

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

Consolidated Financial and Compliance Report in  
Accordance with the Uniform Guidance  
August 31, 2022

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## Independent Auditor's Report

RSM US LLP

Board of Directors  
Children's Hospital of Chicago Medical Center

### Opinion

We have audited the consolidated financial statements of Children's Hospital of Chicago Medical Center and Affiliated Corporations (the Medical Center), which comprise the consolidated balance sheet as of August 31, 2022, the related consolidated statements of operations and changes in net assets and of cash flow for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Medical Center as of August 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 Medical Center 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.

### Emphasis of Matter

As discussed in Note 3 to the financial statements, the Medical Center has elected to change its method of accounting for certain amounts due to third-party payors. Our opinion is not modified with respect to this matter.

### Other Matter

The financial statements of the Medical Center, as of and for the year ended August 31, 2021, were audited by other auditors, whose report, dated January 21, 2022, expressed an unmodified opinion on those statements.

### 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 from 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 Medical Center's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be 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 from 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 Medical Center'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 Medical Center'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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022, on our consideration of the Medical Center'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 Medical Center'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 Medical Center's internal control over financial reporting and compliance.

*RSM US LLP*

Chicago, Illinois  
December 9, 2022

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations  
Consolidated Balance Sheets  
August 31, 2022 and 2021**

	2022	2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 181,296,575	\$ 58,931,786
Current portion of self-insurance trust	16,000,000	14,000,000
Patient accounts receivable	278,022,770	294,238,730
Other current assets	102,307,348	90,284,202
Total current assets	577,626,693	457,454,718
Investments	1,639,314,593	1,820,944,823
Property and equipment, at cost		
Land	39,588,666	39,588,666
Buildings and improvements	1,248,020,992	1,251,029,460
Equipment	528,195,345	486,014,496
Construction in progress	33,208,985	25,747,886
Total property and equipment, at cost	1,849,013,988	1,802,380,508
Less: Accumulated depreciation	849,405,102	767,658,037
Property and equipment, net	999,608,886	1,034,722,471
Operating lease right-of-use assets, net	101,984,128	112,914,422
Other assets		
Pledges receivable restricted by donors, net	62,344,298	58,778,582
Other	2,351,701	13,069,667
Total other assets	64,695,999	71,848,249
Total assets	\$ 3,383,230,299	\$ 3,497,884,683
<b>Liabilities and Net Assets</b>		
Current liabilities		
Current portion of long-term debt	\$ 6,220,000	\$ 5,920,000
Accounts payable and accrued expenses	242,296,456	183,630,945
Current portion of self-insurance liability	16,000,000	14,000,000
Due to third-party payors	116,741,331	105,870,315
Current portion of operating lease liabilities	13,908,044	13,745,052
Total current liabilities	395,165,831	323,166,312
Other liabilities		
Self-insurance liability, less current portion	181,917,807	164,650,310
Other noncurrent liabilities	21,540,127	22,017,865
Total other liabilities	203,457,934	186,668,175
Operating lease liabilities, less current portion	110,602,684	125,252,868
Long-term debt, less current portion	336,027,718	342,948,854
Total liabilities	1,045,254,167	978,036,209
Net assets		
Without donor restrictions	1,822,837,359	1,990,945,512
With donor restrictions	515,138,773	528,902,962
Total net assets	2,337,976,132	2,519,848,474
Total liabilities and net assets	\$ 3,383,230,299	\$ 3,497,884,683

The accompanying notes are an integral part of these consolidated financial statements.

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations**  
**Consolidated Statements of Operations and Changes in Net Assets**  
**Years Ended August 31, 2022 and 2021**

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	2022	2021
<b>Operating revenue</b>		
Patient service revenue	\$ 1,288,448,020	\$ 1,141,149,793
Net assets released from restriction		
Contributions and philanthropy used for program purposes	55,793,569	59,121,560
Grants and other restricted income used for program purposes	57,337,810	64,672,484
Board-designated endowment income	12,307,086	10,547,994
Other operating revenue	127,956,836	91,392,255
Total operating revenue	<u>1,541,843,321</u>	<u>1,366,884,086</u>
<b>Operating expenses</b>		
Salaries, wages, and employee benefits	932,648,938	801,541,202
Supplies and services	497,057,168	452,573,024
Depreciation	89,936,620	91,656,138
Total operating expenses	<u>1,519,642,726</u>	<u>1,345,770,364</u>
Income from operations before interest and financing costs	22,200,595	21,113,722
Interest and financing costs	16,618,752	16,601,215
Income from operations	<u>5,581,843</u>	<u>4,512,507</u>
<b>Nonoperating income (expense)</b>		
Investment (loss) return	(173,880,609)	240,676,864
Unrestricted contributions and bequests	26,381,937	20,676,455
Fundraising expense	(19,303,965)	(18,328,955)
Other	(6,344,925)	3,238,672
Total nonoperating (expense) income	<u>(173,147,562)</u>	<u>246,263,036</u>
(Deficiency) excess of revenue over expenses	<u>\$ (167,565,719)</u>	<u>\$ 250,775,543</u>

(Continued)

The accompanying notes are an integral part of these consolidated financial statements.

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations**  
**Consolidated Statements of Operations and Changes in Net Assets (Continued)**  
**Years Ended August 31, 2022 and 2021**

	2022	2021
<b>Net assets without donor restrictions</b>		
(Deficiency) excess of revenue over expenses	\$ (167,565,719)	\$ 250,775,543
Net assets released from restriction used for purchase and construction of property and equipment	2,052,312	1,949,511
Retirement plan related changes other than net periodic retirement cost	(8,329,550)	6,675,809
Other	5,734,804	4,227,411
	<u>(168,108,153)</u>	<u>263,628,274</u>
<b>Change in net assets without donor restrictions</b>		
<b>Net assets with donor restrictions</b>		
Contributions	64,624,747	42,187,036
Grants and other restricted income	66,441,510	65,742,056
Change in fair value of perpetual trusts	(1,948,616)	4,598,320
Investment (loss) return	(28,055,146)	39,953,912
Pledge receivable write-offs, net of change in allowance	357,007	91,626
Net assets released from restriction Contributions and philanthropy used for program purposes	(55,793,569)	(59,121,560)
Grants and other restricted income used for program purposes	(57,337,810)	(64,672,484)
Purchase and construction of property and equipment	(2,052,312)	(1,949,511)
	<u>(13,764,189)</u>	<u>26,829,395</u>
<b>Change in net assets with donor restrictions</b>		
<b>Change in net assets</b>	<u>(181,872,342)</u>	<u>290,457,669</u>
<b>Net assets</b>		
Beginning of year	2,519,848,474	2,229,390,805
End of year	<u>\$ 2,337,976,132</u>	<u>\$ 2,519,848,474</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations**  
**Consolidated Statements of Cash Flow**  
**Years Ended August 31, 2022 and 2021**

	2022	2021
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (181,872,342)	\$ 290,457,669
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized losses (gains) on investments	173,880,609	(240,676,864)
Restricted contributions and restricted investment return, net	23,886,738	(50,355,496)
Loss on disposal of fixed assets	28,063	91,078
Receipt of contributed securities	(6,146,736)	(4,792,064)
Investment loss (gain) - CIN	4,261,211	(3,439,975)
Retirement plan related changes other than net periodic retirement cost	8,329,550	(6,675,809)
Depreciation	89,235,484	90,977,782
Amortization of operating lease right-of-use assets	10,930,295	11,396,358
Net changes in assets and liabilities		
Accounts receivable	16,215,960	17,239,260
Accounts payable and accrued expenses	52,785,807	18,291,542
Due to third-party payors	10,871,016	(3,432,098)
Self-insurance liability	19,267,497	23,546,398
Other assets and liabilities	(28,165,376)	(7,427,642)
Net cash provided by operating activities	<u>193,507,776</u>	<u>135,200,139</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(48,971,395)	(60,235,621)
Sales of investments	2,231,270,080	1,324,516,787
Purchases of investments	(2,256,253,121)	(1,371,005,542)
Net cash used in investing activities	<u>(73,954,436)</u>	<u>(106,724,376)</u>
<b>Cash flows from financing activities</b>		
Principal payments under long-term debt obligations	(5,920,000)	(5,640,000)
Proceeds from restricted contributions and restricted investment return	8,731,449	7,796,764
Net cash provided by financing activities	<u>2,811,449</u>	<u>2,156,764</u>
Increase in cash and cash equivalents	122,364,789	30,632,527
<b>Cash and cash equivalents</b>		
Beginning of year	58,931,786	28,299,259
End of year	<u>\$ 181,296,575</u>	<u>\$ 58,931,786</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for interest	\$ 14,399,000	\$ 14,357,000
Cash paid during the year for unrelated business income taxes	753,000	400,000
Noncash additions to property and equipment	7,400,000	5,521,000
Operating lease right-of-use assets obtained in exchange for lease obligations	1,090,000	132,160,000

The accompanying notes are an integral part of these consolidated financial statements.



# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidated Financial Statements**

### **Years Ended August 31, 2022 and 2021**

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#### **1. Organization and Nature of Operations**

Children's Hospital of Chicago Medical Center (the 'Medical Center'), an Illinois not-for-profit corporation, is the sole corporate member of Ann & Robert H. Lurie Children's Hospital of Chicago (the 'Hospital'), an Illinois not-for-profit corporation. The Hospital was founded in 1882 by Julia Foster Porter to provide medical care for all children. Today, the Medical Center and its affiliates comprise an independent, freestanding academic institution dedicated to the health and well-being of all children. The Medical Center is also the sole corporate member of Ann & Robert H. Lurie Children's Hospital of Chicago Foundation ('Foundation'), Stanley Manne Children's Research Institute ('Research Institute'), Pediatric Faculty Foundation, Inc. ('PFF'), Almost Home Kids ('AHK'), Lurie Children's Surgical Foundation, Inc. ('LCSF'), Faculty Practice Plan, Inc. ('FPP') and Lurie Children's Pediatric Anesthesia Associations ('LCPAA'), all Illinois not for-profit corporations. Each of the following entities: Lurie Children's Medical Group, LLC ('LCMG'), Lurie Children's Health Partners Care Coordination, LLC ('CCE') and Lurie Children's Primary Care, LLC ('LCPC') are Illinois limited liability companies whose sole member is the Medical Center. The Medical Center is also the parent of CMMC Insurance Co. Ltd. ('CMMC Insurance'), a captive, offshore insurance entity organized under the laws of the Cayman Islands. The Hospital, Foundation, Research Institute, PFF, AHK, LCSF, FPP, LCPAA, LCMG, CCE, LCPC and CMMC Insurance are collectively referred to herein as the Affiliated Corporations.

The Hospital owns and operates a pediatric hospital in Chicago, Illinois with 364 licensed beds as of August 31, 2022. The Hospital provides a complete range of pediatric health care services, including pediatric inpatient medical and surgical care, tertiary and quaternary care services, and emergency services. The Hospital operates more than 50 specialty and primary care outpatient clinics at its main campus in the Streeterville neighborhood of Chicago and throughout the metro Chicago area, as well as two Ambulatory Surgical Treatment Centers ('ASTC') facilities and fifteen outpatient specialty centers in the surrounding metro Chicago area.

The Foundation carries out fundraising and other related development activities in support of the Medical Center and its affiliates. The Foundation supports comprehensive capital campaigns aligned with the Medical Center's strategic plans. Restricted contributions support specific programs, recruitments, and research, in addition to unrestricted contributions which, not only offset fundraising expense, but also contribute to the Hospital's greatest areas of need.

The Research Institute was established to improve pediatric health and health care services through research and education. Its role is to build a scientific community in support of treatments and cures within pediatric medicine which span the laboratory bench to the patient's bedside. The Medical Center in conjunction with Northwestern University completed and commissioned the research facility at the Simpson Querrey Biomedical Research Center in Chicago in June 2019.

PFF provides physician services to a broad pediatric population in Chicago and surrounding counties and across the State of Illinois, employing more than 535 pediatric primary care and subspecialty physicians. A portion of research activity also flows through PFF.

AHK is a unique organization providing transitional and respite care for medically complex children outside the acute care setting.

LCSF provides pediatric surgical services to the Hospital and its patients, employing more than 75 surgeons among nine subspecialty divisions.

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidated Financial Statements**

### **Years Ended August 31, 2022 and 2021**

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FPP provides credentialing services for physicians employed by the affiliates of the Medical Center, administration of physician benefits and third-party reimbursement contracting services for PFF, LCPAA, LCSF and LCMG, comprising of over 800 physician members.

LCPAA provides pediatric anesthesia and pain management services to the Hospital and its patients employing more than 35 anesthesiologists.

LCMG, with more than 55 employed physicians, provides pathology, medical imaging, psychiatry, and dentistry services to the Hospital and its patients.

CCE exists for the provision and coordination of medical care of medically complex children, contracting with Managed Care Organizations ('MCO's') and commercial health plans to provide care coordination services to children within their plans that have complex medical needs.

LCPC provides primary care services to Chicago residents and surrounding areas with over 25 primary care pediatricians and four primary care locations.

CMMC Insurance is a captive, offshore insurance entity whose sole function is to purchase reinsurance for the purpose of reducing risk and cost. It currently does not retain risk. CMMC Insurance has no employees and is managed on behalf of the Hospital by an independent Cayman Islands-based management company.

In June 2014, the Medical Center, Children's Community Physicians Association ('CCPA'), and FPP formed Lurie Children's Health Partners Clinically Integrated Network, LLC, an Illinois limited liability company (the 'CIN'). The CIN is an integrated healthcare network focused on creating value-based reimbursement programs with payors that support improving the health and well-being of children and their families. The CIN has a twelve-member board of which CCPA appoints six, FPP appoints four, and the Medical Center appoints two. CCPA is committed to a three percent capital position, while the Medical Center and FPP are committed to a ninety-seven percent capital position, of which \$4,300,000 was contributed during fiscal year 2022. As the Medical Center does not have governance control, the CIN is not a consolidating entity but rather accounted for under the equity method.

#### **Consolidation**

The accompanying consolidated financial statements of the Medical Center include the accounts of the Hospital, the Foundation, the Research Institute, PFF, LCMG, AHK, the Medical Center, CMMC Insurance, CCE, LCPC, LCPAA, LCSF and FPP. Intercompany transactions and accounts have been eliminated.

The accompanying consolidating balance sheets and consolidating statements of operations and changes in net assets without donor restrictions by entity as of and for the years ended August 31, 2022 and 2021 are provided for purposes of additional analysis and are not required as part of the consolidated financial statements. They have been prepared in a manner consistent with accounting principles generally accepted in the United States of America ('U.S. GAAP') and are presented only for purposes of additional analysis and not as a presentation of financial position and results of operations of each component of the consolidated group. The supplemental consolidating financial information was derived from the accounting records used to prepare the consolidated financial statements. All intercompany eliminations have been recorded.

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidated Financial Statements**

### **Years Ended August 31, 2022 and 2021**

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#### **Coronavirus Update**

The outbreak of the Novel Coronavirus ('COVID-19') pandemic in early 2020 warranted an unprecedented response by federal, state and local authorities. To reduce the spread of the disease a public health emergency was declared. On March 20, 2020, the Governor of Illinois issued a stay-at-home order (Executive Order 2020-10), which stated that all individuals must stay at home with the exceptions for essential activities, essential government functions, and essential businesses and operations. Healthcare organizations were ordered by both the State of Illinois and the City of Chicago to cancel or postpone virtually all elective surgical procedures and nonemergency care through May 2020. The Medical Center suffered adverse lost revenue due to cancelled healthcare service and unexpected expenses incurred to control the spread of COVID-19. To ameliorate the economic effect of the stay-at-home order, Congress passed the Coronavirus Aid, Relief and Economic Security Act ('CARES Act') in late March 2020, which approved grants and aids to help healthcare institutions respond to the adverse financial impact of the COVID-19 pandemic. In fiscal years 2022 and 2021, the Medical Center applied and received grant and stimulus payments of approximately \$50,460,000 and \$13,695,000, respectively, from the CARES Act, the State of Illinois and Federal Emergency Management Agency to curtail the effect of lost revenue and expenses incurred to control and reduce the spread of COVID-19. These grants and stimulus payments were recorded in other operating revenues. In addition, the Medical Center elected to defer payments related to the employer's share of Social Security taxes as part of the CARES Act. A total of \$21,887,000 in payroll taxes was deferred and is included within Accounts Payable and Accrued Expenses within the accompanying consolidated balance sheet as of August 31, 2021. A total of \$10,944,000 was paid December 2021, with the remaining balance to be paid by December 31, 2022.

Terms and conditions surrounding the recognition of these CARES Act provider relief funds may be subject to change by U.S. Department of Health and Human Services ('HHS') and could require the Medical Center to repay a portion of amounts received. HHS continues to release additional guidance and clarification regarding the treatment of these CARES Act provider relief funds. The Medical Center believes that any liabilities arising from such changes may have a material effect on its financial position depending on revisions by HHS. At this time the Medical Center has submitted the required attestations and reporting for each of the grants and stimulus payments received.

## **2. Income Taxes**

Under Section 501(c)(3) of the Internal Revenue Code, the Medical Center, the Hospital, the Research Institute, the Foundation, PFF, FPP, AHK, LCSF and LCPAA are all Illinois not-for-profit organizations exempt from federal and state income taxes.

Certain activities of the Hospital are taxable as unrelated business income. Such activities include earnings from alternative investments and reference laboratory. As of August 31, 2022, and 2021, \$820,000 and \$800,000 were recorded, respectively, as provision for unrelated business income tax and included in other nonoperating expense in the consolidated statements of operations and changes in net assets. LCMG, CCE and LCPC are disregarded entities treated as divisions of the Medical Center for Internal Revenue Service ('IRS') reporting.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

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### 3. Summary of Significant Accounting Policies

#### Accounting Pronouncements

Effective September 1, 2021, the Medical Center adopted Financial Accounting Standards Board ('FASB') Accounting Standards Update ('ASU') No. 2018-14, *Compensation-Retirement Benefits-Defined Benefit Plans*. The ASU modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The ASU allows entities to remove disclosure over accumulated comprehensive income and certain information regarding plan assets. The ASU also requires entities to add disclosures for significant gains and losses impacting the benefit obligation and significant changes in the benefit obligation or plan assets. The ASU did not have a material impact on the consolidated financial statements.

Effective September 1, 2021, the Medical Center adopted ASU No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*. The ASU requires entities to capitalize implementation costs incurred in a cloud computing arrangement and expense them over the term of the hosting arrangement. The ASU did not have a material impact on the consolidated financial statements.

Effective September 1, 2021, the Medical Center adopted ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities. Additional disclosures around qualitative information and any policies on monetization, description of any donor-imposed restrictions and a description of valuation techniques are also required. The ASU did not have a material impact on the consolidated financial statements.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management of the Medical Center to make assumptions, estimates, and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Medical Center considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: recognition of patient accounts receivable and patient service revenue, both of which include contractual allowances and third-party payor settlements; reserves for losses and expenses related to health care professional and general liabilities; valuation of alternative investments; accrued self-insurance related costs; and risks and assumptions in the measurement of pension assets and liabilities. Management relies on historical experience, other assumptions believed to be reasonable under the circumstances, and recommendations made by the Medical Center external advisors and actuaries in making its judgments and estimates. Actual results could differ from these estimates.

#### Basis of Consolidation

Included in the Medical Center's consolidated financial statements are all of its wholly owned or controlled subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidated Financial Statements**

### **Years Ended August 31, 2022 and 2021**

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#### **Cash and Cash Equivalents**

Cash and cash equivalents include unrestricted, undesignated marketable securities with original maturities of three months or less that are held for short-term cash management. Cash and cash equivalents are reported at their approximate fair value.

#### **Current Portion of Self-Insurance Revocable Trust**

Current portion of self-insurance trust represents investment assets earmarked for self-insurance trust payments due within a year. See Note 7 for additional disclosures.

#### **Patient Accounts Receivable**

Patient accounts receivable consists primarily of amounts owed by various governmental agencies, insurance companies and patients. The Medical Center manages these receivables by regularly reviewing the accounts and contracts and by recording appropriate price concessions. The Medical Center reports accounts receivable at an amount equal to the consideration it expects to receive in exchange for providing healthcare services to its patients, which is estimated using contractual provisions associated with specific payors, historical reimbursement rates and analysis of past experience to estimate potential adjustments. The Medical Center writes off amounts that have been deemed to be uncollectible because of circumstances that affect the ability of payors to make payments as they occur. See Note 4.

#### **Inventories**

Inventories, which primarily consist of medical supplies and pharmaceuticals used for patient care, are stated at the lower of cost or net realizable value, using the first-in, first-out method. Inventories are included in other current assets.

#### **Investments**

The Medical Center pools its donor-restricted, self-insurance, undesignated and board-designated investments. Investment returns are allocated among net assets without donor restrictions and net assets with donor restrictions based on the pro-rata share of the balance in each fund to the total investment pool as of the end of each accounting period.

A portion of the investment income earned on certain funds that are board-designated for patient care, education and the self-insurance trust is allocated at a fixed rate and reported as other operating revenue. All other investment income and losses (including interest and dividends, realized gains and losses, and unrealized gains and losses) are reported as nonoperating income (expenses) unless the income or loss is restricted by donor or law. Investment returns on net assets with restrictions are allocated to the purposes specified by the donor or law, either as net assets with donor restrictions or net assets without donor restrictions, as applicable.

