, 2023 and 2022, CSMC's capital contributions in Tarzana totaled \$292,131 and \$224,861, respectively. As operations have not yet commenced as of June 30, 2023, the aforementioned contribution totals represent the carrying value of this investment.

On April 16, 2023, Merck, a biopharmaceutical research and development company, announced that it agreed to acquire all the outstanding shares of Prometheus Biosciences, Inc. (Prometheus) in cash based upon a total equity value of approximately \$10,800,000. On June 16, 2023, the transaction was completed, whereby Prometheus is now a wholly-owned subsidiary of Merck and the common stock of Prometheus is no longer listed or traded on the Nasdaq Global Market. Due to the Health System's significant influence but not controlling interest in Prometheus, the Health System's investment in Prometheus was accounted for using the equity method. The Health System recorded a gain on sale of its Prometheus investment of \$892,307 within income on equity method investments on the consolidated statement of operations and changes in net assets for the year ended June 30, 2023.

The Health System evaluates these investments for impairment annually or when indicators of impairment exist. No indicators of impairment existed as of June 30, 2023 or 2022.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Goodwill and Other Intangibles

Goodwill has resulted from business combinations and represents the excess of the consideration paid over the fair value of the net assets acquired, including identifiable intangible assets, at the acquisition date. The Health System amortizes goodwill in accordance with the goodwill accounting alternative in ASC 350, *Intangibles – Goodwill and Other*, which allows not-for-profit entities to amortize goodwill on a straight-line basis over ten years and perform a one-step impairment test at the entity level only when an impairment indicator exists. The Health System concluded no indicators of impairment existed as of June 30, 2023 or 2022.

The changes in the carrying amount of goodwill for the years ended June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Goodwill balance, beginning of year	\$ 140,403	\$ 163,639
Goodwill acquired	257	–
Goodwill amortized	<u>(23,254)</u>	<u>(23,236)</u>
Goodwill balance, end of year	<u>\$ 117,406</u>	<u>\$ 140,403</u>

Intangible assets other than goodwill are recorded at fair value in the period of acquisition. Intangible assets with finite lives, which consists of noncompete agreements, are amortized over their estimated useful lives with amortization included in depreciation and amortization in the consolidated statements of operations and changes in net assets.

Acquisitions

The accounting for acquisitions requires extensive use of estimates and judgments to measure the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed. The fair values of acquired tangible and identifiable intangible assets and liabilities assumed are based on their estimated fair values at the acquisition date and are measured using an income and market approach with significant unobservable inputs.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Care of the Poor and Community Benefit (Unaudited)

The Health System's mission is to improve the health status of its community, regardless of the patient's ability to pay, including charity care patients. The Health System provides programs and activities that contribute to charity care, care of the poor, and community benefit. These programs and activities serve a majority of persons who are beneficiaries of Medi-Cal, and county, state, and federal programs for which the costs of providing the services are not fully reimbursed. Also included are activities that improve the community's health status and educate or provide social services to the elderly and children. The Health System's unreimbursed costs for care of the poor and community benefits were approximately 22.9% and 21.8% of total operating expenses for the years ended June 30, 2023 and 2022, respectively. The costs associated with these programs and activities are as follows:

	Year Ended June 30	
	2023	2022
Traditional charity care and uninsured patients (Category 1)	\$ 61,658	\$ 55,391
Unpaid cost of state programs (Category 2)	258,879	223,104
Unpaid cost of specialty government programs (Category 3)	7,538	7,947
Research, net of support by others (Category 4)	127,330	122,525
Community benefit (Category 5)	232,690	218,091
Total community benefit excluding unpaid cost of federal programs	688,095	627,058
Unpaid cost of federal programs (Category 6)	765,070	684,139
Total community benefit	<u>\$ 1,453,165</u>	<u>\$ 1,311,197</u>

The Health System uses the following six categories to classify care of the poor and community benefit (unaudited):

Category 1: Traditional Charity Care and Uninsured Patients (care of the poor) – includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured. If there is any subsidy donated for these services, that amount is deducted from the gross amount.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) *(Dollar Amounts Expressed in Thousands)*

3. Summary of Significant Accounting Policies (continued)

Category 2: Unpaid Cost of State Programs – also benefits the poor, but is listed separately. This amount represents the unpaid cost of services provided to patients in the Medi-Cal program or enrolled in HMO and PPO plans under contract with the Medi-Cal program.

Category 3: Unpaid Costs of Specialty Government Programs – also provides community benefit under such programs as the Veterans Administration, Los Angeles Police Department, Short Doyle, Proposition 99, and other programs to benefit the poor. This amount represents the unpaid cost of services provided to patients in these various programs. If this community benefit was not provided, federal, state, or local governments would need to furnish these services.

Category 4: Research, Net of Support by Others – is the cost of providing translational and clinical research and studies on health care delivery, reduced by grants and charitable giving received. During the years ended June 30, 2023 and 2022, the Health System received outside support for its research efforts totaling \$181,630 and \$148,989, respectively.

Category 5: Community Benefit – is the cost of services that are beneficial to the broader community, i.e., other needy populations that may not qualify as poor, but that need special services and support. Examples include the elderly, substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome. They also include the cost of health promotion and education and health clinics and screenings.

Category 6: Unpaid Cost of Federal Programs – primarily benefits the elderly. This amount represents the unpaid cost of services provided to patients in the Medicare program and enrolled in HMO and PPO plans under contract with the Medicare program. Included in these amounts is \$256,902 and \$240,083 for the years ended June 30, 2023 and 2022, respectively, of unpaid cost of services provided to patients in the Medicare program who are also in the Medi-Cal program.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment purchased by the Health System are recorded at cost. Expenditures that substantially increase the useful lives of existing assets are capitalized while routine maintenance and repairs are expensed as incurred. Depreciation, including amortization of finance leased assets, is computed by the straight-line method using the estimated useful lives of each class of depreciable assets. Interest costs incurred during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets, such as land, buildings, or equipment which do not contain explicit donor stipulations that specify how the donated assets must be used are reported as contributions of nonfinancial assets. Gifts of long-lived assets with explicit restrictions which specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Health System accounts for software development costs in accordance with ASC 350-40, *Intangibles – Goodwill and Other – Internal-Use Software*. All costs incurred in the planning stage of developing the software are expensed as incurred, as are internal and external training costs and maintenance costs. External and internal costs, excluding general and administrative costs and overhead costs incurred during the applicable development stage of internally used software, are capitalized. Such costs include external direct costs of materials and services consumed in development or obtaining the software, payroll, and payroll-related costs for employees who are directly associated with and who devote time to developing the software. Development changes that result in appropriate functionality of the software, which enable it to perform tasks that it was previously incapable of performing, are also capitalized.

Capitalized internal-use software development costs are amortized on a straight-line basis over their estimated useful lives of three to seven years. Amortization begins when all substantial testing of the software is completed and the software is ready for its intended use.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of

The Health System accounts for the impairment and disposition of long-lived assets in accordance with ASC 360, *Property, Plant, and Equipment*. In accordance with ASC 360, the Health System evaluates the recoverability of long-lived assets and the related estimated remaining useful lives when indicators of impairment are present. For purposes of impairment analysis, assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The Health System records an impairment charge (or changes the useful life) if events or changes in circumstances indicate that the carrying value may not be recoverable (or the useful life has changed). The Health System determined that no assets are impaired at June 30, 2023 or 2022.

Cloud Computing Arrangements

The Health System has entered into a hosting arrangement that is a service contract for a cloud computing arrangement. The Health System capitalizes implementation costs associated with this arrangement and amortizes the asset on a straight-line basis over the term of the hosting arrangement, including expected renewal periods. As of June 30, 2023 and 2022, the Health System recorded \$54,013 and \$23,201, respectively, of unamortized capitalized implementation costs in prepaid expenses and other assets on the consolidated balance sheets. For the years ended June 30, 2023 and 2022, the Health System recorded \$0 of amortization expenses in materials, supplies, and other on the consolidated statements of operations and changes in net assets, as the cloud service implementation is currently in development.

Cash and Cash Equivalents

The Health System considers all highly liquid investments with original maturity dates at the time of purchase of three months or less to be cash equivalents. Cash equivalents are recorded at fair value on the consolidated balance sheets and exclude amounts included in assets limited as to use.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

The reconciliation of cash, cash equivalents, and restricted cash within the consolidated balance sheets that comprise the amounts reported on the consolidated statements of cash flows is as follows:

	June 30	
	2023	2022
Cash and cash equivalents	\$ 2,028,800	\$ 1,178,692
Restricted cash in assets limited as to use – investments	169,591	119,944
Total cash, cash equivalents, and restricted cash	<u>\$ 2,198,391</u>	<u>\$ 1,298,636</u>

Assets Limited as to Use

Assets limited as to use include assets held by trustees that are for the payment of self-insurance liabilities, assets with donor restrictions, assets held by trustees under indenture agreements for future capital expenditures, managed care capitation reserves, and beneficial interests in financially interrelated organizations. The current portion of assets limited as to use include amounts that will be used to pay self-insurance classified as current liabilities.

Investments and Investment Income

The Health System has designated its investments in equity securities with readily determinable fair values and all investments in debt securities as trading, in accordance with ASC 954, *Health Care Entities*. Those securities are measured at fair value on the accompanying consolidated balance sheets. Fair value is determined using a market approach based on quoted prices for similar securities in active markets or quoted prices for identical securities in inactive markets. The Health System determines the appropriate classification of all investments at the date of purchase and reevaluates such designations at each consolidated balance sheet date.

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is reported as net assets without donor restrictions activity unless the income or loss is restricted by donor or law. Accordingly, investment income is recorded within excess of revenues over expenses on the consolidated statements of operations and changes in net assets, and cash flows from the purchases and sales are recorded within the operating activities section of the consolidated statements of cash flows based on the intended use for operating purposes.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Commingled equity funds are valued using the net asset value as a practical expedient for fair value as provided by the respective investment companies and partnerships.

Alternative investments include hedge funds and private equity funds which are primarily limited partnerships and limited liability companies that invest in marketable securities, privately held securities, and real estate. The Health System accounts for its ownership interests in the alternative investments using the net asset value as a practical expedient for fair value. Alternative investments can be divested only at specified times in accordance with terms of the partnership agreements. Hedge fund redemptions typically contain restrictions that allow for a portion of the withdrawal proceeds to be held back from distribution, while the underlying investments are liquidated. These redemptions are subject to lockup provisions that are generally imposed upon initial investment in the fund. Private equity funds are generally closed-end funds and have significant redemption restrictions that prohibit redemptions during the fund's life. As of June 30, 2023 and 2022, these alternative investments comprised approximately 17% and 16%, respectively, of the Health System's total cash, cash equivalents, and investments.

Alternative investments generally are not marketable, and many alternative investments have underlying investments that may not have quoted market values. Additionally, alternative investments may have limited information on a fund's underlying assets and valuation and limited redemption or redemption-penalty provisions. Consequently, alternative investments include certain other risks which may not exist with other investments that are more widely traded. The Health System, in consultation with its Investment Committees, has the capacity to analyze and interpret the risks associated with alternative investments and, with this understanding, has determined that investing in these investments creates a balanced approach to its portfolio management.

Financially Interrelated Trust

The Trust's sole purpose is to support the operations of PHA. PHA does not control the Trust and, as such, does not consolidate it in its financial statements. However, PHA and the Trust are financially interrelated organizations in accordance with ASC 958, *Not-for-Profit Entities*. As the specified beneficiary, PHA reports its interest in the net assets of the Trust in its balance sheets. PHA also adjusts its interest for its share of the change in the net assets of the Trust which is shown within net assets with donor restrictions on its statements of changes in net assets.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

For the year ended June 30, 2023 and period from August 4, 2021 (PHA affiliation date) to June 30, 2022, PHA recognized a \$23,098 increase and \$54,771 decrease, respectively, in the change of its beneficial interest in the net assets of the Trust. As of June 30, 2023 and 2022, PHA recorded a beneficial interest in the net assets of the Trust totaling \$461,588 and \$438,490, respectively.

Risk Pool Liabilities

Risk pool liabilities include premiums received that are held in reserve for health plan agreements whose beneficiaries are primarily outside THA's service area. The funding, held in a managed care capitation reserve fund and included in the current portion of assets limited as to use on the accompanying consolidated balance sheets, totaled \$75,166 and \$82,240 at June 30, 2023 and 2022, respectively.

Medical Malpractice Insurance

Effective July, 1, 2022, the Health System manages its professional/malpractice liability insurance program by creating Third Street Insurance Company (SAC) Ltd., (Third Street). Third Street is a wholly owned captive insurance company domiciled in Bermuda. Third Street provides a funding arrangement to address the self-insured portion of the health care professional liability and comprehensive general liability programs for the Health System. Because Third Street is a wholly owned subsidiary of the Health System, its assets, liabilities, revenues and expenses are consolidated in the accompanying financial statements.

The Health System is self-insured for professional/malpractice liability claims up to \$3,000 per claim on a claims-made basis. The Health System is self-insured for general liability claims up to \$3,000 per occurrence on an occurrence basis. The retention aggregate is \$30,000. The Health System is covered by healthcare professional and general liability insurance for claims in excess of this amount up to a maximum of \$200,000 per occurrence/claim with a \$200,000 aggregate.

Accruals for insured claims, uninsured claims, and claims incurred but not reported are estimated by an actuary based on the Health System's claims experience. Such accruals, which totaled \$88,988 and \$129,139 at June 30, 2023 and 2022, respectively, are recorded using a 4.00% and 3.00% discount factor at June 30, 2023 and 2022, respectively. The current portion of the accruals of \$15,472 and \$17,053 at June 30, 2023 and 2022, respectively, is included in accounts payable and other accrued liabilities.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

The basis for the discount rate is the risk-free rate of return at the end of each year and the estimated period over which claims will be settled. The accruals represent the total actuarially determined loss without reduction for the portion that is expected to be recoverable through insurance (\$31,183 and \$64,547 at June 30, 2023 and 2022, respectively). The expected amounts to be recovered through insurance are included in other noncurrent assets on the accompanying consolidated balance sheets.

Workers' Compensation Insurance

Cedars-Sinai carries workers' compensation insurance, insuring employees with a self-insured primary limit of \$1,000. Cedars-Sinai purchases excess insurance coverage on an occurrence basis to cover claims in excess of these amounts with statutory limits for workers' compensation claims and an annual aggregate limit of \$1,000 for employer's liability claims.

Torrance Memorial carries workers' compensation insurance, insuring employees with a self-insured primary limit of \$350. Torrance Memorial purchases excess insurance coverage on an occurrence basis to cover claims in excess of these amounts with statutory limits for workers' compensation claims and an annual aggregate limit of \$1,000 for employer's liability claims.

Huntington Hospital carries workers' compensation insurance, insuring employees with a self-insured primary limit of \$1,000. Huntington Hospital purchases excess insurance coverage on an occurrence basis to cover claims in excess of these amounts with statutory limits for workers' compensation claims and an annual aggregate limit of \$1,000 for employer's liability claims.

Accruals for insured claims, uninsured claims, and claims incurred but not reported are estimated by an actuary based upon the Health System's claims experience. Such accruals, which totaled \$137,466 and \$137,587 at June 30, 2023 and 2022, respectively, are recorded using a 4.00% and 3.00% discount factor at June 30, 2023 and 2022, respectively. The current portion of the accruals of \$30,459 and \$28,906 at June 30, 2023 and 2022, respectively, are included in accounts payable and other accrued liabilities.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

The basis of the discount rate is the risk-free rate of return at the end of each year and the estimated period over which claims will be settled. The accruals represent the total actuarially determined loss without reduction for the portion that is expected to be recoverable through insurance (\$18,148 and \$19,902 at June 30, 2023 and 2022, respectively). The expected amounts to be recovered through insurance are included in other noncurrent assets on the accompanying consolidated balance sheets.

Fair Value of Financial Instruments

The Health System's consolidated balance sheets include the following financial instruments: cash and cash equivalents, investments, patient accounts receivable, accounts payable and other accrued liabilities, pension assets, pension liabilities, and long-term obligations. The Health System considers the carrying amounts of current assets and liabilities on the consolidated balance sheets to approximate the fair value of these financial instruments because of the relatively short period of time between origination of the instruments and their expected realization. Pledges receivable, accrued workers' compensation, malpractice insurance claims, and pension liabilities are recorded at their estimated present value using appropriate discount rates. Marketable securities are recorded at fair value based on quoted prices from recognized security exchanges and other methods, as further described in Note 6. Alternative investments are recorded at net asset value, which represents a practical expedient of fair value. Tax-exempt financings are carried at amortized cost.

Income Taxes

The Health System and its related affiliates have been determined to qualify as exempt from federal and state income taxes under Section 501(a) as organizations described in Section 501(c)(3) of the Code. Most of the income received by the Health System is exempt from taxation as income related to the mission of the organization. Accordingly, there is no material provision for income taxes for these entities. However, some of the income received by the exempt entities is subject to taxation as unrelated business income. The Health System and its subsidiaries file federal and state income tax returns.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

The Health System completed an analysis of its tax positions, in accordance with ASC 740, *Income Taxes*, and determined that there are no uncertain tax positions taken or expected to be taken. The Health System has recognized no interest or penalties related to uncertain tax positions. The Health System is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Health System believes it is no longer subject to federal income tax examinations for years prior to 2019.

Concentrations of Credit Risk

Financial instruments that potentially subject the Health System to concentrations of credit risk consist primarily of investments and accounts receivable. Investments are made in a variety of financial instruments with prudent diversification requirements. The Health System seeks diversification among its investments and limits the amount of its credit exposure by defining the types of investments that may be held and the percentage of the investment portfolio that may be maintained in any given investment type.

The Health System's concentration of credit risk relating to patient receivables is limited due to the diversity of patients and payers. The Health System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party agreements. The mix of net receivables from patients and third-party payers is as follows:

	June 30	
	2023	2022
Medicare	13%	13%
Medi-Cal	2	2
Commercial and managed care	77	78
Self-pay and other	8	7
	<u>100%</u>	<u>100%</u>

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

3. Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update No. (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires earlier recognition of credit losses on financing receivables and other financial assets in scope. For trade receivables, loans, and held-to-maturity debt securities, entities will be required to estimate lifetime expected credit losses, resulting in earlier recognition of credit losses. For available-for-sale debt securities, entities will be required to recognize an allowance for credit losses rather than a reduction to the carrying value of the asset. In addition, entities will have to make more disclosures, including disclosures by year of origination for certain financing receivables. The adoption of this standard is not expected to have a significant impact on the accompanying consolidated financial statements.

