

# **The Children's Hospital of Philadelphia Foundation and Controlled Affiliates**

**Reports on Federal, City and State, Awards in  
Accordance with the OMB Uniform Guidance, the  
City of Philadelphia Subrecipient Audit Guide and  
New Jersey Department of the Treasury Circular  
Letter 15-08-OMB  
June 30, 2023**

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**June 30, 2023**

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## **Report of Independent Auditors**

To The Board of Trustees of  
The Children's Hospital of Philadelphia Foundation

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of The Children's Hospital of Philadelphia Foundation and Controlled Affiliates (the "Company"), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

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

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company 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.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' 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 US 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 US 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 consolidated 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 consolidated 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 Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

### ***Supplemental Information***

#### *Supplemental Information (Consolidating Information)*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating information as of and for the year ended June 30, 2023 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 consolidating 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.



*Supplemental Information (Schedules of Expenditures of Federal and State Awards)*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, schedule of expenditures of New Jersey state financial assistance awards, and the supplemental statements of program expenditures and program revenues of City of Philadelphia awards for the year ended June 30, 2023 are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *State of New Jersey Single Audit Policy-Circular Letter 15-08-OMB*, and the *City of Philadelphia Subrecipient Audit Guide*, which incorporates the guidance from the Uniform Guidance and are not a required part of the consolidated financial statements. As described in Note 1 to the schedule of expenditures of federal awards, the accompanying schedule of expenditures of federal awards, the unaudited schedule of expenditures of New Jersey state financial assistance awards, and the supplemental statements of program expenditures and program revenues of City of Philadelphia awards were prepared on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 schedule of expenditures of federal awards and the supplemental statements of program expenditures and program revenues of City of Philadelphia awards have 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, and the supplemental statements of program expenditures and program revenues of the City of Philadelphia awards are fairly stated, in all material respects, on the basis of accounting described in Note 1, in relation to the consolidated financial statements as a whole.

The Schedule of Expenditures of New Jersey State Financial Assistance Awards for the year ended June 30, 2023 on page 46 has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2023 on our consideration of the Company'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 for the year ended June 30, 2023. 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 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 Company's internal control over financial reporting and compliance.

*PricewaterhouseCoopers LLP*

Philadelphia, Pennsylvania  
September 29, 2023

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Consolidated Balance Sheets**  
**June 30, 2023 and 2022**

<b>ASSETS</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Current assets		
Cash	\$375,073,000	\$329,258,000
Receivables for patient services	937,925,000	842,833,000
Current portion of pledges receivable, net	35,737,000	41,326,000
Due from third parties	42,476,000	32,297,000
Other receivables	103,301,000	109,664,000
Current portion of assets limited as to use	80,167,000	78,100,000
Supplies, drugs and prepaid expenses	87,581,000	84,278,000
Total current assets	<u>1,662,260,000</u>	<u>1,517,756,000</u>
Assets limited as to use		
Board designated	2,717,557,000	2,812,484,000
Restricted by donor	429,371,000	393,106,000
Trustee-held for construction and debt service fund	40,377,000	36,168,000
Trustee-held for self-insurance and other	388,209,000	365,621,000
Noncurrent assets limited as to use	<u>3,575,514,000</u>	<u>3,607,379,000</u>
Investments	672,440,000	633,773,000
Land, buildings and equipment at cost, net	3,653,916,000	3,442,114,000
Operating lease right-of-use asset	172,793,000	189,611,000
Pledges receivable, net	54,179,000	75,089,000
Long-term notes receivable	-	140,000
Other long-term assets and receivables	45,812,000	32,442,000
Total assets	<u>\$9,836,914,000</u>	<u>\$9,498,304,000</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current portion of long-term debt	\$23,173,000	\$22,373,000
Current portion of operating lease liabilities	20,376,000	16,168,000
Accounts payable and accrued expenses	667,562,000	628,808,000
Current portion of pledges payable	-	5,000,000
Total current liabilities	<u>711,111,000</u>	<u>672,349,000</u>
Long-term debt, net	1,419,111,000	1,269,333,000
Other liabilities	308,771,000	330,855,000
Operating lease liabilities	152,417,000	173,471,000
Accrued pension cost	18,792,000	10,837,000
Long term pledges payable	5,000,000	5,000,000
Total liabilities	<u>2,615,202,000</u>	<u>2,461,845,000</u>
<b>NET ASSETS</b>		
Without donor restriction	6,479,240,000	6,334,264,000
With donor restriction	742,472,000	702,195,000
Total net assets	<u>7,221,712,000</u>	<u>7,036,459,000</u>
Total liabilities and net assets	<u>\$9,836,914,000</u>	<u>\$9,498,304,000</u>

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

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Consolidated Statements of Operations**  
**Years Ended June 30, 2023 and 2022**