#### **Property and Equipment**

Property and equipment are recorded at cost. Internal labor and interest expense incurred during the period of construction of significant capital projects are capitalized as a component of the cost of the asset.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

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Depreciation is calculated using the straight-line method over the estimated useful life of the assets. One-half year's depreciation is taken in the year of acquisition, except for significant asset additions such as the Hospital's facility, which is depreciated based on the actual date placed into service. The useful life of the major asset classifications are as follows:

Buildings	40-80 years
Building improvements	15-20 years
Equipment	5-20 years
Computer hardware and software	3-5 years

In 2022 and 2021, the Medical Center disposed of fully depreciated property, equipment and software that were no longer in use totaling \$14,370,000 and \$2,301,000, respectively. The carrying amount of the asset and accumulated depreciation were removed from the accounts. When factors indicate that an asset should be evaluated for possible impairment, the Medical Center uses an estimate of the undiscounted cash flows over the remaining life of the asset in measuring whether the asset is recoverable. Repair and maintenance costs are expensed as incurred.

#### **Operating Lease Right-of-Use Assets and Lease Liabilities**

The Medical Center evaluates whether an arrangement is, or contains, a lease at inception. Leases result in the recognition of a right-of-use asset and lease liability in the accompanying consolidated balance sheet. Right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Medical Center determines the lease classification at the lease commencement date.

The lease liability is measured at the present value of the future lease payments over the lease term. The right-of-use asset equals the lease liability adjusted for any lease payments made at or before the commencement date and initial direct costs. The Medical Center has elected to use a risk-free rate using a period comparable with the lease term. The Medical Center has also elected a policy to combine lease and nonlease components. The lease term will include options to extend the lease if the Medical Center is reasonably certain to exercise the option. Lease expense is recognized on a straight-line basis over the lease term.

#### **Pledges Receivable Restricted by Donors**

As of August 31, 2022, approximately 21% of pledges restricted by donors are receivable within one year, 61% between two and five years, and 18% receivable beyond five years. Pledges are recorded at the present value of estimated future cash flows, net of allowances for uncollectible pledges of \$1,567,000 and \$2,084,000 at August 31, 2022 and 2021, respectively, and present value discounts of \$20,184,000 and \$20,357,000 at August 31, 2022 and 2021, respectively. Estimated future cash flows due after one year are discounted using interest rates of 3.5% to 8%.

#### **Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses represent payables owed in the ordinary course of business and expenses incurred but not yet paid by the Medical Center, including payroll incurred by the Medical Center and its affiliates, and insurance payables incurred but not yet paid.

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidated Financial Statements**

### **Years Ended August 31, 2022 and 2021**

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#### **Current and Noncurrent Portions of Self-Insurance Liability**

The self-insurance trust and corresponding liability are reviewed annually by an independent actuary. The Medical Center contributes to the self-insurance trust estimated amounts determined by the actuary to be sufficient to pay for expected future losses. Provisions for the professional liability are based on an actuarial estimate of losses using the Medical Center's actual loss data adjusted for industry trends and current conditions. The provision includes estimates of costs for both reported claims and claims incurred but not reported. See Note 13.

#### **Due to Third-Party Payors**

Due to third-party payors represents accruals for settlements with third-party payors, any agency that contracts with the Medical Center or its affiliates and patients to pay for the care of covered patients. Accruals are made based on estimates of amounts to be received or paid under the terms of the respective contracts and related settlement principles and regulations of the State Medicaid program, the Blue Cross Plan of Illinois and the Federal Medicare program.

#### **Bond Issuance Costs**

Bond issuance costs are deferred and amortized using the effective interest method over the life of the related debt as an increase to interest expense. These costs include items such as document preparation costs, underwriting fees, and other external, incremental expenses paid to advisors that directly relate to the financing. Unamortized bond issuance costs are reported within long-term debt.

#### **Net Assets**

Net assets are classified based upon donor restrictions, if any, as follows: Net assets without donor restrictions and Net assets with donor restrictions.

Net assets that bear no external restriction as to use or purpose are classified as net assets without donor restrictions. This represents net assets which are free of donor-imposed restrictions, including all revenues, expenses, gains, and losses. Also included in this classification are assets whose use is limited under Board-designated funds for mission-related activities in support of the Medical Center.

Net assets with donor restrictions represents net assets whose use is limited by donor-imposed restrictions, time restrictions and those stipulations that can be fulfilled or otherwise removed by actions of the Medical Center. Net assets with donor restrictions include endowment funds primarily related to pledges receivable, grants, research, medical education, program support and net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Medical Center. Refer to Note 9 for further disclosure on endowments and related investment and spending policies.

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

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#### **Patient Service Revenue**

The Medical Center provides health care services through various inpatient, outpatient, and ambulatory care facilities. The performance obligation is measured from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Outpatient services are performance obligations generally satisfied over time and revenue is recognized when goods or services are provided. The Medical Center believes that this method provides a fair depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligations. The Medical Center recognizes inpatient revenue over time (on a daily basis) at the amount that reflects the consideration to which it expects to be paid for providing such care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others and include variable consideration for retroactive adjustments due to settlement of audits and reviews by Illinois Medicaid and other third-party payors, and amounts received under various state Medicaid hospital assessment and disproportionate share programs. These amounts are recognized net of contractual allowances from various third-party arrangements and after consideration of patients' ability to pay the self-pay portion of the charges. The Medical Center and affiliates bill patients and third-party payors after goods and services are provided and/or when a patient is discharged.

The Medical Center, the Hospital or any of the affiliated entities are entitled to a payment from the insurer, and a related deductible or coinsurance payment from the patient, for all goods and services related to the inpatient stay or outpatient services.

Because all of the performance obligations relate to contracts with a duration of less than one year, the Medical Center has elected to apply the optional exemption provided in FASB Accounting Standards Codification 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied 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, which typically occurs within days or weeks of the end of the Medical Center's reporting period.

The Medical Center determines the transaction price based on standard charges for goods and services provided to patients reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured and underinsured patients in accordance with the Medical Center's policy, and/or implicit price concessions provided to uninsured and underinsured patients. It determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Medical Center determines its estimate of implicit price concessions based on the aging of its patient accounts receivable, historical collection experience with uninsured and underinsured patients, and other relevant factors.

The Medical Center uses a portfolio approach to account for categories of patient contracts as a collective group, rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient, outpatient, and physician professional and outpatient revenue. Based on historical collection trends and other relevant factors, the Medical Center believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach was used.



# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidated Financial Statements**

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The Medical Center has agreements with third-party payors that provide payments at amounts different from its established rates.

#### **Grants and Contributions**

Unrestricted contributions are included in nonoperating income when received. Unrestricted pledges of amounts to be received in future periods are recorded as net assets with donor restrictions based on an implicit time restriction and are released from restriction when payments are received. Grants and contributions restricted for a specific operating purpose are recorded as net assets with donor restrictions and reported as operating revenue when the funds are expended in accordance with the specifications of the grantor or donor. Contributions for capital expenditures, recorded as net assets with donor restrictions when received, are reported as net assets released from restriction when expended and placed into service.

#### **Interest in Trustee-Held Funds**

The Medical Center recognizes an interest in trustee-held funds held at various financial institutions in which the Medical Center has a beneficial interest. Annually, the financial institutions distribute a portion of the income earned on these funds to the Medical Center to be used in support of operations. As of August 31, 2022, and 2021, the Medical Center's interests in these trustee-held funds at fair value totaled approximately \$30,543,000 and \$36,392,000, respectively, and are included in net assets with donor restrictions.

#### **(Deficiency) Excess of Revenue Over Expenses**

(Deficiency) excess of revenue over expenses is the performance indicator and includes income from operations in addition to investment return gains (loss), unrestricted contributions and bequests, fundraising expense, gain (loss) on disposal of fixed assets and other miscellaneous nonoperating income and expenses.

#### **Changes in Net Assets**

Net asset without donor restrictions changes includes the net activity of the statement of operations as well as the release from restriction for purchase and construction of property and equipment and other than net periodic retirement plan expense changes.

Net asset with donor restrictions changes includes receipts of contributions restricted by time or purpose and restricted funds, grants, investment returns, pledge receivable write-offs and change in the fair value of perpetual trusts. Also included are releases of philanthropic or grant funds for use in program services to cover expenses on the consolidated statements of operations.

#### **Reclassifications**

Certain 2021 amounts have been reclassified to conform to the 2022 consolidated financial statement presentation. These reclassifications include approximately \$72,972,000 related to a change in accounting for advance payments received under the Medical Center's contracts with one managed care payor, previously reported as a reduction of accounts receivable, that are now reported as a component of due to third-party payors. Management believes this presentation is preferable as it is more representative of both patient accounts receivable and third-party settlements.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

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#### 4. Patient Service Revenue and Patient Accounts Receivable

A summary of the payment arrangements with major third-party payors is as follows:

##### **Illinois Medicaid and Medicaid Managed Care Organizations**

Reimbursement for services rendered to Medicaid program beneficiaries includes prospectively determined rates per discharge, per diem payments and fee schedules.

The State of Illinois' Medicaid program has operated with budget deficits. The deficits include the continued practice of deferring Illinois Medicaid bills to future periods and have led to the State of Illinois' slowdown in claims processing and payments.

As of August 31, 2022 and 2021, the Medical Center's patient accounts receivable included amounts due from Illinois Medicaid and Medicaid Managed Care Organizations of approximately \$96,833,000 and \$112,068,000, respectively, both representing approximately 35% and 38%, respectively, of outstanding patient accounts receivable.

##### **Managed Care, Commercial Insurance and Other**

Reimbursement for services to certain patients is received from commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement includes prospectively determined rates per discharge, discounts from established charges, prospectively determined per diem rates, and fee schedules.

Commercial and Medicaid health insurers are entering into various fee-for-value reimbursement programs with qualifying providers. In 2022 and 2021, the Medical Center through CIN, participated in several commercial Accountable Care Organization ('ACO') programs that provide limited risk and gain sharing based on performance of an attributed population of children compared to established cost, quality and patient satisfaction related goals. Risk sharing is limited to less than 1% of patient service revenue. CIN obtains reinsurance to reduce the risk of loss related to sharing programs and conducts a number of programs intended to improve performance under these programs, including providing care coordination to certain members.

The composition of patient service revenue by payor for the fiscal years ended August 31, 2022 and 2021, is as follows:

	2022	2021
Medicaid	\$ 102,820,171	\$ 85,165,364
Commercial	773,500,916	722,029,942
Medicaid Managed Care	381,229,096	303,454,779
Patient Self-Pay	3,416,252	952,039
Other	27,481,585	29,547,669
	<u>\$ 1,288,448,020</u>	<u>\$ 1,141,149,793</u>

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

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The Medical Center and affiliates grant credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at August 31, 2022 and 2021, is as follows:

	2022	2021
Managed Care	62%	56%
Illinois Medicaid	12	10
Medicaid Managed Care	23	28
Patient Self-Pay	1	2
Other	2	4
	<u>100%</u>	<u>100%</u>

Medicaid and Medicaid Managed Care accounted for approximately 50% of the Medical Center's patient accounts receivable at August 31, 2022 and 2021. One managed care payor accounted for approximately 28% and 26% of the Medical Center's patient accounts receivable at August 31, 2022 and 2021, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory action including fines, penalties, and/or exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates may change in the near term.

The Medical Center recognizes changes in accounting estimates related to patient service revenue and third-party payor settlements in the year such changes are known. Adjustments to prior year estimates for these items resulted in an increase in patient service revenue of approximately \$12,771,000 and \$5,064,000, respectively, in fiscal year 2022 and 2021.

Approximately 37% and 34%, respectively, of the Medical Center's patient service revenue in fiscal years 2022 and 2021 was derived from the Illinois Medicaid program, including Medicaid MCO's.

In December 2008, the Centers for Medicare and Medicaid Services ('CMS') approved the Assessment Program to improve Medicaid reimbursement for Illinois hospitals. This original program included the Illinois Hospital Provider Assessment and subsequent enhancements. Due to the tax assessment provisions contained in the legislation, implementation of the program affected both operating revenues and expenses in the consolidated statements of operations and changes in net assets.

The Medical Center is obligated under Illinois Public Act 95-859 to participate in the State of Illinois' Hospital Assessment Program ('HAP') that assists in financing the State's Medicaid Program. The revised program is approved through December 31, 2026. For the years ended August 31, 2022 and 2021, the Medical Center's Illinois Health Centers recognized supplemental HAP and related reimbursement of approximately \$81,406,000 and \$65,482,000, respectively, which is recorded as a component of patient service revenue in the consolidated statements of operations and changes in net assets. For the years ended August 31, 2022 and 2021, the Medical Center's Illinois Health Centers recognized HAP related fees of approximately \$23,376,000 and \$25,086,000, respectively, in the consolidated statements of operations and changes in net assets.

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The Medicaid Assessment Program payments described above are shown in the following table.

	<b>2022</b>	<b>2021</b>
For year ended August 31		
Tax assessment, included in patient service revenue	\$ 81,405,755	\$ 65,481,699
Tax expense, included in supplies and services expense	<u>(23,375,596)</u>	<u>(25,085,515)</u>
Net statement of operations impact	<u>\$ 58,030,159</u>	<u>\$ 40,396,184</u>
Related to State fiscal year ended June 30, 2021	\$ -	\$ 32,367,801
Related to State fiscal year ended June 30, 2022	47,626,419	8,028,383
Related to State fiscal year ending June 30, 2023	<u>10,403,740</u>	<u>-</u>
	<u>\$ 58,030,159</u>	<u>\$ 40,396,184</u>

The Medical Center also received federal and state disproportionate share and add-on payments. The amount of disproportionate share and other special payments from Medicaid, if any, that will be made to hospitals in the future, is uncertain.

In fiscal years 2022 and 2021, the Medical Center received approximately \$11,290,000 and \$11,446,000, respectively, in graduate medical education reimbursement. The Children's Hospital Graduate Medical Education ('CHGME') program provides federal funds to freestanding children's hospitals to aid in maintaining graduate medical programs that train resident physicians. The program is administered by the Health Resources and Services Administration, a branch of the U.S. Department of Health and Human Services. The amount of future graduate medical education reimbursement funding is uncertain.

## **5. Community Benefit**

Consistent with its mission, the Medical Center maintains a policy that sets forth the criteria pursuant to which health care services are provided free of charge or at a reduced rate to children whose families are unable to pay for the charges associated with their medical care. These services represent charity care. Such amounts determined to qualify as charity care are not reported as patient service revenue. The Medical Center grants credit without collateral to its patients, most of whom are local residents.

The Medical Center also provides a broad range of services and activities to support its charitable mission. These services include the following:

- Participation in the Medicaid program at a loss (net reimbursement less allocated cost incurred);
- Support of community medical needs through a variety of outreach programs and educational programs;
- Comprehensive research programs specifically targeted toward pediatric health to advance knowledge about the causes, treatment and prevention of childhood diseases; and

**Children's Hospital of Chicago Medical Center and  
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- Training of medical students, pediatric residents, fellows and subspecialists.

Funding for the services above comes from Hospital operating income, Foundation philanthropy, CHGME and Federal awards and grants. The Medical Center maintains records to identify and monitor the level of charity provided. These records include the estimated cost of unreimbursed services provided under its charity care policy and the excess of cost over reimbursement for Medicaid patients. The Medical Center also monitors the unreimbursed cost of patient bad debts. Because the Illinois All Kids program provides coverage for most Illinois uninsured children, the Medical Center has a relatively low number of requests for charity care.

The Medical Center determines the costs associated with providing charity care by aggregating the overall cost to charge ratio, including salaries, wages, benefits, supplies, and other operating expenses. The cost to charge ratio is then applied to the charity care charges to calculate the estimated costs and expenses incurred to provide charity care reported below.

Costs of unreimbursed charity care and community benefit programs for fiscal years 2022 and 2021 are as follows:

	<b>2022</b>	<b>2021</b>
Excess of allocated cost over reimbursement for services provided to Medicaid patients	\$ 266,331,956	\$ 202,762,694
Net benefit under the Illinois Hospital Assessment Program	<u>(58,030,159)</u>	<u>(40,396,184)</u>
Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients, net of benefit under the Illinois Hospital Assessment Program	208,301,797	162,366,510
Estimated costs and expenses incurred to provide charity care	<u>2,574,519</u>	<u>1,873,129</u>
Unreimbursed cost of charity care	210,876,316	164,239,639
Cost of patient bad debts	10,432,996	6,038,090
Funds allocated to research from net assets without donor restrictions	19,013,330	17,993,718
Resident and fellows' expense	28,625,990	24,351,813
Community clinic support	1,561,921	1,508,787
Child advocacy programs	5,080,511	6,586,172
Family support and interpretation services	<u>9,725,235</u>	<u>10,272,264</u>
Total cost of unreimbursed charity care and community benefit programs	<u>\$ 285,316,299</u>	<u>\$ 230,990,483</u>

The Medical Center also reports community benefits on the IRS Form 990 and the beneficial activities for the property affidavit. As a result of differences in definitions and criteria between these reports the amounts calculated per report will vary.

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**6. Other Current and Noncurrent Assets and Liabilities**

Other current and noncurrent assets consist of the following:

	<b>2022</b>	<b>2021</b>
Other current assets:		
Outreach program receivables	\$ 12,082,069	\$ 8,550,554
Prepaid expenses	28,263,826	22,797,904
Inventory	17,566,846	17,244,898
Insurance receivables	20,649,446	21,776,830
Other	23,745,161	19,914,016
Total other current assets	<u>\$ 102,307,348</u>	<u>\$ 90,284,202</u>
Other assets (noncurrent):		
Pension noncurrent asset	\$ -	\$ 10,717,966
Other	2,351,701	2,351,701
Total other assets	<u>\$ 2,351,701</u>	<u>\$ 13,069,667</u>

Other noncurrent liabilities consist of the following:

	<b>2022</b>	<b>2021</b>
Accrued pension liabilities	\$ 17,840,175	\$ 18,099,719
Other	3,699,952	3,918,146
Total other noncurrent liabilities	<u>\$ 21,540,127</u>	<u>\$ 22,017,865</u>

**7. Investments**

The Medical Center maintains a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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As of August 31, 2022 and 2021, investments consisted of the following, which includes the current portion of the self-insurance trust of \$16,000,000 and \$14,000,000, respectively, for both years:

	<b>2022</b>	<b>2021</b>
Short-term investments	\$ 101,255,723	\$ 144,098,241
Common stock/mutual funds and common collective trusts	492,843,843	675,733,839
Alternative investments	707,427,542	688,663,578
U.S. Government and agency securities	123,410,968	84,407,030
Corporate and municipal bonds	230,376,517	242,042,135
Total investments	<u>\$ 1,655,314,593</u>	<u>\$ 1,834,944,823</u>

Short-term investments include cash and cash equivalents, certificates of deposit, money market funds, and securities with maturities due within one year.

Common stock and mutual funds include public equities traded in both domestic and international markets. Common collective trusts include investment products that pool fiduciary client assets into a portfolio of stocks, bonds, or other securities and real assets.

Alternative investments include hedge funds, private credit and private equity investments. These include credit-oriented strategies, multi-strategy funds where the manager has a broad mandate to invest opportunistically, and event driven funds where managers seek opportunity in various forms of arbitrage strategies as well as in corporate activities such as mergers and acquisitions. The Medical Center's investment in private equity and private credit is committed under contract to periodically advance additional funding as capital calls are exercised. See Note 15.

U.S. Government and agency securities include debt obligations issued by the U.S. government or U.S. government agencies. Corporate and municipal bonds include investment grade debt obligations issued by U.S. or foreign corporations, U.S. State and local governments or U.S. territories.

All Medical Center investments are invested with external managers.

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The Medical Center pools its investments without donor restrictions, board-designated and donor-restricted investments. As of August 31, 2022 and 2021, donor-restricted and investments without donor restrictions are as follows:

	<b>2022</b>	<b>2021</b>
<b>Donor-restricted investments and other assets limited as to use</b>		
Endowments	\$ 188,800,531	\$ 180,726,357
Specific purpose	244,216,341	257,135,108
Self-insurance trust	150,699,444	135,161,013
Interest in trustee-held funds	30,542,581	36,391,730
Interest in CIN	<u>328,407</u>	<u>328,407</u>
Total investments with donor restrictions and other assets limited as to use	<u>614,587,304</u>	<u>609,742,615</u>
<b>Investments without donor restrictions</b>		
Undesignated and board-designated investments	<u>1,040,727,289</u>	<u>1,225,202,208</u>
Total investments without donor restrictions	<u>1,040,727,289</u>	<u>1,225,202,208</u>
Total investments	<u>\$ 1,655,314,593</u>	<u>\$ 1,834,944,823</u>



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The composition and presentation of investment return as reflected in the accompanying consolidated statements of operations and changes in net assets for the years ended August 31, 2022 and 2021, are as follows:

	2022	2021
<b>Unrestricted investment return</b>		
Interest and dividend income	\$ 17,161,810	\$ 14,577,990
Realized gains on sales of investments	47,112,978	59,711,055
Unrealized gains (losses) on investments	<u>(220,993,587)</u>	<u>180,965,810</u>
Total unrestricted investment return	<u>\$ (156,718,799)</u>	<u>\$ 255,254,855</u>
<b>Reported as</b>		
Board-designated endowment income	\$ 12,307,086	\$ 10,547,994
Other operating revenue	4,899,996	4,029,997
Nonoperating investment (loss) return	<u>(173,880,609)</u>	<u>240,676,864</u>
Total unrestricted investment return	<u>(156,673,527)</u>	<u>255,254,855</u>
<b>Donor-restricted investment return</b>		
Interest and dividend income	2,425,263	1,993,500
Net realized and unrealized gains (losses) on investments	<u>(32,429,025)</u>	<u>42,558,732</u>
Total donor-restricted investment return	<u>(30,003,762)</u>	<u>44,552,232</u>
Total investment return	<u>\$ (186,677,289)</u>	<u>\$ 299,807,087</u>

Typical redemption terms by asset class and type of investments include: short-term investments; common stock and mutual funds; alternative investments; and U.S. Government and agency securities; corporate and municipal bonds and common collective trusts. Short-term investments and U.S. Government and agency securities; corporate and municipal bonds; and common collective trusts have daily redemption terms and no restrictions. Common stock, common collective trusts and mutual funds have daily to monthly redemption terms with notice periods of one to 10 days with no redemption restrictions. Alternative investments have monthly to annual redemption terms with varying notice periods, lock-up provisions ranging up to three years, and include private equity investments. A portion of hedge funds (alternative investments) are in side pockets with no redemptions permitted.