4. Property and Equipment

Property and equipment consist of the following:

	June 30	
	2023	2022
Land	\$ 378,284	\$ 378,284
Buildings and land improvements	4,726,430	4,529,705
Equipment	923,361	856,661
Software and software implementation costs	1,034,735	873,394
	7,062,810	6,638,044
Less accumulated depreciation and amortization	3,057,995	2,740,303
	4,004,815	3,897,741
Construction-in-progress	488,389	464,986
	\$ 4,493,204	\$ 4,362,727

Depreciation and amortization expense on property and equipment was \$326,315 and \$294,229 for the years ended June 30, 2023 and 2022, respectively.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

4. Property and Equipment (continued)

Construction-in-progress consists of the following:

	June 30	
	2023	2022
Buildings and land improvements	\$ 370,398	\$ 347,552
Equipment	25,281	21,907
Software and software implementation costs	85,556	89,777
Capitalized interest	7,154	5,750
	\$ 488,389	\$ 464,986

5. Long-Term Debt

Long-term debt issued and outstanding is as follows:

	June 30	
	2023	2022
\$370,220 Revenue Bonds, Series 2015; principal payments of \$8,900 to \$39,680 are due annually through November 2035; interest is payable semiannually at 3.0% to 5.0%; the amount reported includes a face value of \$326,495 and \$354,590, unamortized premiums of \$24,932 and \$30,244, and unamortized deferred financing costs of \$856 and \$1,062 at June 30, 2023 and 2022, respectively	\$ 350,571	\$ 383,772
\$267,420 Revenue Bonds, Series 2016A; principal payments of \$7,435 to \$38,905 are due annually through August 2036; interest is payable semiannually at 5.0%; the amount reported includes a face value of \$230,725 and \$237,795, unamortized premiums of \$28,135 and \$31,553, and unamortized deferred financing costs of \$818 and \$917 at June 30, 2023 and 2022, respectively	258,042	268,431
\$402,305 Revenue Bonds, Series 2016B; principal payments of \$1,870 to \$66,900 are due annually through August 2039; interest is payable semiannually at 3.0% to 5.0%; the amount reported includes a face value of \$397,195 and \$398,975, unamortized premiums of \$21,524 and \$23,213, and unamortized deferred financing costs of \$1,550 and \$1,676 at June 30, 2023 and 2022, respectively	417,169	420,512

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

5. Long-Term Debt (continued)

	June 30	
	2023	2022
\$100,000 Revenue Bonds, Series 2018; principal payments of \$625 to \$18,085 are due annually through July 2048; interest is payable semiannually at 4.0% to 5.0%; the amount reported includes a face value of \$94,905 and \$96,625, unamortized premiums of \$15,863 and \$16,497, and unamortized deferred financing costs of \$0 at June 30, 2023 and 2022, respectively	\$ 110,768	\$ 113,122
\$300,000 Revenue Bonds, Series 2021; one principal payment of \$300,000 is due in August 2031; interest is payable semiannually at 2.3%; the amount reported includes a face value of \$300,000, unamortized premiums of \$0, and unamortized deferred financing costs of \$1,575 and \$1,768 at June 30, 2023 and 2022, respectively	298,425	298,232
\$1,034,365 Revenue Bonds, Series 2021A; principal payments of \$1,390 to \$113,875 are due annually beginning in 2038 through August 2051; interest is payable semiannually at 3.0% to 5.0%; the amount reported includes a face value of \$1,034,365, unamortized premiums of \$168,778 and \$176,130, and unamortized deferred financing costs of \$6,013 and \$6,275 at June 30, 2023 and 2022, respectively	1,197,130	1,204,220
Other notes payable	15,170	35,611
Total	2,647,275	2,723,900
Less current maturities	57,612	56,715
	\$ 2,589,663	\$ 2,667,185

As part of a debt consolidation plan, the debt previously issued by TMMC and PHA (excluding CSMC) was consolidated into a single combined group in December 2021 in connection with the issuance of the 2021 taxable and tax-exempt bonds under an amended Master Trust Indenture (MTI). The MTI has an Obligated Group that comprises Cedars-Sinai Health System, CSMC, MDRH, TMMC, and PHA (the Obligated Group). Members of the Obligated Group are jointly and severally liable under the MTI to make all payments required with respect to obligations under the MTI. Gross Receivables of the Obligated Group are pledged to secure the payment of the principal and interest on all bonds. The MTI requires certain covenants and reporting requirements be met by the Obligated Group. The Health System believes it is in compliance with these covenants and conditions as of June 30, 2023.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

5. Long-Term Debt (continued)

In December 2021, the Health System issued \$1,334,365 of California Health Facilities Financing Authority Revenue Bonds, composed of the Taxable 2021 Series Revenue Bonds totaling \$300,000 and the Tax-Exempt 2021A Series Revenue Bonds totaling \$1,034,365. The proceeds totaled \$1,514,763, including a premium on the 2021A Series Revenue Bonds of \$180,398, which will be amortized as a reduction to interest expense over the life of the bonds. Total issuance costs of \$8,308 were incurred in connection with the issuance. Prior to the issuance of the 2021 taxable and tax-exempt bonds, CSMC terminated its existing credit agreements with two different banks.

The proceeds from the 2021 Series Revenue Bonds will be used for general working capital purposes. Portions of the proceeds from the 2021A Series Revenue Bonds will be used to perform all of the following:

- Finance the costs of future capital expenditures, including constructing a new replacement hospital for MDRH, which is scheduled to be completed in 2026.
- Advance refund all of TMMC's bonds that were callable totaling \$258,110. A loss on extinguishment of debt of \$2,255 was recognized, which represents the difference between the amount paid and the net carrying value of the retired bonds.
- Deposit in escrow accounts to pay principal and interest on PHA's 2014A and 2014B Series Revenue Bonds until they are callable in July 2024 totaling \$211,927. A gain on extinguishment of debt of \$1,688 was recognized, which represents the difference between the amount paid and the net carrying value of the retired bonds. PHA's 2018 Series Revenue Bonds are currently outstanding.

The combined aggregate amounts of annual maturities and sinking fund requirements on all long-term debt (excluding the unamortized net premiums of \$259,232 and unamortized debt issuance costs of \$10,812 at June 30, 2023) as of June 30, 2023 are as follows:

2024	\$ 41,153
2025	42,670
2026	44,805
2027	47,070
2028	47,850
Thereafter	2,175,307
	<u>\$ 2,398,855</u>

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

5. Long-Term Debt (continued)

The components of net interest expense include the following:

	Year Ended June 30	
	2023	2022
Interest expense	\$ 84,615	\$ 71,919
Capitalized interest expense as part of construction-in-progress	(7,899)	(6,606)
Interest expense, net	\$ 76,716	\$ 65,313

6. Retirement Plans

The Health System members maintain several retirement plans for its employees.

The Cedars-Sinai Defined Contribution Plan substantially covers all of its employees. Contributions under this plan are calculated based on each employee's years of service and salary and amounted to \$64,806 and \$58,147 for the years ended June 30, 2023 and 2022, respectively.

The Cedars-Sinai Defined Benefit Plan offers a noncontributory defined benefit plan to its employees. Contributions under this plan totaled \$0 and \$33,137 for the years ended June 30, 2023 and 2022, respectively. Qualified employees have the choice of participation in either the Cedars-Sinai Defined Benefit Plan or the Cedars-Sinai Defined Contribution Plan and can change the selection once during their employment.

Cedars-Sinai's employees participate in a 403(b) plan sponsored by Cedars-Sinai. Under the provisions of the plan, participating employees may make voluntary contributions of up to 100% of pretax annual compensation, subject to statutory limitations. Cedars-Sinai contributes 50% of the first 6% of compensation that a participant contributes to the plan. Cedars-Sinai's contributions related to the 403(b) plan amounted to \$34,243 and \$31,123 for the years ended June 30, 2023 and 2022, respectively.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

6. Retirement Plans (continued)

The THA Defined Benefit Plan offers a noncontributory defined benefit retirement plan that was amended in 2009 to freeze participation in the plan to those individuals employed by THA on or before December 31, 2009. Individuals employed subsequent to this date become eligible for participation in the THA 401(a) Plan, a defined contribution plan, to be funded 100% by THA. On February 26, 2020, THA further amended the THA Defined Benefit Plan to cease benefit accruals and freeze plan participation effective June 27, 2020.

On January 1, 2010, THA began the THA 401(a) Plan. Contributions to the THA 401(a) Plan are made entirely by THA and range from 3% to 6% of annual compensation, based on years of service. Following the freeze of the THA Defined Benefit Plan in 2020, all eligible employees previously participating in the THA Defined Benefit Plan were transferred to the THA 401(a) Plan and the contributions to the THA 401(a) Plan by THA now range from 3% to 11% of annual compensation, based on years of service. THA's contributions to the THA 401(a) Plan amounted to \$18,549 and \$17,053 for the years ended June 30, 2023 and 2022, respectively.

THA's employees participate in a 403(b) plan sponsored by THA. Under the provisions of the plan, participating employees may make voluntary contributions through salary deductions. THA matches eligible employee contributions at rates between 20% to 100% with a maximum limit of eight hundred dollars per year based upon years of service with THA prior to June 30, 2020. THA discontinued employer matching contributions effective June 30, 2020.

The PHA Defined Benefit Plan offers a noncontributory defined benefit retirement plan that was amended in 2013. Effective July 1, 2013, the plan was closed to new participants and all benefit accruals under the plan were frozen. Contributions under this plan totaled \$4,125 and \$1,936, respectively, for the year ended June 30, 2023 and for the period from August 4, 2021 (the date of affiliation) to June 30, 2022.

PHA's employees participate in a 403(b) plan sponsored by PHA. Under the provisions of the plan, participating employees may make voluntary contributions of up to 100% of pretax annual compensation, subject to statutory limitations. PHA makes matching contributions of 50% of the first 4% of compensation that a participant contributes to the plan. Additionally PHA provides non-matching contributions based on years of service that range from 1% to 6% of eligible compensation. PHA's contributions related to the 403(b) plan amounted to \$5,116 and \$3,686 for the year ended June 30, 2023 and for the period from August 4, 2021 (the date of affiliation) to June 30, 2022.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

6. Retirement Plans (continued)

The following tables present information related to changes in projected benefit obligations, plan assets and their composition, funded status, the accumulated benefit obligation, and net periodic pension cost for all of the Health System's defined benefit plans (the Health System Plans) at June 30 and for the years then ended.

	Year Ended June 30	
	2023	2022
Change in projected benefit obligations:		
Projected benefit obligation at beginning of year	\$ 1,251,776	\$ 1,342,598
Inherent contribution from affiliation	–	249,152
Service cost	35,898	50,613
Interest cost	54,331	33,608
Actuarial losses	(65,664)	(363,131)
Benefits paid	(49,785)	(46,372)
Settlements	(14,644)	(14,692)
Projected benefit obligation at end of year	1,211,912	1,251,776
Change in plan assets:		
Fair value of plan assets at beginning of year	1,242,049	1,274,536
Inherent contribution from affiliation	–	164,410
Actual gain (loss) on plan assets	111,869	(169,652)
Employer contributions	4,125	35,073
Benefits paid	(49,785)	(46,372)
Expenses paid	(1,280)	(1,254)
Settlements	(14,644)	(14,692)
Fair value of plan assets at end of year	1,292,334	1,242,049
Overfunded (underfunded) status	\$ 80,422	\$ (9,727)

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

6. Retirement Plans (continued)

	June 30	
	2023	2022
Composition of plan assets:		
Short-term money market funds	3%	6%
Government and corporate debt	15	13
U.S. government agencies and asset-backed securities	2	1
Equity securities	15	13
Mutual funds	47	46
Common/collective trusts	18	21
	100%	100%
	June 30	
	2023	2022
Amounts recognized as pension liability on the consolidated balance sheets	\$ (45,683)	\$ (62,126)
Amounts recognized as pension assets on the consolidated balance sheets	126,105	52,399
Net pension asset (liability) on the consolidated balance sheets	\$ 80,422	\$ (9,727)
Accumulated benefit obligation	\$ 1,176,676	\$ 1,216,591
	Year Ended June 30	
	2023	2022
Net periodic benefit cost recognized:		
Service cost	\$ 35,898	\$ 50,613
Interest cost	54,331	33,608
Expected return on plan assets	(64,703)	(77,409)
Amortization of net loss	1,766	10,996
Amortization of prior service costs	50	253
Settlements	(3,213)	(2,384)
Net periodic benefit cost recognized	\$ 24,129	\$ 15,677

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

6. Retirement Plans (continued)

	June 30	
	2023	2022
Weighted average assumptions used to determine benefit obligations consist of the following:		
Discount rate used to determine service cost	N/A* or 4.66%	N/A* or 2.94%
Discount rate used to determine projected benefit obligation	5.30% to 5.33%	4.73% to 4.76%
Expected long-term rate of return on plan assets	5.40% to 5.75%	5.75% to 6.00%
Rate of increase in future compensation levels	N/A* or 4.00%	N/A* or 4.00%

* N/A represents a frozen plan that does not include service costs.

The Health System is required to recognize the funded status, which is the difference between the fair value of plan assets and the projected benefit obligations of its defined benefit plans on the consolidated balance sheets with a corresponding adjustment to net assets without donor restrictions.

The service cost component of the net periodic benefit cost, the Defined Contribution Plan expense, and the 403(b) Plan expense are included in salaries and related costs in the consolidated statements of operations and changes in net assets. The components of net periodic benefit cost other than the service cost component are included in other components of net periodic benefit cost in the consolidated statements of operations and changes in net assets.

The expected rate of return on plan assets is updated annually, taking into consideration the Plans' asset allocation, historical returns on the types of assets held in the trusts, and the current economic environment.

Amounts included in net assets without donor restrictions that have not been recognized in net periodic benefit cost are as follows:

	June 30	
	2023	2022
Unrecognized prior service costs	\$ (444)	\$ (395)
Unrecognized prior (gain) loss	(45,039)	64,837
Total	\$ (45,483)	\$ 64,442

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

6. Retirement Plans (continued)

Plan Assets

Approximately 97% of plan assets relate to long-term investment activities covering the Health System's general employee population. The other 3% of the assets relate to a special plan for highly compensated employees closer to retirement age. The combined target allocation is 40%–80% equities, 0%–30% fixed income, and 10%–50% short-term instruments.

The Health System uses a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or a liability as of the measurement date. The three levels are defined as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are therefore determined using model-based techniques that include option-pricing models, discounted cash flow models, and similar techniques.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

6. Retirement Plans (continued)

Fair values are based on the market approach valuation technique, which is based on prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following tables present the financial instruments in the Health System Plans carried at fair value by level in the valuation hierarchy. Alternative investments are recorded at net asset value, which is a practical expedient for fair value:

	Level 1	Level 2	Level 3	Fair Value
June 30, 2023				
Cash and cash equivalents	\$ 42,315	\$ –	\$ –	\$ 42,315
Equities	192,153	–	–	192,153
U.S. government issues	41,892	–	–	41,892
U.S. government agencies and asset-backed securities	–	20,721	–	20,721
Corporate bonds	–	153,261	–	153,261
Mutual funds	612,690	–	–	612,690
Other	–	–	1,488	1,488
	<u>\$ 889,050</u>	<u>\$ 173,982</u>	<u>\$ 1,488</u>	<u>1,064,520</u>
Investments measured at net asset value				<u>227,814</u>
				<u>\$ 1,292,334</u>
	Level 1	Level 2	Level 3	Fair Value
June 30, 2022				
Cash and cash equivalents	\$ 69,310	\$ –	\$ –	\$ 69,310
Equities	161,256	–	–	161,256
U.S. government issues	34,891	–	–	34,891
U.S. government agencies and asset-backed securities	–	16,224	–	16,224
Corporate bonds	–	123,876	–	123,876
Mutual funds	575,125	–	–	575,125
Other	–	–	912	912
	<u>\$ 840,582</u>	<u>\$ 140,100</u>	<u>\$ 912</u>	<u>981,594</u>
Investments measured at net asset value				<u>260,455</u>
				<u>\$ 1,242,049</u>

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) *(Dollar Amounts Expressed in Thousands)*

6. Retirement Plans (continued)

Plans' Investment Strategy

The Health System's investment policy generally reflects the long-term nature of the pension plans' funding obligations. Assets are invested to achieve a rate of return consistent with policy allocation targets, which significantly contributes to meeting the current and future obligations of the plans, and strives to help ensure solvency of the plans over time. This objective is to be achieved through a well-diversified asset portfolio and emphasis on long-term capital appreciation as a primary source of return. The plans utilize a multi-manager structure of complementary investment styles and classes. Manager qualitative performance is continually evaluated, while a manager's investment performance is judged over an investment market cycle of at least three years.

Plan assets are exposed to risk and fluctuations in market value from year to year. To minimize risk, each manager maintains a diversification of its portfolio to insulate the portfolio from substantial losses in any single security or sector of the market. The asset allocation is reviewed for deviations in the allowable range for each asset class, and rebalancing is implemented as necessary.

The long-term rate of return of the plans' investment allocation is designed to be commensurate with a conservatively managed balance allocation. Fixed-income securities consist of investment-grade bonds. Each investment type is managed by an asset manager specializing in various security types. The investment objective of the plans over a three- to five-year period is to produce a rate of return that equals or exceeds the appropriate bond index, Standard & Poor's 500 Stock Index, or other appropriate international equity indices.

As part of investment policies and strategies, the plans' Investment and Pension Committees meet periodically to review performance. At least annually, the Investment and Pension Committees review and formulate the specific investment and allocation plan. Any adjustments that are deemed necessary are based on specific criteria, i.e., necessary plan funding, plan obligations, plan expenses, and plan liquidity needs.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

6. Retirement Plans (continued)

Plans' Cash Flows

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows for the years ended June 30:

2024	\$ 117,330
2025	70,059
2026	71,775
2027	74,257
2028	76,574
2029 through 2033	411,199

7. Investments

Investment income on cash and cash equivalents, investments, board-designated assets, and assets limited as to use consists of the following:

	Year Ended June 30	
	2023	2022
Interest and dividend income	\$ 87,317	\$ 47,204
Realized gains	5,716	245,416
Net change in unrealized gains (losses)	281,625	(730,391)
	\$ 374,658	\$ (437,771)
Investment income (loss) without donor restrictions	\$ 350,917	\$ (437,453)
Investment income (loss) with donor restrictions	23,741	(318)
	\$ 374,658	\$ (437,771)

The following table presents the financial instruments carried at fair value by valuation hierarchy, as defined in Note 6. Alternative investments are recorded at net asset value, which is a practical expedient for fair value. The alternative investments are redeemable monthly, quarterly, semiannually, annually, or at the end of the term.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

7. Investments (continued)

There were no significant transfers between Levels 1, 2, or 3 during the years ended June 30, 2023 or 2022. Fair values are based on the market approach valuation technique, as defined in Note 6.

	Level 1	Level 2	Fair Value
June 30, 2023			
Cash and cash equivalents in assets limited to use	\$ 169,591	\$ –	\$ 169,591
Equities	527,351	–	527,351
U.S. government debt	324,671	–	324,671
U.S. government agencies and asset-backed securities	–	113,133	113,133
Corporate debt (domestic)	–	988,819	988,819
Foreign government debt	–	91,006	91,006
Mutual funds and other	1,292,477	–	1,292,477
	<u>\$ 2,314,090</u>	<u>\$ 1,192,958</u>	<u>3,507,048</u>
Alternative investments measured at net asset value			<u>1,115,697</u>
			<u>\$ 4,622,745</u>

	Level 1	Level 2	Fair Value
June 30, 2022			
Cash and cash equivalents in assets limited to use	\$ 119,944	\$ –	\$ 119,944
Equities	475,799	–	475,799
U.S. government debt	388,249	–	388,249
U.S. government agencies and asset-backed securities	–	51,534	51,534
Corporate debt (domestic)	–	1,122,837	1,122,837
Foreign government debt	–	128,585	128,585
Mutual funds and other	1,166,211	–	1,166,211
	<u>\$ 2,150,203</u>	<u>\$ 1,302,956</u>	<u>3,453,159</u>
Alternative investments measured at net asset value			<u>877,716</u>
			<u>\$ 4,330,875</u>

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

7. Investments (continued)

The following information pertains to those alternative investments recorded at net asset value in accordance with *Fair Value Measurement* (Topic 820) of the FASB ASC.

At June 30, 2023, alternative investments recorded at net asset value consisted of the following:

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice
Hedge funds	\$ 432,377	\$ –	Monthly to annual	30–90 days
Private equity funds	115,034	100,808	None	None
Commingled equity funds	568,286	–	Daily to quarterly	1–90 days
Total alternative investments	\$ 1,115,697	\$ 100,808		

At June 30, 2022, alternative investments recorded at net asset value consisted of the following:

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice
Hedge funds	\$ 266,191	\$ –	Monthly to annual	30–90 days
Private equity funds	59,445	92,793	None	None
Commingled equity funds	552,080	–	Monthly to quarterly	30–90 days
Total alternative investments	\$ 877,716	\$ 92,793		

Hedge funds: This class includes investments in hedge funds that pursue diversification of both domestic and foreign fixed-income and equity securities through multiple investment strategies. The primary objective for these funds is to seek attractive long-term, risk-adjusted absolute returns. Under certain circumstances, an otherwise redeemable investment or portion thereof could become restricted.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

7. Investments (continued)

Private equity funds: This class includes private equity funds that specialize in providing capital to a variety of investment groups including, but not limited to, venture capital, leveraged buyout, mezzanine debt, distressed debt, and other strategies. Distributions from each fund will be received as the underlying investments of the fund are liquidated. There are no provisions for redemptions during the life of these funds.

Commingled equity funds: This class includes investments in commingled funds that invest primarily in domestic or foreign equity securities with multiple investment strategies. A majority of the funds attempt to match or exceed the returns of specific equity indices.