	June 30,	
	2023	2022
<b>REVENUES AND OTHER SUPPORT</b>		
Patient service revenue	\$3,346,533,000	\$3,080,165,000
Contributions	14,502,000	14,813,000
Research revenue	393,620,000	320,651,000
Other operating revenue, gains and support	300,918,000	262,956,000
CARES Act funding	-	1,229,000
Total revenues and other support	4,055,573,000	3,679,814,000
<b>EXPENSES</b>		
Salaries, wages and professional fees	2,125,984,000	1,853,106,000
Employee benefits	477,191,000	412,530,000
Supplies	510,515,000	447,165,000
Purchased services and other expenses	586,961,000	542,320,000
Depreciation	307,253,000	256,000,000
Interest and amortization	24,650,000	14,240,000
Total expenses	4,032,554,000	3,525,361,000
Operating Income	23,019,000	154,453,000
Dividend and Interest income, net	26,424,000	24,476,000
Earnings allocations	(58,002,000)	(18,425,000)
Realized gains on investments	193,311,000	93,128,000
Sponsorship	(3,855,000)	(7,741,000)
Change in fair value of derivatives	-	90,000
Unrealized gains / (losses) on investments	12,382,000	(448,445,000)
Gains on alternative investments	(55,300,000)	130,948,000
Loss on extinguishment of debt	-	2,719,000
Other components of net periodic benefit costs	(2,176,000)	(2,270,000)
Non-controlling interest	(392,000)	(422,000)
Excess of revenue over expenses	135,411,000	(71,489,000)
Pension related changes other than net periodic benefit cost	(1,946,000)	1,631,000
Change in fair value of derivatives	897,000	8,905,000
Net assets released from restrictions for capital	10,493,000	19,564,000
Transfer from affiliates	144,000	298,000
External funding for capital	-	9,065,000
Transfer to net assets with donor restriction	(23,000)	(134,000)
Increase in net assets without donor restriction	\$144,976,000	(\$32,160,000)

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



**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended June 30, 2023 and 2022**

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTION</b>		
Excess of revenues over expenses	\$135,411,000	(\$71,489,000)
Pension related changes other than net periodic benefit cost	(1,946,000)	1,631,000
Change in fair value of derivatives	897,000	8,905,000
Net assets released from restrictions for capital	10,493,000	19,564,000
Transfer from affiliates	144,000	298,000
External funding for capital	-	9,065,000
Transfer to net assets with donor restriction, net	(23,000)	(134,000)
Increase in net assets without donor restriction	<u>144,976,000</u>	<u>(32,160,000)</u>
<b>NET ASSETS WITH DONOR RESTRICTION</b>		
Contributions	91,613,000	115,672,000
Interest and dividend income	1,869,000	2,133,000
Realized gains on investments	20,462,000	10,113,000
Change in unrealized losses on investments	(4,204,000)	(18,190,000)
Net assets released from restrictions for operations	(63,494,000)	(47,878,000)
Net assets released from restrictions for capital	(10,265,000)	(19,320,000)
Increase / (decrease) in value of perpetual trusts	4,273,000	(4,177,000)
Transfer from net assets without donor restriction, net	23,000	134,000
Increase in net assets with donor restriction	<u>40,277,000</u>	<u>38,487,000</u>
Increase in net assets	185,253,000	6,327,000
<b>NET ASSETS</b>		
Beginning of Year	<u>7,036,459,000</u>	<u>7,030,132,000</u>
End of Period	<u>\$7,221,712,000</u>	<u>\$7,036,459,000</u>

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

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2023 and 2022**

	June 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$185,253,000	\$6,327,000
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	305,204,000	253,721,000
Contributions restricted for endowment and capital	(58,902,000)	(39,710,000)
Realized gains on investments	(213,773,000)	(103,241,000)
Change in unrealized losses on investments	42,849,000	339,865,000
Change in fair value of derivatives	(897,000)	(8,995,000)
Pension related changes other than net periodic benefit cost	1,946,000	(1,631,000)
Loss on extinguishment of debt	-	(2,719,000)
Other bond related accounts	(2,049,000)	26,110,000
Receivables for patient services	(95,092,000)	(244,418,000)
Other current assets	10,075,000	(49,988,000)
Pledges receivable	26,499,000	(26,209,000)
Other long term assets	5,637,000	24,456,000
Accounts payable and accrued expenses	45,380,000	(36,524,000)
Pledges payable	(5,000,000)	10,000,000
Accrued pension cost	6,009,000	1,126,000
Amounts due from third parties, net	(10,179,000)	(2,968,000)
Other liabilities	(38,930,000)	14,373,000
Net cash provided by operating activities	<u>204,030,000</u>	<u>159,575,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land, buildings and equipment	(524,784,000)	(571,963,000)
Purchase of investments	(2,167,515,000)	(2,600,559,000)
Sale of investments	1,601,340,000	2,362,286,000
Other Investment Activity	1,043,134,000	324,481,000
Net cash used in investing activities	<u>(47,825,000)</u>	<u>(485,755,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(22,373,000)	(440,818,000)
Proceeds from new debt	175,000,000	365,500,000
Contributions restricted for endowment and capital	58,902,000	39,710,000
Net cash provided by financing activities	<u>211,529,000</u>	<u>(35,608,000)</u>
Net increase in cash	367,734,000	(361,788,000)
<b>CASH</b>		
Beginning of Year	<u>437,457,000</u>	<u>799,245,000</u>
End of Year	<u>\$805,191,000</u>	<u>\$437,457,000</u>
<b>SUPPLEMENTAL DISCLOSURE</b>		
Cash paid during the year for interest	\$ 33,483,000	\$ 44,637,000