## **8. Fair Value Measurements**

The Medical Center follows the provisions of the FASB pronouncement on fair value measurements for financial instruments. The pronouncement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

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The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Medical Center for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1      Quoted prices in active markets for identical assets or liabilities.
- Level 2      Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- Level 3      Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Medical Center uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

The following table presents the investments carried at fair value as of August 31, 2022, by caption, including the current portion of the self-insurance trust of \$16,000,000, by the valuation hierarchy defined above:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
<b>Investments</b>					
Short-term investments	\$ 88,195,369	\$ -	\$ -	\$ 13,060,354	\$ 101,255,723
Common stock/collective trust and mutual funds	418,199,697	-	-	74,315,739	492,515,436
Alternative investments	1,780,548	-	1,929,951	703,717,043	707,427,542
U.S. Government and agency securities	10,657,482	112,753,486	-	-	123,410,968
Corporate and municipal bonds	3,514,085	226,862,432	-	-	230,376,517
Total assets at fair value	<u>\$ 522,347,181</u>	<u>\$ 339,615,918</u>	<u>\$ 1,929,951</u>	<u>\$ 791,093,136</u>	<u>\$ 1,654,986,186</u>

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

The following table presents the investments carried at fair value as of August 31, 2021, by caption, including the current portion of the self-insurance trust of \$14,000,000, by the valuation hierarchy defined above:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
<b>Investments</b>					
Short-term investments	\$ 128,179,017	\$ -	\$ -	\$ 15,919,224	\$ 144,098,241
Common stock/collective trust and mutual funds	580,763,380	-	-	94,642,053	675,405,433
Alternative investments	1,664,869	-	1,874,074	685,124,635	688,663,578
U.S. Government and agency securities	11,836,614	72,570,416	-	-	84,407,030
Corporate and municipal bonds	-	242,042,135	-	-	242,042,135
Total assets at fair value	<u>\$ 722,443,880</u>	<u>\$ 314,612,551</u>	<u>\$ 1,874,074</u>	<u>\$ 795,685,912</u>	<u>\$ 1,834,616,417</u>

The tables above do not include the Medical Center's interest in CIN of approximately \$328,000 as of August 31, 2022 and 2021.

Investments measured at fair value using net asset value ('NAV') per share (or equivalent) as a practical expedient were not classified in the fair value hierarchy, rather the amounts are presented to enable reconciliation of the fair value tables to the investments fair value line items presented in the consolidated balance sheets.

The following table is a rollforward of the August 31, 2022 and 2021 consolidated balance sheet amounts for financial instruments classified by the Medical Center within Level 3 of the fair value hierarchy.

	<b>Level 3 Assets</b>	
	<b>Alternative Investments</b>	
	<b>2022</b>	<b>2021</b>
<b>Balances at beginning of year</b>	\$ 1,874,074	\$ 1,547,075
Total net unrealized gain	58,096	47,959
Purchases	-	279,040
Sales	(2,219)	-
<b>Balances at end of year</b>	<u>\$ 1,929,951</u>	<u>\$ 1,874,074</u>

The following is a description of the Medical Center's valuation methodologies for investments measured at fair value.

Fair value for short-term investments, corporate stocks, international stocks, and mutual funds is measured using quoted market prices or NAV per share at the reporting date multiplied by the quantity held.

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U.S. Government bonds and agency securities, corporate bonds, municipal bonds and mortgage and asset backed securities are measured using recent bid prices or average of bid/ask prices. Common collective trusts are measured using NAV.

The Medical Center has certain investments, principally limited liability corporations, partnerships, and absolute return strategy funds for which a portion of quoted market prices are not available. These investments are classified as alternative investments. The value of these alternative investments represents the ownership interest in the net asset value of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are based on appraisals, or other estimates that require varying degrees of judgment.

The Medical Center's investments are exposed to various kinds and levels of risk. Equity securities and equity mutual funds expose the Medical Center to market risk, performance risk and liquidity risk. Market risk is the risk associated with major movements of the equity markets. Performance risk is the risk associated with a company's operating performance. Fixed income securities and fixed income mutual funds expose the Medical Center to interest rate risk, credit risk and liquidity risk. As interest rates change, the value of many fixed income securities is affected, including those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligations. Liquidity risk is affected by the willingness of market participants to buy and sell particular securities. Liquidity risk tends to be higher for equities related to small capitalization companies and certain alternative investments. Due to the volatility in the capital markets, there is a reasonable possibility of subsequent changes in fair value, resulting in additional gains and losses in the near term.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value nor reflective of future fair values. While the Medical Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date. The significant unobservable inputs used in the fair value measurement of the Medical Center's partnership investments include a combination of cost, discounted cash flow analysis, industry comparable and outside appraisals. Significant increases or decreases in any inputs used by investment managers in determining net asset values in isolation would result in a significantly lower or higher fair value measurement. Management has not developed quantitative inputs nor adjusted the fair values obtained from general partners for the alternative investments.

## **9. Endowments**

The Medical Center's endowment fund consists of individual donor-restricted endowment funds and funds designated by its Board to function as endowments. The net assets associated with endowment funds, including those funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Illinois passed the 'Uniform Prudent Management of Institutional Funds Act' ("UPMIFA"). The Medical Center has interpreted UPMIFA as sustaining the preservation of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center classifies as net assets with donor restrictions, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the

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time the accumulation is added to the fund. Where the Board designates unrestricted funds to function as endowments they are classified as net assets without donor restriction.

The Medical Center had the following board-designated without donor restriction and donor-restricted endowment balances during the year ended August 31, 2022 delineated by net asset class:

	<b>Board- Designated Endowment Funds</b>	<b>Donor-Restricted Endowment Funds</b>	<b>Total</b>
<b>Endowment net assets at beginning of year</b>	<b>\$ 178,771,883</b>	<b>\$ 312,920,364</b>	<b>\$ 491,692,247</b>
Investment return			
Investment income	-	(2,425,263)	(2,425,263)
Realized and unrealized gain	-	(28,836,166)	(28,836,166)
Total investment return	-	(31,261,429)	(31,261,429)
Contributions	-	9,194,312	9,194,312
Spend rate allocation	7,034,215	-	7,034,215
Appropriation of endowment assets for expenditure	(5,788,284)	(7,365,780)	(13,154,064)
Other	(1,141,642)	(1,970,221)	(3,111,863)
<b>Endowment net assets at end of year</b>	<b>\$ 178,876,172</b>	<b>\$ 281,517,246</b>	<b>\$ 460,393,418</b>

The Medical Center had the following board-designated without donor restriction and donor-restricted endowment balances during the year ended August 31, 2021 delineated by net asset class:

	<b>Board- Designated Endowment Funds</b>	<b>Donor-Restricted Endowment Funds</b>	<b>Total</b>
<b>Endowment net assets at beginning of year</b>	<b>\$ 179,706,434</b>	<b>\$ 271,184,968</b>	<b>\$ 450,891,402</b>
Investment return			
Investment income	-	1,993,500	1,993,500
Realized and unrealized gain	-	39,212,732	39,212,732
Total investment return	-	41,206,232	41,206,232
Contributions	-	4,709,878	4,709,878
Spend rate allocation	7,054,215	-	7,054,215
Appropriation of endowment assets for expenditure	(6,500,368)	(6,904,735)	(13,405,103)
Other	(1,488,398)	2,724,021	1,235,623
<b>Endowment net assets at end of year</b>	<b>\$ 178,771,883</b>	<b>\$ 312,920,364</b>	<b>\$ 491,692,247</b>

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Descriptions of amounts classified, purpose and appropriations of board-designated net assets without donor-imposed restrictions as of August 31, 2022 and 2021, are as follows:

	<b>2022</b>	<b>2021</b>
Appropriations for Research	\$ 1,349,360	\$ 1,076,150
Appropriations for Pediatric Programs	<u>5,580,566</u>	<u>6,912,617</u>
	<u>\$ 6,929,926</u>	<u>\$ 7,988,767</u>

Descriptions of amounts classified as net assets with donor restrictions (endowments only) as of August 31, 2022 and 2021, are as follows:

	<b>2022</b>	<b>2021</b>
Restricted for Research	\$ 77,827,527	\$ 81,936,316
Restricted for Pediatric Programs	<u>203,689,719</u>	<u>230,984,048</u>
	<u>\$ 281,517,246</u>	<u>\$ 312,920,364</u>

**Underwater Endowment Funds**

From time to time, the fair value of net assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires to retain as a fund of perpetual duration. Such deficiencies generally result from unfavorable market fluctuations that occurred shortly after the investment of new donor restricted contributions to the endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Directors. There were no deficiencies as of August 31, 2022 and 2021.

**Investment and Spend Rate Policies**

The Medical Center has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of endowment assets. To achieve its long-term rate of return objectives, the Medical Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). An endowment spend rate is established by management and approved annually by the Investment Committee of the Board of the Medical Center, which considers the following factors, specified by Uniform Prudent Management of Institutional Funds Act (UPMIFA):

- The duration and preservation of the endowment
- The Medical Center's institutional mission and purpose of its endowed funds
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and appreciation of investments

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- Other available resources of the Medical Center
- The investment policy of the Medical Center

The spend rate for endowment funds in fiscal years 2022 and 2021 was 4%. The spend rate is applied to a three-year rolling average of the fund balance as of August 31, which incorporates all returns. For new endowed funds (not more than five years old), the Investment Committee may in one or more particular years apply a lower spend rate and/or appreciation allocation, if the Investment Committee deems it prudent to do so.

Substantially all net assets with donor restriction are restricted for research and programs. Substantially all net assets released from restrictions in fiscal years 2022 and 2021 were related to expenses incurred for research and programs.

#### 10. Retirement Plans

The Medical Center has retirement plans covering substantially all full-time employees, including employees of affiliated corporations. The Medical Center has two defined contribution plans available to eligible employees and a frozen noncontributory defined benefit plan, the Value Growth Plan ('VGP').

There are two 403(b) defined contribution plans available only to eligible pediatric faculty within PFF, a mandatory plan and a voluntary plan, and the Hospital's plan available to all other eligible employees of the Medical Center. Participants of the PFF plan are required to make mandatory contributions of 5% of compensation. Each year that a mandatory contribution is made by a participant, PFF will make a matching contribution up to 10% of compensation. PFF faculty who are not eligible for the mandatory plan or who have not reached the IRS limits may participate in the voluntary plan with no match.

All non-PFF employees, who elect to contribute, are considered participants of the Hospital's plan. Participants of the Hospital plan may participate in a 403(b) defined contribution plan by entering into a salary reduction agreement to contribute a percentage of their compensation to the plan. New employees are automatically enrolled 60 days after hire at 2% if they have not already made an election. The Hospital matches 100% of the employee's contribution up to 5% of compensation. Employees must be employed three years to be vested in the Hospital match. The Hospital match was reduced to 2.5% as of July 1, 2020, due to the adverse financial effect of the COVID-19 pandemic on the Medical Center. The Hospital match was increased back to 5% effective January 1, 2021.

The Medical Center's matching expense under both defined contribution plans totaled \$36,930,000 and \$30,053,000 in fiscal years 2022 and 2021, respectively.

The VGP defined benefit plan is a cash balance plan and was frozen effective January 1, 2014. Previously accrued balances will continue to accrue interest; however, no further credits to these balances will be made. The interest, or earnings credit rate, is generally 4.5% annually.

The Medical Center also sponsors two nonqualified supplemental defined benefit retirement plans ('SERP'); a defined benefit plan ('DB SERP') and a defined contribution plan ('DC SERP') plan for certain key executives. The DB SERP plan is not funded and, therefore, has no plan assets.

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Benefits under the DB SERP are paid when incurred from the Medical Center's unrestricted net assets.

Further, (increases) write downs in the DB SERP of \$(149,000) and \$998,000 were recognized which represented a portion of the previously unrecognized (gain) losses of the plan as of August 31, 2022 and 2021, respectively.

Effective January 1, 2017, the Medical Center sponsors a nonqualified DC SERP for certain key executives. Under this plan, the accrued obligations are determined as of December 31 of each year using 14% of participants' gross pay reduced by an employer match on the qualified plan. The plan has a vesting service period of five years or attainment of age 62.

Effective January 1, 2019, LCSF received a transfer of the cash balance defined benefit retirement plan from Children's Surgical Foundation as a result of the affiliation agreement. The cash balance plan was established effective January 1, 2017. Participants are 100% vested after three years of service. Interest credit of 4%, compounded annually, based on 10% of the participant's compensation are credited to each participant's account.

Effective January 1, 2019, LCPAA acquired a new cash balance defined benefit retirement plan. Principal credits are ranging from 1.5% to 10% of annual compensation depending on the years of service and credited to each participant's account. Plan interest credit is stated at 5%. Eligibility is based on completion of two years of service. However, this requirement is waived for participants employed on January 1, 2019.

Pension expense (credit) for the VGP and nonqualified DB SERP plan, as determined by an independent actuary, includes the following components:

	DB SERP		VGP	
	2022	2021	2022	2021
Service cost, benefits earned during the year	\$ 233,715	\$ 166,157	\$ -	\$ -
Interest on projected benefit obligation	9,916	21,293	5,279,462	5,487,451
Expected return on assets	-	-	(7,971,584)	(11,111,763)
Amortization of actuarial loss	205,021	450,997	708,103	729,193
Amortization of prior service cost	-	-	109,660	109,660
Pension settlement	(149,028)	998,293	2,988,857	2,197,841
Total pension related expense (credit)	<u>\$ 299,624</u>	<u>\$ 1,636,740</u>	<u>\$ 1,114,498</u>	<u>\$ (2,587,618)</u>

Pension expense for the LCSF and LCPAA cash balance pension plans, as determined by an independent actuary, includes the following components:

	LCSF		LCPAA	
	2022	2021	2022	2021
Service cost, benefits earned during the year	\$ 4,413,926	\$ 3,689,682	\$ 563,410	\$ 603,199
Interest on projected benefit obligation	471,164	396,131	39,569	24,938
Expected return on assets	(950,788)	(772,383)	(69,874)	(35,759)
Amortization of actuarial loss	320,095	501,706	-	2,942
Total pension related expense	<u>\$ 4,254,397</u>	<u>\$ 3,815,136</u>	<u>\$ 533,105</u>	<u>\$ 595,320</u>



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The funded status of the VGP and nonqualified SERP plans at the end of the year was as follows:

	<b>DB SERP</b>		<b>DC SERP</b>		<b>VGP</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Funded status at end of year</b>						
Projected benefit obligation	\$ (959,499)	\$ (2,631,070)	\$ (3,632,960)	\$ (3,040,822)	\$ (157,276,537)	\$ (195,201,496)
Plan assets at fair market value	-	-	-	-	156,209,186	205,919,462
(Deficiency)/excess of plan assets over projected benefit obligation	\$ (959,499)	\$ (2,631,070)	\$ (3,632,960)	\$ (3,040,822)	\$ (1,067,351)	\$ 10,717,966
<b>Amounts recognized in the consolidated balance sheets consist of</b>						
Current liability	\$ (652,974)	\$ (854,896)	\$ -	\$ -	\$ -	\$ -
Noncurrent assets (liability)	(306,525)	(1,776,174)	(3,632,960)	(3,040,822)	(1,067,351)	10,717,966
	<u>\$ (959,499)</u>	<u>\$ (2,631,070)</u>	<u>\$ (3,632,960)</u>	<u>\$ (3,040,822)</u>	<u>\$ (1,067,351)</u>	<u>\$ 10,717,966</u>

The funded status of the LCSF and LCPAA cash balance plans at the end of the year was as follows:

	<b>LCSF</b>		<b>LCPAA</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Funded status at end of year</b>				
Projected benefit obligation	\$ (20,591,505)	\$ (19,469,431)	\$ (1,641,058)	\$ (1,435,033)
Plan assets at fair market value	15,916,239	15,074,349	1,117,359	787,420
Deficiency of plan assets over projected benefit obligation	<u>\$ (4,675,266)</u>	<u>\$ (4,395,082)</u>	<u>\$ (523,699)</u>	<u>\$ (647,613)</u>
<b>Amounts recognized in the consolidated balance sheets consist of</b>				
Noncurrent liability	<u>\$ (4,675,266)</u>	<u>\$ (4,395,082)</u>	<u>\$ (523,699)</u>	<u>\$ (647,613)</u>
	<u>\$ (4,675,266)</u>	<u>\$ (4,395,082)</u>	<u>\$ (523,699)</u>	<u>\$ (647,613)</u>

The change in the accumulated benefit obligation during fiscal years 2022 and 2021 is summarized as follows:

	<b>DB SERP</b>		<b>VGP</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Projected benefit obligation at beginning of measurement year</b>	\$ 2,631,070	\$ 6,011,468	\$ 195,201,496	\$ 202,317,922
Service cost	233,715	166,157	-	-
Interest cost	9,916	21,293	5,279,462	5,487,451
Actuarial loss (gain)	(782,073)	121,837	(32,951,444)	(1,305,962)
Benefits paid	-	-	(1,849,705)	(1,798,304)
Settlements	(1,133,129)	(3,689,685)	(8,403,272)	(9,499,611)
<b>Projected benefit obligation at end of measurement year</b>	<u>\$ 959,499</u>	<u>\$ 2,631,070</u>	<u>\$ 157,276,537</u>	<u>\$ 195,201,496</u>

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The accumulated benefit obligation for the VGP was \$157,276,537 and \$195,201,496 at August 31, 2022 and 2021, respectively. The accumulated benefit obligation for the DB SERP plan was \$923,134 and \$1,668,955 at August 31, 2022 and 2021, respectively.

The change in the projected benefit obligation during fiscal years 2022 and 2021 is summarized as follows:

	<b>LCSF</b>		<b>LCPAA</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Projected benefit obligation at beginning of measurement year</b>	\$ 19,469,431	\$ 17,605,821	\$ 1,435,033	\$ 924,934
Service cost	4,413,926	3,689,682	563,410	603,199
Interest cost	471,164	396,131	39,569	24,938
Actuarial gain	(3,763,016)	(1,255,879)	(392,266)	(71,222)
Benefits paid	-	(966,324)	(4,688)	(46,816)
<b>Projected benefit obligation at end of measurement year</b>	<b>\$ 20,591,505</b>	<b>\$ 19,469,431</b>	<b>\$ 1,641,058</b>	<b>\$ 1,435,033</b>

The accumulated benefit obligation for the LCSF cash balance plan was approximately \$20,592,000 and \$19,469,000 as of August 31, 2022 and 2021, respectively. The accumulated benefit obligation for the LCPAA cash balance plan was approximately \$1,641,000 and \$1,435,000 as of August 31, 2022 and 2021, respectively.

The change in VGP plan assets during fiscal 2022 and 2021 is summarized as follows:

	<b>VGP</b>	
	<b>2022</b>	<b>2021</b>
<b>Plan assets, at fair value at beginning of measurement year</b>	\$ 205,919,462	\$ 208,328,226
Actual return on plan assets	(39,457,299)	8,889,151
Benefits paid	(1,849,705)	(1,798,304)
Settlements	(8,403,272)	(9,499,611)
<b>Plan assets, at fair value at end of measurement year</b>	<b>\$ 156,209,186</b>	<b>\$ 205,919,462</b>

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The change in LCSF plan assets during fiscal years 2022 and 2021 is summarized as follows:

	<b>LCSF</b>	
	<b>2022</b>	<b>2021</b>
<b>Plan assets, at fair value at beginning of measurement year</b>	\$ 15,074,349	\$ 11,150,854
Actual return on plan assets	(2,537,110)	1,459,819
Employer contributions	3,379,000	3,430,000
Benefits paid	-	(966,324)
<b>Plan assets, at fair value at end of measurement year</b>	<b>\$ 15,916,239</b>	<b>\$ 15,074,349</b>

The Medical Center expects to contribute approximately \$3,997,000 to the LCSF plan during the year ending August 31, 2023.