8. Availability of Financial Assets

The following reflects the Health System's financial assets reduced by amounts not available for general use within one year of the consolidated balance sheet date because of contractual or donor-imposed restrictions:

	June 30	
	2023	2022
Cash and cash equivalents	\$ 2,028,800	\$ 1,178,692
Short-term investments	1,232,599	1,164,090
Board-designated assets	1,829,299	1,551,955
Patient accounts receivable	1,061,893	968,693
	<u>\$ 6,152,591</u>	<u>\$ 4,863,430</u>

Board-designated assets include investments designated by the Health System's Board of Directors (the Board) for future capital expenditures, physician programs, academic programs, and fundraising. However, the Board retains control of these assets and will, at its discretion, and if necessary, use these assets for operating purposes. Therefore, Board-designated assets are included in the amounts above.

The Health System has assets limited to use, as described in Note 3, which are not reflected in the amounts above. As part of the Health System's liquidity management plan, cash in excess of daily requirements for general expenditures is invested in short-term investments that can be drawn upon, if necessary, to meet the liquidity needs of the Health System.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	June 30	
	2023	2022
Health care services	\$ 740,083	\$ 650,333
Purchase of capital assets	51,566	76,044
Health education and research	184,639	186,034
Endowment funds	469,044	451,806
Beneficial interest in net assets of Huntington Trust	461,588	438,490
	\$ 1,906,920	\$ 1,802,707

During the years ended June 30, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of health care services and health education totaling \$328,878 and \$276,622, respectively, and satisfying the restricted purposes of capital expenditures totaling \$39,615 and \$14,364, respectively.

Endowment funds at June 30, 2023 and 2022 are restricted to investments that are to be held in perpetuity to provide a permanent source of income.

Pledges are recognized as contributions at the present value of expected future payments. The discount rate used is the estimated risk-free discount rate at the time of the donation (ranging from 0.49% to 13.82%). Pledges receivable in donor-restricted net assets are scheduled to be received as follows:

	June 30	
	2023	2022
Due in one year or less	\$ 86,356	\$ 78,524
Due after one year through five years	202,611	183,377
Due after five years	146,087	160,938
Total	435,054	422,839
Allowance for uncollectible pledges and discounting	(56,265)	(44,739)
Pledges receivable	378,789	378,100
Less current portion	78,770	72,865
	\$ 300,019	\$ 305,235

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

9. Net Assets With Donor Restrictions (continued)

During the years ended June 30, 2023 and 2022, the Health System had the following endowment-related activities:

	With Donor Restrictions	Without Donor Restrictions	Total
Endowment net assets, beginning of year – July 1, 2021	\$ 378,476	\$ 805,826	\$ 1,184,302
Inherent contribution from affiliation	51,232	64,242	115,474
Contributions	21,562	35,185	56,747
Other transfers	–	109	109
Investment income (loss)	12,588	(147,515)	(134,927)
Transfers of investment income	(12,052)	(2,085)	(14,137)
Endowment net assets, end of year – June 30, 2022	451,806	755,762	1,207,568
Contributions	17,279	35,398	52,677
Other transfers	(40)	465	425
Investment income	12,644	126,697	139,341
Transfers of investment income	(12,644)	(2,070)	(14,714)
Endowment net assets, end of year – June 30, 2023	\$ 469,045	\$ 916,252	\$ 1,385,297

The Health System's endowment consists of 315 individual funds for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the original and subsequent donor gift amounts. The Health System had no deficiencies of this nature in donor-restricted endowment funds as of June 30, 2023 or 2022.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts Expressed in Thousands)

9. Net Assets With Donor Restrictions (continued)

The Health System's Board has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the corpus of the various donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Health System classifies as donor-restricted net assets: (1) the original value of gifts donated, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Health System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity, as well as Board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner which is intended to produce results that exceed the price and yield of market benchmarks. Actual returns in any given year may vary from this goal.

To satisfy the long-term rate of return objectives, the Health System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Health System targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent constraints.

10. Leases

The Health System leases property and equipment under operating and finance leases, whose terms vary in length from month to month to 15 years, with renewal options upon prior written notice, typically for 5 years depending upon the agreed-upon terms with the landlord. Rents under the Health System's lease amounts generally increase from 2% to 5% on an annual basis. The Health System determines whether an arrangement is a lease at contract inception. Leases with an initial term of 12 months or less are not recorded on the Health System's consolidated balance sheets. The Health System has lease agreements that require payments for lease and non-lease components and has elected to account for these as a single lease component.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

10. Leases (continued)

Lease assets represent the Health System's right to use an underlying asset for the lease term, and lease liabilities represent the Health System's obligation to make lease payments arising from the lease. Lease assets and lease liabilities are recorded at the present value of lease payments over the lease term at the commencement date using the risk-free rate based on the daily treasury yield curve. Most leases include rental escalation clauses, renewal options, and/or termination options that are factored into the determination of lease payments. Operating fixed lease expense and finance lease depreciation expense are recognized on a straight-line basis over the lease term. Variable lease payments are non-lease services related to the lease, including maintenance, repairs, property taxes, and insurance costs, which are excluded from the right-of-use assets and lease liabilities and are recognized in the period in which the obligation of those payments is incurred. As it is not reasonably certain that renewal options will be exercised, the Health System does not include renewal options in the lease term for calculating the lease liability.

Lease term and discount rate are as follows:

	June 30	
	2023	2022
Weighted average operating leases remaining lease term	6.2 years	6.8 years
Weighted average finance leases remaining lease term	2.8 years	3.3 years
Weighted average operating lease discount rate	2.1%	1.9%
Weighted average finance lease discount rate	2.1%	1.6%

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

10. Leases (continued)

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense are as follows:

	Year Ended June 30	
	2023	2022
Operating lease expense	\$ 92,399	\$ 97,219
Variable lease expense	53,383	42,016
Short-term lease expense	–	127
Sublease income	(3,643)	(4,462)
Finance lease expense:		
Amortization of leased assets	6,823	7,938
Interest on lease liabilities	356	476
Total lease expense	\$ 149,318	\$ 143,314

Supplemental cash flow information related to leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities is as follows:

	Year Ended June 30	
	2023	2022
Operating cash flows from operating leases	\$ 96,155	\$ 100,860
Operating cash flows from finance leases	114	131
Financing cash flows from finance leases	6,659	6,760
Lease assets obtained in exchange for new operating lease liabilities	\$ 40,214	\$ 116,185
Lease assets obtained in exchange for new finance lease liabilities	–	1,558

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

10. Leases (continued)

The following table summarizes the maturity of lease liabilities under operating and finance leases for the next five years and the years thereafter, as of June 30, 2023:

	Operating Leases	Finance Leases	Total
2024	\$ 97,689	\$ 5,404	\$ 103,093
2025	91,174	3,770	94,944
2026	81,138	2,954	84,092
2027	71,927	676	72,603
2028	53,341	32	53,373
Thereafter	122,533	–	122,533
Total lease payments	517,802	12,836	\$ 530,638
Less interest	(34,249)	(130)	
Total lease liabilities	\$ 483,553	\$ 12,706	

In 2013, THA financed \$39,600 of the Torrance Memorial Specialty Center through a sale-leaseback transaction with Continental Development Corp. (CDC). THA received \$23,100 in cash and \$16,500 in five-year notes receivable from CDC for the sale of the property. In 2012, THA financed \$24,900 of certain properties through sale-leaseback transactions with CDC. THA received \$14,900 in cash and \$10,000 in five-year notes receivable from CDC for the sale of the properties. THA recorded the sale of these properties based on the relative fair value on the date of the transaction. As a result, no gains or losses were recorded on THA's statement of operations. The amount recorded in property and equipment under these leases as of June 30, 2023 and 2022 is \$36,580 and \$37,728, respectively, net of accumulated depreciation. The amount recorded in accounts payable and other accrued liabilities, representing the current portion of the sale-leaseback liability as of June 30, 2023 and 2022, is \$2,390 and \$2,217, respectively. The amount recorded in other liabilities, representing the noncurrent portion of the sale-leaseback liability as of June 30, 2023 and 2022, is \$80,290 and \$82,680, respectively.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

11. Commitments and Contingencies

Pending claims and legal proceedings at June 30, 2023 are set forth below. For all matters where a loss is probable and reasonably estimable, an estimate of the loss or a range of loss is provided. Where no estimate is provided, a loss is not probable or an amount of loss is not reasonably estimable at this time.

Litigation – Employment Practices (Class Action)

Wage and hour complaints, including class actions and those filed pursuant to the CA Private Attorneys General Act (PAGA), filed against hospitals are somewhat commonplace, particularly PAGA actions that only require one aggrieved individual with one labor code violation to represent on behalf of himself or herself and others in the hospital field. The Health System is now defending a handful of separate cases which, in various forms, contend that there has been a failure to pay overtime wages, failure to pay minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to pay wages in a timely manner at separation, failure to provide accurate itemized wage statements, and/or unfair business practices.

These cases have been assigned to the “complex” division of the Superior Court, although only one is currently in active litigation. The rest are stayed pending outcomes of individual claims in arbitration, settled and awaiting court approval, or dismissed. Outside counsel that has been retained to defend these cases will vigorously defend the Health System. For the case that is in active litigation, the cost and outcome cannot be ascertained at this time.

Other

In addition to the above, the Health System is a defendant in various other legal actions arising from the normal conduct of business. Management believes that the ultimate resolution of all proceedings will not have a material adverse effect upon the consolidated financial position, results of operations, or cash flows of the Health System. Further, new claims or inquiries may be initiated against the Health System and its affiliates from time to time. These matters could: (1) require the Health System to pay substantial damages or amounts in judgments or settlements which, individually or in the aggregate, could exceed amounts, if any, that may be recovered under the insurance policies where coverage applies and is available, (2) cause the Health System to incur substantial expenses, and (3) require significant time and attention from management.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) (Dollar Amounts Expressed in Thousands)

11. Commitments and Contingencies (continued)

The Health System cannot predict the results of current or future claims and lawsuits. The Health System recognizes that, where appropriate, its interests may be best served by resolving certain matters without litigation. If a non-litigated resolution is not appropriate or possible with respect to a particular matter, the Health System will defend itself vigorously. The ultimate resolution of claims against the Health System, individually or in the aggregate, could have a material adverse effect on its business (both in the near and long term), consolidated financial position, results of operations, or cash flows.

12. Functional Expenses

The Health System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	Health Care Services	General and Administrative	Fundraising	Total
Year ended June 30, 2023				
Salaries and related costs	\$ 3,217,583	\$ 354,228	\$ 17,760	\$ 3,589,571
Professional fees	585,739	-	-	585,739
Materials, supplies, and other	2,099,627	343,479	4,815	2,447,921
Medi-Cal Fee Program expense	84,771	-	-	84,771
Interest	38,062	38,654	-	76,716
Depreciation and amortization	312,043	37,626	74	349,743
	<u>\$ 6,337,825</u>	<u>\$ 773,987</u>	<u>\$ 22,649</u>	<u>\$ 7,134,461</u>

	Health Care Services	General and Administrative	Fundraising	Total
Year ended June 30, 2022				
Salaries and related costs	\$ 2,896,491	\$ 359,693	\$ 13,645	\$ 3,269,829
Professional fees	543,325	-	-	543,325
Materials, supplies, and other	2,019,979	299,008	6,124	2,325,111
Medi-Cal Fee Program expense	171,928	-	-	171,928
Interest	40,818	24,495	-	65,313
Depreciation and amortization	283,044	34,607	-	317,651
	<u>\$ 5,955,585</u>	<u>\$ 717,803</u>	<u>\$ 19,769</u>	<u>\$ 6,693,157</u>

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) *(Dollar Amounts Expressed in Thousands)*

12. Functional Expenses (continued)

The consolidated financial statements report certain expense categories that are attributable to more than one function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including interest, depreciation, amortization, and other occupancy costs, are allocated to a function based on total functional cost before allocation.

13. COVID-19

In March 2020, the World Health Organization declared the novel coronavirus disease (COVID-19) a pandemic. The Centers for Disease Control and Prevention confirmed its spread to the United States and it was declared a national public health emergency, followed by several state emergency declarations and CMS issuing guidance regarding elective procedures. Following the guidelines from federal, state, and local governments, the Health System decided to postpone nonessential or elective surgical procedures starting the third week of March 2020, which led to a reduction in its overall patient volume and patient service revenue. The Health System implemented a Pay Protection Program, which allowed those employees whose work was affected due to low volume or cancellations to be reassigned to other areas in need and to be paid in full while waiting for reassignment. The Health System has incurred incremental expenses, including higher usage of contract labor, premium labor, supply costs, and lost revenues, in response to the pandemic. The public health emergency based on COVID-19 trends officially expired on May 11, 2023.

From April 2020 through December 2021, the Health System received \$291,829 from various provisions in the CARES Act Provider Relief Fund. These payments are not subject to repayment, provided the Health System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for health-care-related expenses or lost revenue attributable to COVID-19. Based on an analysis of the compliance and reporting requirement of the Provider Relief Fund, the Health System believes there is reasonable assurance the applicable terms and conditions required to retain the funds were met as of June 30, 2023 and 2022. Therefore, the Health System recognized payments of \$0 and \$30,835 in other operating revenues on the consolidated statements of operations and changes in net assets for the years ended June 30, 2023 and 2022, respectively.

Cedars-Sinai Health System

Notes to Consolidated Financial Statements (continued) *(Dollar Amounts Expressed in Thousands)*

13. COVID-19 (continued)

From December 2021 through October 2022, the Health System received \$34,850 in business interruption insurance recoveries due to the aforementioned additional costs incurred in response to COVID-19. The Health System recognized \$6,850 and \$28,000 as a reduction to materials, supplies, and other expenses on the consolidated statements of operations and changes in net assets for the years ended June 30, 2023 and 2022, respectively.

Additionally, TMMC and HH (pre-affiliation) received \$59,000 and \$66,500, respectively, of Medicare advance payments in April 2020 as part of the Accelerated and Advance Payment Program from the CMS, which has been recorded in due to third-party payers on the consolidated balance sheets. The repayment process started in April 2021. The unpaid balance as of June 30, 2023 and 2022 was \$0 and \$20,750, respectively.

14. Subsequent Events

The Health System performed a review of events subsequent to June 30, 2023 through October 23, 2023, the date the consolidated financial statements were issued.

On October 1, 2023, operations at Providence Tarzana Medical Center officially commenced and began providing care to patients. Beginning October 1, 2023, CSMC will recognize its proportionate share of the net income in Tarzana under the equity method of accounting.

Reports Required by the Uniform Guidance

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Management and the Board of Directors
Cedars-Sinai Health System

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Cedars-Sinai Health System (the Health System), which comprise the consolidated balance sheet as of June 30, 2023, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”), and have issued our report thereon dated October 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Health System’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health System’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Health System’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health System’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst + Young LLP

October 23, 2023



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Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Management and the Board of Directors
Cedars-Sinai Health System

Report of Independent Auditors on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cedars-Sinai Health System's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Cedars-Sinai Health System's major federal programs for the year ended June 30, 2023. Cedars-Sinai Health System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cedars-Sinai Health System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cedars-Sinai Health System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cedars-Sinai Health System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cedars-Sinai Health System's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cedars-Sinai Health System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cedars-Sinai Health System's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cedars-Sinai Health System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cedars-Sinai Health System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cedars-Sinai Health System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs and identified below.

Finding Number	Assistance Listing Numbers	Program Name	Compliance Requirement
2023-001	93.RD, 93.103, 93.113, 93.172, 93.213, 93.226, 93.242, 93.273, 93.279, 93.283, 93.286, 93.307, 93.310, 93.350, 93.361, 93.368, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.399, 93.493, 93.817, 93.825, 93.837, 93.838, 93.839, 93.840, 93.846, 93.847, 93.853, 93.855, 93.859, 93.865, 93.866, 93.867, 93.879	Research and Development Cluster	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles
2023-002	43.003, 47.041, 93.279, 93.286, 93.310, 93.394, 93.395, 93.396, 93.817, 93.837, 93.838, 93.847, 93.853, 93.855, 93.866, 93.867	Research and Development Cluster	F. Equipment and Real Property Management
2023-003	12.420, 43.003, 47.041, 93.113, 93.242, 93.273, 93.279, 93.286, 93.310, 93.350, 93.361, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.817, 93.837, 93.838, 93.839, 93.846, 93.847, 93.853, 93.855, 93.859, 93.866, 93.867	Research and Development Cluster	I. Procurement and Suspension and Debarment
2023-004	93.498	COVID-19 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles L. Reporting

Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Cedars-Sinai Health System’s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Cedars-Sinai Health System’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Cedars-Sinai Health System is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. Cedars-Sinai Health System’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs and identified in the table below to be a material weakness.

Finding Number	Assistance Listing Numbers	Program Name	Compliance Requirement
2023-004	93.498	COVID-19 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles L. Reporting

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and identified in the table below to be significant deficiencies.

Finding Number	Assistance Listing Numbers	Program Name	Compliance Requirement
2023-001	93.RD, 93.103, 93.113, 93.172, 93.213, 93.226, 93.242, 93.273, 93.279, 93.283, 93.286, 93.307, 93.310, 93.350, 93.361, 93.368, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.399, 93.493, 93.817, 93.825, 93.837, 93.838, 93.839, 93.840, 93.846, 93.847, 93.853, 93.855, 93.859, 93.865, 93.866, 93.867, 93.879	Research and Development Cluster	A. Activities Allowed or Unallowed B. Allowable Costs/Cost Principles
2023-002	43.003, 47.041, 93.279, 93.286, 93.310, 93.394, 93.395, 93.396, 93.817, 93.837, 93.838, 93.847, 93.853, 93.855, 93.866, 93.867	Research and Development Cluster	F. Equipment and Real Property Management
2023-003	12.420, 43.003, 47.041, 93.113, 93.242, 93.273, 93.279, 93.286, 93.310, 93.350, 93.361, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.817, 93.837, 93.838, 93.839, 93.846, 93.847, 93.853, 93.855, 93.859, 93.866, 93.867	Research and Development Cluster	I. Procurement and Suspension and Debarment

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Cedars-Sinai Health System’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Cedars-Sinai Health System’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



Cedars-Sinai Health System is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. Cedars-Sinai Health System’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ernst + Young LLP

March 1, 2024

Supplementary Information

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
U.S. Department of Commerce						
Economic Development Cluster:						
Economic Adjustment Assistance	11.307		\$ -	\$ 217	\$ 217	\$ -
Total Economic Development Cluster			-	217	217	-
Arrangements for Interdisciplinary Research Infrastructure	11.619		422	-	422	-
Total U.S. Department of Commerce			422	217	639	-
U.S. Department of Defense						
Military Medical Research and Development	12.420		11,405,628	-	11,405,628	1,801,663
Pass Through – Dana-Farber Cancer Institute	12.420	W81XWH-19-10564	27,263	-	27,263	-
Pass Through – Fred Hutchinson Cancer Center	12.420	W81XWH-22-2-0006	26,123	-	26,123	-
Pass Through – MTEC	12.420	W81XWH-20-9-0022	959,138	-	959,138	-
Pass Through – Stanford University	12.420	W81XWH-21-1-0454	17,342	-	17,342	-
Pass Through – The University of Tennessee on Behalf of its Health Science Center	12.420	W81XWH-18-10266	(15,108)	-	(15,108)	-
Pass Through – The University of Tennessee on Behalf of its Health Science Center	12.420	W81XWH-22-1-0982	9,713	-	9,713	-
Pass Through – University of Alabama at Birmingham	12.420	W81XWH-19-1-0558	18,101	-	18,101	-
Pass Through – University of California Los Angeles	12.420	W81XWH-21-1-0644	76,457	-	76,457	-
Pass Through – University of California San Diego	12.420	W81XWH-18-2-0009	43,127	-	43,127	-
Pass Through – University of Florida	12.420	W81XWH-17-2-0030	407,198	-	407,198	81,069
Pass Through – University of Maryland	12.420	W81XWH-19-1-0848	1,455	-	1,455	-
Pass Through – University of Pittsburgh	12.420	W81XWH-22-1-0221	10,935	-	10,935	-
Total U.S. Department of Defense			12,987,372	-	12,987,372	1,882,732
National Aeronautics and Space Administration						
Exploration	43.003		713,630	-	713,630	107,811
Total National Aeronautics and Space Administration			713,630	-	713,630	107,811
National Science Foundation						
Engineering	47.041		124,502	-	124,502	-
Social, Behavioral, and Economic Sciences	47.075		26,871	-	26,871	-
Total National Science Foundation			151,373	-	151,373	-
U.S. Department of Veterans Affairs						
Veterans Medical Care Benefits	64.009		-	15,941	15,941	-
Pass Through – Veterans Affairs Greater Los Angeles Healthcare	64.009	FP00001087	-	16,381	16,381	-
Pass Through – Veterans Affairs Greater Los Angeles Healthcare	64.009	691-D28060	-	63,710	63,710	-
Pass Through – Veterans Affairs Greater Los Angeles Healthcare	64.009	691-D28090	-	5,672	5,672	-
Pass Through – Veterans Affairs Greater Los Angeles Healthcare	64.009	691-D18082	-	(1,836)	(1,836)	-
Pass Through – Veterans Affairs Greater Los Angeles Healthcare	64.009	691-D28026	-	7,349	7,349	-
Total U.S. Department of Veterans Affairs			-	107,217	107,217	-
U.S. Department of Health and Human Services						
NCTN: NCI'S National Clinical Trials Network Program	93.RD		(373)	-	(373)	-
Pass Through – NRG Oncology	93.RD	CA016-NRG	52,607	-	52,607	-
Cancer Prevention Agent Development Program						
Pass Through – Northwestern University	93.RD	SP001604060045298	28,425	-	28,425	-
Pass Through – Northwestern University	93.RD	SP001604060045323	11,519	-	11,519	-
Total 93.RD			92,178	-	92,178	-