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

# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates

## Notes to Consolidated Financial Statements

### June 30, 2023 and 2022

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#### 1. Organization and Summary of Significant Accounting Policies

The Children's Hospital of Philadelphia Foundation (the "Foundation") and The Children's Hospital of Philadelphia ("CHOP") are Pennsylvania nonprofit tax-exempt corporations. The Foundation is the parent corporation of CHOP and raises charitable contributions to support the tax-exempt activities of CHOP. In July 2002, the Foundation and CHOP formed an "Obligated Group" with J.P. Morgan Trust Company as Trustee. Also included in the operating results of the Obligated Group are the following entities: CHOP Clinical Associates, Inc. ("Clinical Associates"), The Children's Hospital of Philadelphia Practice Association ("CHOPPA"), First Medical Insurance Company ("RRG"), Bache Lewis and Penrose LLC, 4865 Market Street Associates LP and 1700 Broad Street Inc.

CHOP was founded in 1855 and is the nation's first hospital dedicated exclusively to pediatrics. The hospital strives to be the world leader in the advancement of health care for children by integrating excellent patient care, innovative research and quality professional education into all its programs. CHOP is an integrated pediatric health care delivery system that provides quaternary and acute level pediatric services as well as emergency, primary, specialty, homecare and poison control care for children. CHOP has fostered some of the nation's pioneers in pediatric medicine and continues to be the premier training ground for future pediatric leaders. Its educational program includes one of the largest pediatric residency programs in the country. The hospital is also committed to researching and finding cures for chronic and fatal pediatric illnesses through its extensive research program.

CHOP is the controlling corporation of Children's Anesthesiology Associates, Ltd., Children's Health Care Associates, Inc., Children's Surgical Associates, Ltd., and Radiology Associates of Children's Hospital, Inc. (collectively, together with their New Jersey counterparts and their affiliates, the "Practice Plans"). The Practice Plans represent the physician service departments at CHOP in anesthesiology and critical care medicine, pediatrics, surgery and radiology, respectively. They provide and bill for medical professional clinical services performed at CHOP or in connection with CHOP programs, provide teaching services at CHOP and at the University of Pennsylvania School of Medicine, and engage in research activities at CHOP. The Practice Plans are not part of the Obligated Group and have no obligation with respect to the Obligated Group debt.

Clinical Associates is a New Jersey nonprofit corporation engaged in the practice of medicine in New Jersey exclusively for charitable, educational and scientific purposes by providing medical and closely allied professional services to the public, engaging in medical education and working to improve the welfare of children, all in support of CHOP. The sole member of Clinical Associates is a member of the medical staff of CHOP, who is licensed to practice medicine in New Jersey. Through an operating agreement between CHOP and Clinical Associates, CHOP provides funding for Clinical Associates' activities. In addition, through a services agreement, CHOP provides management services including billing for Clinical Associates' revenues and payment of all operating expenses. Reimbursement for management services is paid from Clinical Associates practice revenues.

CHOPPA was formed for the purposes of (a) billing for behavioral health services and (b) developing, supporting, and operating a University-affiliated, multi-disciplinary, academic pediatric group practice whose activities include (but are not limited to) the provision of clinical and clinical support services, the promotion of teaching, undergraduate, and post-graduate medical education, and research. CHOP is the sole member of CHOPPA.

RRG is a wholly owned risk retention group domiciled in Vermont and owned principally by CHOP with other tax-exempt CHOP affiliates owning the remaining interests.

# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates

## Notes to Consolidated Financial Statements

### June 30, 2023 and 2022

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Bache Lewis and Penrose LLC is a wholly owned holding company that holds assets to cover professional liability and workers compensation.

1700 Broad Street Inc. is a Pennsylvania non-profit corporation related to a project between the City of Philadelphia and CHOP to create and operate a new South Philadelphia Family Care Center. The center includes a CHOP primary care practice, a city health center, a branch of the Free Library, and a recreational facility with a playground.

CHOP is the controlling corporation of PGH Development Corporation ("PGHDC"). PGHDC results are included in the consolidated financial statements. PGHDC is not part of the Obligated Group and has no obligation with respect to the Obligated Group debt.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates are comprised of the Obligated Group, Practice Plans and PGHDC, which constitute the "Enterprise."

A summary of significant accounting policies observed by the Children's Hospital of Philadelphia Foundation and Controlled Affiliates is as follows:

#### **Principles of Consolidation**

The accompanying consolidated financial statements of the Enterprise include the accounts of the Foundation, CHOP, Clinical Associates, CHOPPA, RRG, Bache Lewis and Penrose, LLC, 4865 Market Street Associates LP, 1700 Broad Street Inc., PGHDC and the Practice Plans. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All inter-company transactions and accounts have been eliminated.

#### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Financial Statement Presentation**

The Enterprise has reported information regarding its financial position and operations according to its two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Contributions received are recorded as with or without donor restriction, depending on the existence and/or nature of any donor restrictions. Net assets with donor restriction have been restricted by donors to a specific time period or purpose or have been restricted by donors to be maintained by the Enterprise in perpetuity. Net assets without donor restriction are those whose use has not been limited by a donor to a specific period of time or purpose or are donor-restricted contributions whose restrictions have been met within the same reporting period.

#### **Excess of Revenues over Expenses**

The consolidated statements of operations include excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over expenses, consistent with industry practice, include net assets released from restrictions for capital, external funding for capital, pension adjustments, transfers to / from net assets with restriction and the change in fair value of certain derivatives.

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023 and 2022**

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**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to uncollectible accounts, contractual allowances, alternative investments and self-insurance reserves.

**Cash**

Cash includes cash amounts in non-interest-bearing and interest-bearing accounts.

At June 30, 2023 and 2022, the Enterprise has cash in major financial institutions which exceed Federal Depository Insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these deposits is minimal.

The following table provides a reconciliation of cash and restricted cash reported with the balance sheet that sums to amounts shown in the statement of cash flows.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 375,073,000	\$ 329,258,000
Cash and restricted cash included in other investments	430,118,000	108,199,000
	<u>\$ 805,191,000</u>	<u>\$ 437,457,000</u>

Amounts included in cash and restricted cash represent \$375,073,000 of operating cash, \$429,770,000 in our investment portfolio, \$33,000 in funds limited to use for emergency construction costs for PGHDC and \$315,000 in funds restricted for the payment of capital invoices for PGHDC.

**Supplies, Drugs and Prepaid Expenses**

Supplies and drugs on the balance sheet are generally stated at the lower of average cost or market value and valued at \$35,323,000 at June 30, 2023. Prepaid expenses are valued on the balance sheet at June 30, 2023 at \$52,258,000.

**Assets Limited as to Use and Investments**

Assets limited as to use include assets held by trustees under indenture agreements, and self-insurance agreements and designated assets set aside by the Board of Trustees (the “Board”) for future capital improvements as well as research and clinical investments, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets which have been set aside to meet restrictions by the donors. Amounts required to meet certain current liabilities of the Enterprise have been classified as current assets in the balance sheet at June 30, 2023 and 2022. The current portion of assets limited as to use is primarily for unfunded liabilities related to self-insurance.

Non-alternative investments and assets limited as to use are stated at fair value. The fair value of all debt and equity securities with a readily determinable fair value is based on quotations obtained from national securities exchanges. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses. The Enterprise recognized an investment return, net of \$176,815,000 and (\$199,892,000), for the years ended June 30, 2023 and 2022, respectively.

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Alternative Investments are invested through private partnerships and primarily include private equity investments, real assets and hedge funds. These investments, with the exception of certain real assets in exchange traded funds, are not readily marketable, and are recorded at fair value using net asset value ("NAV") as a practical expedient with the exception of other investments recorded using the equity method of accounting. The gains and losses on these investments are included in the excess of revenues over expenses. The Enterprise reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the value of the alternative investments. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material. As of June 30, 2023 and 2022, the Enterprise had unfunded commitments relating to these alternative investments of \$667,865,000 and \$728,224,000, respectively.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the value of investments could occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets.

#### **Accounts Receivable**

Accounts receivable consist primarily of amounts owed by various governmental agencies, insurance companies and patients. These are represented on the balance sheet as receivables for patient services, pledge receivables, due from third party and other receivables. The Enterprise manages these receivables by regularly reviewing the accounts and contracts and by recording appropriate price concessions. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections as the primary source of information in estimating the collectability of the accounts receivables. The Enterprise performs an analysis utilizing historical accounts receivable collection and write-off data. The Enterprise believes its quarterly updates to the estimated implicit price concession amounts at each of its hospital facilities provide reasonable valuation estimates of the Enterprise's revenues and accounts receivable.

#### **Land, Buildings and Equipment**

Land, buildings and equipment are recorded at cost for purchased items and at fair value for contributed items. Major renewals and improvements are capitalized while maintenance repairs are expensed when incurred. Depreciation is recognized over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

#### **Other Long Term Assets and Receivables**

Other long term assets and receivables include, but are not limited to, an estimated amount related to the Medical Care Availability and Reduction of Error Fund ("MCARE") recoveries. The MCARE recovery has an offsetting liability in Other Liabilities.

#### **Accounting for Long-Lived Assets**

The Enterprise assesses its assets for impairment whenever events or changes in circumstances indicate that the carrying amount of a respective asset that the Enterprise expects to hold and use may not be recoverable. In addition, the Enterprise periodically assesses the estimated useful lives as appropriate.

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**Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses include, but are not limited to, trade accounts payables, accrued wages and related state and federal income taxes payable, accrued paid personal leave for employees and accrued employee healthcare related expenses.

**Other Liabilities**

Other liabilities include, but are not limited to, deferred revenue related to research activities, reserves for unfunded liabilities, reserves for MCARE liabilities, deferred employee compensation, fair value of derivative financial instruments and other deferred liabilities.