The following table presents the VGP plan investments carried at fair value as of August 31, 2022, by caption, by the valuation hierarchy defined in Note 8:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Investments Measured at NAV or Equivalent</b>	<b>Total</b>
<b>Assets</b>					
Investments					
Short-term investments	\$ 6,443	\$ -	\$ -	\$ 2,655,458	\$ 2,661,901
Common stock	-	-	-	14,292,127	14,292,127
Other fixed income	-	-	-	139,255,158	139,255,158
Total assets at fair value	<u>\$ 6,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,202,743</u>	<u>\$ 156,209,186</u>

The following table presents the VGP plan investments carried at fair value as of August 31, 2021, by caption, by the valuation hierarchy defined in Note 8:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Investments Measured at NAV or Equivalent</b>	<b>Total</b>
<b>Assets</b>					
Investments					
Short-term investments	\$ -	\$ -	\$ -	\$ 4,011,427	\$ 4,011,427
Common stock	-	-	-	20,894,363	20,894,363
Other fixed income	-	-	-	181,013,672	181,013,672
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,919,462</u>	<u>\$ 205,919,462</u>

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The following table presents the LCSF cash balance plan investments carried at fair value as of August 31, 2022, by caption, by the valuation hierarchy defined in Note 8:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ -	\$ -	\$ -	\$ 125,282	\$ 125,282
Common stock	9,231,747	-	-	-	9,231,747
Fixed income	1,399,445	-	-	5,159,765	6,559,210
Total assets at fair value	<u>\$ 10,631,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,285,047</u>	<u>\$ 15,916,239</u>

The following table presents the LCSF cash balance plan investments carried at fair value as of August 31, 2021, by caption, by the valuation hierarchy defined in Note 8:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ -	\$ -	\$ -	\$ 93,678	\$ 93,678
Common stock	8,725,557	-	-	-	8,725,557
Fixed income	1,062,800	-	-	5,192,314	6,255,114
Total assets at fair value	<u>\$ 9,788,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,285,992</u>	<u>\$ 15,074,349</u>

The following table presents the LCPCA cash balance plan investments carried at fair value as of August 31, 2022, by caption, by the valuation hierarchy defined in Note 8:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ -	\$ -	\$ -	\$ 9,192	\$ 9,192
Common stock	638,056	-	-	-	638,056
Fixed income	470,111	-	-	-	470,111
Total assets at fair value	<u>\$ 1,108,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,192</u>	<u>\$ 1,117,359</u>

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The following table presents the LCPAA cash balance plan investments carried at fair value as of August 31, 2021, by caption, by the valuation hierarchy defined in Note 8:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
<b>Investments</b>					
Short-term investments	\$ -	\$ -	\$ -	\$ 5,735	\$ 5,735
Common stock	453,352	-	-	-	453,352
Fixed income	328,333	-	-	-	328,333
Total assets at fair value	<u>\$ 781,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,735</u>	<u>\$ 787,420</u>

Investments measured at fair value using NAV per share (or equivalent) as a practical expedient were not classified in the fair value hierarchy, rather the amounts are presented to enable reconciliation of the fair value tables to the investments fair value line items presented in the plan assets.

The Medical Center's VGP pension plan weighted-average asset allocation at August 31, 2022 and 2021, by asset category is as follows:

	2022	2021
<b>Asset category</b>		
Return-seeking assets	9 %	10 %
Liability-hedging assets	91	90
	<u>100 %</u>	<u>100 %</u>

The Medical Center's VGP pension plan assets are invested with external managers and asset allocation is determined using a liability-hedging approach. Pension plan assets are invested in two pools: return-seeking assets and liability-hedging assets. The target allocation between return-seeking assets and liability-hedging assets changes based on a predetermined glide path policy as the plan's funded status changes.

The objective of the return-seeking assets is to generate long-term asset growth for the pension plan. Return-seeking assets generally consist of equity securities including public equities traded in both domestic and international markets, invested in accordance with the target allocations listed below:

The objective of holding liability-hedging assets is to dampen the plan's surplus volatility. High-quality investment grade bonds with durations that approximate the durations of the liabilities are most commonly used for liability-hedging assets.

**Children's Hospital of Chicago Medical Center and  
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**Years Ended August 31, 2022 and 2021**

Estimated future pension benefit payments are as follows:

	DB SERP	DC SERP	VGP	LCSF	LCPAA	Total
<b>Years Ending August 31,</b>						
2023	\$ 652,974	\$ 300,000	\$ 13,509,095	\$ 5,705,586	\$ 65,426	\$ 20,233,081
2024	361,286	500,000	10,294,604	-	-	11,155,890
2025	-	-	9,480,646	-	503,442	9,984,088
2026	-	-	9,055,353	1,464,052	-	10,519,405
2027	-	-	9,351,956	1,438,648	-	10,790,604
2028-2032	-	8,700,000	45,586,470	8,009,899	68,235	62,364,604
2033-2043	-	6,400,000	-	-	-	6,400,000
	<u>\$ 1,014,260</u>	<u>\$ 15,900,000</u>	<u>\$ 97,278,124</u>	<u>\$ 16,618,185</u>	<u>\$ 637,103</u>	<u>\$ 131,447,672</u>

Weighted-average assumptions used to determine benefit obligations at August 31, 2022 and 2021 are as follows:

	DB SERP		DC SERP		VGP	
	2022	2021	2022	2021	2022	2021
Discount rate	4.0 %	0.5 %	0.0 %	0.0 %	4.9 %	2.8 %
Rate of compensation increase	4.0	4.0	4.0	4.0	0.0	0.0

  

	LCSF		LCPAA	
	2022	2021	2022	2021
Discount rate	4.5 %	2.5 %	4.7 %	2.8 %
Rate of compensation increase	3.0	0.0	3.0	3.0

Weighted-average assumptions used to determine net periodic pension benefit cost in fiscal 2022 and 2021 are as follows:

	DB SERP		DC SERP		VGP	
	2022	2021	2022	2021	2022	2021
Discount rate	4.0 %	0.5 %	0.0 %	0.0 %	4.9 %	2.8 %
Expected return on plan assets	0.0	0.0	0.0	0.0	4.0	5.5
Rate of compensation increase	4.0	4.0	4.0	4.0	0.0	0.0

  

	LCSF		LCPAA	
	2022	2021	2022	2021
Discount rate	2.5 %	2.7 %	2.8 %	2.7 %
Expected return on plan assets	6.0 %	6.0 %	6.0 %	6.0 %
Rate of compensation increase	3.0	0.0	3.0	3.0

The discount rate was determined by constructing hypothetical yield curves based on yields of corporate bonds rated AA quality. The expected rate of return on plan assets was determined by using the historical return on the various asset classes in which the plan invests.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

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#### 11. Long-Term Debt

In May 2017, the Illinois Finance Authority issued \$135,480,000 of Revenue Refunding Bonds, ('Series 2017') at a premium totaling \$13,416,000 with an equity contribution of \$11,411,000 on behalf of the Hospital. The proceeds of the Series 2017 bonds were used to refund the \$148,900,000 par amount of the Series 2008B bonds.

In January 2018, the Illinois Finance Authority issued \$223,550,000 of Taxable Revenue Refunding Bonds ('Series 2018') at par value on behalf of the Hospital. The proceeds of the Series 2018 bonds were used to refund the \$212,000,000 par amount of the Series 2008A bonds. The Medical Center's long-term bonds are issued under a Master Trust Indenture ('Indenture') dated May 1, 2008, as amended and restated. There are no significant changes to the underlying covenants in the Indenture. Obligations under the Indenture are collateralized by a pledge of the unrestricted receivables and assignable general intangibles of the Obligated Group, which consists of the Hospital and the Foundation (the 'Obligated Group'). Series 2017 and 2018 are the only outstanding bonds of the Medical Center.

The chart below outlines debt as of August 31, 2022 and 2021:

	2022	2021
Illinois Finance Authority revenue bonds, Series 2017, fixed interest rate ranging from 4.00% to 5.00% (premium based on imputed interest rate of 3.62%), maturing annually in principal amounts ranging from \$6,220,000 in August 2023 to \$13,695,000 in August 2039.	\$ 113,430,000	\$ 119,350,000
Illinois Finance Authority taxable revenue bonds, Series 2018, fixed interest rate ranging from 3.50% to 3.95%, maturing annually in principal amounts ranging from \$4,840,000 in August 2028 to \$22,850,000 in August 2047.	223,550,000	223,550,000
Total debt outstanding	336,980,000	342,900,000
Unamortized premium	8,152,333	9,088,561
Less: Unamortized debt issuance costs	(2,884,615)	(3,119,707)
Long-term debt	<u>\$ 342,247,718</u>	<u>\$ 348,868,854</u>

Future maturities of total outstanding debt at August 31, 2022, are as follows:

#### Years Ending August 31,

2023	\$ 6,220,000
2024	6,530,000
2025	6,860,000
2026	7,200,000
2027	7,560,000
Thereafter	302,610,000
	<u>\$ 336,980,000</u>

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

The Obligated Group is subject to various nonfinancial and financial covenants. The Obligated Group was in compliance with its debt covenants as of August 31, 2022 and 2021.

As of August 31, 2022, the Medical Center had line of credit agreements with three commercial banks for \$45,000,000, \$30,000,000 and \$25,000,000. The lines of credit provide for interest rates based on various spreads to the London Interbank Offered Rate and Secured Overnight Financing Rate. There were no amounts outstanding or borrowings made under the lines of credit as of August 31, 2022 or 2021. One outstanding letter of credit supporting the construction of the hospital in Streeterville of \$597,000 reduces the available lines of credit.

## 12. Leases

The Medical Center leases office and clinical space as well as real estate with lease terms ranging from 1 to 86 years with some options to extend. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet.

The depreciable lives of assets are limited by the expected lease terms. The majority of leases do not provide an implicit rate; therefore, the Medical Center has elected to use a risk-free rate of return as the discount rate. The Medical Center used the risk-free rate of return on September 1, 2020, for operating leases that commenced prior to that date.

Termination of these leases is generally prohibited unless there is a violation under the lease agreement.

Operating leases are classified as follows within the accompanying consolidated balance sheets at August 31, 2022 and 2021:

	<b>Classification</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
Noncurrent			
Operating	Operating lease right-of-use assets	\$ 101,984,128	\$ 112,914,422
Total lease assets		<u>\$ 101,984,128</u>	<u>\$ 112,914,422</u>
<b>Liabilities</b>			
Current			
Operating	Operating lease liabilities	\$ 13,908,044	\$ 13,745,052
Noncurrent			
Operating	Operating lease liabilities	110,602,684	125,252,868
Total lease liabilities		<u>\$ 124,510,728</u>	<u>\$ 138,997,920</u>

Lease costs are classified as follows within the accompanying consolidated statements of operations and changes in net assets for the years ended as of August 31, 2022 and 2021:

<b>Lease Cost</b>	<b>Classification</b>	<b>2022</b>	<b>2021</b>
Operating lease cost	Supplies and services	\$ 20,370,095	\$ 19,185,000
Short-term lease cost	Supplies and services	195,000	357,000
Variable lease cost	Supplies and services	244,000	652,000
Total lease cost		<u>\$ 20,809,095</u>	<u>\$ 20,194,000</u>



# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

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Lease-terms, discount rates and other supplemental information as of and for the years ended August 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Weighted average remaining lease term (in years)		
Operating	20.28	19.89
Weighted average discount rate		
Operating	1.03%	0.91%
Cash paid for amounts included in the measurement of operating lease liabilities		
Operating cash flows from operating leases	\$ 14,487,000	\$ 12,981,000

Future maturities of operating lease liabilities at August 31, 2022 and 2021, are as follows:

2023	\$ 14,907,379
2024	13,952,412
2025	14,411,867
2026	14,415,996
2027	14,232,567
Thereafter	<u>74,936,083</u>
Future minimum lease payments	146,856,304
Less: Remaining imputed interest	<u>22,345,576</u>
Total	<u>\$ 124,510,728</u>

### 13. Professional and General Liability Insurance

The Medical Center maintains a program of self-insurance for professional and general liability risks. This program is maintained on behalf of all Medical Center affiliates and employees including the employed physicians of PFF, LCMG, LCPC, LCSF, and LCPAA. More than 700 hospital-based physicians are covered by this program.

The Medical Center self-insures the first losses for both professional and general liability claims. The estimated liability for self-insured claims and the required funding for the trust are determined annually by an independent actuary and are based upon case reserves and actuarial estimates for claims that have been incurred but not yet reported. The self-insured portion of the program is administered by an independent trustee.

The Medical Center incurred approximately \$29,500,000 and \$35,750,000 in expense for fiscal years 2022 and 2021, respectively, for self-insured professional and general liability risk. The Medical Center's self-insurance liability has been discounted at 4% and 5% at August 31, 2022 and 2021, respectively. The effect of discounting the value of estimated liabilities was approximately \$16,706,000 and \$25,293,000 at August 31, 2022 and 2021, respectively. Further, the Medical Center recorded an estimated liability of approximately \$197,918,000 and \$178,650,000 at August 31, 2022 and 2021, respectively, for self-insured professional and general liability risk. Part of the liability represents the potential impact from the Illinois Senate Bill 72 (Illinois Prejudgment Interest Act), which was effective July 1, 2021.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### Years Ended August 31, 2022 and 2021

In addition to the self-insured portion, the Medical Center purchases commercial excess reinsurance policies for claims in excess of the self-insurance limits to manage potential losses of the self-insured portion. These excess insurance policies, which are claims-made, are purchased through CMMC Insurance.

CMMC Insurance writes the professional and general liability insurance for the Hospital and its affiliates. CMMC Insurance, in turn, purchases reinsurance equal to 100% of its exposure and, therefore, holds no risk on its own books. For the years ended August 31, 2022 and 2021, premiums ceded to reinsurers were approximately \$3,333,000 and \$2,986,000, respectively. Reinsurance recoveries receivable on unpaid losses on an undiscounted basis, were approximately \$20,649,000 and \$21,777,000, respectively. CMMC Insurance is operated to break even after all expenses.

#### 14. Functional and Natural Expense Classification

The Medical Center provides health care services to children and conducts research and programs within its geographic region. Expenses, excluding interest and including fundraising (which are reported as nonoperating activities), related to providing these services, research, and programs by both functional and natural classification as follows:

##### Functional Expenses

	Patient Care Services	General and Administrative	Research and Mission-Related Programs	Fundraising	Total
<b>August 31, 2022</b>					
Salaries, wages and employee benefits	\$ 794,289,097	\$ 98,848,308	\$ 39,511,533	\$ 12,169,317	\$ 944,818,255
Supplies and services	301,725,494	111,193,086	84,138,588	7,134,648	504,191,816
Depreciation	78,789,056	11,144,681	2,883	-	89,936,620
	<u>\$ 1,174,803,647</u>	<u>\$ 221,186,075</u>	<u>\$ 123,653,004</u>	<u>\$ 19,303,965</u>	<u>\$ 1,538,946,691</u>

	Patient Care Services	General and Administrative	Research and Mission-Related Programs	Fundraising	Total
<b>August 31, 2021</b>					
Salaries, wages and employee benefits	\$ 675,372,459	\$ 85,064,631	\$ 41,104,112	\$ 12,221,500	\$ 813,762,702
Supplies and services	263,806,046	98,124,875	90,642,103	6,107,455	458,680,479
Depreciation	79,946,508	11,709,630	-	-	91,656,138
	<u>\$ 1,019,125,013</u>	<u>\$ 194,899,136</u>	<u>\$ 131,746,215</u>	<u>\$ 18,328,955</u>	<u>\$ 1,364,099,319</u>

##### Natural Expense Classification

	2022	2021
Expenditures charged to net assets with donor restrictions	\$ 115,681,012	\$ 125,103,723
Expenditures charged to net assets without donor restrictions	<u>1,423,265,679</u>	<u>1,238,995,596</u>
Total expenditures	<u>\$ 1,538,946,691</u>	<u>\$ 1,364,099,319</u>

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidated Financial Statements**

### **Years Ended August 31, 2022 and 2021**

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#### **15. Commitments and Contingencies**

##### **Health Care Regulation**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations create a possibility of repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Management believes that the Medical Center is in compliance, in all material respects, with fraud and abuse statutes, as well as with other applicable government laws and regulations. While no regulatory inquiries that are expected to have a material effect on the consolidated financial statements have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

##### **Litigation**

There are several lawsuits, pending claims, and incidents that occurred in the past whereby claims have been made and may be asserted against the Medical Center for which the ultimate liability, if any, cannot be reasonably estimated. Management believes that the ultimate settlement of these claims will not have a material adverse effect upon the Medical Center's consolidated financial position or results of operations.

##### **Investments**

The Medical Center has contractual commitments totaling \$446,800,000 with its private equity investment funds. As of August 31, 2022, the Medical Center's remaining capital commitments are \$197,496,000. Future capital calls are expected to occur over the next several years and will be initiated by the general partner of the investment as investments are made by the funds.

##### **Asset Retirement Obligation**

An asset retirement obligation represents a legal obligation associated with the retirement of a tangible long-lived asset that is incurred upon the acquisition, construction, development, or normal operation of that long-lived asset. The asset retirement obligations are accreted to their present value at the end of each reporting period. The associated estimated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over its useful life.

The Medical Center has evaluated its leased and owned properties for potential asset retirement obligations. Based on this review, the Medical Center identified obligations primarily related to the removal of certain materials previously utilized in the construction process. The total retirement obligation of \$416,000 was recognized as of August 31, 2022 and 2021, respectively, which was recorded as accrued expenses in the consolidated balance sheets.

**Children's Hospital of Chicago Medical Center and  
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**Notes to Consolidated Financial Statements**  
**Years Ended August 31, 2022 and 2021**

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**16. Liquidity**

Financial assets available for general expenditure within one year of the consolidated balance sheet date comprise the following at August 31:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 181,296,575	\$ 58,931,786
Patient accounts receivable	278,022,770	294,238,730
Pledges receivable	17,535,331	16,706,125
Other receivables	35,827,230	28,463,765
Investments	1,283,513,287	1,517,264,678
	<u>\$ 1,796,195,193</u>	<u>\$ 1,915,605,084</u>

**17. Subsequent Event**

The Medical Center has evaluated all events and transactions that occurred after the consolidated balance sheet date and through the date that the consolidated financial statements were issued. There were no significant subsequent events or transactions through this date.

## **Supplementary Information**

Children’s Hospital of Chicago Medical Center and Affiliated Corporations  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2022

Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster							
I CAN RES3CUE	11.RD	\$ -	\$ 14,581	Illinois-Indiana Sea Grant	F0008309702087	\$ 14,581	\$ -
	11.RD Total	-	14,581			14,581	-
Contract Total		-	14,581			14,581	-
Total Prefix 11- U.S. Department of Commerce Total		-	14,581			14,581	-
Missed Opportunities for Improving Diagnosis in Pediatric Emergency Care	93.226	-	454	University of Michigan	3005396464	454	-
Quality improvement to improve pediatric acute agitation management in the emergency department	93.226	-	15,085	Northwestern University	60051415 ARLCH	15,085	-
Integrating Patient-Reported Outcomes and Remote Patient Sensor Data in Childhood Asthma	93.226	-	10,231	Northwestern University	60058369 LCHC	10,231	-
Community Counts: Public Health Surveillance for Bleeding Disorders	93.226	-	126,482	Northwestern University	60051415 ARLCH	126,482	-
	93.226 Total	-	152,252			152,252	-
Agency for Healthcare Research and Quality's (AHRQ) Total		-	152,252			152,252	-
National Spina Bifida Patient Registry-Lurie Children's Spina Bifida Center	93.315	78,738	-			78,738	-
Research Approaches to Improve the Care and Outcomes of People Living with Spina Bifida	93.315	23,813	-			23,813	-
	93.315 Total	102,551	-			102,551	-
Midwest TXTXT: Scale up of an Evidence-based Intervention to Promote HIV Medication Adherence	93.943	99,015	-			99,015	-
	93.943 Total	99,015	-			99,015	-
Multisite Electronic Health Record-based Surveillance of the Burden of Diabetes by Type in Children and Adolescents (Component A)	93.945	84,249	-			84,249	19,829
Multisite Electronic Health Record-Based Surveillance of the Burden of Diabetes by Type in Young Adults (Component B)	93.945	87,110	-			87,110	22,690
	93.945 Total	171,359	-			171,359	42,519
Centers for Disease Control and Prevention (CDC) Total		372,925	-			372,925	42,519
Group A Streptococcus Molecular Epidemiology and Ecology	93.RD	159,242	-			159,242	81,266
Comparative Safety of Complex Feeding Device Types among NICU graduates (CR & PPR) Monitoring Juvenile Onset Recurrent Respiratory Papillomatosis	93.RD	19,163	-			19,163	-
NICHD-2017-BMS01: Pharmacokinetics and Safety of Commonly Used Drugs in Lactating Women and Breastfed Infants	93.RD	-	1,075	Eastern Virginia Medical School	S270141-10	1,075	-
BPCA Data Closeout and Dissemination	93.RD	-	383	Duke University	235518	383	-
AFM Natural History Study: A Prospective Study of Acute Flaccid Myelitis (AFM) to Define Natural History, Risk, and Pathogenetic Mechanisms (DMID19-0005)	93.RD	-	34,609	Duke University	203-7990	34,609	-
POP02: Pharmacokinetics, Pharmacodynamics, and Safety Profile of Understudied Drugs Administered to Children per Standard of Care	93.RD	-	3,549	University of Alabama at Birmingham	000509734-022	3,549	-
Development and Psychometric Testing of a Pediatric Chronic Graft-Versus-Host Disease (GVHD) Symptom Scale (PCSS)	93.RD	-	2,514	Duke University	257758 PTN-POP02 CCH99	2,514	-
OPERATIONS AND STATISTICS FOR THE RETROSPECTIVE TUMOR CHARACTERIZATION PROJECT (MP2PRT) FOR THE PERLMAN STUDY ?	93.RD	-	3,137	Westat, Inc.	75N91020F00087	3,137	-
LEIDOS BIOMEDICAL RESEARCH, INC	93.RD	-	119,192	Children's Hospital of Philadelphia	20115905-RSUB	119,192	9,933
HRSA's MCHB P4 Challenge	93.RD	10,000	-			10,000	-
MA COVID-19 and PRAMS for Dads	93.RD	-	66,490	Massachusetts Department of Public Health	INTF3070H78W22009057	66,490	-
Post-Acute Seq of SARS-CoV-2	93.RD	-	110,125	Children's Hospital of Philadelphia	OT2HL161847	110,125	-
	93.RD Total	188,405	341,074			529,479	91,199
Contract Total		188,405	341,074			529,479	91,199
(PPR) Safety and Efficacy of Inhaled Plasminogen Activator (tPA) for the Acute Treatment of Pediatric Plastic Bronchitis	93.103	-	170	University of Michigan	3004580675	170	-
CPI-IFE-007: A Randomized, Double-Blind, Placebo-Controlled, Multiple Dose Study with an Open-Label Extension to Determine the Safety, Pharmacokinetics and Efficacy of Oral Ifetroban in Subjects with Duchenne Muscular Dystrophy (DMD)	93.103	-	10,719	Cumberland Pharmaceuticals Inc,	CPI-IFE-007	10,719	-
Outcomes of Human Adenovirus (HAdV) Infection and Disease in Pediatric Allogeneic Hematopoietic Cell Transplant Recipients: A Multicenter Observational Cohort	93.103	-	3,955	Children's Hospital of Philadelphia	GRT-00000674	3,955	-
Advancing standards and methodologies to generate real world evidence from real world data through a neonatal pilot project	93.103	-	14,748	Intitute for Advanced Clinical Trials for Children	N/A	14,748	-
	93.103 Total	-	29,592			29,592	-
Food and Drug Administration (FDA) Total		-	29,592			29,592	-
Cardiovascular Health Trajectories from Birth thru Adolescence in a Diverse Cohort of Children	93.266	-	89,548	Chicago Department of Public Health	PRE-AWARD	89,548	-
	93.266 Total	-	89,548			89,548	-
Northern States Regional Hemophilia Network: H30MC24052	93.110	-	4,966	Great Lakes Hemophilia Foundation	H3024052	4,966	-
	93.110 Total	-	4,966			4,966	-
The Value of Children's Hospitals-Are Increased Costs Justified by Improved Outcomes or Driven by Internal and External Economic Forces?	93.266	-	9,056	Northwestern University	60051738 LCH	9,056	-
Pragmatic Pediatric Trial of Balanced versus Normal Saline Fluid in Sepsis	93.266	-	29,806	Chicago Department of Public Health	PRE-AWARD	29,806	-
	93.266 Total	-	38,862			38,862	-
Health Resources and Services Administration (HRSA) Total		-	133,376			133,376	-
Comprehensive Healthcare for Adolescents Initiative (CHAI)	93.297	-	66,248	Texas A&M University	M2101162	66,248	-
	93.297 Total	-	66,248			66,248	-
Immed Office Of The Secretary Of Health And Human Services Total		-	66,248			66,248	-
Model Exosome Cargo (916257)	93.837	-	82,576	Emory University	N/A	82,576	-
	93.837 Total	-	82,576			82,576	-
Longitudinal Study	93.865	-	83,562	Children's Hospital Los Angeles	N/A	83,562	-
	93.865 Total	-	83,562			83,562	-
A comparative effectiveness study of speech and surgical treatments using a Cleft Palate Registry/Research Outcomes Network	93.121	-	180	University of Utah	10044863-04	180	-
A comparative effectiveness study of speech and surgical treatments using a Cleft Palate Registry/Research Outcomes Network	93.121	-	7,782	University of Utah	10044863-04	7,782	-
	93.121 Total	-	7,962			7,962	-
Genomics, Biometrics and Identity	93.172	35,829	-			35,829	(26,004)

The accompanying notes are an integral part of this Schedule of Expenditures of Federal Awards.

Children’s Hospital of Chicago Medical Center and Affiliated Corporations  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2022

Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Implementing genomic medicine through pragmatic trials in diverse and underserved populations across Indiana	93.172	-	32,410	Indiana University	IN4687975LCH	32,410	-
Implementing genomic medicine through pragmatic trials in diverse and underserved populations across Indiana	93.172	-	16,205	Indiana University	8533	16,205	-
Implementing genomic medicine through pragmatic trials in diverse and underserved populations across Indiana	93.172	-	16,205	Indiana University	8841	16,205	-
Developing Resources for DNA Testing at the Border	93.172	-	8,173	Columbia University in the City of New York	SAPO:G15199	8,173	-
IGG on the Internet: Characterizing Public Perspectives on Law Enforcement Use of Genetic Genealogy Data in Social Media	93.172	-	1,162	National Human Genome Research Institute	3R01HG011268-03S1	1,162	-
	<b>93.172 Total</b>	<b>35,829</b>	<b>74,155</b>			<b>109,984</b>	<b>(26,004)</b>
Neural Predictors of Language Outcomes in Young Children with Cochlear Implants	93.173	63,899	-			63,899	34,315
Early Communication Intervention for Toddlers with Hearing Loss	93.173	-	33,920	Northwestern University	60052381 LUR	33,920	-
The influence of visual speech on lexical access in children	93.173	-	38,831	Rush University Medical Center	20051903-SUB02	38,831	-
	<b>93.173 Total</b>	<b>63,899</b>	<b>72,751</b>			<b>136,650</b>	<b>34,315</b>
Functional Dissection of CNVs in Neurodevelopmental Traits	93.242	(3,240)	-			(3,240)	-
Functional Dissection of CNVs in Neurodevelopmental Traits	93.242	293,366	-			293,366	-
mLab App for Improving Uptake of rapid HIV self-testing and Linking Youth to Care	93.242	-	165,709	Columbia University	5R01MH118151-03	165,709	-
Gene-Environment Interactions for Cortical Development and Schizophrenia	93.242	-	(42,338)	Johns Hopkins University	2004443000	(42,338)	-
A mobile phone intervention using a relational human talking Avatar to promote multiple stages of the HIV Care Continuum in African American MSM	93.242	-	7,879	University of Illinois at Chicago	17365-00	7,879	-
Great Lakes Node of the Drug Abuse Clinical Trials Network	93.242	-	1,988	Rush University Medical Center	18112701-SUB02	1,988	-
COVID-19 Vaccine Effectiveness in Patients with IBD (PREVENT-COVID)	93.242	-	27,101	University of Chicago	AWD102381 (SUB00000586)	27,101	-
PUBERTAL SUPPR. ON ADOLESCENT	93.242	-	65,007	Nationwide Children’s Hospital	700258-0422-00	65,007	-
Development and Testing of My PEEPS mobile for Very Young Transmen	93.242	-	7,628	Columbia University in the City of New York	GG017718	7,628	-
	<b>93.242 Total</b>	<b>290,126</b>	<b>232,974</b>			<b>523,100</b>	-
Project Recognize: Improving Measurement of Alcohol Use and Other Disparities by Sex, Sexual Orientation, and Gender Identity through Community Engagement	93.273	-	1,538	Northwestern University	60060439 LCH	1,538	-
	<b>93.273 Total</b>	-	<b>1,538</b>			<b>1,538</b>	-
Employing eSBI in a Community-based HIV Testing Environment for At-risk Youth	93.279	60,843	-			60,843	31,273
Improving Access to Treatment for Women with Opioid Use Disorder	93.279	-	3,202	Vanderbilt University Medical Center	VUMC65423	3,202	-
Brains Begin Before Birth (B4) Midwest Consortium	93.279	-	115	Northwestern University	60054861 LCH	115	-
The Impact of Early Medical Treatment in Transgender Youth	93.279	-	13,783	Rush University Medical Center	18112701-SUB02	13,783	-
9/24 The Healthy Brain and Child Development National Consortium	93.279	-	18,370	Northwestern University	60060227 LCH	18,370	-
	<b>93.279 Total</b>	<b>60,843</b>	<b>35,470</b>			<b>96,313</b>	<b>31,273</b>
Rapid Pediatric Cardiovascular MRI without Contrast Agent or Anesthesia	93.286	-	3,772	Northwestern University	60047829 LCH	3,772	-
Developing a SMART Scaffold for Bladder Augmentation	93.286	-	232,030	Northwestern University	60054298 LCH	232,030	-
	<b>93.286 Total</b>	-	<b>235,802</b>			<b>235,802</b>	-
A Pragmatic Clinical Trial of MyPEEPS Mobile to Improve HIV prevention Behaviors in Diverse Adolescent MSM	93.307	-	134,191	Columbia University	3(GG011834-04)	134,191	-
Maternal Exposure to Vicarious Structural Racism and Newborn Health Disparities in Michigan: The Flint Water Crisis	93.307	-	7,791	University of Michigan	SUBK00010265	7,791	-
African-American Social Support Effectiveness Treatment- Partners for Perinatal Depression (ASSET-PPD)	93.307	-	17,748	Northwestern University	60053759 LCH	17,748	-
	<b>93.307 Total</b>	-	<b>159,730</b>			<b>159,730</b>	-
Illinois Precision Medicine Consortium	93.310	-	9,841	Northwestern University	60050042 LCH	9,841	-
Echo PRO Core	93.310	-	3,015	Northwestern University	60054546 LUR	3,015	-
Pharmacokinetics and Safety Profile of Digoxin in Infants with Single Ventricle Congenital Heart Disease	93.310	-	1,200	Duke University	243797	1,200	-
Consortium of Eosinophilic Gastrointestinal Disease Researchers	93.310	-	46,256	Northwestern University	60054546 LUR	46,256	-
	<b>93.310 Total</b>	-	<b>60,312</b>			<b>60,312</b>	-
Patient Navigation to Improve Outcomes Among Low-Income Women in the Postpartum Period, R01HD098178 Supplement: Understanding the Perspectives of Underrepresented Women With and Without HIV Regarding Vaccinations During Pregnancy	93.313	-	(6,816)	Northwestern University	60059829 LCH	(6,816)	-
	<b>93.313 Total</b>	-	<b>(6,816)</b>			<b>(6,816)</b>	-
(PPR) STeroids to REduce Systemic inflammation after neonatal heart Surgery (STRESS trial)	93.350	-	150	Duke University	203-8371	150	-
Transforming Exercise Testing and Physical Activity Assessment in Children: New Approaches to Advance Clinical Translational Research in Child Health	93.350	-	114,902	University of California, Irvine	2018-3631	114,902	-
Genetic and Functional Dissection of Congenital Anomalies of the Brain	93.350	-	24,087	University of North Carolina at Chapel Hill	5116963	24,087	-
Northwestern University Clinical and Translational Science Institute (NUCATS)	93.350	-	(70,761)	Northwestern University	60054113 LUR	(70,761)	-
Northwestern University Clinical and Translational Science Institute (NUCATS)	93.350	-	(8,375)	Northwestern University	60054117 LCH	(8,375)	-
Precision Adaptable Clinically Embedded Research (PACER): Bioethical Challenges for Community Clinicians and their Patients	93.350	-	(1,645)	Northwestern University	60054104 LUR	(1,645)	-
Immunological, serologic, and imaging biomarker predictors of flare in pediatric spondyloarthritis	93.350	-	16,613	Northwestern University	N/A	16,613	-
2018-2019 CF Care Center Award - NU subcontract	93.350	-	374,632	Northwestern University	60054113 LUR	374,632	-
Northwestern University Clinical and Translational Science Institute (NUCATS)	93.350	-	27,116	Northwestern University	60054117 LCH	27,116	-
Northwestern University Clinical and Translational Science Institute	93.350	-	(29,565)	Northwestern University	60054104 LCH	(29,565)	-
Nuclear Organization in the Pediatric Tumor Rhabdomyosarcoma	93.350	-	78,273	Northwestern University	60054004 LCH	78,273	-
PHOX2B Congenital Central Hypoventilation Syndrome (CCHS) Physiologic Signatures in Readiness for Future Clinical Trials	93.350	-	6,471	National Institute of Child Health and Human Development	R03TR003869	6,471	-
	<b>93.350 Total</b>	-	<b>531,898</b>			<b>531,898</b>	-
Center for Pediatric Tumor Cell Atlas	93.353	-	10,326	Children’s Hospital of Philadelphia	3201460819-XX	10,326	-
Using Information Technology to Improve Outcomes for Children Living with Cancer	93.353	-	53,158	Northwestern University	60054750 LCH	53,158	-
	<b>93.353 Total</b>	-	<b>63,484</b>			<b>63,484</b>	-
Adaptive intervention strategies trial for strengthening adherence to antiretroviral HIV treatment among youth	93.361	-	(270,529)	Brown University	00001019	(270,529)	-
PediQuest: Improving children’s quality of life through e-PROMs and palliative care	93.361	-	20,640	Dana-Farber Cancer Institute	1300202	20,640	-
Biologic Mechanisms and Dosing of Active Music Engagement to Manage Acute Treatment Distress and Improve Health Outcomes in Young Children with Acute Lymphoblastic Leukemia and Parents	93.361	-	40,564	Indiana University	IU SUB 8415	40,564	-
Adaptive Intervention Strategies Trial for Strengthening Adherence to Antiretroviral HIV Treatment Among Youth	93.361	-	364,789	University of California Los Angeles	1935 G ZA668	364,789	-
Communities United Family Support Initiative - Subcontract for 9-part health and wellness training series	93.361	-	15,911	Center for Innovative Public Health Research	R01 NR020309	15,911	-

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Children’s Hospital of Chicago Medical Center and Affiliated Corporations  
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Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
	93.361 Total	-	171,375			171,375	-
Functional Dissection of the K27M Histone Mutation in Gliomagenesis	93.393	43,355	-			43,355	-
Research Into Visual Endpoints and RB (retinoblastoma) Health Outcomes After Treatment (RIVERBOAT)	93.393	-	12,055	Vanderbilt University Medical Center	VUMC 78171	12,055	-
Research Into Visual Endpoints and RB (retinoblastoma)HealthOutcomes After Treatment (RIVERBOAT)	93.393	-	9,670	Vanderbilt University Medical Center	VUMC 78171	9,670	-
	93.393 Total	43,355	21,725			65,080	-
Utilization of Peripheral Blood Exosomes to Detect Genetic and Protein Markers in Pediatric Solid Tumor Patients.	93.394	107,397	-			107,397	-
A Multilevel Physical Activity Intervention for South Asian Women and Girls (SAATH)	93.394	-	61,414	Northwestern University	60053986 LUR	61,414	-
	93.394 Total	107,397	61,414			168,811	-
In vivo Drug Testing of Pediatric CNS Tumors Using Patient Derived Orthotopic Xenograft Models	93.395	28,557	-			28,557	3,349
In vivo Drug Testing of Pediatric CNS Tumors Using Patient Derived Orthotopic Xenograft Models (Fixed/PPR) Children's Oncology Group Pediatric Early Phase Clinical Trials Network (PEP-CTN)	93.395	477,413	-			477,413	31,670
(PPR) COG NCTN Network Group Operation Center / WorkLoad Intensity	93.395	-	70,347	Children's Hospital of Philadelphia	FP00025505_SUB810_01/5263630000	70,347	-
SCIENTIFIC COUNCIL: NIH National Clinical Trials Network (NCTN) Grant (2U10CA180886)	93.395	-	169,818	Children's Hospital of Philadelphia	FP00005U805 184	169,818	-
STUDY CHAIR: NIH National Clinical Trials Network (NCTN) Grant (2U10CA180886)	93.395	-	(7,178)	Children's Hospital of Philadelphia	FP00026529_SUB498_01	(7,178)	-
The Pediatric Brain Tumor Consortium Master Grant	93.395	-	(7,427)	Children's Hospital of Philadelphia	FP00026529_SUB559_02	(7,427)	-
PPR The Pediatric Brain Tumor Consortium Master GrantPreSpend back to 4/1/20CR- 916158	93.395	-	43,186	St. Jude Children's Research Hospital	110068220-7998046	43,186	-
COMMITTEE LEADERSHIP REVIEW: NIH NationalClinical Trials Network (NCTN) Grant 2U10CA180886	93.395	-	10,488	St. Jude Children's Research Hospital	110068220-7998046	10,488	-
	93.395	-	(3,922)	Children's Hospital of Philadelphia	PO #20215996	(3,922)	-
COG NCTN Administrative Supplement to Support Enhanced Tumor Banking: PostMortem Tumor Tissue Collection at Autopsy	93.395	-	(2,421)	Children's Hospital of Philadelphia	9500080221-16C	(2,421)	-
COG NCTN Workload Intensity Model for Support forAdministrative Duties at Lead Institution for COGAutopsy Initiative under NCTN Tumor Banking Supplement	93.395	-	33,260	Children's Hospital of Philadelphia	FP00033922_SUB236_01	33,260	-
NCTN Y8 Grant U10CA180886	93.395	-	20,847	Public Health Institute	AR03191	20,847	-
COG NCTN Y8 Study Chair	93.395	-	16,350	Public Health Institute	AR03407	16,350	-
Amy Waltz, Renal tumors	93.395	-	5,157	Public Health Institute	AR03252	5,157	-
NCTN Y8 Reviewer DI	93.395	-	14,847	Public Health Institute	AR04559	14,847	-
COG NCTN ADMIN SUPP	93.395	-	42,082	Public Health Institute	AR05168	42,082	-
	93.395 Total	505,970	405,434			911,404	35,019
Matching panels of in vivo and in vitro model system of pediatric brain tumors	93.396	537,230	-			537,230	185,836
Modeling the Glioblastoma Microenvironment to Uncover Progression Mechanisms and Therapeutic Targets	93.396	-	(5,738)	Northwestern University	60056103 LUR	(5,738)	-
	93.396 Total	537,230	(5,738)			531,492	185,836
Robert H. Lurie Comprehensive Cancer Center (Associate Directorship)	93.397	-	66,623	Northwestern University	60050450 LCH	66,623	-
(PPR) COG NOCRP Research Base	93.399	-	5,479	Children's Hospital of Philadelphia	FP00028127_SUB169_01	5,479	-
	93.399 Total	-	5,479			5,479	-
Evaluation of First-Degree Relatives after Sudden Unexplained Death	93.837	220,628	-			220,628	-
Novel mechanisms of obliterative pulmonary vascular remodeling and sever pulmonary arterial hypertension	93.837	7,571	-			7,571	-
Response of the Gut Microbiome and Circulating Metabolome to Diet Intervention in Young Children: Ancillary Study to the Keeping Ideal Cardiovascular Health Family Intervention Trial (KIDFIT)	93.837	165,750	-			165,750	1,348
ACHIP-ACEs and Cardiometabolic Health in Pediatrics: Using a Coping and Stress Reduction Intervention to Reduce Cardiometabolic Risk in Adolescents with Adversity	93.837	152,080	-			152,080	-
Understanding Inflammatory and Metabolic Pathways of Myocardial and Vascular Dysfunction in South African Youth Living with Perinatal HIV	93.837	686,430	-			686,430	619,117
Characterization of the Cardiac Progenitor CellExosomes for Optimal	93.837	888,005	-			888,005	-
1/2 Allogeneic Human Mesenchymal Stem Cell (MSC) Injection in Patients with Hypoplastic Left Heart Syndrome: A Phase IIb Clinical Trial	93.837	373,714	-			373,714	150,724
Mechanism of transplanted neonatal cardiac progenitor cells to repair ischemic myocardium	93.837	378,149	-			378,149	-
1/2 Allogeneic Human Mesenchymal Stem Cell (MSC) Injection in Patients with Hypoplastic Left Heart Syndrome: A Phase IIb Clinical Trial	93.837	264,800	-			264,800	7,993
Channelopathies and Cardiomyopathies Among Sudden Deaths in the Young	93.837	-	(37)	Northwestern University	60043277 LCH	(37)	-
Functional Cardiovascular 4D MRI in Congenital Heart Disease	93.837	-	140,487	Northwestern University	60049301 LCH	140,487	-
Pediatric Replacement of the Pulmonary Valve - TOF Trial	93.837	-	(14,358)	Children's Hospital of Philadelphia	3201200621 POW#963057-RSUB	(14,358)	-
Innovation through collaboration at the intersection of childhood development and cancer: a platform for the Gabriella Miller Kids First Pediatric Data Resource Center	93.837	-	14,526	Children's Hospital of Philadelphia	PO #20195469/3200670521-XX	14,526	-
Cardiac Toxicity in Perinatally HIV-infected Adolescents and Young Adults, a Longitudinal Study	93.837	-	12,029	University of Buffalo	R1186466	12,029	-
The Role of Inflammation and Positive Emotion in Cardiometabolic Risk in Adolescents with Adversity	93.837	-	14,642	The Washington University	WU-20-502/WU-21-360	14,642	-
Efferocytosis Directed Inflammation Resolution and Repair in the Hypoxic Heart	93.837	-	42,076	Northwestern University	60055621 LUR	42,076	-
Optimizing the Implementation of a Population Panel Management Intervention in Safety-Net Clinics for Childhood Hypertension	93.837	-	(76,315)	Northwestern University	60054507 LCH	(76,315)	-
MicroRNA-Suppressed Mitochondrial Fusion in Mediatingthe Teratogenicity of Maternal Diabetes Leadingto Heart Defects	93.837	-	428	University of Maryland, Baltimore	N/A	428	-
Hyperglycemia of Maternal Diabetes Induces Cardiac Is1Positive Progenitor Dysfunction Leading to Heart Defects	93.837	-	2,082	University of Maryland, Baltimore	20499 UMB Ref KB1664	2,082	-
C-Kit Progenitors	93.837	-	15,403	University of Maryland, Baltimore	N/A	15,403	-
Pediatric Heart Network Master Clinical Trial Agreement	93.837	-	77	New England Research Institutes	N/A	77	-
The identification and pathophysiology of non-infarcted but injured myocardium in the post-ischemic heart	93.837	-	4,106	Northwestern University	60058121 LCH	4,106	-
Comprehensive Cardiac Structure-Function Analysis in Heart Transplantation	93.837	-	73,173	Northwestern University	60059274 LCH	73,173	-
(PPR) Alere 1822001: Evaluation of the Clinical Performance of the Modified AlereTM Influenza A & B Test	93.837	71,835	-			71,835	11,642
Myocardium post-isc	93.837	-	8,260	Northwestern University	60058121 LCH	8,260	-
Eastern Great Lakes Pediatric Consortium for Disaster Response	93.837	-	36,799	Northwestern University	60059342 LCH	36,799	-
Targeting the Meta-organismal Butyrate Pathway to Prevent Arterial Restenosis after Vascular Surgery	93.837	-	(37,737)	Northwestern University	60058577 LCH	(37,737)	-
Microbiomic Mechanisms of Association Between Early-Life Social Determinants and Young-Adult Subclinical CVD	93.837	11,633	-			11,633	-
	93.837 Total	3,220,595	235,641			3,456,236	790,824
Novel signalings and mechanisms of endothelial regeneration in aging lung	93.838	199	-			199	-