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Public Health Institute						
CalBridge Behavioral Health Navigator Program						
Pass Through – Public Health Institute	93.U01	21-10346	\$ –	\$ 85,000	\$ 85,000	\$ –
Total 93.U01			–	85,000	85,000	–
Food and Drug Administration Research						
Pass Through – Yale University	93.103	U01FD005938	5,010	–	5,010	–
Total 93.103			121,546	–	121,546	–
Environmental Health						
	93.113		84,233	–	84,233	–
Human Genome Research						
Pass Through – Broad Institute	93.172	U01HG011723	6,152	–	6,152	–
Pass Through – University of California San Diego	93.172	R01HG011066	210,484	–	210,484	–
Total 93.172			216,636	–	216,636	–
Research and Training in Complementary and Integrative Health						
Pass Through – University of Alabama at Birmingham	93.213	U24AT011310	806	–	806	–
Research on Healthcare Costs, Quality and Outcomes						
Pass Through – RAND Corporation	93.226	R18HS026168	219,194	–	219,194	–
Pass Through – Medical University of South Carolina	93.226	R01HS026491	13,746	–	13,746	–
Pass Through – University of California San Diego	93.226	U18HS028740	165,658	–	165,658	–
Pass Through – University of Colorado Denver	93.226	R18HS028578	16,203	–	16,203	–
Total 93.226			45,189	–	45,189	–
			459,990	–	459,990	–
Mental Health Research Grants						
Pass Through – California Institute of Technology	93.242	P50MH094258	178,856	–	178,856	–
Pass Through – Michigan State University	93.242	R01MH123716	54,350	–	54,350	–
Pass Through – University of Minnesota	93.242	R01MH115046	74,417	–	74,417	–
Pass Through – University of Texas – Southwestern	93.242	RF1MH130371	86,748	–	86,748	–
Total 93.242			3,140	–	3,140	–
			397,511	–	397,511	–
Alcohol Research Programs						
Pass Through – Indiana University	93.273	U01AA026817	1,048,429	–	1,048,429	46,007
Pass Through – University of Kentucky	93.273	R01AA028735	354,077	–	354,077	–
Pass Through – University of Southern California	93.273	P50AA011999	44,042	–	44,042	–
Pass Through – University of Wisconsin	93.273	R01AA028852	42,247	–	42,247	–
Total 93.273			258,463	–	258,463	–
			1,747,258	–	1,747,258	46,007
Drug Abuse and Addiction Research Programs						
Pass Through – RAND Corporation	93.279	R34DA047492	869,265	–	869,265	103,075
Pass Through – University of California San Diego	93.279	U24DA055325	(193)	–	(193)	–
Pass Through – University of North Carolina	93.279	R01DA042988	39,723	–	39,723	–
Pass Through – University of North Carolina	93.279	R01DA043678	49,096	–	49,096	–
Total 93.279			140,131	–	140,131	–
			1,098,022	–	1,098,022	103,075
Center for Disease Control and Prevention Investigations and Technical Assistance						
Pass Through – University of California Los Angeles	93.283	1640SZB15700	20,753	–	20,753	–

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Discovery and Applied Research for Technological Innovations						
to Improve Human Health	93.286		\$ 1,407,156	\$ –	\$ 1,407,156	\$ 216,473
Pass Through – Emory University	93.286	U01EB028145	(7,082)	–	(7,082)	–
Pass Through – University of California Los Angeles	93.286	U01EB026421	83,860	–	83,860	–
Pass Through – University of Southern California	93.286	R01EB029088	29,950	–	29,950	–
Total 93.286			1,513,884	–	1,513,884	216,473
Minority Health and Health Disparities Research	93.307		13,998	–	13,998	–
Pass Through – RAND Corporation	93.307	R01MD016892	5,291	–	5,291	–
Pass Through – University of Alabama at Birmingham	93.307	U54MD000502	41,042	–	41,042	–
Total 93.307			60,331	–	60,331	–
Trans-NIH Research Support	93.310		374,900	–	374,900	47,572
Pass Through – University of California Davis	93.310	UG1HD107711	307,959	–	307,959	–
Pass Through – University of California San Diego	93.310	OT2OD026552	1,310,489	–	1,310,489	–
Total 93.310			1,993,348	–	1,993,348	47,572
National Center for Advancing Translational Sciences	93.350		2,075,001	–	2,075,001	870,702
Pass Through – Cincinnati Children's Hospital Medical Center	93.350	UH3TR002612	2,027	–	2,027	–
Pass Through – University of California Los Angeles	93.350	KL2TR001882	116,173	–	116,173	–
Pass Through – University of California Los Angeles	93.350	UH3TR003148	109,184	–	109,184	–
Pass Through – University of California Los Angeles	93.350	UL1TR001881	1,303,257	–	1,303,257	–
Total 93.350			3,605,642	–	3,605,642	870,702
Nursing Research	93.361		890,347	–	890,347	424,226
COVID-19 – Nursing Research	93.361		832,920	–	832,920	138,326
Total 93.361			1,723,267	–	1,723,267	562,552
21st Century Cures Act – Precision Medicine Initiative						
Pass Through – Harvard Medical School	93.368	U24OD023176	132,051	–	132,051	–
Cancer Cause and Prevention Research	93.393		3,329,706	–	3,329,706	1,009,752
Pass Through – Cleveland Clinic	93.393	R01CA238087	407,324	–	407,324	–
Pass Through – Cleveland Clinic	93.393	R01CA248931	110,474	–	110,474	–
Pass Through – Dana Farber Cancer Institute	93.393	R01CA204954	(66)	–	(66)	–
Pass Through – Dana Farber Cancer Institute	93.393	R01CA251555	307,827	–	307,827	–
Pass Through – Emory University	93.393	R01CA211574	158,206	–	158,206	–
Pass Through – Fred Hutchinson Cancer Center	93.393	R01CA244588	29,441	–	29,441	–
Pass Through – Fred Hutchinson Cancer Research Center	93.393	R01CA244588	11,120	–	11,120	–
Pass Through – Kaiser Permanente	93.393	R01CA258160	10,362	–	10,362	–
Pass Through – Moffitt Cancer & Research Institute	93.393	R01CA207456	(1,714)	–	(1,714)	–
Pass Through – SUNY at Stony Brook University	93.393	R01CA235720	164,202	–	164,202	–
Pass Through – University of California Davis	93.393	R01CA204145	10,382	–	10,382	–
Pass Through – University of California Los Angeles	93.393	P01CA236585	275,962	–	275,962	–
Pass Through – University of Hawaii	93.393	R01CA263494	6,668	–	6,668	–
Pass Through – University of Melbourne	93.393	U01CA167551	82,513	–	82,513	–
Pass Through – University of Utah	93.393	U01CA206110	241,939	–	241,939	–
Pass Through – University of Texas, MD Anderson Cancer Center	93.393	R01CA188943	139	–	139	–
Pass Through – West Virginia University Research Corp	93.393	R01CA204145	174	–	174	–
Total 93.393			5,144,659	–	5,144,659	1,009,752

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Cancer Detection and Diagnosis Research	93.394		\$ 5,555,419	\$ -	\$ 5,555,419	\$ 1,014,156
Pass Through – Icahn School of Medicine at Mount Sinai	93.394	R01CA244948	6,909	-	6,909	-
Pass Through – Kaiser Permanente	93.394	R01CA230442	41,052	-	41,052	-
Pass Through – Tulane University	93.394	R01CA222831	18,905	-	18,905	-
Pass Through – University of California Los Angeles	93.394	R01CA255727	125,550	-	125,550	-
Pass Through – University of California Los Angeles	93.394	R01CA246304	45,894	-	45,894	-
Pass Through – University of California Los Angeles	93.394	R01CA253651	159,038	-	159,038	-
Pass Through – University of California Los Angeles	93.394	R21CA240887	(46)	-	(46)	-
COVID-19 – Cancer Detection and Diagnosis Research	93.394		1,475,914	-	1,475,914	-
Total 93.394			7,428,635	-	7,428,635	1,014,156
Cancer Treatment Research	93.395		3,095,328	-	3,095,328	356,629
Pass Through – Alliance Foundation Trials, LLC	93.395	U19CA180821	3,710	-	3,710	-
Pass Through – Brigham & Women's Hospital	93.395	U10CA076001	303	-	303	-
Pass Through – Children's Hospital Philadelphia	93.395	U10CA180886	12,973	-	12,973	-
Pass Through – Icahn School of Medicine at Mount Sinai	93.395	P01CA108671	1,265	-	1,265	-
Pass Through – Icahn School of Medicine at Mount Sinai	93.395	R01CA232574	8,985	-	8,985	-
Pass Through – La Jolla Institute for Immunology	93.395	R01CA256133	92,569	-	92,569	-
Pass Through – Oregon Health Science University	93.395	U01CA180888	45,021	-	45,021	-
Pass Through – Public Health Institute	93.395	U10 CA180886	298	-	298	-
Total 93.395			3,260,452	-	3,260,452	356,629
Cancer Biology Research	93.396		7,541,486	-	7,541,486	82,591
Pass Through – Medical College of Wisconsin	93.396	R01CA258433	26,830	-	26,830	-
Pass Through – Roswell Park Cancer Institute	93.396	R01CA207757	33,511	-	33,511	-
Pass Through – Vanderbilt University Medical	93.396	R01CA249424	42,320	-	42,320	-
Total 93.396			7,644,147	-	7,644,147	82,591
Cancer Centers Support Grants						
Pass Through – Fred Hutchinson Cancer Center	93.397	P20CA252733	14,819	-	14,819	-
Pass Through – Fred Hutchinson Cancer Research Center	93.397	P20CA252733	17,632	-	17,632	-
Pass Through – University of California Los Angeles	93.397	P50CA211015	10,919	-	10,919	-
Pass Through – University of California Los Angeles	93.397	P50CA092131	183,480	-	183,480	-
Pass Through – University of North Carolina	93.397	P30CA016086	1,933	-	1,933	-
Total 93.397			228,783	-	228,783	-
Cancer Research Manpower	93.398		1,626,084	-	1,626,084	-
Pass Through – Alliance Foundation Trials, LLC	93.398	UG1CA189823	27,961	-	27,961	-
Total 93.398			1,654,045	-	1,654,045	-
Cancer Control						
Pass Through – Children's Hospital Philadelphia	93.399	UG1CA189955	542	-	542	-
Pass Through – Northwestern University	93.399	UG1CA242643	60,811	-	60,811	-
Pass Through – Oregon Health Sciences University	93.399	UG1CA189974	4,166	-	4,166	-
Total 93.399			65,519	-	65,519	-
Congressional Directives	93.493	CEIHS46456	999,784	-	999,784	-
COVID-19 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498		-	30,725,572	30,725,572	-

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Medicaid Cluster:						
Medical Assistance Program						
Pass Through – California Department of Aging	93.778	2022/2023 MS 16	\$ –	\$ 2,274,893	\$ 2,274,893	\$ –
Total Medicaid Cluster			–	2,274,893	2,274,893	–
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities						
Pass Through – California Department of Public Health	93.817	U3REP160550	605,317	–	605,317	–
Total 93.817			(101,281)	–	(101,281)	–
			504,036	–	504,036	–
National Ebola Training and Education Center (NETEC)						
Pass Through – Emory University	93.825	U3REP150549	363,111	–	363,111	–
Total 93.825			363,111	–	363,111	–
Cardiovascular Diseases Research						
Pass Through – Boston University	93.837	R01HL142983	18,175,413	–	18,175,413	1,808,074
Pass Through – Brigham & Women Hospital Inc.	93.837	R01HL116690	16,454	–	16,454	–
Pass Through – Brown University	93.837	R01HL151398	157	–	157	–
Pass Through – Columbia University Medical Center	93.837	R01HL130500	83,161	–	83,161	–
Pass Through – Duke University	93.837	U10HL084904	5,211	–	5,211	–
Pass Through – Duke University	93.837	R01HL157531	1	–	1	–
Pass Through – Icahn School of Medicine at Mount Sinai	93.837	R01HL150345	20,173	–	20,173	–
Pass Through – Icahn School of Medicine at Mount Sinai	93.837	U01HL088942	58,933	–	58,933	–
Pass Through – Indiana University	93.837	R01HL153430	47,460	–	47,460	–
Pass Through – Johns Hopkins University School of Medicine	93.837	P01HL0107153	1,737	–	1,737	–
Pass Through – Johns Hopkins University School of Medicine	93.837	R35HL135827	(797)	–	(797)	–
Pass Through – Kaiser Permanente	93.837	R01HL151996	(102)	–	(102)	–
Pass Through – Louisiana State University	93.837	R01HL159428	116,883	–	116,883	–
Pass Through – Massachusetts General Hospital	93.837	R01HL151855	23,976	–	23,976	–
Pass Through – New England Research Institute	93.837	U24HL135691	6,705	–	6,705	–
Pass Through – Ohio State University	93.837	R01HL148581	(283)	–	(283)	–
Pass Through – Ohio State University	93.837	R01HL128857	95,414	–	95,414	–
Pass Through – Oregon Health Sciences University	93.837	OT2HL156812	3,785	–	3,785	–
Pass Through – Penn State University	93.837	R01HL127316	884	–	884	–
Pass Through – Purdue University	93.837	R01HL153114	56,497	–	56,497	–
Pass Through – RTI International	93.837	U01HL145358	17,448	–	17,448	–
Pass Through – Stanford University	93.837	R01HL141371	96,513	–	96,513	–
Pass Through – University California San Francisco	93.837	R25HL126146	(2,009)	–	(2,009)	–
Pass Through – University of California Los Angeles	93.837	R01HL162407	5,800	–	5,800	–
Pass Through – University of California Los Angeles	93.837	R01HL148182	417,037	–	417,037	–
Pass Through – University of California Los Angeles	93.837	R01HL127153	28,998	–	28,998	–
Pass Through – University of California San Diego	93.837	R01HL164553	6,636	–	6,636	–
Pass Through – University of Miami	93.837	R01HL137355	110,424	–	110,424	–
Pass Through – University of Michigan	93.837	UG3HL145269	(25)	–	(25)	–
Pass Through – University of North Carolina	93.837	R01HL147853	66,623	–	66,623	–
Pass Through – University of Pennsylvania	93.837	R01HL151277	141,143	–	141,143	–
Pass Through – University of Pittsburgh	93.837	UGHL153847	66,003	–	66,003	–
Pass Through – University of Southern California	93.837	R01HL153286	58	–	58	–
Pass Through – University of Southern California	93.837	R01HL147355	89,513	–	89,513	–
Pass Through – University of Utah	93.837	R01HL159200	35,492	–	35,492	–
Pass Through – Vanderbilt University Medical Center	93.837	P01HL129941	216,692	–	216,692	–
			6,499	–	6,499	–

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Pass Through – Wake Forest University	93.837	R01HL111362	\$ 321,714	\$ –	\$ 321,714	\$ –
Pass Through – Washington University in St. Louis	93.837	R01HL159803	2,061	–	2,061	–
COVID-19 – Cardiovascular Diseases Research	93.837		622,144	–	622,144	–
Total 93.837			20,960,426	–	20,960,426	1,808,074
Lung Diseases Research	93.838		5,747,151	–	5,747,151	836,434
Pass Through – Cincinnati Children's Hospital Medical Center	93.838	U01HL148856	13,987	–	13,987	–
Pass Through – Oregon Health Sciences University	93.838	U01HL123009	89,337	–	89,337	–
Pass Through – Oregon Health Sciences University	93.838	OT2HL156812	769,587	–	769,587	–
Pass Through – University California Irvine	93.838	R01HL153724	74,307	–	74,307	–
Pass Through – University of Michigan	93.838	OT2HL156812	9,402	–	9,402	–
Pass Through – University of Pittsburgh	93.838	R01HL136143	28,135	–	28,135	–
Pass Through – Yale University	93.838	1R01HL138540-01	(1,764)	–	(1,764)	–
COVID-19 – Lung Diseases Research						
Pass Through – Institute for Systems Biology	93.838	OT2HL161847	277,118	–	277,118	–
Pass Through – New York University Langone Health	93.838	OT2HL156812	4,681	–	4,681	–
Pass Through – Oregon Health Sciences University	93.838	OT2HL156812	221,065	–	221,065	–
Total 93.838			7,233,006	–	7,233,006	836,434
Blood Diseases and Resources Research	93.839		768,818	–	768,818	–
COVID-19 – Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders						
Pass Through – Vanderbilt University Medical Center	93.840	OT2HL156812	90,932	–	90,932	–
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		1,918,668	–	1,918,668	–
Pass Through – Columbia University Medical Center	93.846	R01AR050026	121,847	–	121,847	–
Pass Through – Penn State University	93.846	U01AR071077	39,555	–	39,555	–
Pass Through – SUNY Upstate Medical University	93.846	U01AR076092	48,339	–	48,339	–
Pass Through – University of Colorado	93.846	UH2AR067681	(1,770)	–	(1,770)	–
Pass Through – University of North Carolina	93.846	U24AR076730	20,204	–	20,204	–
Total 93.846			2,146,843	–	2,146,843	–
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		7,722,899	–	7,722,899	1,109,009
Pass Through – Columbia University Medical Center	93.847	U54DK104309	66,958	–	66,958	–
Pass Through – Indiana University	93.847	R01DK116963	765	–	765	–
Pass Through – Joslin Diabetes Center	93.847	U01DK116102	3,474	–	3,474	–
Pass Through – LA BioMed RI at Harbor-UCLA Medical Center	93.847	P30 DK063491	73,163	–	73,163	–
Pass Through – Massachusetts General Hospital	93.847	R01DK124453	16,526	–	16,526	–
Pass Through – Massachusetts General Hospital	93.847	R21DK129909	5,219	–	5,219	–
Pass Through – Massachusetts General Hospital	93.847	UM1DK078616	7,275	–	7,275	–
Pass Through – Medical University of South Carolina	93.847	R01DK115495	1,084	–	1,084	–
Pass Through – Penn State University	93.847	U01DK127384	117,246	–	117,246	–
Pass Through – University California San Francisco	93.847	U01DK125692	8,000	–	8,000	–
Pass Through – University of Alabama at Birmingham	93.847	R01DK125692	28,279	–	28,279	–
Pass Through – University of California Los Angeles	93.847	U2CDK129496	53,164	–	53,164	–
Pass Through – University of California Los Angeles	93.847	TL1DK132768	119,133	–	119,133	–
Pass Through – University of Illinois at Chicago	93.847	U01DK127378	11,460	–	11,460	–
Pass Through – University of North Carolina	93.847	R01DK126959	22,387	–	22,387	–
Pass Through – University Texas MD Anderson Cancer Center	93.847	U01DK108328	5	–	5	–
Pass Through – Washington University in St. Louis	93.847	R01DK124274	45,663	–	45,663	–