**Patient Service Revenue**

Patient Service revenues are reported at the amount that reflects the consideration to which the Enterprise expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others. Generally, the Enterprise bills the patient and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Enterprise. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Enterprise believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in our hospitals receiving inpatient acute care services. The Enterprise measures the performance obligation 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. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Enterprise does not believe it is required to provide additional goods or services to the patient.

Because substantially all of its performance obligations relate to contracts with a duration of less than one year, the Enterprise has elected to apply the practical expedient provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amounts of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. These performance obligations 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 generally occurs within days or weeks of the end of the reporting period.

The Enterprise determines its transaction price by assessing the estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Estimates of contractual adjustments under managed care and commercial insurance plans are based upon the payment terms specified in the related contractual agreements. The payment arrangements with third-party payers provide for payments to the Enterprise at amounts different from its established rates. Amounts the Enterprise receives for treatment of patients covered by governmental programs and third-party payors as well as directly from patients are subject to both explicit and implicit price concessions. The Enterprise estimates these price concessions using contractual agreements, discount policies, and historical experience. The Enterprise records price concessions in the period of service based on the analysis and consideration of these factors.

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Patient service revenue, net of explicit and implicit price concessions, recognized in the period from these major payor sources, is as follows:

	<b>2023</b>			
	<b>Inpatient</b>	<b>Outpatient</b>	<b>Professional Fees</b>	<b>Total</b>
Blue Cross/Blue Shield	\$ 501,927,000	\$ 466,782,000	\$ 414,489,000	\$ 1,383,198,000
Medical Assistance	104,975,000	16,813,000	3,907,000	125,695,000
MA-Managed Care	377,735,000	234,119,000	136,768,000	748,622,000
Commercial	193,607,000	130,557,000	148,745,000	472,909,000
Aetna	165,063,000	153,260,000	112,646,000	430,969,000
Self Pay	888,000	(250,000)	1,558,000	2,196,000
Other	57,538,000	15,003,000	9,371,000	81,912,000
International	55,046,000	33,883,000	12,103,000	101,032,000
	<b>\$ 1,456,779,000</b>	<b>\$ 1,050,167,000</b>	<b>\$ 839,587,000</b>	<b>\$ 3,346,533,000</b>

  

	<b>2022</b>			
	<b>Inpatient</b>	<b>Outpatient</b>	<b>Professional Fees</b>	<b>Total</b>
Blue Cross/Blue Shield	\$ 437,664,000	\$ 393,441,000	\$ 378,479,000	\$ 1,209,584,000
Medical Assistance	97,040,000	23,441,000	2,942,000	123,423,000
MA-Managed Care	367,493,000	215,666,000	127,419,000	710,578,000
Commercial	190,770,000	128,971,000	127,917,000	447,658,000
Aetna	161,587,000	139,027,000	100,420,000	401,034,000
Self Pay	596,000	276,000	(72,000)	800,000
Other	51,014,000	21,459,000	7,785,000	80,258,000
International	60,843,000	33,176,000	12,811,000	106,830,000
	<b>\$ 1,367,007,000</b>	<b>\$ 955,457,000</b>	<b>\$ 757,701,000</b>	<b>\$ 3,080,165,000</b>

Generally, patients who are covered by third-party payers are responsible for related deductibles and coinsurance, which vary in amount. The Enterprise also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Enterprise estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. The Enterprise has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Enterprises expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. Estimated implicit price concessions are recorded for all uninsured accounts, which includes uninsured patients and uninsured copayment and deductible amounts for patients who have health care coverage, regardless of the aging of those accounts. An increase in the level of uninsured patients to the Enterprise could have an unfavorable impact on the Enterprise’s future operating results.

**Charity Care**

CHOP and Practice Plans provide care to patients who meet certain criteria under charity care policies without charge or at amounts less than their established charges. Because CHOP and Practice Plans do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The estimated cost of providing the charity services was \$3,534,000 and \$2,888,000 in 2023 and 2022, respectively. The estimated costs were based on a calculation which multiplied the percentage of operating expenses for the hospital to gross charity care charges. The percentage of cost to gross charges is calculated based on the total operating



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expenses for the hospital divided by gross patient service revenue for those facilities. An increase in the level of uninsured patients to our facilities and the resulting adverse trends in the provision for doubtful accounts and charity care provided could have a material unfavorable impact on our future operating results.

#### **Research Revenue**

CHOP receives grant and contract revenue from governmental and private sources. In 2023 and 2022, grant and contract revenue earned totaled \$365,389,000 and \$320,636,000, respectively. CHOP recognizes revenue associated with the direct and the applicable indirect costs of federally sponsored programs as the related costs are incurred. For the majority of its grants, CHOP has determined that there is no exchange back to the granting authority. Therefore, CHOP accounts for these grants under the contribution model, which is outside the scope of ASC 606 and revenue is recognized as conditions are met. CHOP negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on federally sponsored programs are generally based on predetermined reimbursement rates which are stated as a percentage and distributed based on the modified total direct costs incurred. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors. CHOP receives contributions in the form of conditional government grants. The grants are carried out for research activities that benefit the general public and not for the government's own use. The grants are considered conditional due to the need to first spend the awarded funds on qualifying expenses and a right of return exists for unexpended funds. The grants are reimbursed after the expenses have been incurred. CHOP has conditional contributions for which the conditions have not been met of \$199,490,000 and \$193,891,000 at June 30, 2023 and 2022, respectively.