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Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub- Recipients
Integrated analysis of autonomic biomarkers in prematurity-related ventilatory control: determination of neurorespiratory maturation and predictors of co-morbidity risk	93.838	166,495	-			166,495	-
miR-17~92 Haploinsufficiency Influences Alveolar and Vascular Endothelial Development	93.838	178,352	-			178,352	-
The Microbiota of the Pediatric CF Airway: What role does it play?	93.838	452,309	-			452,309	290,160
Targeting smooth muscle progenitor cells for treatment of pulmonary arterial hypertension	93.838	392,905	-			392,905	-
Pathophysiology of Influenza A Virus-induced Lung Injury in Juveniles	93.838	178,053	-			178,053	-
The Role of Placental Maternal Vascular Underperfusion in Neonatal Pulmonary Hypertension	93.838	57,380	-			57,380	7,673
MECHANISMS OF HYDROCORTISONE REGULATION OF THE PERINATAL PULMONARY VASCULATURE	93.838	131,673	-			131,673	-
Redox Regulation in the Perinatal Pulmonary Vasculature	93.838	403,351	-			403,351	3,022
Novel mechanisms of endothelial Injury in the pathogenesis of ARDS	93.838	621,979	-			621,979	-
Procalcitonin to Reduce Antibiotic Use in Pediatric Pneumonia (P-RAPP)	93.838	386,574	-			386,574	305,019
Integrated analysis of autonomic biomarkers in prematurity-related ventilatory control: determination of neurorespiratory maturation and predictors of co-morbidity risk	93.838	90,610	-			90,610	-
HOMeVent4Kids: Home-based Optimization of Mechanical Ventilation for Children	93.838	184,043	-			184,043	-
Novel mechanisms of obliterative pulmonary vascular remodeling and severe pulmonary arterial hypertension	93.838	701,496	-			701,496	-
Mechanisms of Resolution of Lung Injury	93.838	-	(6,689)	University of Illinois at Chicago	16812	(6,689)	-
Precision Interventions for Severe and/or Exacerbation Prone Asthma (PrecISE) Network: CMAC application	93.838	-	(1,033)	University of Chicago	FP066077-E	(1,033)	-
Data, Modeling, and Coordination Center for PrecISE Network	93.838	-	22,655	University of North Carolina at Chapel Hill	5114474-H3LURIEHOS	22,655	-
Bedside Exclusion of Pulmonary Emboli in Children without Exposure to Radiation (BEEPER)	93.838	-	4,579	Indiana University	8494-LUR	4,579	-
(PPR) VX18-659-106: A Phase 3, Study Evaluating the Pharmacokinetics, Safety, and Tolerability of VX 659/TEZ/IVA Triple Combination Therapy in Cystic Fibrosis Subjects 6 Through 11 Years of Age	93.838	436,772	-			436,772	308,110
Illinois Regionalized Perinatal Network Program Grant	93.838	-	54,222	University of Chicago	FP066077-E	54,222	-
TEACCC STUDY	93.838	93,388	-			93,388	-
(CR & PPR) BEEPER 2021-2025	93.838	-	22,642	Wayne State University	WSU22077	22,642	-
SILDI-SAFE	93.838	-	2,150	Duke University	A035364 (SPS-269060)	2,150	-
Negative regulators of endothelial regeneration in aging lungs and ARDS	93.838	-	23,172	National Heart, Lung, and Blood Institute	R01HL164014	23,172	-
<b>93.838 Total</b>		<b>4,475,579</b>	<b>121,698</b>			<b>4,597,277</b>	<b>913,984</b>
The Pro-Inflammatory Effects of Acute Exercise in Children with Sickle Cell Anemia.	93.839	481,431	-			481,431	275,868
An mHealth Strategy to Improve Medication Adherence in Adolescents with Sickle Cell Disease	93.839	172,022	-			172,022	-
The Pro-Inflammatory Effects of Acute Exercise in Children with Sickle Cell Anemia.	93.839	40,959	-			40,959	40,959
Sickle Cell Disease Implementation Consortium (SCDIC)	93.839	-	16,559	Research Triangle Institute International	52677L	16,559	-
Repair mechanisms of sepsis induced endothelial dysfunction and lung injury	93.839	-	(6,415)	University of Illinois at Chicago	16780	(6,415)	-
SCIENCE	93.839	-	51,181	Medical College of Wisconsin	U01HL159850	51,181	-
<b>93.839 Total</b>		<b>694,412</b>	<b>61,325</b>			<b>755,737</b>	<b>316,827</b>
IMPACCT: Infrastructure for Musculoskeletal Pediatric Acute Care Clinical Trials	93.846	140,784	-			140,784	50,753
Circadian Rhythms of Skin Barrier, Pruritus and Inflammation in Atopic Dermatitis	93.846	240,574	-			240,574	-
IMPACCT: Infrastructure for Musculoskeletal Pediatric AcuteCare Clinical Trials	93.846	746,215	-			746,215	356,226
Multi-Scale Modeling to Predict Long-Term Growth and Remodeling of Skin in Response to Stretch	93.846	-	331,375	Purdue University	11000891-010	331,375	-
Mitochondrial calcification in juvenile dermatomyositis	93.846	-	4,332	University of Washington	UWSC12344	4,332	-
Echo PRO Core	93.846	-	11,069	University of Washington	UWSC12344	11,069	-
Postdoctoral Rheumatology Training	93.846	-	1,091	Northwestern University	60043264 ARLCHC	1,091	-
<b>93.846 Total</b>		<b>1,127,573</b>	<b>347,867</b>			<b>1,475,440</b>	<b>406,979</b>
The Tshilo Dikotla Study: Metabolic Outcomes of Children HIV/ARV-Exposed Uninfected in Botswana	93.847	501,305	-			501,305	292,659
PALF Treatment for ImmUne Mediated Pathophysiology (TRIUMPH)	93.847	3,693	-			3,693	-
Role of the intestinal microvasculature in necrotizing enterocolitis	93.847	499,477	-			499,477	-
Aberrant DNA Methylation Underlying Adverse Prenatal Exposures and Increased Newborn and Childhood Adiposity	93.847	346,176	-			346,176	157,028
Antifibrotic Actions of SARA	93.847	51,523	-			51,523	23,725
ChILDRen, the Childhood Liver Disease Research Network	93.847	287,742	-			287,742	-
Genetic and Functional Studies of Human Ciliary Syndromes	93.847	304,149	-			304,149	-
Mechanisms underlying regulation of intestinal epithelial homeostasis in sepsis	93.847	776,534	-			776,534	-
Functional Analysis of the Role of Transcription Factor 21 (Tcf21) in Nephron Progenitor Cells in Congenital Anomalies of the Kidney and Urinary Tract	93.847	187,048	-			187,048	-
Aberrant DNA Methylation Underlying Adverse Prenatal Exposures and Increased Newborn and Childhood Adiposity	93.847	244,964	-			244,964	13,796
Improving Kidney Health Assessment in Young Patients with Spina Bifida	93.847	173,668	-			173,668	-
Macrophage cell subset specific biomarkers for disease prognosis in BA	93.847	88,217	-			88,217	-
Pediatric Acute Liver Failure Immune Response NetworkTreatment for Immune Mediated Pathophysiology(PALF IRN TRIUMPH)	93.847	1,804,740	-			1,804,740	1,046,722
Macrophage Regulation of Immune Pathogenesis of Biliary Atresia	93.847	169,877	-			169,877	-
TEEN LONGITUDINAL ASSESSMENT OF BARIATRIC SURGERY	93.847	-	384,651	National Institute of Diabetes and Digestive and Kidney	UM1DK072493	384,651	3,465
Effectiveness Trial of an E-Health Intervention To Support Diabetes Care in Minority Youth	93.847	-	116,651	Wayne State University	WSU17073	116,651	2,750
Nonhuman Primate Model of Bladder Regeneration Using Autologous Bone Marrow Cells	93.847	-	440,832	Northwestern University	60046455 LCH	440,832	-
(PPR) Continuation of the Nonalcoholic Steatohepatitis Clinical Research Network	93.847	-	1,775	Johns Hopkins University	2003839184	1,775	-
Improving Medication Adherence in adolescents who had a Liver Transplant: iMALT	93.847	-	12,074	Icahn School of Medicine at Mount Sinai	0255-A943-4609	12,074	-
A comprehensive research resource to define mechanisms underlying microbial regulation	93.847	-	9,122	Duke University	A030349	9,122	-
Kidney Therapeutics - Translating Discoveries into Prevention, Treatment and Cures for Kidney Diseases	93.847	-	7,126	Northwestern University	60050728 LCH	7,126	-
UREACT (Urological and Renal Disease Engaging Adolescents in Adherence Collaborative Trial)	93.847	-	10,757	Children’s Hospital of Philadelphia	3200370521 PO #20060817-RSUB	10,757	-
Non-alcoholic Steatohepatitis Clinical Research Network	93.847	-	65,536	Duke University	A033587	65,536	-
A comprehensive research resource to define mechanisms underlying microbial regulation	93.847	-	70,300	Duke University	A032306	70,300	-
Fetal and Early Postnatal Influences on Child Metabolic Health After Gestational Diabetes	93.847	-	16,802	Kaiser Foundation Research Institute	RNG210690-03	16,802	-
Mechanisms of Sarcopenia in Pediatric Endstage Liver Disease	93.847	-	(1,432)	Emory University	A430284	(1,432)	-
Effectiveness Trial of an E-Health Intervention To Support Diabetes Care in Minority Youth	93.847	-	3,978	Wayne State University	WSU21057	3,978	-
Continuation of the Nonalcoholic Steatohepatitis Clinical Research Network	93.847	-	2,854	Johns Hopkins University	STOP-NAFLD	2,854	-
Transplant Surgery Scientist Training Program	93.847	-	92,520	Northwestern University	NU380T000316	92,520	-

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Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Northwestern University Allergy and Immunology Research (NUAIR) Program	93.847	-	23,097	Children's Hospital Colorado	FY22.220.003	23,097	-
Building Research Capacity for Firearm Safety Among Children	93.847	-	16,369	Icahn School of Medicine at Mount Sinai	0255-A943-4609	16,369	-
KUH FORWARD	93.847	-	9,994	Northwestern University	60059263 LCH	9,994	-
Insights into a multi-hit process in the development of necrotizing enterocolitis	93.847	21,314	-			21,314	-
	93.847 Total	5,460,427	1,283,006			6,743,433	1,540,145
Research Education Program for Trainees in Neurology	93.853	-	4	Northwestern University	60040247 LCH	4	-
Regulation of Mitochondrial Function and Motor Neuron Degeneration in SMA	93.853	223,728	-			223,728	-
Rescuing Motor Neuron Mitochondrial Defects in SMA by Mitigating Cdk5 Activation	93.853	89,936	-			89,936	-
Cross-species modeling of epileptogenesis in KCNT1-associated epilepsy	93.853	182,206	-			182,206	-
Role of the K27M histone mutation in midline gliomas initiated in oligodendrocyte progenitors	93.853	23,509	-			23,509	-
Neurovirulence determinants of neonatal HSV disease	93.853	197,569	-			197,569	-
Investigation of ALS caused by mutant CHCHD10	93.853	-	4,306	Northwestern University	60044541 LCH	4,306	-
(PPR) The Vascular effects of infection in Pediatric Stroke (VIPS II) Study	93.853	-	7,095	University of California at San Francisco	104955C	7,095	-
(PPR) VBP15-004: Phase IIb Randomized, Double-blind, Parallel Group, Placebo- and Active- controlled Study with Double-Blind Extension to Assess the Efficacy and Safety of Vamorolone in Ambulant Boys with Duchenne Muscular Dystrophy	93.853	-	1,000	Reveragen Biopharma, Inc.	VBP15-004	1,000	-
Network for Excellence in Neuroscience Clinical Trials (NEXT Sites)	93.853	-	12,174	Northwestern University	60050627 LCH	12,174	-
Perinatal Arterial Stroke: A Multi-site RCT of Intensive Infant Rehabilitation (I-ACQUIRE) - through StrokeNet	93.853	-	87,180	Virginia Polytechnic Institute and State University	011961-133386	87,180	26,250
Maintenance and Incidence of ME/CFS Following Mono	93.853	-	128,322	DePaul University	501486SG174	128,322	-
Maintenance and Incidence of ME/CFS Following Mono (Administrative Supplement)	93.853	-	14,408	DePaul University	501560SG192	14,408	-
NIH StrokeNet Regional Coordinating Stroke Center Consortium (Chicago)	93.853	-	751	University of Chicago	AWD100391 (SUB00000180)	751	-
Developing Novel Biomarkers of Plexiform Neurofibroma Tumor Burden	93.853	-	42,033	National Institute of Neurological Disorders and Stroke	R61NS122094	42,033	-
TRANSCRIPT. ELONG. PED GLIOMA	93.853	57,425	-			57,425	-
	93.853 Total	774,373	297,273			1,071,646	26,250
A Prospective Study of CFS Following Infectious Mononucleosis in College Students	93.855	31	-			31	-
BIOMARKERS AND RISK STRATIFICATION IN PEDIATRIC COMMUNITY-ACQUIRED PNEUMONIA	93.855	20,147	-			20,147	-
Investigating a Novel Co-regulation of Multi-Drug Efflux Pumps and Polysaccharide Capsule in E. coli	93.855	128,387	-			128,387	-
Clostridium innocuum as an emerging multidrug-resistant antibiotic-associated diarrheal pathogen	93.855	(21,132)	-			(21,132)	-
Molecular Signatures of Early Onset Neonatal Sepsis in Umbilical Cord Blood	93.855	155,891	-			155,891	-
Intervention to Reduce Early (Peanut) Allergy in Children (IREACH)	93.855	1,630,563	-			1,630,563	532,792
Novel molecular mechanism of macrophage polarization in sepsis	93.855	123,593	-			123,593	-
Immune Modulation of Macrophages in Obstructive Cholestasis	93.855	204,053	-			204,053	18,691
Identifying the Breadth of Antibody Responses to Clostridioides difficile Infection	93.855	86,787	-			86,787	3,225
Identifying Specific Antigenic Targets of Kawasaki Disease	93.855	404,923	-			404,923	28,347
Soy Isoflavones for Inner City Infants at Risk for Asthma (SIRA)	93.855	475,045	-			475,045	143,824
(PPR) IMPAACT Network Leadership and Operations Center (LOC) Grant - CRS 4001 PF, NON-PROMISE PROTOCOLS	93.855	-	12,819	Johns Hopkins University	PO 2002438850	12,819	12,819
(PPR) 4 protocols:#6901-A Prospective Natural History Study of Diagnosis, Treatment and Outcomes of Children with SCID Disorders#6902-Primary Immune Deficiency Treatment Consortium: Protocol #6902: A Retrospective	93.855	-	8,382	University of California at San Francisco	8464	8,382	-
Food Allergy Outcomes Related to White and African American Racial Differences (FORWARD)	93.855	-	88,863	Northwestern University	60046645 LCH	88,863	-
UM1AI068632-12: LOC-IMPAACT Leadership Group, IMPAACT 2015 Neuropsychological Expert/Leader	93.855	-	1,967	Johns Hopkins University	PO #2003859008	1,967	-
Successful Clinical Response in Pneumonia Therapy (SCRIPT) Systems Biology Center	93.855	-	10,989	Northwestern University	60049062 LCH	10,989	-
The HIV Care Continuum Among Recent Offenders	93.855	-	9,605	Indiana University	BL-4689683-ARC	9,605	-
Clinical Trials Units for NIAID Networks, HIV Centers for Underrepresented Populations in Research (HIV CURE) CTU	93.855	-	(1,958)	University of California at San Diego	97926831	(1,958)	-
Immune Correlates of Tuberculosis and non-Tuberculosis Infectious Morbidity in Southern African HIV-exposed, Uninfected Infants	93.855	-	6,900	Massachusetts General Hospital	234124	6,900	-
Controlling and preventing Asthma progression and Severity in Kids (CASK)	93.855	-	(151,667)	Children's Hospital Boston	GENFD0001687276	(151,667)	-
Consortium of Eosinophilic Gastrointestinal Disease Researchers	93.855	-	1,712	Cincinnati Children's Hospital Medical Center	309363	1,712	-
Consortium of Eosinophilic Gastrointestinal Disease Researchers (Pathology Core)	93.855	-	(2,644)	Cincinnati Children's Hospital Medical Center	309362	(2,644)	-
Mechanisms for initiation of food allergy early in life	93.855	-	65,756	Indiana University	8574	65,756	-
Third Coast Center for AIDS Research	93.855	-	4,100	Northwestern University	60056410 LCH	4,100	-
3UM1AI068632-14S2: IMPAACT 2032 - Pharmacokinetics and Safety of Remdesivir for Treatment of COVID-19 in Pregnant Women in the US (PPR)	93.855	-	195,890	Johns Hopkins University	3 UM1 AI068632-14S2	195,890	-
Immunology and Molecular Pathogenesis Training Program	93.855	-	(2,108)	Northwestern University	60047232 LCH	(2,108)	-
Clinical Trials Units for NIAID Networks, HIV Centers for Underrepresented Populations in Research (HIV CURE) CTU	93.855	-	459,552	University of California at San Diego	117267-0110-511/704304	459,552	-
IMPAACT Network Leadership Group (NLG) - PSTO LDR 25 P1115 Co-Chair (Chadwick)	93.855	-	23,820	Johns Hopkins University	PSTO 25	23,820	-
IMPAACT Network Leadership Group (NLG) - PSTO LDR 26 P1115 Co-Chair (Jao)	93.855	-	13,666	Johns Hopkins University	PSTO 26	13,666	-
IMPAACT Network Leadership Group (NLG) - PSTO LDR 27 I2015 Neuropsychologist (Malee)	93.855	-	6,142	Johns Hopkins University	PSTO 27	6,142	-
IMPAACT Network Leadership Group (NLG) - PSTO PTCL 24, Fixed Fee Protocol Funding (PF) Y15	93.855	-	106,122	Johns Hopkins University	2 UM1 AI068632-15	106,122	-
Sunbeam Study	93.855	-	54,104	Northwestern University	60057526 LCH	54,104	-
Digital, Limited Interaction Efficacy Trial of LifeSkills Mobile to Reduce HIV Incidence in Young Transgender Women	93.855	-	299,779	University of California Los Angeles	1935 G YA537	299,779	-
Defining the Landscape of HLA Risk Alleles in Primary Nephrotic Syndrome and Post Kidney Transplant Recurrence	93.855	-	383	Duke University	265416	383	-
Childhood Asthma in Urban Settings (CAUSE) - Leadership Center	93.855	-	380,924	University of Wisconsin-Madison	0000001417	380,924	-
Persistence, Risk and Decision-Making Among a PrEP Using Cohort: A Mixed-Methods Study	93.855	-	807	Northwestern University	60056747 LCH	807	-
Exploring Park Use & Health in Big Marsh & Surrounding Neighborhoods	93.855	-	11	Children's Hospital Boston	GENFD0002087851	11	-
Data-Informed Stepped Care (DiSC) to Improve Adolescent HIV Outcomes	93.855	-	17,771	Cincinnati Children's Hospital Medical Center	309363	17,771	-
Intensive Combination Approach to Rollback the Epidemic (iCARE) in Nigerian Adolescents	93.855	-	23,631	Northwestern University	60049062 LCH	23,631	-
Great Lakes Node of the Drug Abuse Clinical Trials Network	93.855	-	91,440	University of California Los Angeles	1935 G YA537	91,440	-
Rational identification of Corynebacterium strains for use as probiotics	93.855	38,775	-			38,775	-
The Role of Social, Economic and Environmental Factors in Food Allergy Disparities	93.855	-	(4,902)	Northwestern University	60060580 LCH	(4,902)	-

The accompanying notes are an integral part of this Schedule of Expenditures of Federal Awards.