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
COVID-19 – Diabetes, Digestive, and Kidney Diseases Extramural						
Research	93.847		\$ 579,312	\$ –	\$ 579,312	\$ –
Pass Through – University of Minnesota	93.847	R01DK130378	50,933	–	50,933	–
Total 93.847			8,932,945	–	8,932,945	1,109,009
Extramural Research Programs in the Neurosciences and						
Neurological Disorders	93.853		3,631,457	–	3,631,457	1,113,620
Pass Through – Allen Institute for Cell Science	93.853	R01NS120300	61,300	–	61,300	–
Pass Through – Cleveland Clinic	93.853	U01NS116776	177,794	–	177,794	–
Pass Through – George Washington University	93.853	U54NS115054	4,948	–	4,948	–
Pass Through – Massachusetts General Hospital	93.853	U19NS115388	129,705	–	129,705	–
Pass Through – Mayo Clinic Rochester	93.853	U01NS080168	483	–	483	–
Pass Through – University of California Irvine	93.853	U54NS091046	(1,472)	–	(1,472)	–
Pass Through – University of California Los Angeles	93.853	R01NS121617	55,962	–	55,962	–
Pass Through – University of Cincinnati	93.853	U01NS099043	30,378	–	30,378	–
Pass Through – University of Cincinnati	93.853	U01NS100699	678	–	678	–
Pass Through – University of Cincinnati	93.853	U01NS102289	969	–	969	–
Pass Through – University of Cincinnati	93.853	U01NS106513	3,539	–	3,539	–
Pass Through – University of Michigan	93.853	U01NS099046	27,902	–	27,902	–
Pass Through – University of Southern California	93.853	U24NS113452	13,105	–	13,105	–
Pass Through – University of Southern California	93.853	UGNS119199	32,368	–	32,368	–
Pass Through – University of Texas San Antonio	93.853	R01NS113516	382,531	–	382,531	–
Total 93.853			4,551,647	–	4,551,647	1,113,620
Allergy and Infectious Diseases Research	93.855		10,481,043	–	10,481,043	623,968
Pass Through – Boston Children's Hospital	93.855	U01AI163072	5,967	–	5,967	–
Pass Through – Columbia University Medical Center	93.855	R34AI152962	23,855	–	23,855	–
Pass Through – Columbia University Medical Center	93.855	R56AI154845	4,564	–	4,564	–
Pass Through – Duke University	93.855	R01AI153274	4,087	–	4,087	–
Pass Through – Emory University	93.855	U19AI110483	835	–	835	–
Pass Through – Icahn School of Medicine at Mount Sinai	93.855	R01AI141434	29,999	–	29,999	–
Pass Through – Icahn School of Medicine at Mount Sinai	93.855	U01AI063594	37,093	–	37,093	–
Pass Through – Icahn School of Medicine at Mount Sinai	93.855	R01AI172899	15,633	–	15,633	–
Pass Through – Johns Hopkins University School of Medicine	93.855	U01AI138897	6,427	–	6,427	–
Pass Through – Massachusetts General Hospital	93.855	U01AI136816	160,997	–	160,997	–
Pass Through – Massachusetts General Hospital	93.855	U01AI163086	49,381	–	49,381	–
Pass Through – National Jewish Health	93.855	R01AI152504	2,652	–	2,652	–
Pass Through – Partners Healthcare	93.855	U01AI136816	23,719	–	23,719	–
Pass Through – Stanford University	93.855	U01AI135950	(74)	–	(74)	–
Pass Through – University of Arizona	93.855	U19AI125357	74,750	–	74,750	–
Pass Through – University of California San Diego	93.855	R01AI144694	44,393	–	44,393	–
Pass Through – University of Pennsylvania	93.855	R01AI173095	3,034	–	3,034	–
COVID-19 – Allergy and Infectious Diseases Research						
Pass Through – Arizona State University	93.855	R01AI164481	20,883	–	20,883	–
Total 93.855			10,989,238	–	10,989,238	623,968
Biomedical Research and Research Training	93.859		542,950	–	542,950	–
Pass Through – Cleveland State University	93.859	R01GM141698	59,720	–	59,720	–
Pass Through – University of Minnesota	93.859	R01GM146386	14,427	–	14,427	–
Total 93.859			617,097	–	617,097	–

Cedars-Sinai Health System

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title/ Pass-Through Grantor	Assistance Listing Number	Pass-Through Grantor Identifying Number	Research and Development Cluster	Other Expenditures	Total Expenditures	Expenditures to Subrecipients
Child Health and Human Development Extramural Research	93.865		\$ 168,210	\$ -	\$ 168,210	\$ 42,679
Pass Through – Arkansas Children's Research Institute	93.865	R01HD099099	71,310	-	71,310	-
Pass Through – Harvard Pilgrim Health Care	93.865	R01HD094150	186,196	-	186,196	-
Pass Through – University of Southern California	93.865	R01HD092483	112,972	-	112,972	-
Total 93.865			538,688	-	538,688	42,679
Aging Research	93.866		7,388,853	-	7,388,853	1,452,683
Pass Through – Brigham & Women Hospital, Inc.	93.866	R01AG062713	15,889	-	15,889	-
Pass Through – Columbia University Medical Center	93.866	R01AG074355	10,405	-	10,405	-
Pass Through – Northwestern University	93.866	R01AG049924	16,920	-	16,920	-
Pass Through – RAND Corporation	93.866	R21AG059214	7,137	-	7,137	-
Pass Through – University California San Francisco	93.866	R01AG053332	11,985	-	11,985	-
Pass Through – University of California Los Angeles	93.866	P30AG021684	18,282	-	18,282	-
Pass Through – University of San Diego	93.866	R01AG061146	12,412	-	12,412	-
Pass Through – University of Pennsylvania	93.866	P30AG073105	80,185	-	80,185	-
Pass Through – University of Southern California	93.866	R01AG076433	32,813	-	32,813	-
Total 93.866			7,594,881	-	7,594,881	1,452,683
Vision Research	93.867		2,562,075	-	2,562,075	-
Pass Through – University of California Los Angeles	93.867	R01EY032561	21,252	-	21,252	-
Total 93.867			2,583,327	-	2,583,327	-
Medical Library Assistance	93.879		485,488	-	485,488	92,401
Pass Through – University of Pennsylvania	93.879	R01LM013463	54,603	-	54,603	-
Total 93.879			540,091	-	540,091	92,401
National Bioterrorism Hospital Preparedness Program						
Pass Through – County of LA, Department of Health Services	93.889	H-707432	-	229,055	229,055	-
Pass Through – County of LA, Department of Health Services	93.889	H-708597	-	39,700	39,700	-
Pass Through – County of LA, Department of Health Services	93.889	H-708214	-	39,700	39,700	-
Pass Through – County of LA, Emergency Medical Services Agency	93.889	H-708207	-	133,700	133,700	-
Total 93.889			-	442,155	442,155	-
Total U.S. Department of Health and Human Services			108,113,576	33,527,620	141,641,196	11,388,377
Total Expenditures of Federal Awards			\$ 121,966,373	\$ 33,635,054	\$ 155,601,427	\$ 13,378,920

See accompanying notes to Schedule of Expenditures of Federal Awards.

Cedars-Sinai Health System

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Cedars-Sinai Health System and is presented on the cash basis of accounting. The information in the SEFA schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the consolidated financial statements of Cedars-Sinai Health System. For purposes of the SEFA, federal awards include any assistance provided by a federal agency directly or indirectly in the form of grants, contracts, cooperative agreements, loan and loan guarantees, or other non-cash assistance. Negative amounts shown in the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The SEFA does not include payments received under the traditional Medicare and Medicaid reimbursement programs, as these programs are outside the scope of the Uniform Guidance. There were no donated goods and personal protective equipment received from federal sources that required recognition or disclosure in the notes to the SEFA.

2. Indirect Costs

The Uniform Guidance provides for a 10% de minimis indirect cost rate election; however, Cedars-Sinai Health System did not make this election and uses a negotiated indirect cost rate.

Cedars-Sinai Health System

Notes to Schedule of Expenditures of Federal Awards (continued)

3. Provider Relief Fund

The amount presented on the SEFA for Assistance Listing Number 93.498, COVID-19 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution (PRF Funds), is for the year ended June 30, 2023. The amount presented reconciles to the Provider Relief Fund (PRF) information reported to the Health Resources and Services Administration (HRSA) as follows:

Name of Reporting Entity for HRSA Reporting Period 4 and 5 (Funding Received between July 1, 2021 and June 30, 2022; Expenditures and Lost Revenue through June 30, 2023)	Reporting Entity Tax Identification Number (TIN)	Type of Distribution	Total American Rescue Plan and Other Provider Relief Fund Expenses Reported	Total Lost Revenues Reported	Total
Cedars-Sinai Medical Center	95-1644600	ARP	\$ 487,047	\$ –	\$ 487,047
		General	9,578,601	–	9,578,601
Total Cedars-Sinai Medical Center			10,065,648	–	10,065,648
Cedars-Sinai Medical Care Foundation	95-4457756	ARP	–	64,050	64,050
		General	–	5,478,437	5,478,437
Total Cedars-Sinai Medical Care Foundation			–	5,542,487	5,542,487
CFHS Holdings, Inc. dba Cedars-Sinai Marina Del Rey Hospital	20-1645949	ARP	38,788	–	38,788
		General	5,185,984	–	5,185,984
Total CFHS Holding, Inc. dba Cedars-Sinai Marina Del Rey Hospital			5,224,772	–	5,224,772
Cedars-Sinai Affiliated Joint Ventures (Controlling Interest)					
90210 Surgery Medical Center	13-4341801	ARP	1,546	–	1,546
		General	15,372	–	15,372
Spalding Triangle Surgery Center LLC	76-0769099	ARP	500	–	500
		General	40,759	–	40,759
Endoscopy Center of Santa Monica LLC	11-3652210	ARP	–	500	500
		General	–	186,408	186,408
Mink Radiologic Imaging Medical Associates, Inc.	54-2075700	ARP	–	1,966	1,966
		General	–	133,749	133,749
Santa Monica Surgical Partners, LLC	87-0760381	ARP	–	1,256	1,256
		General	–	410,919	410,919
Kerlan-Jobe Surgery Center LLC	72-1349748	ARP	–	695	695
		General	–	11,524	11,524
Total Cedars-Sinai Affiliated Joint Ventures			58,177	747,017	805,194

Cedars-Sinai Health System

Notes to Schedule of Expenditures of Federal Awards (continued)

3. Provider Relief Fund (continued)

Name of Reporting Entity for HRSA Reporting Period 4 and 5 (Funding Received between July 1, 2021 and June 30, 2022; Expenditures and Lost Revenue through June 30, 2023)	Reporting Entity Tax Identification Number (TIN)	Type of Distribution	Total American Rescue Plan and Other Provider Relief Fund Expenses Reported	Total Lost Revenues Reported	Total
Torrance Memorial Medical Center	95-1644042	ARP General	\$ 107,610	\$ –	\$ 107,610
Total Torrance Memorial Medical Center			946,995	4,329,989	5,276,984
Torrance Health Association, Inc. dba Torrance Memorial Physician Network	33-0073515	General	173,924	–	173,924
Total Torrance Health Association, Inc. dba Torrance Memorial Physician Network			173,924	–	173,924
Pasadena Hospital Association, Ltd.	95-1644036	ARP General	93,279	–	93,279
Total Pasadena Hospital Association, Ltd.			1,424,618	–	1,424,618
Huntington Medical Foundation	95-4434428	General	1,062,349	–	1,062,349
Total Huntington Medical Foundation			1,062,349	–	1,062,349
Huntington Ambulatory Surgery Center LLC	27-3922007	General	948,707	–	948,707
Total Huntington Ambulatory Surgery Center LLC			948,707	–	948,707
Total Cedars-Sinai Health System			\$ 20,106,079	\$ 10,619,493	\$ 30,725,572

Cedars-Sinai Health System

Notes to Schedule of Expenditures of Federal Awards (continued)

3. Provider Relief Fund (continued)

Health and Human Services (HHS) has indicated the PRF Funds on the SEFA be reported corresponding to reporting requirements of the HRSA PRF Reporting Portal. Payments from HHS for PRF are assigned to 'Payment Received Periods' (each, a Period) based upon the date each payment from the PRF was received. Each Period has a specified Period of Availability and timing of reporting requirements. Entities report into the HRSA PRF Reporting Portal after each Period's deadline to use the funds (i.e., after the end of the Period of Availability).

The SEFA includes \$30,725,572 of PRF Funds received from HHS between July 1, 2021 through June 30, 2022. In accordance with guidance from HHS, these amounts are presented as Period 4 and Period 5. Such amounts were recognized as other operating revenues in Cedars-Sinai Health System's consolidated financial statements in the year ended June 30, 2022.

Schedule Required by the Uniform Guidance

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? **Yes** X **No**
Significant deficiency(ies) identified? **Yes** X **None reported**

Noncompliance material to financial statements noted? **Yes** X **No**

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? X **Yes** **No**
Significant deficiency(ies) identified? X **Yes** **None reported**

Type of auditor’s report issued on compliance for the major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X **Yes** **No**

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section I – Summary of Auditor’s Results (continued)

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
11.619, 12.420, 43.003, 47.041, 47.075, 93.RD, 93.103, 93.113, 93.172, 93.213, 93.226, 93.242, 93.273, 93.279, 93.283, 93.286, 93.307, 93.310, 93.350, 93.361, 93.368, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.399, 93.493, 93.817, 93.825, 93.837, 93.838, 93.839, 93.840, 93.846, 93.847, 93.853, 93.855, 93.859, 93.865, 93.866, 93.867, 93.879	Research and Development Cluster
93.498	COVID-19 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

Dollar threshold used to distinguish between Type A and Type B programs:

_____ \$ 3,000,000 _____

Auditee qualified as low-risk auditee?

X Yes No

Section II – Financial Statement Findings

No matters were reported.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Finding 2023-001

Internal control deficiency and noncompliance over Activities Allowed or Unallowed and Allowable Costs/Cost Principles related to salary cap limitation.

Identification of the federal program:

Research and Development Cluster

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.RD	NCTN: NCI'S National Clinical Trials Network Program	U.S. Department of Health and Human Services	CA016-NRG	March 1, 2019 to February 28, 2025	NRG Oncology
93.RD	Cancer Prevention Agent Development Program	U.S. Department of Health and Human Services	SP001604060045298	September 15, 2016 to September 14, 2023	Northwestern University
93.RD	Cancer Prevention Agent Development Program	U.S. Department of Health and Human Services	SP001604060045323	September 15, 2016 to August 31, 2023	Northwestern University
93.103	Food and Drug Administration Research	U.S. Department of Health and Human Services	1R01FD006106-01A1	September 1, 2019 to February 28, 2025	
93.103	Food and Drug Administration Research	U.S. Department of Health and Human Services	U01FD005938	September 1, 2020 to August 31, 2023	Yale University
93.113	Environmental Health	U.S. Department of Health and Human Services	1R21ESO30534-01A1	September 23, 2019 to August 31, 2022	
93.172	Human Genome Research	U.S. Department of Health and Human Services	U01HG011723	June 8, 2021 to March 31, 2023	Broad Institute
93.172	Human Genome Research	U.S. Department of Health and Human Services	R01HG011066	May 1, 2020 to February 28, 2025	University of California San Diego
93.213	Research and Training in Complementary and Integrative Health	U.S. Department of Health and Human Services	U24AT011310	October 1, 2022 to January 31, 2025	University of Alabama Birmingham
93.226	Research on Healthcare Costs, Quality and Outcomes	U.S. Department of Health and Human Services	1R01HS027455-02	August 1, 2021 to July 31, 2025	
93.226	Research on Healthcare Costs, Quality and Outcomes	U.S. Department of Health and Human Services	R18HS026168	September 1, 2019 to June 30, 2023	RAND Corporation
93.226	Research on Healthcare Costs, Quality and Outcomes	U.S. Department of Health and Human Services	R01HS026491	August 1, 2021 to July 31, 2023	Medical University of South Carolina

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.226	Research on Healthcare Costs, Quality and Outcomes	U.S. Department of Health and Human Services	U18HS028740	February 1, 2022 to January 31, 2025	University of California San Diego
93.226	Research on Healthcare Costs, Quality and Outcomes	U.S. Department of Health and Human Services	R18HS028578	September 1, 2022 to August 31, 2025	University of Colorado in Denver
93.242	Mental Health Research Grants	U.S. Department of Health and Human Services	1R01MH110831-01	August 1, 2016 to June 30, 2023	
93.242	Mental Health Research Grants	U.S. Department of Health and Human Services	P50MH094258	March 1, 2021 to February 28, 2023	California Institute of Technology
93.242	Mental Health Research Grants	U.S. Department of Health and Human Services	R01MH123716	May 17, 2021 to March 31, 2026	Michigan State University
93.242	Mental Health Research Grants	U.S. Department of Health and Human Services	R01MH115046	March 1, 2019 to December 31, 2023	University of Minnesota
93.242	Mental Health Research Grants	U.S. Department of Health and Human Services	RF1MH130371	September 9, 2022 to September 8, 2025	University of Texas – Southwestern
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	1R01AA026759-01	May 15, 2018 to March 31, 2024	
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	1R01AA027036-01	September 1, 2018 to June 30, 2024	
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	1R01AA029723-01A1	September 10, 2022 to July 31, 2027	
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	1R01AA029988-01	September 16, 2022 to July 31, 2027	
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	1R21AA027352-01A1	September 1, 2019 to August 31, 2022	
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	U01AA026817	September 20, 2019 to August 31, 2023	Indiana University
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	R01AA028735	November 1, 2021 to June 30, 2025	University of Kentucky
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	P50AA011999	January 1, 2021 to December 31, 2023	University of Southern California
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	R01AA028852	March 1, 2021 to February 29, 2024	University of Wisconsin
93.279	Drug Abuse and Addiction Research Programs	U.S. Department of Health and Human Services	1R34DA050255-01	September 30, 2019 to March 31, 2023	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.279	Drug Abuse and Addiction Research Programs	U.S. Department of Health and Human Services	5U01DA055366-02	September 30, 2021 to June 30, 2026	
93.279	Drug Abuse and Addiction Research Programs	U.S. Department of Health and Human Services	U24DA055325	October 1, 2021 to June 30, 2024	University of California San Diego
93.279	Drug Abuse and Addiction Research Programs	U.S. Department of Health and Human Services	R01DA042988	August 15, 2017 to July 31, 2023	University of North Carolina
93.279	Drug Abuse and Addiction Research Programs	U.S. Department of Health and Human Services	R01DA043678	September 1, 2018 to June 30, 2024	University of North Carolina
93.283	Center for Disease Control and Prevention Investigations and Technical Assistance	U.S. Department of Health and Human Services	1640SZB15700	October 22, 2021 to May 10, 2022	University of California Los Angeles
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	1R01EB028146-01	April 1, 2019 to December 31, 2023	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	1R01EB032801-01	June 15, 2022 to March 31, 2026	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	1R01EB034586-01A1	September 22, 2022 to June 30, 2026	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	U01EB026421	August 1, 2021 to July 31, 2024	University of California Los Angeles
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	R01EB029088	November 1, 2020 to March 31, 2024	University of Southern California
93.307	Minority Health and Health Disparities Research	U.S. Department of Health and Human Services	1R21MD017396-01A1	September 27, 2022 to June 30, 2024	
93.307	Minority Health and Health Disparities Research	U.S. Department of Health and Human Services	R01MD016892	August 29, 2022 to April 30, 2026	RAND Corporation
93.307	Minority Health and Health Disparities Research	U.S. Department of Health and Human Services	U54MD000502	May 1, 2020 to July 31, 2023	University of Alabama at Birmingham
93.310	Trans-NIH Research Support	U.S. Department of Health and Human Services	7OT2OD028190-02	July 1, 2020 to June 30, 2024	
93.310	Trans-NIH Research Support	U.S. Department of Health and Human Services	7U01AR071130-08	December 1, 2022 to November 30, 2023	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.310	Trans-NIH Research Support	U.S. Department of Health and Human Services	UG1HD107711	December 10, 2021 to November 30, 2026	University of California Davis
93.310	Trans-NIH Research Support	U.S. Department of Health and Human Services	OT2OD026552	April 1, 2018 to March 31, 2024	University of California San Diego
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	4UH3TR003264-03	July 1, 2020 to May 31, 2025	
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	5U01TR002756-03	June 1, 2020 to May 31, 2024	
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	UH3TR002612	September 1, 2021 to August 31, 2022	Cincinnati Children's Hospital Medical Center
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	KL2TR001882	July 1, 2022 to June 30, 2023	University of California Los Angeles
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	UH3TR003148	August 1, 2022 to July 31, 2025	University of California Los Angeles
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	UL1TR001881	June 29, 2022 to May 31, 2027	University of California Los Angeles
93.361	Nursing Research	U.S. Department of Health and Human Services	1K99NR018679-01	June 1, 2022 to May 31, 2024	
93.361	Nursing Research	U.S. Department of Health and Human Services	1R01NR018762-01A1	May 28, 2020 to March 31, 2025	
93.361	COVID-19 – Nursing Research	U.S. Department of Health and Human Services	1R01NR019947-01	June 10, 2021 to March 31, 2024	
93.361	Nursing Research	U.S. Department of Health and Human Services	4R00NR018679-03	June 1, 2022 to May 31, 2025	
93.368	21st Century Cures Act – Precision Medicine Initiative	U.S. Department of Health and Human Services	U24OD023176	September 1, 2022 to June 30, 2023	Harvard Medical School
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R01CA211707-01	January 1, 2017 to December 31, 2022	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R01CA218342-01A1	September 18, 2019 to July 31, 2024	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R01CA244569-01A1	June 1, 2020 to May 31, 2025	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R01CA258222-01	June 15, 2021 to May 31, 2026	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R01CA259058-01A1	September 1, 2022 to August 31, 2027	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R01CA267108-01A1	August 2, 2022 to July 31, 2027	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R21CA257484-01	May 25, 2021 to August 31, 2024	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	2R01CA149385-06A1	September 14, 2018 to August 31, 2023	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	7R01CA218133-03	September 1, 2020 to August 31, 2024	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA238087	August 1, 2020 to April 30, 2024	Cleveland Clinic
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA248931	September 15, 2021 to August 31, 2026	Cleveland Clinic
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA251555	March 2, 2021 to February 28, 2026	Dana Farber Cancer Institute
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA211574	February 1, 2020 to January 31, 2024	Emory University
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA244588	July 1, 2021 to March 31, 2022	Fred Hutchinson Cancer Center
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA244588	July 1, 2021 to March 31, 2022	Fred Hutchinson Cancer Research Center
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA258160	September 15, 2021 to August 31, 2024	Kaiser Permanente
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA235720	September 1, 2021 to February 28, 2025	SUNY at Stony Brook University
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA204145	July 1, 2021 to June 30, 2023	University of California Davis
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	P01CA236585	May 1, 2020 to April 30, 2025	University of California Los Angeles