#### **Other Operating Revenue**

Other operating revenue and gains consists of contributions released from restriction, specialty pharmacy revenue and other miscellaneous operating revenue. Other miscellaneous operating revenues are accounted for under ASC 606. CHOP has conditional contributions related to special purpose funds for which the conditions have not been met of \$63,254,000 and \$62,809,000 at June 30, 2023 and 2022, respectively. CHOP accounts for special purpose funds under the contribution model, which is outside the scope of ASC 606 and revenue is recognized as restrictions are met.

#### **CARES Act Stimulus Funding Revenue**

On March 27, 2020, the Federal Government passed the CARES Act (Coronavirus Aid, Relief, and Economic Stimulus Act), which allotted \$175 billion dollars to healthcare providers and suppliers through Medicare reimbursements, grants and other direct federal payments for which CHOP and the Practice Plans qualified. CARES Act proceeds received from the Department of Health and Human Services associated with the provider relief funding in the year ended June 30, 2021 amounted \$114,937,000. The Enterprise recognized \$114,802,000 within CARES Act funding on the consolidated statement of operations in the year ended June 30, 2021. The remaining \$135,000 was held as deferred revenue within other liabilities on the balance sheet as of June 30, 2021 and was subsequently recognized in the year ended June 30, 2022. The Enterprise received and recognized an additional \$1,229,000 during the year ended June 30, 2022. The Enterprise recognized revenue related to the CARES Act provider relief funding based on information contained in laws and regulations, as well as interpretations issued by the Department of Health and Human Services (HHS), governing the funding that was publicly available at June 30, 2022.

#### **Income Taxes**

The Foundation, CHOP, Practice Plans and other corporations included in the consolidated financial statements (other than the LLC) are corporations that are recognized as exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code ("IRC"). The LLC is a disregarded entity and included in CHOP.

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#### **Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

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 fair value hierarchy based on three levels of input, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

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

- Level 1 – Unadjusted 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.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying amounts reported on the consolidated balance sheets for cash, accounts receivable, accounts payable and accrued expenses approximates their fair value. The fair value of assets limited as to use and investments are included in Note 4.

## **2. Net Assets**

Net assets with donor restriction have restrictions based on the following: 1) restricted as to use by the Enterprise to a specific time period or purpose as directed by the donor or 2) the original value of gifts donated to the Enterprise through a permanent endowment, 3) the original value of subsequent gifts to the Enterprise through a permanent endowment, or 4) accumulations to the permanent endowment in accordance with applicable donor gift instruments.

The Enterprise follows the Pennsylvania Uniform Principal and Income Act ("Pennsylvania Act") to govern the investment, use and management of the endowment funds. The Pennsylvania Act allows a non-profit to elect to spend between 2% and 7% of the endowment market value, determined at least annually and averaged over a period of three or more preceding years. The Children's Hospital of Philadelphia board has elected a 5% spending rule.

The Enterprise considers the following factors in determining if donor-restricted endowment funds are accumulated or appropriated:

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- 1) the duration and preservation of the fund
- 2) the purposes of the Enterprise’s donor-restricted endowment funds
- 3) general economic conditions
- 4) effect of possible inflation or deflation
- 5) the expected total investment return and appreciation of investments
- 6) other resources of the Enterprise
- 7) investment policies of the Enterprise

The Enterprise’s net assets with donor restriction consist of individual endowment accounts. Unless otherwise directed by the donor, gifts received for endowments are invested in accordance with the Enterprise’s investment policy. Unless otherwise directed by the donor, the Enterprise annually appropriates a certain percentage of each endowment fund, which is then available for spending in accordance with the donor’s intent. In order to preserve the real value of a donor’s gift and to sustain funding consistent with donor intent, the annual appropriation rate is set to strike a reasonable balance between long-term objectives of preserving and growing each endowment fund for the future and providing stable, annual appropriations.

At June 30, 2023, the Enterprise had 6 donor restricted endowment funds where the market value is less than the historic gift amount (“underwater”) by \$67,000.