Children’s Hospital of Chicago Medical Center and Affiliated Corporations  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2022

Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Infant Peanut Allergy Prevention: Understanding and Supporting Caregivers to Achieve Adherence	93.855	3,372	-			3,372	-
Advancing Transplantation Outcomes in Children	93.855	-	392	Children's Hospital Boston	GENFD0002224302	392	-
	93.855 Total	3,250,435	1,722,248			4,972,683	739,698
Surgical studies of gut epithelial apoptosis-initiated critical illness	93.859	(58,089)	-			(58,089)	-
The Role of Basal Bodies in Wnt Signaling	93.859	2,764	-			2,764	-
	93.859 Total	(55,325)	-			(55,325)	-
Pediatric HIV/AIDS Cohort Study (PHACS) Data and Operations Center (DOC): PH100 SMARTT	93.865	-	(75)	Harvard University	114205-1112-5096769	(75)	-
Fertility Decision-Making in Transgender Youth and Young Adults	93.865	1,071	-			1,071	1,766
Tiny Cargo, Big Deal! An Adaptive ED-Based eHealth Intervention to Promote Correct and Consistent Size-Appropriate Child Passenger Safety Behaviors and Reduce Disparities	93.865	539,046	-			539,046	40,759
A Data-Driven Analysis of Pediatric Organ Dysfunction Patterns to Discover Sepsis Phenotypes	93.865	38,074	-			38,074	24,841
Molecular Genetics of BBS	93.865	487,042	-			487,042	-
Cord Blood Adductomics in Bronchopulmonary Dysplasia	93.865	9,868	-			9,868	6,666
Corticospinal Tract Development in Intrauterine Growth Restriction	93.865	137,838	-			137,838	-
The interactive effects of physical activity and sedentary behaviors during childhood on adiposity in early adulthood	93.865	57,477	-			57,477	-
An injury plausibility assessment model for differentiating abusive from accidental fractures in young children	93.865	850,477	-			850,477	491,885
ADaPT to Engage: Assessing for Disparities and Potential Targets for Intervention to Engage Acutely Ill Children in Research	93.865	124,792	-			124,792	-
Preterm human milk composition in conditions of maternal overweight and obesity and effects of milk constituents on preterm infant body composition	93.865	140,427	-			140,427	23,417
Defining the microenvironment that will enable a long-term bioprosthetic ovary transplant	93.865	-	290,376	National Institute of Child Health and Human Development	R01HD104683	290,376	-
Pediatric CFS in a Community-Based Sample	93.865	-	4,708	DePaul University	5009995G108	4,708	-
The Impact of Early Medical Treatment in Transgender Youth	93.865	-	(1,650)	Children's Hospital Los Angeles	8011-RGF009152-00-3	(1,650)	-
Pediatric HIV/AIDS Cohort Study (PHACS) Data and Operations Center (DOC): PH200 AMP	93.865	-	(698)	Harvard University	114205-1110-5097819	(698)	-
PED Screen: Pediatric Sepsis EHR Registry, Clinical Outcomes, and Predictive Model Research Strategy	93.865	-	44,609	Northwestern University	60046347 LCH	44,609	-
(CR&PPR) VIRTUOUS Children's Study: Validating Injury to the Renal Transplant Using Urinary Signatures in Children	93.865	-	11,525	Children's Hospital of Philadelphia	3200880522/963007/27007	11,525	-
Long-term outcomes of interventions for reproductive dysfunction: Continence, behavioral outcomes, and novel predictors of brain masculinization	93.865	-	19,003	Oklahoma State University	1-571918-CHICAGO	19,003	-
Long-term outcomes of interventions for reproductivePreaward spend allowd.Start dt chng from 5/1 per task J918CR=915905.	93.865	-	154	Oklahoma State University	1-568197-CHICAGO	154	-
Disorders/Differences of Sex Development (DSD) - Translational Research Network	93.865	-	45,779	University of Michigan	SUBK00008040	45,779	-
Data-Informed Stepped Care (DiSC) to Improve Adolescent HIV Outcomes	93.865	-	4,546	University of Washington	UWSC10749	4,546	-
Improving the Detection of STIs in the Pediatric Emergency Department: A Pragmatic Trial	93.865	-	30,931	Children's National Hospital	30004942-01	30,931	-
The Effect of ED and After-ED Analgesic Treatment on Pediatric Long Bone Fracture Outcomes	93.865	-	67,831	Medical College of Wisconsin	6080573	67,831	-
A Longitudinal Study of Gender Nonconformity in Prepubescent Children	93.865	-	14,694	Children's Hospital Los Angeles	RGF011226-C	14,694	-
Functional dissection of GnRH defects and networks	93.865	-	5,728	Massachusetts General Hospital	229029	5,728	-
Molecular mechanisms and genetic drivers of reciprocal genomic disorders	93.865	-	(1,056)	Massachusetts General Hospital	233278	(1,056)	-
Effects of a Prenatal Depression Preventive Intervention on Parenting and Young Children's Self-Regulation and Functioning (EPIC)	93.865	-	19,683	Northwestern University	60053759 LCH	19,683	-
Integrating Environmental Cues at the Maternal-Fetal Vascular Interface	93.865	-	5,624	University of California at San Francisco	117335C	5,624	-
Administrative Supplement for Research on Bioethical Issues	93.865	-	3,060	Northwestern University	60054152 LUR	3,060	-
Stress Hydrocortisone In Pediatric Septic Shock (SHIPSS)	93.865	-	150	Children's Hospital Boston	GENFD0001752113	150	-
Clinical Trial of ENhancing Recovery in Children Undergoing Surgery - ENRICH-US	93.865	-	88,250	Northwestern University	60055120 LUR	88,250	-
Leveraging data to identify opportunities to address insecure care connections and poor health outcomes among people living with HIV	93.865	-	54,893	Indiana University	8457	54,893	-
FLOURISH - Following Longitudinal Outcomes to Understand, Report, Intervene and Sustain Health of Infants, Children and Adolescents who are HIV Exposed Uninfected	93.865	-	26,103	Massachusetts General Hospital	237245	26,103	-
Obesogenic Origins of Maternal and Child Metabolic Health Involving Dolutegravir (ORCHID)	93.865	-	85,243	Columbia University	5/GG014362	85,243	-
Pragmatic Pediatric Trial of Balanced versus Normal Saline Fluid in Sepsis	93.865	-	972	Children's Hospital of Philadelphia	GRT-00000762 / PO# 20228095	972	-
Health Outcomes around Pregnancy and Exposure to HIV/ARV (HOPE): Extending the Reach of PHACS to Examine Women's Health	93.865	-	166,996	Harvard University	117270-5112877	166,996	-
Pediatric HIV/AIDS Cohort Study (PHACS) 2020 - Scientific Administrative Core	93.865	-	97,642	Harvard University	117267-0110-5115568	97,642	-
Pediatric HIV/AIDS Cohort Study (PHACS) 2020 - SMARTT mPI	93.865	-	58,690	Harvard University	117267-0110-5115568	58,690	-
PHACS 2020 - Trajectories of Emotional Regulation and Behavior Outcomes and related Brain Regions And Intrinsic Networks (TERBO BRAIN), mPI	93.865	-	(3,693)	Harvard University	117267-0110-5115568	(3,693)	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - AdolescentMaster Protocol (AMP) for Subjects 18 Years of Age and Older	93.865	-	27,306	Harvard University	117267-0110-5115568/277375.011	27,306	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - Surveillance Monitoring for ART Toxicities Study in HIV-Uninfected Children Born to HIV-Infected Women (SMARTT)	93.865	-	35,925	Harvard University	117267-0110-5115568/277375.0112	35,925	-
Intensive Combination Approach to Rollback the Epidemic (iCARE) in Nigerian Adolescents	93.865	-	43,373	Northwestern University	60057252 LCH	43,373	-
Defining the Impact of Dolutegravir on the Maternal Metabolic Environment and Its Implications on Risk for Congenital Anomalies	93.865	-	(9,207)	University Health Network	111406.1 / FCC 410013795	(9,207)	-
PRagMatic Pediatric Trial of Balanced versus NOrmal Saline Fluid in Sepsis (PRoMPT BOLUS)	93.865	-	46,202	Children's Hospital of Philadelphia	GRT-00000762 / PO# 20228095	46,202	-
Pediatric HIV/AIDS Cohort Study (PHACS) 2020 - Health Education and Community Core (HECC)	93.865	-	22,526	Harvard University	117267-0110-511	22,526	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - TERBO BRAIN: Trajectories of Emotional Regulation and Behavior Outcomes and related Brain Regions and Intrinsic Networks	93.865	-	21,532	Harvard University	117267-0192-5121243	21,532	-
The Impact of Early Medical Treatment in Transgender Youth	93.865	-	111,505	Children's Hospital Los Angeles	000013763-C	111,505	-
CDPH Protect Chicago Vaccine Equity / Healthy Chicago Equity ZoneRegional Leads	93.865	-	100,371	University of North Carolina at Chapel Hill	5122116	100,371	-
Defining acute respiratory infections in a multicenter tracheostomy cohort	93.865	-	92,839	University of Colorado Denver	FY.1137.003	92,839	-
Microbiomic Mechanisms of Associations Between Early-Life Social Determinants of Health and Subclinical Cardiovascular Disease Phenotypes	93.865	-	24,021	Massachusetts General Hospital	239303	24,021	-
Precision Interventions for Severe and/or Exacerbation Prone Asthma (PreciSE) Network: CMAC application	93.865	-	128,864	Massachusetts General Hospital	R01HD096326	128,864	-

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Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Pediatric HIV/AIDS Cohort Study (PHACS) Data and Operations Center (DOC): PH200 AMP	93.865	-	49,342	Harvard University	117267-0292-5121709	49,342	-
PHACS 2020 - Trajectories of Emotional Regulation and Behavior Outcomes and related Brain Regions And Intrinsic Networks (TERBO BRAIN). mPI	93.865	-	263,209	Harvard University	117267-0110-5115568/277375.011	263,209	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - Adolescent Master Protocol (AMP) for Subjects 18 Years of Age and Older (AMP UP)	93.865	-	416,918	Harvard University	117267-0110-5115568/277375.0112	416,918	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - Surveillance Monitoring for ART Toxicities Study in HIV-Uninfected Children Born to HIV-Infected Women (SMARTT)	93.865	-	37,264	University of Michigan	3004906377	37,264	-
Improving Medication Adherence in adolescents who had a Liver Transplant: iMALT	93.865	-	15,015	University of Washington	UWSC10749	15,015	-
MicroRNAs and Perinatal Hypoxia-Ischemia	93.865	-	86,194	Northwestern University	60051209 LCH	86,194	-
The identification and pathophysiology of non-infarcted but injured myocardium in the post-ischemic heart	93.865	-	93,322	Children's Hospital Los Angeles	000013763-C	93,322	-
Harnessing the power of technology to develop a population-based HIV prevention program for trans girls	93.865	-	14,050	Center for Innovative Public Health Research	1 U01 HD108738-01	14,050	-
Bridging Gaps HSNF COVID-19	93.865	-	35,610	Northwestern University	60060068 LCH	35,610	-
Phase 3 AZM RSV Trial	93.865	-	3,152	University of Alabama at Birmingham	000529934-SC004	3,152	-
Pediatric HIV/AIDS Cohort Study (PHACS) Data and Operations Center (DOC)	93.865	-	(4,441)	Harvard University	117267-0292-5121711	(4,441)	-
Understanding the microenvironment of the pediatric ovary across the pubertal transition: implications for fertility (Tsui F30)	93.865	-	13,240	National Institutes of Health	F30HD107966	13,240	-
	<b>93.865 Total</b>	<b>2,386,112</b>	<b>2,808,150</b>			<b>5,194,262</b>	<b>589,334</b>
Regulation of mitochondrial DNA homeostasis and neuroinflammation by Fascin in Alzheimer's Disease	93.866	-	12,171	National Institute on Aging	RF1AG077451	12,171	-
	<b>93.866 Total</b>	-	<b>12,171</b>			<b>12,171</b>	-
A Randomized Trial to Evaluate Sequential vs Simultaneous Spectacles plus Patching(ATS22) for the Pediatric Eye Disease Investigator Group (PEDIG)	93.867	-	8,848	Jaeb Center for Health Research	N/A	8,848	-
PPR Bevacizumab ROP3	93.867	-	2,071	Jaeb Center for Health Research	1796	2,071	-
A randomized trial of low-dose bevacizumab versus laser for type 1 retinopathy of prematurity	93.867	-	1,521	Jaeb Center for Health Research	1796	1,521	-
	<b>93.867 Total</b>	-	<b>12,440</b>			<b>12,440</b>	-
Network of the National Library of Medicine Evaluation Center	93.879	-	16,434	Northwestern University	60058703 LCH	16,434	-
	<b>93.879 Total</b>	-	<b>16,434</b>			<b>16,434</b>	-
<b>National Institutes of Health (NIH) Total</b>		<b>22,978,830</b>	<b>9,279,963</b>			<b>32,258,793</b>	<b>5,584,480</b>
<b>Total Prefix 93- U.S. Department of Health and Human Services Total</b>		<b>23,540,160</b>	<b>10,002,505</b>			<b>33,542,665</b>	<b>5,718,198</b>
(CR & PPR) Multicenter Randomized Trial of Everolimus in Pediatric Heart Transplantation	12.420	-	33,048	Children's Hospital Boston	GENFD0001941384	33,048	-
DoD Neurofibromatosis Clinical Trials Consortium	12.420	-	5,174	University of Alabama at Birmingham	000516840-019-T001	5,174	-
Preemptive Rituximab to Prevent Recurrent Focal Segmental Glomerulosclerosis Post-Transplant	12.420	-	(1,911)	University of Minnesota	N006814109	(1,911)	-
Genomics and functional dissection of fetal brain abnormalities using a prenatal cohort	12.420	-	(2,025)	Children's Hospital Boston	GENFD0001941384	(2,025)	-
Implementation and Dissemination of Evidence-Based Interventions to Improve PrEP Care Continuum Outcomes Among Women in Community Health Clinics in the Southern U.S.	12.420	-	19,137	Icahn School of Medicine at Mount Sinai	0258-A811-4609	19,137	-
	<b>12.420 Total</b>	-	<b>53,423</b>			<b>53,423</b>	-
<b>Department of the Army Total</b>		-	<b>53,423</b>			<b>53,423</b>	-
<b>Total Prefix 12- U.S. Department of Defense Total</b>		-	<b>53,423</b>			<b>53,423</b>	-
Development of a Probability Model to Predict Head Injury Risk in Pediatric Falls	16.560	-	63,983	University of Louisville	ULRF_19-0938-01	63,983	-
	<b>16.560 Total</b>	-	<b>63,983</b>			<b>63,983</b>	-
<b>National Institute of Justice (NIJ) Total</b>		-	<b>63,983</b>			<b>63,983</b>	-
<b>Total Prefix 16- U.S. Department of Justice Total</b>		-	<b>63,983</b>			<b>63,983</b>	-
Intergovernmental personnel agreement (IPA) for S. Subramanian, federal FY20 (October 1, 2019 - Sep 30, 2020)	27.011	(3,502)	-			(3,502)	-
Intergovernmental personnel agreement (IPA) for H. Bu, federal FY21 (October 1, 2020 - Sep 30, 2021)	27.011	3,424	-			3,424	-
Intergovernmental personnel agreement (IPA) for X. Wang, federal FY21 (October 1, 2020 - Sep 30, 2021)	27.011	2,634	-			2,634	-
Intergovernmental personnel agreement (IPA) for H. Geng, federal FY21 (October 1, 2020 - Sep 30, 2021)	27.011	46,634	-			46,634	-
Intergovernmental personnel agreement (IPA) for S. Subramanian, federal FY21 (October 1, 2020 - Sep 30, 2021)	27.011	(7,638)	-			(7,638)	-
Intergovernmental personnel agreement (IPA) for S. Subramani	27.011	42,400	-			42,400	-
Intergovernmental personnel agreement (IPA) for H. Bu,	27.011	20,340	-			20,340	-
Intergovernmental personnel agreement (IPA) for H. Geng	27.011	32,146	-			32,146	-
Intergovernmental personnel agreement (IPA) for X. Wang	27.011	15,805	-			15,805	-
	<b>27.011 Total</b>	<b>152,243</b>	-			<b>152,243</b>	-
		152,243	-			152,243	-
<b>Total Prefix 27- U.S. Department of Veterans Affairs Total</b>		<b>152,243</b>	-			<b>152,243</b>	-
<b>Total Research and Development Cluster</b>		<b>23,692,403</b>	<b>10,134,492</b>			<b>33,826,895</b>	<b>5,718,198</b>
<b>Other Programs</b>							
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Head Start Trauma-Informed Care Innovation Project	93.600	-	45,237	Georgetown University	411723_GR424357_LCHC	45,237	-
Quality improvement to improve pediatric acute agitation management in the emergency department	93.600	-	140,724	Georgetown University	411723_GR424357_LCHC	140,724	-
	<b>93.600 Total</b>	-	<b>185,961</b>			<b>185,961</b>	-
		-	185,961			185,961	-
<b>Administration for Children and Families (ACF) Total</b>		-	185,961			185,961	-
PHIMC Subcontract: Strengthening Health Chicago Equity Zones: Initiative Design, Project Management and Technical Assistance	93.391	-	24,857	Public Health Institute of Metropolitan Chicago	N/A	24,857	-
	<b>93.391 Total</b>	-	<b>24,857</b>			<b>24,857</b>	-
COVID-19 Electronic Health Data Initiative	93.424	-	82,527	The Task Force for Global Health	NU38OT000316	82,527	-
	<b>93.424 Total</b>	-	<b>82,527</b>			<b>82,527</b>	-
Community Counts: Public Health Surveillance for Bleeding Disorders	93.080	-	1,299	Great Lakes Hemophilia Foundation	ATHN2020CDC-VW-555-01	1,299	-
Developing Best Practices to Identify Sexual and Gender Minority Youth in Foster Care through Community-Research Partnership	93.080	-	17,964	Great Lakes Hemophilia Foundation	ATHN2020CDC-VW-02	17,964	-
	<b>93.080 Total</b>	-	<b>19,263</b>			<b>19,263</b>	-
Collecting Violent Death Information Using National Violent Death Reporting System (NVDRS): Illinois	93.136	(607)	-			(607)	-
Collecting Violent Death Information Using National Violent Death Reporting System (NVDRS): Illinois	93.136	-	8,734	Northwestern University	60058827 LCH	8,734	-
	<b>93.136 Total</b>	<b>(607)</b>	<b>8,734</b>			<b>8,127</b>	-
Pediatric Environmental Health Specialty Unit - Great Lakes Center for Children's Environmental Health (PEHSU)	93.161	-	(86)	The Board of Trustees of the University of Illinois	17855-00	(86)	-
	<b>93.161 Total</b>	-	<b>(86)</b>			<b>(86)</b>	-
CDPH Protect Chicago Vaccine Equity / Healthy Chicago Equity ZoneRegional Leads	93.268	-	23,888	Northwest Side Housing Center	160574	23,888	-

The accompanying notes are an integral part of this Schedule of Expenditures of Federal Awards.