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA263494	July 1, 2022 to June 30, 2027	University of Hawaii
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	U01CA167551	May 1, 2021 to April 30, 2023	University of Melbourne
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	U01CA206110	September 15, 2021 to August 31, 2026	University of Utah
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA188943	August 1, 2019 to July 31, 2022	University of Texas, MD Anderson Cancer Center
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA204145	September 1, 2022 to April 30, 2023	West Virginia University Research Corp
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA217098	May 1, 2017 to April 30, 2024	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA218356-01	June 19, 2017 to May 31, 2024	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA220327-01A1	April 1, 2018 to March 31, 2024	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA252042-01A1	July 1, 2021 to June 30, 2026	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA253650-01	September 11, 2020 to August 31, 2025	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA260955-01	September 1, 2021 to August 31, 2026	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA266544-01A1	August 1, 2022 to July 31, 2027	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA277810-01	April 7, 2023 to February 29, 2028	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R21CA256419-01	January 1, 2021 to December 31, 2023	
93.394	COVID-19 – Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1U54CA260591-01	September 30, 2020 to August 31, 2025	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1UH3CA271377-01	June 20, 2022 to May 31, 2025	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	2R01CA198887-06A1	August 5, 2021 to July 31, 2026	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	4U54CA260591-02	September 1, 2022 to August 31, 2025	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	7R01CA201709-02	July 1, 2018 to June 30, 2024	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	R01CA244948	January 1, 2022 to December 31, 2025	Icahn School of Medicine at Mount Sinai
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	R01CA230442	July 1, 2019 to June 30, 2024	Kaiser Permanente
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	R01CA222831	June 25, 2018 to May 31, 2023	Tulane University
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	R01CA255727	January 18, 2021 to May 31, 2025	University of California Los Angeles
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	R01CA246304	April 1, 2020 to March 31, 2025	University of California Los Angeles
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	R01CA253651	July 7, 2020 to June 30, 2025	University of California Los Angeles
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R01CA220000-01	September 8, 2017 to August 31, 2023	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R01CA252211-01A1	April 5, 2021 to March 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R01CA258204-01A1	May 9, 2022 to January 31, 2027	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R01CA266694-01A1	August 18, 2022 to July 31, 2027	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R01CA268055-01A1	August 1, 2022 to July 31, 2027	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R01CA270324-01	April 15, 2022 to January 31, 2027	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R01CA276919-01	April 1, 2023 to March 31, 2028	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R21CA256421-01A1	December 8, 2021 to November 30, 2023	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R21CA259911-01A1	April 1, 2022 to March 31, 2024	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R21CA263230-01	August 1, 2021 to July 31, 2024	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	2R01CA140995-06A1	September 20, 2016 to August 31, 2022	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	51R01CA252211-02	April 5, 2021 to March 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	5R21CA256421-02	December 1, 2022 to November 30, 2023	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	5U01CA232859-04	September 1, 2021 to August 31, 2024	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	7R01CA208851-04	July 8, 2019 to February 28, 2023	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	7R01CA252468-02	November 17, 2020 to May 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	COG PHI NCTN	March 1, 2021 to February 28, 2025	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	U19CA180821	August 1, 2020 to July 31, 2025	Alliance Foundation Trials, LLC
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	U10CA076001	December 1, 2011 to February 28, 2025	Brigham & Women's Hospital
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	U10CA180886	May 24, 2019 to February 28, 2023	Children's Hospital Philadelphia
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	P01CA108671	March 1, 2019 to May 31, 2023	Icahn School of Medicine at Mount Sinai
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	R01CA232574	March 1, 2021 to February 29, 2024	Icahn School of Medicine at Mount Sinai
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	R01CA256133	July 8, 2021 to June 30, 2026	La Jolla Institute for Immunology
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	U10CA180888	March 1, 2019 to February 28, 2025	Oregon Health Sciences University
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	U10 CA180886	May 24, 2019 to June 28, 2023	Public Health Institute

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For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1P01CA233452-01A1	January 21, 2020 to December 31, 2024	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA200992-01A1	August 15, 2016 to May 31, 2022	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA234557-01A1	August 1, 2019 to July 31, 2024	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA255609-01A1	August 1, 2021 to July 31, 2026	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA258265-01	March 26, 2021 to February 28, 2026	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA271750-01	September 17, 2021 to August 31, 2026	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA273925-01	August 1, 2022 to July 31, 2027	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R21CA249701-01A1	January 4, 2021 to December 31, 2023	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R37CA237022-01A1	June 1, 2020 to May 31, 2025	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	2R01CA075115-22	April 1, 2021 to March 31, 2026	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	2R01CA151610-06	February 1, 2018 to January 31, 2024	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	2R01CA175397-06A1	May 15, 2020 to April 30, 2026	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	7R01CA143971-08 REVI	August 8, 2018 to July 31, 2022	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	7R01CA227629-04	July 1, 2021 to June 30, 2023	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	7R01CA234892-02	April 1, 2021 to March 31, 2025	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	P01CA098912	January 1, 2015 to February 28, 2023	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	R01CA258433	February 1, 2022 to January 31, 2024	Medical College of Wisconsin

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For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	R01CA207757	October 1, 2020 to August 31, 2022	Roswell Park Cancer Institute
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	R01CA249424	April 1, 2022 to March 31, 2025	Vanderbilt University Medical
93.397	Cancer Centers Support Grants	U.S. Department of Health and Human Services	P20CA252733	September 1, 2021 to March 31, 2022	Fred Hutchinson Cancer Center
93.397	Cancer Centers Support Grants	U.S. Department of Health and Human Services	P20CA252733	September 1, 2022 to August 31, 2023	Fred Hutchinson Cancer Research Center
93.397	Cancer Centers Support Grants	U.S. Department of Health and Human Services	P50CA211015	September 8, 2021 to May 31, 2022	University of California Los Angeles
93.397	Cancer Centers Support Grants	U.S. Department of Health and Human Services	P50CA092131	September 1, 2021 to August 31, 2024	University of California Los Angeles
93.397	Cancer Centers Support Grants	U.S. Department of Health and Human Services	P30CA016086	December 1, 2022 to November 30, 2024	University of North Carolina
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	1F31CA247257-01	February 24, 2020 to February 23, 2023	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	1K08CA230155-01	July 1, 2018 to June 30, 2023	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	1K08CA245033-01A1	July 1, 2020 to June 30, 2025	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	1K08CA259534-01A1	September 1, 2022 to August 31, 2025	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	1K99CA256519-01	January 1, 2021 to June 30, 2023	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	5T32CA240172-05	July 1, 2021 to June 30, 2024	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	7K08CA245483-02	December 7, 2020 to April 30, 2025	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	7K08CA259456-02	May 1, 2021 to March 31, 2026	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	UG1CA189823	August 1, 2020 to July 31, 2025	Alliance Foundation Trials, LLC

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Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.399	Cancer Control	U.S. Department of Health and Human Services	UG1CA189955	September 10, 2018 to August 30, 2022	Children's Hospital Philadelphia
93.399	Cancer Control	U.S. Department of Health and Human Services	UG1CA242643	January 1, 2021 to July 31, 2022	Northwestern University
93.399	Cancer Control	U.S. Department of Health and Human Services	UG1CA242643	September 1, 2020 to July 31, 2023	Northwestern University
93.399	Cancer Control	U.S. Department of Health and Human Services	UG1CA189974	August 1, 2019 to July 31, 2025	Oregon Health Sciences University
93.493	Congressional Directives	U.S. Department of Health and Human Services	CE1HS46456	August 1, 2022 to July 31, 2025	
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	U.S. Department of Health and Human Services	1U3REP220672-01-00	September 30, 2022 to September 29, 2027	
93.825	National Ebola Training and Education Center (NETEC)	U.S. Department of Health and Human Services	U3REP150549	June 30, 2021 to June 29, 2022	Emory University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1K01HL164764-01	September 15, 2022 to August 31, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1K23HL125941-01A1	September 1, 2017 to August 31, 2022	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1K23HL153888-01	July 15, 2020 to June 30, 2025	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1K99HL157421-01	April 1, 2021 to March 31, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL139766-01	January 1, 2018 to October 31, 2022	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL142579-01A1	March 1, 2019 to February 29, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL142672-01	July 1, 2018 to June 30, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL143227-01A1	April 1, 2019 to March 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL144509-01	February 1, 2019 to January 31, 2024	

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Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL145675-01A1	July 1, 2019 to June 30, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL146158-01	May 1, 2019 to February 29, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL147133-01A1	March 5, 2020 to February 29, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL147358-01A1	March 4, 2020 to February 29, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL147569-01	April 15, 2019 to February 29, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL147570-01A1	August 1, 2019 to May 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL148787-01A1	May 15, 2020 to March 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL149972-01A1	July 1, 2020 to June 30, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL151266-01	September 1, 2020 to August 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL151828-01A1	April 1, 2021 to March 31, 2025	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL152156-01	April 1, 2020 to March 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL155346-01A1	July 1, 2021 to June 30, 2025	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL155553-01A1	July 1, 2021 to June 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL156818-01	December 15, 2020 to October 2, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL159297-01	July 1, 2021 to June 30, 2025	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL160860-01	December 1, 2021 to November 30, 2025	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL160908-01A1	July 1, 2022 to June 30, 2026	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL164588-01A1	April 1, 2023 to March 31, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL164896-01	September 1, 2022 to August 31, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL164983-01	July 1, 2022 to June 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL165211-01	August 15, 2022 to June 30, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL165471-01	September 16, 2022 to August 31, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL165840-01A1	February 15, 2023 to January 31, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL167268-01	December 15, 2022 to November 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL168635-01	April 1, 2023 to March 31, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R13HL154799-01	September 1, 2020 to August 31, 2022	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R21HL156132-01	May 1, 2021 to April 30, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R35HL161195-01	June 1, 2022 to May 31, 2029	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	2R01HL089765-10	June 1, 2021 to May 31, 2022	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	2R01HL124074-05	May 15, 2018 to January 31, 2023	
93.837	COVID-19 – Cardiovascular Diseases Research	U.S. Department of Health and Human Services	2R01HL131532-06A1	March 1, 2022 to February 28, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	4R00HL141702-04	June 11, 2021 to May 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	4R00HL157421-03	February 1, 2023 to January 31, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	5R01HL153500-02	July 1, 2021 to June 30, 2026	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7K23HL136853-05	May 27, 2022 to March 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7R01HL133399-02	February 27, 2019 to January 31, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7R01HL136921-05	June 1, 2021 to February 28, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7R01HL138414-02	August 1, 2019 to July 31, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7R01HL139829-04	March 15, 2021 to June 30, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7R01HL149946-02	January 15, 2021 to November 30, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7R01HL152717-03	September 16, 2022 to May 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	7R01HL153382-03	September 1, 2022 to April 30, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL142983	April 1, 2019 to February 28, 2023	Boston University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL116690	September 1, 2019 to June 30, 2022	Brigham & Women's Hospital Inc.
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL151398	August 1, 2022 to April 30, 2024	Brown University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL130500	June 1, 2019 to May 31, 2023	Columbia University Medical Center
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL157531	February 21, 2022 to December 31, 2025	Duke University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL150345	July 21, 2020 to May 31, 2024	Icahn School of Medicine at Mount Sinai
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	U01HL088942	March 1, 2021 to February 28, 2026	Icahn School of Medicine at Mount Sinai
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL153430	August 6, 2022 to March 31, 2025	Indiana University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL151996	July 1, 2022 to June 30, 2024	Kaiser Permanente

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL159428	August 1, 2022 to July 31, 2023	Louisiana State University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL151855	July 1, 2020 to June 30, 2024	Massachusetts General Hospital
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL148581	July 1, 2020 to May 31, 2024	Ohio State University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL128857	May 1, 2017 to April 30, 2022	Ohio State University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	OT2HL156812	August 1, 2021 to May 31, 2022	Oregon Health Sciences University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL127316	August 15, 2019 to July 31, 2024	Penn State University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL153114	August 1, 2021 to July 31, 2025	Purdue University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	U01HL145358	February 1, 2021 to January 31, 2027	RTI International
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	25HL126146	October 1, 2021 to March 31, 2023	University California San Francisco
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL162407	January 1, 2022 to December 31, 2025	University of California Los Angeles
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL148182	September 1, 2021 to May 31, 2023	University of California Los Angeles
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL127153	August 15, 2021 to August 31, 2023	University of California Los Angeles
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL164553	July 18, 2022 to April 30, 2026	University of California San Diego
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	UG3HL145269	September 19, 2019 to August 31, 2023	University of Michigan
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL147853	January 1, 2020 to December 31, 2023	University of North Carolina
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL151277	September 1, 2020 to August 31, 2024	University of Pennsylvania
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	UGHL153847	August 1, 2021 to July 31, 2024	University of Pittsburgh

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL153286	June 15, 2020 to March 31, 2025	University of Southern California
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL147355	November 1, 2020 to February 28, 2024	University of Southern California
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL159200	September 1, 2021 to August 31, 2026	University of Utah
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	P01HL129941	August 1, 2018 to July 31, 2022	Vanderbilt University Medical Center
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL111362	February 1, 2021 to January 31, 2023	Wake Forest University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL159803	August 1, 2022 to May 31, 2027	Washington University in St. Louis
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1K08HL141590-01A1	July 5, 2020 to June 30, 2025	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1R01HL137076-01A1	January 1, 2018 to November 30, 2022	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1R01HL155759-01	July 16, 2021 to June 30, 2025	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1R01HL159160-01A1	May 1, 2022 to April 30, 2026	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1R01HL159953-01A1	April 25, 2022 to March 31, 2026	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	5P01HL108793-10	July 1, 2021 to June 30, 2024	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	5R35HL150829-034	March 1, 2020 to February 28, 2027	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	7R01HL147351-02	July 20, 2021 to June 30, 2024	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	7R01HL151306-04	August 1, 2022 to June 30, 2024	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	U01HL148856	August 1, 2021 to July 31, 2024	Cincinnati Children's Hospital Medical Center

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For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	U01HL123009	August 1, 2021 to December 31, 2023	Oregon Health Sciences University
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	OT2HL156812	January 1, 2021 to May 31, 2023	Oregon Health Sciences University
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	R01HL153724	January 15, 2022 to December 31, 2026	University California Irvine
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	OT2HL156812	March 15, 2021 to June 30, 2024	University of Michigan
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	R01HL136143	September 1, 2021 to June 30, 2026	University of Pittsburgh
93.838	COVID-19 – Lung Diseases Research	U.S. Department of Health and Human Services	OT2HL161847	October 01, 2021 to October 31, 2023	Institute for Systems Biology
93.838	COVID-19 – Lung Diseases Research	U.S. Department of Health and Human Services	OT2HL156812	March 15, 2021 to June 30, 2024	New York University Langone Health
93.838	COVID-19 – Lung Diseases Research	U.S. Department of Health and Human Services	OT2HL156812	January 1, 2021 to May 31, 2023	Oregon Health Sciences University
93.839	Blood Diseases and Resources Research	U.S. Department of Health and Human Services	1K08HL141446-01	July 1, 2018 to June 30, 2024	
93.839	Blood Diseases and Resources Research	U.S. Department of Health and Human Services	1R01HL165169-01	July 1, 2022 to June 30, 2027	
93.839	Blood Diseases and Resources Research	U.S. Department of Health and Human Services	1R03HL158637-01	August 1, 2021 to July 31, 2023	
93.839	Blood Diseases and Resources Research	U.S. Department of Health and Human Services	7R01HL086998-11	December 1, 2020 to November 30, 2023	
93.840	COVID-19 – Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	U.S. Department of Health and Human Services	OT2HL156812	March 1, 2021 to December 31, 2023	Vanderbilt University Medical Center
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	1K01AR071512-01A1	June 1, 2018 to March 31, 2023	
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	1R56AR078279-01A1	September 23, 2022 to August 31, 2024	
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	2R01AR066517-05A1	August 1, 2021 to July 31, 2025	

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For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	5UH3AR076573-04	August 1, 2021 to July 31, 2024	
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	7R01AR066053-07	July 26, 2022 to March 31, 2026	
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	R01AR050026	June 1, 2017 to May 31, 2023	Columbia University Medical Center
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	U01AR071077	February 1, 2018 to January 31, 2024	Penn State University
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	U01AR076092	June 1, 2021 to May 31, 2025	SUNY Upstate Medical University
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	U24AR076730	December 1, 2021 to July 31, 2022	University of North Carolina
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1DP1DK130687-01	September 30, 2021 to June 30, 2026	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK109588	April 1, 2017 to March 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK118265-01	August 21, 2018 to March 31, 2024	
93.847	COVID-19 – Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK123446-01	January 20, 2020 to December 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK123511-01	January 1, 2020 to December 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK125495-01A1	May 1, 2021 to February 28, 2025	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK130851-01	February 15, 2022 to January 31, 2027	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK131071-01A1	July 1, 2022 to April 30, 2026	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK132631-01	September 15, 2022 to June 30, 2025	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R21DK127189-01	September 11, 2020 to August 31, 2023	

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For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R56DK117261-01	September 20, 2020 to August 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1U01DK131377-01	September 30, 2021 to July 31, 2026	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2P01DK046763-24	July 1, 2020 to July 31, 2022	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2R01DK027619-33A1	June 1, 2019 to August 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2R01DK029867-35A1	April 6, 2022 to March 31, 2026	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2R01DK085252-06A1	September 20, 2017 to August 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2R01DK093426-05A1	July 3, 2018 to May 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2U01DK062413-19	August 1, 2020 to July 31, 2022	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	5U01DK108314-08	July 1, 2021 to June 30, 2025	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	5U01DK124019-04	September 20, 2019 to July 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	5U01DK127403-03	August 1, 2021 to July 31, 2025	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	7R01DK080834-15	October 1, 2021 to May 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	7R01DK106233--10	April 5, 2023 to May 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	7R01DK110477-05	April 1, 2021 to March 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	9R01DK123763-17A1	July 22, 2020 to June 30, 2025	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	U54DK104309	September 15, 2021 to July 31, 2022	Columbia University Medical Center
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R01DK116963	July 1, 2019 to June 30, 2022	Indiana University