The June 30, 2023 endowment net asset composition by type of fund consisted of the following:

	<b>Without Restriction</b>	<b>With Restriction</b>	<b>Total</b>
Donor-restricted funds	\$ -	\$ 399,278,000	\$ 399,278,000
Investments	433,197,000		433,197,000
Board-designated funds	2,660,360,000		2,660,360,000
	<u>\$ 3,093,557,000</u>	<u>\$ 399,278,000</u>	<u>\$ 3,492,835,000</u>

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Changes in endowment net assets for the fiscal year ended June 30, 2023 consisted of the following:

	<b>Without Restriction</b>	<b>With Restriction</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 2,964,508,000	\$ 366,255,000	\$ 3,330,763,000
Investment return:			
Investment income	17,170,000	2,145,000	19,315,000
Net appreciation (realized and unrealized)	126,758,000	15,999,000	142,757,000
Total investment return	143,928,000	18,144,000	162,072,000
Contributions	63,771,000	30,235,000	94,006,000
Transfers	93,392,000	-	93,392,000
Amounts appropriated for expenditures	(172,043,000)	(15,356,000)	(187,399,000)
	<u>3,093,556,000</u>	<u>399,278,000</u>	<u>3,492,834,000</u>

The June 30, 2022 endowment net asset composition by type of fund consisted of the following:

	<b>Without Restriction</b>	<b>With Restriction</b>	<b>Total</b>
Donor-restricted funds	\$ -	\$ 366,255,000	\$ 366,255,000
Investments	1,795,000	-	1,795,000
Board-designated funds	2,962,713,000	-	2,962,713,000
	<u>\$ 2,964,508,000</u>	<u>\$ 366,255,000</u>	<u>\$ 3,330,763,000</u>

Changes in endowment net assets for the fiscal year ended June 30, 2022 consisted of the following:

	<b>Without Restriction</b>	<b>With Restriction</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 3,076,325,000	\$ 370,277,000	\$ 3,446,602,000
Investment return:			
Investment income	17,059,000	2,109,000	19,168,000
Net appreciation (realized and unrealized)	(127,705,000)	(7,301,000)	(135,006,000)
Total investment return	(110,646,000)	(5,192,000)	(115,838,000)
Contributions	43,968,000	14,058,000	58,026,000
Transfers	76,260,000	(255,000)	76,005,000
Amounts appropriated for expenditures	(121,399,000)	(12,633,000)	(134,032,000)
	<u>\$ 2,964,508,000</u>	<u>\$ 366,255,000</u>	<u>\$ 3,330,763,000</u>

Net assets with donor restriction at June 30, 2023 and 2022 are available for the following purpose:

	<b>2023</b>	<b>2022</b>
Endowment	\$ 398,981,000	\$ 367,020,000
Special purpose, Pledges & Other	203,546,000	209,340,000
Research	112,673,000	103,062,000
Perpetual trusts	26,509,000	22,236,000
Capital improvements	763,000	536,000
	<u>\$ 742,472,000</u>	<u>\$ 702,194,000</u>

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**3. Pledges Receivable**

Pledges receivable consists of private gifts and grants promised from individuals, corporations, foundations or other organizations.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Restricted promises are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to a specific time period or purpose. The Enterprise is using an average discount rate of 3.60% for all pledge receivables.

Pledges receivable are expected to be realized in the following periods:

	<b>2023</b>	<b>2022</b>
Less than one year	\$ 35,737,000	\$ 41,326,000
One to five years	44,313,000	61,223,000
Thereafter	<u>20,700,000</u>	<u>28,400,000</u>
	100,750,000	130,949,000
Less: Present value discount	<u>(9,696,000)</u>	<u>(13,055,000)</u>
	91,054,000	117,894,000
Less: Allowance for uncollectible pledges	<u>(1,138,000)</u>	<u>(1,479,000)</u>
	89,916,000	116,415,000
Less: Current portion	<u>(35,737,000)</u>	<u>(41,326,000)</u>
	<u>\$ 54,179,000</u>	<u>\$ 75,089,000</u>

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**4. Assets Limited as to Use and Investments**

Assets limited as to use and investments are comprised of the following at June 30, 2023:

	Level 1	Level 2	Level 3	Net Asset Value Investments	Total
<b>Board-designated</b>					
Cash, cash equivalents and money market	\$ 247,924,000	\$ -	\$ -	\$ -	\$247,924,000
Corporate and municipal bonds	-	175,892,000	300,000	-	176,192,000
Domestic and foreign equities	88,311,000	690,247,000	155,170,000	-	933,728,000
U.S. government securities	-	53,757,000	-	-	53,757,000
Private Equity, Real Assets & Hedge Funds	-	-	6,013,000	1,299,943,000	1,305,956,000
	336,235,000	919,896,000	161,483,000	1,299,943,000	2,717,557,000
<b>Restricted by donors</b>					
Cash, cash equivalents and money market	37,210,000	-	48,000	-	37,258,000
Corporate and municipal bonds	-	18,717,000	1,271,000	-	19,988,000
Domestic and foreign equities	13,254,000	103,594,000	25,601,000	-	142,449,000
U. S. government securities	-	8,068,000	-	-	8,068,000
Private Equity, Real Assets & Hedge Funds	-	-	-	195,099,000	195,099,000
Perpetual Trusts	-	-	26,509,000	-	26,509,000
	50,464,000	130,379,000	53,429,000	195,099,000	429,371,000
<b>Held by trustee under debenture agreement</b>					
Cash, cash equivalents and money market	40,377,000	-	-	-	40,377,000
	40,377,000	-	-	-	40,377,000
<b>Self insurance</b>					
Cash, cash equivalents and money market	60,105,000	-	-	-	60,105,000
Corporate and municipal bonds	-	47,220,000	37,000	-	47,257,000
Domestic and foreign equities	30,027,000	84,731,000	19,048,000	-	133,806,000
U. S. government securities	-	44,651,000	-	-	44,651,000
Private Equity, Real Assets & Hedge Funds	-	-	-	159,575,000	159,575,000
Other	-	-	22,982,000	-	22,982,000
	90,132,000	176,602,000	42,067,000	159,575,000	468,376,000
Less: Current portion	(25,159,000)	(55,008,000)	-	-	(80,167,000)
	64,973,000	121,594,000	42,067,000	159,575,000	388,209,000
<b>Investments</b>					
Cash, cash equivalents and money market	44,502,000	-	15,000	-	44,517,000
Corporate and municipal bonds	93,785,000	19,859,000	395,000	-	114,039,000
Domestic and foreign equities	162,788,000	109,913,000	25,603,000	-	298,304,000
U. S. government securities	-	8,560,000	-	-	8,560,000
Private Equity, Real Assets & Hedge Funds	-	-	-	207,000,000	207,000,000
Accrued Interest	20,000	-	-	-	20,000
	301,095,000	138,332,000	26,013,000	207,000,000	672,440,000
	\$793,144,000	\$1,310,201,000	\$282,992,000	\$1,861,617,000	\$4,247,954,000