Children’s Hospital of Chicago Medical Center and Affiliated Corporations  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2022

Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
	93.268 Total	-	23,888			23,888	-
Surveillance of antimicrobial-resistant Gram negative bacteria and fungi in a Pakistan health care system	93.318	-	854	Northwestern University	60060796 LCH	854	-
	93.318 Total	-	854			854	-
CDPH Contact Tracing Program Award	93.323	-	358,675	Chicago Department of Public Health	138117	358,675	-
	93.323 Total	-	358,675			358,675	-
PS17-1704: Comprehensive High-Impact HIV Prevention Projects for Young Transgender Persons of Color	93.939	-	39,873	Howard Brown Health Center	NU65PS923654-02	39,873	-
	93.939 Total	-	39,873			39,873	-
Population Centered Health Homes (PCHH) - CDC STD	93.940	-	(4,423)	Chicago Department of Public Health	110219	(4,423)	-
Population Centered Health Homes (PCHH) - CDC STD	93.940	-	606	Chicago Department of Public Health	110219	606	-
Center for the Evaluation of Community HIV Services Portfolio	93.940	-	(12,664)	Northwestern University	60056222 LCH	(12,664)	-
Evaluation of Chicago's Community HIV Services Portfolio	93.940	-	(5,463)	Northwestern University	60055436 LCH	(5,463)	-
Healthcare Access-Population Centered Health Homes: CDC PS18-1802 Prevention FY2021	93.940	-	9,079	Chicago Department of Public Health	110219/1042731	9,079	-
Healthcare Access-Population Centered Health Homes: Corporate FY2021	93.940	-	10,402	Chicago Department of Public Health	116623/1042731	10,402	-
TitleBevacizumab Treatment for Posterior Type I Retinopathy of Prematurity (ROP4)	93.940	-	7,406	Northwestern University	60058159 LCH	7,406	-
HIV Services Portfolio- Year 3	93.940	-	24,895	Northwestern University	60058560 LCH	24,895	-
	93.940 Total	-	29,838			29,838	-
Evaluation of TransLife Center: A Locally-Developed Combination Prevention Intervention for Transgender Women at High Risk of HIV Infection	93.941	-	13,354	Chicago House & Social Service Agency	N/A	13,354	-
	93.941 Total	-	13,354			13,354	-
Illinois Perinatal Quality Collaborative (ILPQC) Title V	93.944	-	11,805	Northwestern University	60058606 LUR	11,805	-
	93.944 Total	-	11,805			11,805	-
Illinois Perinatal Quality Collaborative Working Together for Healthier Moms and Babies in Illinois	93.946	-	14,899	Northwestern University	60047722 LCH	14,899	-
	93.946 Total	-	14,899			14,899	-
Centers for Disease Control and Prevention (CDC) Total		(607)	628,481			627,874	-
Neighborhood Integrated Care for Kids Model (NiNCK)	93.378	2,998,792	-			2,998,792	379,690
	93.378 Total	2,998,792	-			2,998,792	379,690
Interrogation of the KDM1A-IL18 Axis in Pediatric High-Grade Glioma	93.778	-	47,784	The Ohio State University	2205OHSADM	47,784	-
	93.778 Total	-	47,784			47,784	-
Centers for Medicare and Medicaid Services (CMS) Total		2,998,792	47,784			3,046,576	379,690
PERINATAL NETWORK (916373)	93.994	-	26,722			26,722	-
	93.994 Total	-	26,722			26,722	-
COLlaborative Neurology Networks for Enhanced Care through Telehealth for CYE (CONNECT) Consortium	93.110	399,857	-			399,857	30,231
HRSA Central Region Thalassemia Collaborative	93.110	53,464	-			53,464	5,972
Northern States Regional Hemophilia Network	93.110	-	28,294	Great Lakes Hemophilia Foundation	H30MC24052	28,294	-
MCH Research Network Programs	93.110	-	40,055	University of Colorado Denver	FY.19.605.005	40,055	-
	93.110 Total	453,321	68,349			521,670	36,203
Illinois Emergency Medical Services for Children State Partnership Program (Lurie Children's - IL Dept. of Public Health Partnership)	93.127	90,990	-			90,990	-
	93.127 Total	90,990	-			90,990	-
MIECHV Home Visiting Mental Health Consultation Program	93.870	-	(133)	Illinois Department of Human Services	FCSZV05171	(133)	-
MIECHV Home Visiting Mental Health Consultation Program	93.870	-	128,945	Illinois Department of Human Services	FCSAV05171	128,945	-
Northwestern University Clinical and Translational Science Institute (NUCATS)	93.870	-	229	Illinois Department of Public Health	FCSZV05171	229	-
	93.870 Total	-	129,041			129,041	-
Academic Units for Primary Care Training and Enhancement	93.884	-	29,047	Northwestern University	60043855 ARLCHC	29,047	-
	93.884 Total	-	29,047			29,047	-
Population Centered Health Homes (PCHH)	93.914	-	3,414	Chicago Department of Public Health	116624	3,414	-
Population Centered Health Homes (PCHH)	93.914	-	229,958	Chicago Department of Public Health	116624	229,958	-
Population Centered Health Homes (PCHH)	93.914	-	704	Chicago Department of Public Health	116624	704	-
Quality Management for HIV Services in Chicago	93.914	-	(4,203)	Northwestern University	60056212 LCH	(4,203)	-
Population Centered Health Homes (PCHH)	93.914	-	1,455	Chicago Department of Public Health	116624	1,455	-
HIV Prevention Services-Year3	93.914	-	28,338	Northwestern University	60058559 LCH	28,338	-
	93.914 Total	-	259,666			259,666	-
Health Resources and Services Administration (HRSA) Total		544,311	512,825			1,057,136	36,203
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	-	(4,727)	Chicago Department of Public Health	32933	(4,727)	-
	93.817 Total	-	(4,727)			(4,727)	-
Hospital Preparedness- Pediatric Preparedness 2018	93.889	-	26,076	Illinois Department of Public Health	17280012I	26,076	-
Hospital Preparedness Program - Special Pathogen Center (IHA Supplemental Funding)	93.889	-	47,616	Illinois Health and Hospital Association	138615	47,616	-
Hospital Preparedness- Pediatric Preparedness 2018	93.889	-	178,224	Illinois Department of Public Health	27280012J	178,224	-
Disaster Response	93.889	-	49,415	University Hospitals Cleveland Medical Center	WS#2021-1125	49,415	-
	93.889 Total	-	301,331			301,331	-
Immed Office Of The Secretary Of Health And Human Services Total		-	296,603			296,603	-
Connect for Youth	93.243	177,789	-			177,789	55,000
Center for Safe Supportive Schools (CS3) Regional Site	93.243	-	158,458	University of Maryland, Baltimore	3000801	158,458	-
	93.243 Total	177,789	158,458			336,247	55,000
Substance Abuse and Mental Health Services Administration (SAMHSA) Total		177,789	158,458			336,247	55,000
COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution							
COVID-19 Provider Relief Fund - Ann & Robert H Lurie Children's Hospital of Chicago	93.498	25,257,536	-			25,257,536	-
COVID-19 Provider Relief Fund - Lurie Children's Medical Group	93.498	1,448,550	-			1,448,550	-
COVID-19 Provider Relief Fund - Pediatric Faculty Foundation	93.498	4,099,340	-			4,099,340	-
COVID-19 Provider Relief Fund - Lurie Children's Pediatric Anesthesiology Associates	93.498	422,458	-			422,458	-
COVID-19 Provider Relief Fund - Lurie Children's Surgical Foundation	93.498	1,075,905	-			1,075,905	-
COVID-19 Provider Relief Fund - Almost Home Kids	93.498	83,463	-			83,463	-
	93.498 Total	32,387,252	-			32,387,252	-

COVID-19 HRSA Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund

Children's Hospital of Chicago Medical Center and Affiliated Corporations  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2022

Federal Program	Assistance Listing Number	Direct Expenditures	Pass-Through Expenditures	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
COVID-19 HRSA Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund - Ann & Robert H Lurie Children's Hospital of Chicago	93.461	44,308	-			44,308	-
COVID-19 HRSA Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund - Pediatric Faculty Foundation	93.461	<u>2,136</u>	<u>-</u>			<u>2,136</u>	<u>-</u>
<b>93.461 Total</b>		<b><u>46,444</u></b>	<b><u>-</u></b>			<b><u>46,444</u></b>	<b><u>-</u></b>
<b>Total Prefix 93- U.S. Department of Health and Human Services Total</b>		<b><u>36,153,981</u></b>	<b><u>1,830,113</u></b>			<b><u>37,984,094</u></b>	<b><u>470,893</u></b>
<b>U. S. DEPARTMENT OF AGRICULTURE (USDA)</b>							
Ed on child abuse & neglect (916307)	10.557	-	10,738			10,738	-
Dev of Child Abuse Edu Modules (916440)	10.557	-	56,850			56,850	-
<b>10.557 Total</b>		<b><u>-</u></b>	<b><u>67,588</u></b>			<b><u>67,588</u></b>	<b><u>-</u></b>
Food and Nutrition Service Total		-	67,588			67,588	-
Distance Learning and Telemedicine Grant Agreement	10.855	(47,265)	-			(47,265)	-
<b>10.855 Total</b>		<b><u>(47,265)</u></b>	<b><u>-</u></b>			<b><u>(47,265)</u></b>	<b><u>-</u></b>
Rural Utilities Service (RUS) Total		-	-			(47,265)	-
<b>Total Prefix 10- U.S. Department of Agriculture (USDA)</b>		<b><u>(47,265)</u></b>	<b><u>67,588</u></b>			<b><u>20,323</u></b>	<b><u>-</u></b>
<b>U. S. DEPARTMENT OF EDUCATION (ED)</b>							
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	-	2,808,447	Illinois Department of Public Health	23282004J	2,808,447	1,020,740
<b>84.425D Total</b>		<b><u>-</u></b>	<b><u>2,808,447</u></b>			<b><u>2,808,447</u></b>	<b><u>1,020,740</u></b>
Education Stabilization Fund (ESF) Total	<b>84.425 Total</b>	<b><u>-</u></b>	<b><u>2,808,447</u></b>			<b><u>2,808,447</u></b>	<b><u>1,020,740</u></b>
<b>Total Prefix 84- U.S. Department of Education (ED)</b>		<b><u>-</u></b>	<b><u>2,808,447</u></b>			<b><u>2,808,447</u></b>	<b><u>1,020,740</u></b>
<b>U. S. DEPARTMENT OF JUSTICE (DOJ)</b>							
VOCA: The Implementation of Trauma Informed Care with Regards to Community Violence	16.575	-	425,749	Illinois Criminal Justice Information Authority	219057	425,749	-
<b>16.575 Total</b>		<b><u>-</u></b>	<b><u>425,749</u></b>			<b><u>425,749</u></b>	<b><u>-</u></b>
Office of Justice Programs Total		-	425,749			425,749	-
<b>Total Prefix 16- U.S. Department of Justice (DOJ)</b>		<b><u>-</u></b>	<b><u>425,749</u></b>			<b><u>425,749</u></b>	<b><u>-</u></b>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY (DHS)</b>							
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>							
<b>COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b>							
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>4,129,603</u>	<u>-</u>			<u>4,129,603</u>	<u>-</u>
<b>97.036 Total</b>		<b><u>4,129,603</u></b>	<b><u>-</u></b>			<b><u>4,129,603</u></b>	<b><u>-</u></b>
<b>Total Prefix 97- U.S. Department of Homeland Security (DHS)</b>		<b><u>4,129,603</u></b>	<b><u>-</u></b>			<b><u>4,129,603</u></b>	<b><u>-</u></b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>							
<b>COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS</b>							
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	-	20,000,000	Illinois Department of Healthcare and Family Services	ARPA200001	20,000,000	-
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	<u>-</u>	<u>4,200,000</u>	Illinois Department of Public Health	20180039J	<u>4,200,000</u>	<u>-</u>
<b>21.027 Total</b>		<b><u>-</u></b>	<b><u>24,200,000</u></b>			<b><u>24,200,000</u></b>	<b><u>-</u></b>
<b>Total Prefix 21- U.S. Department of the Treasury</b>		<b><u>-</u></b>	<b><u>24,200,000</u></b>			<b><u>24,200,000</u></b>	<b><u>-</u></b>
<b>Total Other Programs</b>		<b>40,236,319</b>	<b>29,331,897</b>			<b>69,568,216</b>	<b>1,491,633</b>
<b>Other Clusters</b>							
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
IDOT - Buckle Up Program - Injury Prevention	20.600	-	10,784	Illinois Department of Transportation	HS-21-0249, 02-02	10,784	-
A Comprehensive Hybrid Radiology Interest Group with Mixed Live, Virtual, and Recorded Events Targeting Underserved Medical Student Population: A Regional Pilot Program to Prove Efficiency and Scalability	20.600	<u>-</u>	<u>124,989</u>	Illinois Department of Transportation	HS-21-0249, 02-02	<u>124,989</u>	<u>-</u>
<b>20.600 Total</b>		<b><u>-</u></b>	<b><u>135,773</u></b>			<b><u>135,773</u></b>	<b><u>-</u></b>
<b>Total Prefix 20- U.S. Department of Transportation</b>		<b><u>-</u></b>	<b><u>135,773</u></b>			<b><u>135,773</u></b>	<b><u>-</u></b>
<b>Total Other Clusters</b>		<b><u>-</u></b>	<b><u>135,773</u></b>			<b><u>135,773</u></b>	<b><u>-</u></b>
<b>Grand Total Expenditures of Federal Awards</b>		<b>\$ 63,928,722</b>	<b>\$ 39,602,162</b>			<b>\$ 103,530,884</b>	<b>\$ 7,209,831</b>

## Children's Hospital of Chicago Medical Center and Affiliated Corporations

### Notes to Schedule of Expenditures of Federal Awards Year Ended August 31, 2022

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#### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the 'Schedule') includes the federal award activity of The Children's Hospital of Chicago Medical Center and Affiliated Corporations (the 'Medical Center') under programs of the federal government for the year ended August 31, 2022. The information in this 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'). Because the Schedule presents only a selected portion of the operations of the Medical Center, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Medical Center.

#### 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are recognized under the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### 3. Indirect Cost Rate

The Medical Center has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

#### 4. U.S. Department of Health and Human Services Provider Relief Funds

The Schedule includes award activity related to the U.S. Department of Health and Human Services ('HHS') Coronavirus Aid Relief and Economic Security ('CARES') Act Assistance Listing Number 93.498. As required based on guidance in the 2022 OMB Compliance Supplement, the Schedule includes all Period 2 and Period 3 funds received between July 1, 2020 and June 30, 2021 and expended by June 30, 2022 as reported to HRSA via the PRF Reporting Portal. The Schedule thus includes \$5,195,758 of direct expenditures and \$27,191,494 in lost revenue.

#### 5. HRSA COVID-19 Claims Reimbursement for the Uninsured

The Medical Center conducted COVID-19 testing and/or provided treatment for uninsured individuals with a COVID-19 primary diagnosis on or after February 4, 2020 and as such has requested claims reimbursement under Assistance Listing Number 93.461 Health Resources and Services Administration's ('HRSA') COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund. The Medical Center has recorded \$46,444 on the Schedule reimbursed for the year ended August 31, 2022 from HRSA. Reimbursements are recognized within the Schedule in the period approved and reimbursed by HRSA.

#### 6. FEMA Disaster Grants – Public Assistance

During fiscal year 2022, the Medical Center received \$4,129,603 under their FEMA Project Worksheet applications related to the COVID-19 Emergency Protective Measures project. The expenses associated with these Project Worksheets are included in the Schedule in the year the Project Worksheets are approved and expenditures have been incurred. The total \$4,129,603 of expenditures related to these Project Worksheets were incurred in the fiscal year ended August 31, 2021, but approved in the fiscal year ended August 31, 2022.

**Children's Hospital of Chicago Medical Center and Affiliated Corporations**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2022**

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**7. Noncash Assistance, Insurance, Loans and Loan Guarantees Outstanding**

The Medical Center did not receive any noncash assistance during the year ended August 31, 2022. There were no federal awards expended for insurance or any loans or loan guarantees outstanding as of August 31, 2022.



**Report 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***

**Independent Auditor's Report**

Board of Directors  
Children's Hospital of Chicago Medical Center

We have audited, in accordance with the 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 Children's Hospital of Chicago Medical Center and Affiliated Corporations (the Medical Center), which comprise the consolidated balance sheet as of August 31, 2022, the related consolidated statements of operations and changes in net assets and of cash flow for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 9, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Medical Center'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center'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 Medical Center's consolidated financial statements are free from 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 consolidated 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.

*RSM US LLP*

Chicago, Illinois  
December 9, 2022

**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

**Independent Auditor's Report**

Board of Directors  
Children's Hospital of Chicago Medical Center

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Children's Hospital of Chicago Medical Center and Affiliated Corporation's (the Medical Center) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Medical Center's major federal programs for the year ended August 31, 2022. The Medical Center'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, the Medical Center 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 August 31, 2022.

***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; 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 the Medical Center and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Medical Center'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 the Medical Center'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 the Medical Center'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 the Medical Center'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 the Medical Center'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 the Medical Center'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 the Medical Center'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 an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* require the auditor to perform limited procedures on the Medical Center's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Medical Center'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.

### **Report on Internal Control Over Compliance**

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. 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of the Medical Center as of and for the year ended August 31, 2022, and have issued our report thereon dated December 9, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*RSM VS LLP*

Chicago, Illinois  
February 17, 2023

**Children's Hospital of Chicago Medical Center and Affiliated Corporations**

**Schedule of Findings and Questioned Costs  
Year Ended August 31, 2022**

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**I. SUMMARY OF AUDITOR'S RESULTS**

*Consolidated Financial Statements*

Type of auditor's report 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 programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes     X     No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes     X     None Reported

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund (ESF)
93.498	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

**II. FINANCIAL STATEMENT FINDINGS**

No matters to report.

## Children's Hospital of Chicago Medical Center and Affiliated Corporations

### Schedule of Findings and Questioned Costs (Continued) Year Ended August 31, 2022

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#### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

##### **FINDING 2022-001 – Reporting Requirements**

**Federal program:** U.S. Department of Health and Human Services – ALN 93.498, Provider Relief Fund and American Rescue Plan ('ARP') Rural Distribution

**Criteria:** Specific criteria are established by the U.S. Department of Health and Human Services ('HHS') with respect to allowable cost and reporting requirements for this program, including:

- Funds shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus.
- Entities may elect to calculate and report lost revenue using one of three options. For entities electing to report lost revenues using Option iii, the alternative method used to calculate lost revenue should be consistent with a narrative description of the methodology as submitted in the PRF reporting portal.

**Condition:** In the Medical Center's Period 2 and Period 3 reporting in the PRF reporting portal, the Medical Center reported lost revenue using Option iii for each affiliated entity included in the schedule of expenditures of federal awards that received PRF. The alternative method used to calculate lost revenues was budget-to-actual revenues for the period from January 2020 through August 2020 and year-over-year actual revenues for the period from September 2020 through August 2021. In the lost revenue calculation for the third quarter of calendar year 2021 for each entity, the Medical Center understated actual revenues by \$9,693,882 in total.

**Context:** The Medical Center did not report lost revenues for the third quarter of 2021 for any entity, because actual revenue exceeded the prior year's actual revenue for each entity. Had the correct amounts of actual revenue been reported for the third quarter of 2021, actual revenue for the quarter still would have exceeded the prior year's actual revenue for each entity and no lost revenue would be reported.

**Cause:** In preparing the reports, management used preliminary estimates of revenue for the month of August 2021 in error. Additionally for one entity, the method used to calculate actual revenue for the month of July 2021 was not consistent with other months. Review processes were performed before the reports were submitted, but these reviews did not detect and correct the errors before submission.

**Effect:** The Medical Center's reporting in the PRF reporting portal for each affiliated entity included an inaccurate amount of actual revenue for the third quarter of calendar year 2021, which was not consistent with methodology described in the Option iii narrative submitted. The PRF reporting correctly reported no lost revenue for the quarter.

**Questioned costs:** None

**Repeat finding:** No

**Recommendation:** We recommend that management correct the error in the Period 4 PRF reporting submissions. We also recommend that management's review of the lost revenue calculations and reporting in the PRF reporting portal include review of documentation supporting each dollar amount included in the calculation.

**Views of responsible officials of the auditee:** Management agrees with the finding and the auditor's recommendation.

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED AUGUST 31, 2022**

Identifying Number: 2021-001 – HRSA uninsured patient eligibility

Audit Finding: In testing compliance with the eligibility requirement, out of 60 claims selected to test patient eligibility, three claims totaling \$300 were identified where management was unable to provide evidence that insurance verification had been performed at the time of service. Two of these three patients were subsequently determined in March 2022 to be insured at the time of service or retroactively enrolled in Medicaid as of the date of service, which qualified the patients as insured at the date of service and therefore ineligible for HRSA reimbursement.

Corrective Action Taken: Management's corrective action plan included:

- Within the patient accounting system, the registration team documents in the patient notes that an insurance verification was completed, and if no insurance coverage was found, confirms that the patient is indeed uninsured.
- Management completed a Medicaid eligibility check on all patients in which a HRSA uninsured reimbursement for Covid-19 testing was received. The Medical Center returned any funds to HRSA received in error.
- Management also completes a separate Medicaid edibility verification check on a monthly basis for any patient with a HRSA uninsured payment. For any patients identified as having retroactive Medicaid coverage, a refund was submitted to HRSA.

Identifying Number: 2021-002 – Claim reimbursement for an uninsured patient was not reviewed for backdated Medicaid coverage

Audit Finding: In testing compliance with the eligibility requirement, out of 60 claims selected to test patient eligibility, seven claims totaling \$3,560 were identified where patients were initially uninsured at the time of service, but subsequently became Medicaid eligible. This was not identified by the Medical Center's processes and controls. It was determined in March and April 2022 that these patients should have been retroactively enrolled in Medicaid as of the date of service, which qualified the patients as insured at the date of service and therefore ineligible for HRSA reimbursement.



Corrective Action Taken: Management's corrective action plan included:

- Management completed a Medicaid eligibility check on all patients in which a HRSA uninsured reimbursement for Covid-19 testing was received. The Medical Center returned any funds to HRSA received in error.
- Management also completes a separate Medicaid edibility verification check on a monthly basis for any patient with a HRSA uninsured payment. For any patients identified as having retroactive Medicaid coverage, a refund was submitted to HRSA.

### Management's View and Corrective Action Plan

The following is the Medical Center's response to the audit of Federal programs in accordance with the Uniform Guidance for the year ended August 31, 2022.

#### Finding 2022-001 – Reporting Requirements

<b>Grantor:</b>	U.S. Department of Health and Human Services
<b>Program:</b>	Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
<b>Assistance Listing #:</b>	93.498
<b>Title:</b>	COVID-19 Provider Relief Fund
<b>Award Year:</b>	Fiscal year 2022 9/1/21-8/31/22
<b>Award Number:</b>	Not Listed

Management understands the importance of accurate reporting for the Provider Relief Fund reporting. At the time of the second and third reporting submissions, the proper review and tie out of final net revenue was not completed for August 2021 net revenue.

#### Corrective Action Plan and Anticipated Completion Date:

The net revenue amounts reported in error for August 2021 will be revised from the reported estimated amounts to actual net revenues in the Period 4 reporting submission, which will be submitted by March 31, 2023. With no lost revenue being claimed beyond what has already been reported to HRSA, management will also update methodology narrative to reference the last month with lost revenues was March 2021 and no additional revenue will be reported.

For follow up questions and information, please contact Matt Aumick, Senior Director of Accounting & Financial Reporting, at [maumick@luriechildrens.org](mailto:maumick@luriechildrens.org).

Sincerely,

*Matthew Aumick*

Matt Aumick  
Senior Director of Accounting & Financial Reporting  
[maumick@luriechildrens.org](mailto:maumick@luriechildrens.org)