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Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	U01DK116102	June 1, 2020 to August 31, 2023	Joslin Diabetes Center
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	P30 DK063491	July 1, 2021 to June 30, 2025	LA BioMed RI at Harbor-UCLA Medical Center
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R01DK124453	May 14, 2020 to February 28, 2023	Massachusetts General Hospital
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R21DK129909	September 15, 2022 to September 14, 2024	Massachusetts General Hospital
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	UM1DK078616	January 1, 2022 to December 31, 2025	Massachusetts General Hospital
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R01DK115495	September 1, 2020 to August 3, 2023	Medical University of South Carolina
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	U01DK127384	August 1, 2021 to July 31, 2024	Penn State University
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	U01DK125692	September 1, 2022 to August 31, 2024	University of California San Francisco
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R01DK125692	January 1, 2022 to December 31, 2025	University of Alabama at Birmingham
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	U2CDK129496	September 15, 2021 to May 31, 2026	University of California Los Angeles
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	TL1DK132768	June 1, 2022 to June 30, 2023	University of California Los Angeles
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	U01DK127378	August 1, 2021 to July 31, 2025	University of Illinois at Chicago
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R01DK126959	March 11, 2021 to January 31, 2026	University of North Carolina
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	U01DK108328	September 1, 2016 to August 31, 2020	University of Texas M.D. Anderson Cancer Center
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R01DK124274	September 24, 2020 to July 31, 2024	Washington University in St. Louis
93.847	COVID-19 – Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	R01DK130378	September 1, 2021 to July 31, 2024	University of Minnesota

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Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1R01NS121544-01	April 1, 2021 to October 2, 2023	
93.853	Extramural Research Programs in the Neurosciences and N	U.S. Department of Health and Human Services	1R01NS128094-01A1	April 1, 2023 to January 31, 2028	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1R01NS128469-01A1	April 1, 2023 to March 31, 2028	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1R34NS126032-01	September 27, 2021 to August 31, 2024	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1R56NS131782-01	April 15, 2023 to March 31, 2024	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1U01NS115658-01	September 30, 2019 to May 31, 2022	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1UH3NS105703-04	September 1, 2019 to February 28, 2024	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	4R00NS097620	December 15, 2018 to November 30, 2022	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	4R00NS105915-03	September 1, 2019 to November 30, 2022	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	5U01NS117839-03	August 1, 2021 to July 31, 2025	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	7R01NS095894-02	August 1, 2017 to July 31, 2022	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	R01NS120300	May 30, 2021 to August 31, 2025	Allen Institute for Cell Science
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U01NS116776	July 1, 2020 to June 30, 2024	Cleveland Clinic

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U54NS115054	June 1, 2022 to May 31, 2024	George Washington University
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U19NS115388	September 19, 2019 to August 31, 2025	Massachusetts General Hospital
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U01NS080168	March 1, 2015 to August 31, 2024	Mayo Clinic Rochester
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	R01NS121617	December 15, 2021 to November 30, 2026	University of California Los Angeles
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U01NS099043	August 15, 2018 to July 31, 2024	University of Cincinnati
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U01NS100699	June 1, 2018 to April 30, 2024	University of Cincinnati
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U01NS102289	September 1, 2019 to May 31, 2027	University of Cincinnati
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U01NS106513	July 1, 2019 to April 30, 2024	University of Cincinnati
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U01NS099046	July 1, 2019 to November 30, 2023	University of Michigan
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	U24NS113452	September 13, 2020 to July 31, 2022	University of Southern California
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	UG3NS119199	June 1, 2022 to May 31, 2027	University of Southern California
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	R01NS113516	August 1, 2021 to May 31, 2024	University of Texas San Antonio
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI127406-01A1	June 26, 2017 to October 31, 2023	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI134030-01A1	March 4, 2019 to February 29, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI134987-01	May 15, 2018 to April 30, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI141401-01A1	July 18, 2019 to June 30, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI146425-01A1	August 10, 2020 to July 31, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI148465-01	March 10, 2020 to February 28, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI162765-01	July 12, 2021 to June 30, 2026	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI164504-01	August 16, 2021 to July 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI164519-01A1	February 11, 2022 to March 31, 2027	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI165797-01	June 16, 2022 to May 31, 2027	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI170424-01	July 1, 2022 to June 30, 2029	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI154535-01	September 10, 2020 to August 31, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R21AI142422-01	March 1, 2019 to February 28, 2022	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R21AI151987-01	March 24, 2020 to February 28, 2022	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R21AI156311-01	December 7, 2020 to November 30, 2023	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R21AI156919-01	November 20, 2020 to October 31, 2022	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	2R01A1095255-05A1	July 1, 2017 to June 30, 2023	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	2R01AI052201-12A1	August 18, 2017 to July 31, 2023	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	2R01AI054977-11A1	August 15, 2017 to July 31, 2023	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	2R01AI071116-10A1	June 22, 2019 to May 31, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	2R01AI103542-06A1	June 4, 2020 to May 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	3R01AI134714-01	July 11, 2018 to June 30, 2023	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	5U01AI156922-04	June 1, 2021 to May 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	7R01AI099009-07	March 1, 2019 to March 1, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	7R01AI140702-02	December 1, 2018 to June 30, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI163072	September 7, 2021 to June 30, 2028	Boston Children's Hospital
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R34AI152962	September 1, 2020 to August 31, 2022	Columbia University Medical Center
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R56AI154845	September 8, 2021 to August 31, 2022	Columbia University Medical Center
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R01AI153274	August 17, 2020 to July 31, 2024	Duke University
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U19 110483	May 1, 2019 to October 31, 2023	Emory University
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R01AI141434	August 1, 2022 to May 31, 2024	Icahn School of Medicine at Mt. Sinai
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI063594	July 1, 2022 to June 30, 2024	Icahn School of Medicine at Mt. Sinai
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R01AI172899	September 22, 2022 to July 31, 2027	Icahn School of Medicine at Mt. Sinai
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI138897	August 1, 2022 to July 31, 2023	Johns Hopkins University School of Medicine

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI136816	May 1, 2021 to April 30, 2024	Massachusetts General Hospital
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI163086	July 1, 2022 to June 30, 2024	Massachusetts General Hospital
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R01AI152504	September 16, 2020 to August 31, 2025	National Jewish Health
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI138616	May 1, 2018 to April 30, 2024	Partners Healthcare
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U19AI125357	August 24, 2021 to May 31, 2026	University of Arizona
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R01AI144694	September 18, 2019 to August 31, 2024	University of California San Diego
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R01AI173095	November 21, 2022 to October 31, 2027	University of Pennsylvania
93.855	COVID-19 – Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R01AI164481	September 01, 2022 to August 31, 2024	Arizona State University
93.859	Biomedical Research and Research Training	U.S. Department of Health and Human Services	2R01GM085796-09	August 1, 2017 to March 31, 2022	
93.859	Biomedical Research and Research Training	U.S. Department of Health and Human Services	5R35GM142502-03	March 28, 2022 to July 31, 2026	
93.859	Biomedical Research and Research Training	U.S. Department of Health and Human Services	R01GM141698	May 1, 2022 to March 31, 2024	Cleveland State University
93.859	Biomedical Research and Research Training	U.S. Department of Health and Human Services	R01GM146386	April 1, 2022 to March 31, 2026	University of Minnesota
93.865	Child Health and Human Development Extramural Research	U.S. Department of Health and Human Services	1R01HD091773	March 10, 2017 to February 29, 2023	
93.865	Child Health and Human Development Extramural Research	U.S. Department of Health and Human Services	1R21HD099551-01A1	March 1, 2020 to February 28, 2022	
93.865	Child Health and Human Development Extramural Research	U.S. Department of Health and Human Services	R01HD099099	August 10, 2019 to June 30, 2024	Arkansas Children's Research Institute
93.865	Child Health and Human Development Extramural Research	U.S. Department of Health and Human Services	R01HD094150	September 17, 2018 to June 30, 2024	Harvard Pilgrim Health Care

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.865	Child Health and Human Development Extramural Research	U.S. Department of Health and Human Services	R01HD092483	June 1, 2018 to May 31, 2023	University of Southern California
93.866	Aging Research	U.S. Department of Health and Human Services	1K01AG076865-01	June 1, 2022 to May 31, 2027	
93.866	Aging Research	U.S. Department of Health and Human Services	1R01AG055865-01A1	April 1, 2018 to December 31, 2023	
93.866	Aging Research	U.S. Department of Health and Human Services	1R01AG056478-01	September 15, 2017 to May 31, 2023	
93.866	Aging Research	U.S. Department of Health and Human Services	1R01AG058911-01	September 1, 2018 to June 30, 2024	
93.866	Aging Research	U.S. Department of Health and Human Services	1R01AG075998-01	September 30, 2021 to June 30, 2026	
93.866	Aging Research	U.S. Department of Health and Human Services	1R01AG078655-01	August 1, 2022 to April 30, 2027	
93.866	Aging Research	U.S. Department of Health and Human Services	1R03AG073993-01	July 15, 2021 to March 31, 2024	
93.866	Aging Research	U.S. Department of Health and Human Services	1R21AG079010-01A1	April 1, 2023 to March 31, 2025	
93.866	Aging Research	U.S. Department of Health and Human Services	1R56AG070211-01A1	September 30, 2021 to August 31, 2022	
93.866	Aging Research	U.S. Department of Health and Human Services	1R56AG075954-01A1	September 30, 2022 to August 31, 2024	
93.866	Aging Research	U.S. Department of Health and Human Services	1RF1AG074365-01	September 30, 2021 to August 31, 2024	
93.866	Aging Research	U.S. Department of Health and Human Services	4R00AG056678-03	August 1, 2020 to May 31, 2023	
93.866	Aging Research	U.S. Department of Health and Human Services	5U01AG066833-03	September 1, 2022 to August 31, 2026	
93.866	Aging Research	U.S. Department of Health and Human Services	5U54AG065141-02	July 1, 2020 to June 30, 2025	
93.866	Aging Research	U.S. Department of Health and Human Services	7R01AG066833-02	July 15, 2022 to August 31, 2026	
93.866	Aging Research	U.S. Department of Health and Human Services	7R01AG075684-02	April 15, 2023 to February 28, 2027	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.866	Aging Research	U.S. Department of Health and Human Services	7R21AG074234-03	January 6, 2023 to April 30, 2024	
93.866	Aging Research	U.S. Department of Health and Human Services	R01AG062713	February 1, 2020 to January 31, 2023	Brigham and Women's Hospital, Inc.
93.866	Aging Research	U.S. Department of Health and Human Services	R01AG074355	July 1, 2022 to March 31, 2027	Columbia University Medical Center
93.866	Aging Research	U.S. Department of Health and Human Services	R01AG049924	July 1, 2020 to December 31, 2022	Northwestern University
93.866	Aging Research	U.S. Department of Health and Human Services	R21AG059214	September 15, 2019 to May 31, 2023	RAND Corporation
93.866	Aging Research	U.S. Department of Health and Human Services	R01AG053332	June 1, 2018 to May 31, 2024	University California San Francisco
93.866	Aging Research	U.S. Department of Health and Human Services	P30AG021684	July 1, 2021 to June 30, 2023	University of California Los Angeles
93.866	Aging Research	U.S. Department of Health and Human Services	R01AG061146	January 1, 2022 to June 30, 2023	University of California San Diego
93.866	Aging Research	U.S. Department of Health and Human Services	P30AG073105	November 1, 2021 to May 31, 2026	University of Pennsylvania
93.866	Aging Research	U.S. Department of Health and Human Services	R01AG076433	September 30, 2022 to May 31, 2026	University of Southern California
93.867	Vision Research	U.S. Department of Health and Human Services	1R01EY029160-01	May 1, 2018 to April 30, 2023	
93.867	Vision Research	U.S. Department of Health and Human Services	1R01EY029677-01	March 1, 2019 to February 29, 2024	
93.867	Vision Research	U.S. Department of Health and Human Services	1R01EY029829-01	March 1, 2019 to February 29, 2024	
93.867	Vision Research	U.S. Department of Health and Human Services	1R01EY031377-01A1	September 30, 2020 to August 31, 2025	
93.867	Vision Research	U.S. Department of Health and Human Services	2R01EY013615-16A1	April 1, 2021 to March 31, 2025	
93.867	Vision Research	U.S. Department of Health and Human Services	2R01EY024649-04	September 30, 2018 to May 31, 2024	
93.867	Vision Research	U.S. Department of Health and Human Services	2R01EY026944-05	March 1, 2021 to November 30, 2025	

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.867	Vision Research	U.S. Department of Health and Human Services	2R01EY029160-05	March 3, 2023 to December 31, 2027	
93.867	Vision Research	U.S. Department of Health and Human Services	R01EY032561	June 1, 2021 to May 31, 2026	University of California Los Angeles
93.879	Medical Library Assistance	U.S. Department of Health and Human Services	7R01LM010098-13	May 1, 2022 to February 28, 2024	
93.879	Medical Library Assistance	U.S. Department of Health and Human Services	R01LM013463	April 1, 2022 to March 31, 2024	University of Pennsylvania

Criteria or specific requirement (including statutory, regulatory or other citation):

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, 200.303 – Internal controls. The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, 200.300(b) – Statutory and national policy requirements: The non-Federal entity is responsible for complying with all requirements of the Federal award.

The National Institutes of Health Grants Policy Statement section 4.2.10 – Salary Cap/Salary Limitation states the following: None of the funds appropriated in the governing appropriations Act for NIH (the Act), shall be used to pay the salary of an individual through a grant or other extramural mechanism at a rate in excess of that prescribed in the Act. Applications and proposals with categorical direct costs budgets reflecting direct salaries of individuals in excess of the rate prescribed in the Act will be adjusted in accordance with the legislative salary limitation. Current and historical information on the applicable salary cap for each fiscal year is on the National Institutes of Health web page.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Condition:

During our testing over salaries and wages expenditures, we observed management did not have effective internal controls in place to ensure individuals were not charged and reimbursed from the grantor in excess of the salary cap limitation.

Cause:

Management did not have effective internal controls in place over the compliance requirement as stated in the criteria or specific requirement section above.

Effect or potential effect:

Management was reimbursed from the grantor for salaries and wages expenditures in excess of the salary cap limitation.

Questioned costs:

\$68 – Assistance Listing Number 93.837, Award Identification Number – 2R01HL131532-06A1

\$103 – Assistance Listing Number 93.846, Award Identification Number – 5UH3AR076573-04

Questioned costs were computed by taking the difference between the salary cap limitation and the employee's hourly rate multiplied by the hours worked and time and effort percentage. We then applied the fringe benefit and indirect cost rates on this calculated balance.

Context:

During our testing over salaries and wages expenditures, we obtained a listing of 34,069 salaries and wages expenditures that the entity did not tag in the system to have a reduction to the salary cap and selected a sample of 40. The total value of the 40 salaries and wages expenditures was \$33,970 out of the total population of \$28,569,553. There were 2 out of 40 selections where the entity was reimbursed from the grantor in excess of the salary cap limitation.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Identification as a repeat finding, if applicable:

No.

Recommendation:

We recommend management refund the questioned costs to the grantor and develop and implement effective internal controls to ensure future salaries and wages expenditures are reduced to the salary cap limitation prior to submission to the grantor for reimbursement.

Views of responsible officials:

In response to this finding management will implement the following:

We are revising our internal controls to more frequently perform our salary cap reconciliation ensuring the appropriate sponsor invoicing for employees who are over the salary cap limitation. For the salary cap variances that were identified through the previous reconciliation process, they will be adjusted and posted by the close of our March 2024 accounting period. Lastly, we will offset our cash for the March 2024 letter of credit draw down process in the Payment Management System, and incorporate adjustments in our March 2024 invoices for federal pass-thru awards.

In addition, the salary cap adjustment program in our new ERP system was designed to remove the defect experienced in our legacy system.

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Finding 2023-002

Internal control deficiency and noncompliance over Equipment and Real Property Management related to the physical inventory of property.

Identification of the federal program:

Research and Development Cluster

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
43.003	Exploration	National Aeronautics and Space Administration	80JSC022PA009	September 21, 2022 to April 30, 2025	
47.041	Engineering	National Science Foundation	2048231	March 1, 2021 to February 28, 2026	
93.279	Drug Abuse and Addiction Research Programs	U.S. Department of Health and Human Services	5U01DA055366-02	September 30, 2021 to June 30, 2026	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	U01EB028145	September 22, 2018 to July 31, 2021	Emory University
93.310	Trans-NIH Research Support	U.S. Department of Health and Human Services	UG1HD107711	December 10, 2021 to November 30, 2026	University of California Davis
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	2R01CA198887-06A1	August 5, 2021 to July 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	7R01CA252468-02	November 17, 2020 to May 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	20CTA-DM0022	March 26, 2020 to August 30, 2021	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	2R01CA140995-06A1	September 20, 2016 to August 31, 2022	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	P01CA098912	January 1, 2015 to February 28, 2023	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R21CA249701-01A1	January 4, 2021 to December 31, 2023	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	U.S. Department of Health and Human Services	U3REP160550-01-00	June 15, 2021 to June 14, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	5R01HL135557-04	September 1, 2020 to May 31, 2022	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL153500-01A1	July 1, 2021 to June 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R35HL161195-01	June 1, 2022 to May 31, 2029	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1U01HL145358-01A1	February 1, 2022 to January 31, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL111362	February 1, 2021 to January 31, 2023	Wake Forest University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	U01HL145358	February 1, 2022 to January 31, 2027	RTI International
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1R01HL137076-01A1	January 1, 2018 to November 30, 2022	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1R01HL155759-01	July 16, 2021 to June 30, 2025	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	U01HL123009	August 1, 2021 to December 31, 2023	Oregon Health Sciences University
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2R01DK085252-06A1	September 20, 2017 to August 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK123446-01	January 20, 2020 to December 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	7R01DK110477-05	April 1, 2021 to March 31, 2023	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1DP1DK130687-01	September 30, 2021 to June 30, 2026	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1UH3NS105703-04	September 1, 2019 to February 28, 2024	

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Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1R01NS128094-01A1	April 1, 2023 to January 31, 2028	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	7R01AI099009-07	March 1, 2019 to March 1, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI134030-01A1	March 4, 2019 to February 29, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	7R01AI140702-02	December 1, 2018 to June 30, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI154535-01	September 10, 2020 to August 31, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	2R01AI103542-06A1	June 4, 2020 to May 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI164504-01	August 16, 2021 to July 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI165797-01	June 16, 2022 to May 31, 2027	
93.866	Aging Research	U.S. Department of Health and Human Services	4R00AG056678-03	August 1, 2020 to May 31, 2023	
93.866	Aging Research	U.S. Department of Health and Human Services	1RF1AG074365-01	September 30, 2021 to August 31, 2024	
93.867	Vision Research	U.S. Department of Health and Human Services	1R01EY029677-01	March 1, 2019 to February 29, 2024	
93.867	Vision Research	U.S. Department of Health and Human Services	2R01EY013615-16A1	April 1, 2021 to March 31, 2025	

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Criteria or specific requirement (including statutory, regulatory or other citation):

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, 200.303 – Internal controls. The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, Property Standards, 200.313(d)(2) – Equipment. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

Condition:

During our testing over equipment and real property management, we observed management did not have effective internal controls in place to ensure a physical inventory of the property which must be taken and the results reconciled with property records was completed at least once every two years.

Cause:

Management did not have effective internal controls in place over the compliance requirement as stated in the criteria or specific requirement section above.

Effect or potential effect:

A physical inventory of the property which must be taken and the results reconciled with property records was not completed at least once every two years. This could potentially result in the property records not reconciling with the actual property present at the entity’s facilities.

Questioned costs:

None.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Context:

During our testing over equipment and real property management, we obtained a listing of property that had a net book value of \$2,377,270. We observed management did not perform a physical inventory of this property.

Identification as a repeat finding, if applicable:

No.

Recommendation:

We recommend management develop and implement effective internal controls to ensure a physical inventory of property which must be taken and the results reconciled with property records is completed at least once every two years.

Views of responsible officials:

In response to this finding management will implement the following:

An education session occurred on February 7, 2024, with the relevant parties across the Cedars-Sinai Research Facilities department. The session focused on the uniform guidance, more specifically the requirements to perform a physical inventory of property at least once every two years as set forth in CFR 200.313 (d) (2). We will schedule follow up sessions in March 2024 (first session scheduled for March 1st, second session TBD) to review and update existing policies and procedures to ensure future transfer of knowledge, as well as finalize a plan of action in order to complete a physical inventory of research equipment by the end of the fiscal year period, June 2024.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Finding 2023-003

Internal control deficiency and noncompliance over Procurement related to small purchases.

Identification of the federal program:

Research and Development Cluster

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
12.420	Military Medical Research and Development	U.S. Department of Defense	W81XWH-19-1-0600	September 15, 2019 to March 14, 2024	
12.420	Military Medical Research and Development	U.S. Department of Defense	W81XWH1910888	September 30, 2019 to September 29, 2024	
12.420	Military Medical Research and Development	U.S. Department of Defense	W81XWH2010632	September 1, 2020 to August 31, 2024	
12.420	Military Medical Research and Development	U.S. Department of Defense	W81XWH2120035	September 15, 2021 to September 14, 2025	
43.003	Exploration	National Aeronautics and Space Administration	80JSC022PA009	September 21, 2020 to April 30, 2025	
47.041	Engineering	National Science Foundation	2048231	March 1, 2021 to February 28, 2026	
93.113	Environmental Health	U.S. Department of Health and Human Services	1R21ESO30534-01A1	September 23, 2019 to August 31, 2022	
93.242	Mental Health Research Grants	U.S. Department of Health and Human Services	1R01MH110831-01	August 1, 2016 to June 30, 2023	
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	1R01AA029988-01	September 16, 2022 to July 31, 2027	
93.273	Alcohol Research Programs	U.S. Department of Health and Human Services	U01AA026817	September 20, 2019 to August 31, 2023	Indiana University
93.279	Drug Abuse and Addiction Research Programs	U.S. Department of Health and Human Services	1R34DA050255-01	September 30, 2019 to March 31, 2023	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	1R01EB028146-01	April 1, 2019 to December 31, 2023	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	U.S. Department of Health and Human Services	1R01EB032801-01	June 15, 2022 to March 31, 2026	

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.310	Trans-NIH Research Support	U.S. Department of Health and Human Services	UG1HD107711	December 10, 2021 to November 30, 2026	University of California Davis
93.310	Trans-NIH Research Support	U.S. Department of Health and Human Services	7OT2OD028190-02	July 1, 2020 to June 30, 2024	
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	UL1TR001881	June 1, 2021 to May 31, 2022	University of California Los Angeles
93.350	National Center for Advancing Translational Sciences	U.S. Department of Health and Human Services	UH3TR003148	August 1, 2022 to July 31, 2025	University of California Los Angeles
93.361	Nursing Research	U.S. Department of Health and Human Services	1R01NR019947-01	June 10, 2021 to March 31, 2024	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	1R01CA211707-01	January 1, 2017 to December 31, 2022	
93.393	Cancer Cause and Prevention Research	U.S. Department of Health and Human Services	R01CA251555	March 2, 2021 to February 28, 2026	Dana Farber Cancer Institute
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA217098	May 1, 2020 to April 30, 2024	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1U54CA260591-01	September 30, 2020 to August 31, 2025	
93.394	Cancer Detection and Diagnosis Research	U.S. Department of Health and Human Services	1R01CA260955-01	September 1, 2021 to August 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	7R01CA252468-02	November 17, 2020 to May 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	51R01CA252211-02	April 5, 2021 to March 31, 2026	
93.395	Cancer Treatment Research	U.S. Department of Health and Human Services	1R21CA263230-01	August 1, 2021 to July 31, 2024	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	2R01CA175397-06A1	May 15, 2020 to April 30, 2026	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA258265-01	March 26, 2021 to February 28, 2026	
93.396	Cancer Biology Research	U.S. Department of Health and Human Services	1R01CA273925-01	August 1, 2022 to July 31, 2027	

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.397	Cancer Centers Support Grants	U.S. Department of Health and Human Services	P50CA092131	September 1, 2021 to August 31, 2024	University of California Los Angeles
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	5T32CA240172-05	July 1, 2021 to June 30, 2024	
93.398	Cancer Research Manpower	U.S. Department of Health and Human Services	1K08CA245033-01A1	July 1, 2020 to June 30, 2025	
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	U.S. Department of Health and Human Services	1U3REP220672-01-00	September 30, 2022 to September 29, 2027	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	2R01HL124074-05	May 15, 2018 to January 31, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	5T32HL116273-10	August 1, 2021 to July 31, 2023	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL146158-01	May 1, 2019 to February 29, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL147570-01A1	August 1, 2019 to May 31, 2024	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL155346-01A1	July 1, 2021 to June 30, 2025	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	5R01HL153500-02	July 1, 2021 to June 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL164983-01	July 1, 2022 to June 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL167268-01	December 15, 2022 to November 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R13HL154799-01	September 1, 2020 to August 31, 2022	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1K23HL153888-01	July 15, 2020 to June 30, 2025	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	1R01HL153500-01A1	July 1, 2021 to June 30, 2026	
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL151398	August 1, 2022 to April 30, 2024	Brown University

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL148581	July 1, 2020 to May 31, 2024	Ohio State University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL127316	August 15, 2019 to July 31, 2024	Penn State University
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL147853	January 1, 2020 to December 31, 2023	University of North Carolina
93.837	Cardiovascular Diseases Research	U.S. Department of Health and Human Services	R01HL151277	September 1, 2020 to August 31, 2024	University of Pennsylvania
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	5P01HL108793-10	July 1, 2021 to June 30, 2024	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	5R35HL150829-034	March 1, 2022 to February 28, 2027	
93.838	Lung Diseases Research	U.S. Department of Health and Human Services	1R01HL159160-01A1	May 1, 2022 to April 30, 2026	
93.839	Blood Diseases and Resources Research	U.S. Department of Health and Human Services	1K08HL141446-01	July 1, 2018 to June 30, 2024	
93.839	Blood Diseases and Resources Research	U.S. Department of Health and Human Services	7R01HL086998-11	December 1, 2020 to November 30, 2023	
93.839	Blood Diseases and Resources Research	U.S. Department of Health and Human Services	1R01HL165169-01	July 1, 2022 to June 30, 2027	
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	U.S. Department of Health and Human Services	2R01AR066517-05A1	August 1, 2021 to July 31, 2025	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	5T32DK007770-18	July 1, 2021 to June 30, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1R01DK118265-01	August 21, 2018 to March 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	5U01DK124019-04	August 1, 2021 to July 31, 2024	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	1DP1DK130687-01	September 30, 2021 to June 30, 2026	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	U.S. Department of Health and Human Services	2R01DK029867-35A1	April 6, 2022 to March 31, 2026	

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	1R01NS121544-01	April 1, 2021 to October 02, 2023	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U.S. Department of Health and Human Services	5U01NS117839-03	August 1, 2021 to July 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI127406-01A1	June 26, 2017 to October 31, 2023	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	2R01AI052201-12A1	August 18, 2017 to July 31, 2023	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI134030-01A1	March 4, 2019 to February 29, 2024	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI157274-01	September 23, 2020 to August 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	5U01AI156922-04	June 1, 2022 to May 31, 2025	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	1R01AI165797-01	June 16, 2022 to May 31, 2027	
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	R34AI152962	September 1, 2020 to August 31, 2022	Columbia University Medical Center
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI063594	July 1, 2022 to June 30, 2024	Icahn School of Medicine at Mt. Sinai
93.855	Allergy and Infectious Diseases Research	U.S. Department of Health and Human Services	U01AI136816	May 1, 2022 to April 30, 2024	Massachusetts General Hospital
93.859	Biomedical Research and Research Training	U.S. Department of Health and Human Services	5R35GM142502-03	March 28, 2022 to July 31, 2026	
93.866	Aging Research	U.S. Department of Health and Human Services	1RF1AG074365-01	September 30, 2021 to August 31, 2024	
93.866	Aging Research	U.S. Department of Health and Human Services	1R56AG070211-01A1	September 30, 2021 to August 31, 2022	
93.866	Aging Research	U.S. Department of Health and Human Services	1R01AG078655-01	August 1, 2022 to April 30, 2027	
93.867	Vision Research	U.S. Department of Health and Human Services	2R01EY013431-19	September 1, 2022 to June 30, 2027	

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Assistance Listing Number	Program Title	Federal Grantor	Award ID	Award Year	Pass-Through Entity
93.867	Vision Research	U.S. Department of Health and Human Services	1R01EY031377-01A1	September 30, 2020 to August 31, 2025	

Criteria or specific requirement (including statutory, regulatory or other citation):

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, 200.303 – Internal controls. The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, 200.318(i) – General procurement standards states: The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, 200.320 – Methods of procurement to be followed – the non-Federal entity must have and use documented procurements procedures, consistent with the standards of this section and 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award: (a) (2) Small purchases – (i) small purchase procedures – the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Condition:

During our testing over small purchase procurements, we observed management did not have effective internal controls in place to ensure that price or rate quotations were obtained from an adequate number of qualified sources at the time of procurement.

Cause:

Management did not have effective internal controls in place over the compliance requirement as stated in the criteria or specific requirement section above.

Effect or potential effect:

Small purchase procurements were not supported by effective internal controls and could potentially include unreasonable prices or rate.

Questioned costs:

\$18,869 – Assistance Listing Number 93.837, Award Identification Number – R01HL151398

\$17,538 – Assistance Listing Number 93.396, Award Identification Number – 1R01CA273925-01

\$13,294 – Assistance Listing Number 93.853, Award Identification Number – 5U01NS117839-03

\$11,498 – Assistance Listing Number 93.273, Award Identification Number – U01AA026817

\$10,785 – Assistance Listing Number 93.242, Award Identification Number – 1R01MH110831-01

\$10,450 – Assistance Listing Number 93.855, Award Identification Number – 1R01AI165797-01

Questioned costs were computed by taking the total small purchase procurements that were not supported by adequate documentation of \$18,868 + \$17,538 + \$13,294 + \$11,498 + \$10,785 + \$10,450 for a total of \$82,433.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Context:

During our testing over small purchase procurements, we obtained a listing of small purchase procurements and selected a sample of 18. The total value of the 18 small purchase procurements selected was \$435,729 out of the total population of \$5,473,204.

There were 6 (\$82,433) out of 18 (\$435,729) selections where price or rate quotations were not obtained from an adequate number of qualified sources at the time of procurement.

Identification as a repeat finding, if applicable:

No.

Recommendation:

We recommend management develop and implement effective internal controls to ensure small purchase procurements are supported by price or rate quotations from an adequate number of qualified suppliers.

Views of responsible officials:

In response to this finding management will implement the following:

- 1) We are implementing internal controls to ensure small purchase procurements are consistently supported by price and rate quotations from an adequate number of qualified suppliers. The Executive Director, or their designee, will conduct a quarterly audit of 8% of the total number of purchase orders issued to Research within a 12-month period. The Audit sample selection will be using a random algorithm that accounts for materiality to assure the documents listed for small purchase procurements are supported by price or rate quotations from an adequate number of qualified suppliers. The results will be reviewed by the Executive Director or their designee who will address any deficiencies with the assigned buyer. These steps and controls will be updated and documented in the departmental policy.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Views of responsible officials (continued):

- 2) An education session occurred on February 15, 2024, with the relevant parties across Cedars-Sinai Supply Chain Procurement department. This was to re-enforce our policy PUR00318 – Bid Guidelines Procedure: Purchasing detailing the procedures to follow for small purchase procurements and the role each one has to ensure the process is followed every time. The education session also highlights that all documents need to be properly stored for further review or audits.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Finding 2023-004

Internal control deficiency and noncompliance over Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting related to expenses attributable to coronavirus reported in the provider relief fund reports.

Identification of the federal program:

Assistance Listing Number 93.498

- COVID-19 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
- U.S. Department of Health and Human Services
- Federal award identification number – Not Applicable
- Federal award year:
 - Period 4 – January 1, 2020 to December 31, 2022
 - Period 5 – January 1, 2020 to June 30, 2023

Criteria or specific requirement (including statutory, regulatory or other citation):

Title 2, Subtitle A, Chapter II, Part 200, Subpart D, 200.303 – Internal controls. The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Criteria or specific requirement (including statutory, regulatory or other citation) (continued):

The terms and conditions of the award requires the following:

- The recipient certifies that the payment will only be used to prevent, prepare for, and respond to coronavirus, and that the payment shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus. The burden of proof is on the recipient to maintain documentation that shows how expenses prevent, prepare for, and respond to coronavirus.
- The recipient certifies that it will not use the payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.
- The recipient shall adhere to the reporting requirements on provider relief fund payments for payments received exceeding \$10,000 in the aggregate during the payment received period. The recipient must register in the provider relief fund reporting portal and submit reports as specified by Health and Human Services.
- The recipient certifies that all information it provides as part of any application for the payment, as well as all information and reports relating to the payment that it provides in the future at the request of Health and Human Services or the Health and Human Services inspector general, are true, accurate and complete, to the best of its knowledge.
- The recipient shall maintain appropriate records and cost documentation including, as applicable, documentation described in 45 CFR 75.302 – financial management and 45 CFR 75.361 through 75.365 – record retention and access, and other information required by the future program instructions to substantiate the reimbursement of costs under this award.

Condition:

During our testing over healthcare related expenses included in the provider relief fund reports, we observed management did not have effective internal controls in place to ensure expenses complied with the terms and conditions of the award. This resulted in an overstatement of expenses included in the provider relief fund reports.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Cause:

Management did not have effective internal controls in place over the compliance requirement as stated in the criteria or specific requirement section above.

Effective or potential effect:

Expenses submitted in the provider relief fund report were not supported by adequate documentation to substantiate that these funds were used for health care-related expenses attributable to coronavirus.

Questioned costs:

\$952,828 – Assistance Listing Number 93.498. See corresponding award identification number in the identification of federal award section above.

Questioned costs were computed by taking the total expenses not supported by adequate documentation at Huntington Ambulatory Surgery Center LLC of \$948,707 and Torrance Memorial Medical Center of \$4,121 for a total of \$952,828.

Context:

During our testing over health care-related expenses attributable to coronavirus at Huntington Ambulatory Surgery Center LLC, we observed management submitted \$948,707 in expenses that were not supported by adequate documentation to substantiate that these funds were used for health care-related expenses attributable to coronavirus. The burden of proof is on the recipient to maintain documentation that shows how expenses prevent, prepare for, and respond to coronavirus.

During our testing over health care-related expenses attributable to coronavirus at Torrance Memorial Medical Center, we observed management submitted duplicated expenses which were reimbursed in the prior period in the amount of \$4,121.

During our testing over health care-related expenses attributable to coronavirus at Huntington Medical Foundation, we observed management did not have evidence of internal controls regarding the review and approval of the expenses used to substantiate the payments received in the provider relief fund report. Total expenses in the provider relief fund report was \$1,062,349.

Cedars-Sinai Health System

Schedule of Findings and Questioned Costs (continued)

For the Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs (continued)

Identification as a repeat finding, if applicable:

No.

Recommendation:

We recommend management develop and implement effective internal controls to ensure expenses comply with the terms and conditions of the award. This will ensure expenses submitted in the provider relief fund reports are supported by adequate documentation to substantiate that these funds are used for health care-related expenses attributable to coronavirus.

Views of responsible officials:

The entity has excess lost revenues to cover all payments received (excluding the expenses submitted). Therefore, no refund is required for any payments received. Since the program has ended, the management has implemented the following procedures for future grants:

- 1) An education session occurred on February 15, 2024, with the relevant parties across Huntington Health entities to formally implement a review process whereby the Controller will review the support files prior to filings being made related to grant applications/programs across any of Huntington's entities. Documentation of this review will be retained in the central file repository. These steps and controls will be updated and documented in the departmental policy.
- 2) A central folder on the Huntington Hospital's main accounting drive has been created. This folder will be populated with all support for filed figures related to grant applications/programs across the hospital's various entities. The support will be validated as having been placed into this folder as part of the reporting out process by the accounting manager and Controller handling the reporting. Files will be retained in this central drive for a minimum of 7 years. These steps and controls will be updated and documented in the departmental policy.

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Corrective Action Plan

Finding 2023-001

Internal control deficiency and noncompliance over Activities Allowed or Unallowed and Allowable Costs/Cost Principles related to salary cap limitation.

In response to this finding management will implement the following:

We are revising our internal controls to more frequently perform our salary cap reconciliation ensuring the appropriate sponsor invoicing for employees who are over the salary cap limitation. For the salary cap variances that were identified through the previous reconciliation process, they will be adjusted and posted by the close of our March 2024 accounting period. Lastly, we will offset our cash for the March 2024 letter of credit draw down process in the Payment Management System, and incorporate adjustments in our March 2024 invoices for federal pass-thru awards.

In addition, the salary cap adjustment program in our new ERP system was designed to remove the defect experienced in our legacy system.

Contact Person: Nicole Anderson Leonard, Vice President, Research and Vice Dean
Anticipated Completion Date: March 31, 2024

Finding 2023-002

Internal control deficiency and noncompliance over Equipment and Real Property Management related to the physical inventory of property.

In response to this finding management will implement the following:

An education session occurred on February 7, 2024, with the relevant parties across the Cedars-Sinai Research Facilities department. The session focused on the uniform guidance, more specifically the requirements to perform a physical inventory of property at least once every two years as set forth in CFR 200.313 (d) (2). We will schedule follow up sessions in March 2024 (first session scheduled for March 1st, second session TBD) to review and update existing policies and procedures to ensure future transfer of knowledge, as well as finalize a plan of action in order to complete a physical inventory of research equipment by the end of the fiscal year period, June 2024.

Contact Person: Nicole Anderson Leonard, Vice President, Research and Vice Dean
Anticipated Completion Date: June 30, 2024



Finding 2023-003

Internal control deficiency and noncompliance over Procurement related to small purchases.

In response to this finding management will implement the following:

- 1) We are implementing internal controls to ensure small purchase procurements are consistently supported by price and rate quotations from an adequate number of qualified suppliers. The Executive Director, or their designee, will conduct a quarterly audit of 8% of the total number of purchase orders issued to Research within a 12-month period. The Audit sample selection will be using a random algorithm that accounts for materiality to assure the documents listed for small purchase procurements are supported by price or rate quotations from an adequate number of qualified suppliers. The results will be reviewed by the Executive Director or their designee who will address any deficiencies with the assigned buyer. These steps and controls will be updated and documented in the departmental policy.
- 2) An education session occurred on February 15, 2024, with the relevant parties across Cedars-Sinai Supply Chain Procurement department. This was to re-enforce our policy PUR00318 – Bid Guidelines Procedure: Purchasing detailing the procedures to follow for small purchase procurements and the role each one has to ensure the process is followed every time. The education session also highlights that all documents need to be properly stored for further review or audits.

Contact Person: Motz Feinberg, Vice President and Chief Supply Chain Officer

Anticipated Completion Date: Education completed – quarterly audit procedure to be implemented by March 15, 2024

Finding 2023-004

Internal control deficiency and noncompliance over Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting related to expenses attributable to coronavirus reported in the provider relief fund reports.

The entity has excess lost revenues to cover all payments received (excluding the expenses submitted). Therefore, no refund is required for any payments received. Since the program has ended, the management has implemented the following procedures for future grants:

- 1) An education session occurred on February 15, 2024, with the relevant parties across Huntington Health entities to formally implement a review process whereby the Controller will review the support files prior to filings being made related to grant applications/programs across any of Huntington's entities. Documentation of this review will be retained in the central file repository. These steps and controls will be updated and documented in the departmental policy.



- 2) A central folder on the Huntington Hospital's main accounting drive has been created. This folder will be populated with all support for filed figures related to grant applications/programs across the hospital's various entities. The support will be validated as having been placed into this folder as part of the reporting out process by the accounting manager and Controller handling the reporting. Files will be retained in this central drive for a minimum of 7 years. These steps and controls will be updated and documented in the departmental policy.

Contact Person: Byron Davis, Controller and Steven Mohr, Senior Vice President and Chief Financial Officer, Huntington Hospital

Anticipated Completion Date: Completed