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Assets limited as to use and investments are comprised of the following at June 30, 2022:

	Level 1	Level 2	Level 3	Net Asset Value Investments	Total
<b>Board-designated</b>					
Cash, cash equivalents and money market	\$ 34,039,000	\$ -	\$ -	\$ -	\$ 34,039,000
Corporate and municipal bonds	-	437,929,000	35,275,000	-	473,204,000
Domestic and foreign equities	46,984,000	606,383,000	121,772,000	-	775,139,000
U.S. government securities	-	95,583,000	-	-	95,583,000
Private Equity, Real Assets & Hedge Funds	-	-	15,754,000	1,418,765,000	1,434,519,000
	<u>81,023,000</u>	<u>1,139,895,000</u>	<u>172,801,000</u>	<u>1,418,765,000</u>	<u>2,812,484,000</u>
<b>Restricted by donors</b>					
Cash, cash equivalents and money market	4,892,000	-	60,000	-	4,952,000
Corporate and municipal bonds	-	27,286,000	6,619,000	-	33,905,000
Domestic and foreign equities	6,752,000	87,139,000	20,507,000	-	114,398,000
U. S. government securities	-	13,735,000	-	-	13,735,000
Private Equity, Real Assets & Hedge Funds	-	-	-	203,880,000	203,880,000
Perpetual Trusts	-	-	22,236,000	-	22,236,000
	<u>11,644,000</u>	<u>128,160,000</u>	<u>49,422,000</u>	<u>203,880,000</u>	<u>393,106,000</u>
<b>Held by trustee under debenture agreement</b>					
Cash, cash equivalents and money market	36,168,000	-	-	-	36,168,000
	<u>36,168,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,168,000</u>
<b>Self insurance</b>					
Cash, cash equivalents and money market	21,487,000	-	-	-	21,487,000
Corporate and municipal bonds	-	58,949,000	4,341,000	-	63,290,000
Domestic and foreign equities	22,344,000	74,627,000	14,986,000	-	111,957,000
U. S. government securities	-	45,875,000	-	-	45,875,000
Private Equity, Real Assets & Hedge Funds	-	-	-	174,606,000	174,606,000
Other	-	-	26,506,000	-	26,506,000
	<u>43,831,000</u>	<u>179,451,000</u>	<u>45,833,000</u>	<u>174,606,000</u>	<u>443,721,000</u>
Less: Current portion	<u>(24,854,000)</u>	<u>(53,246,000)</u>	<u>-</u>	<u>-</u>	<u>(78,100,000)</u>
	<u>18,977,000</u>	<u>126,205,000</u>	<u>45,833,000</u>	<u>174,606,000</u>	<u>365,621,000</u>
<b>Investments</b>					
Cash, cash equivalents and money market	10,355,000	-	16,000	-	10,371,000
Corporate and municipal bonds	93,841,000	30,086,000	5,931,000	-	129,858,000
Domestic and foreign equities	137,344,000	96,079,000	20,175,000	-	253,598,000
U. S. government securities	-	15,145,000	-	-	15,145,000
Private Equity, Real Assets & Hedge Funds	-	-	-	224,798,000	224,798,000
Accrued Interest	3,000	-	-	-	3,000
	<u>241,543,000</u>	<u>141,310,000</u>	<u>26,122,000</u>	<u>224,798,000</u>	<u>633,773,000</u>
	<u>\$ 389,355,000</u>	<u>\$ 1,535,570,000</u>	<u>\$ 294,178,000</u>	<u>\$ 2,022,049,000</u>	<u>\$ 4,241,152,000</u>

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Level 3 investments are largely commingled investment funds utilizing total market value for pricing. For level 3 investments with no observable inputs, reasonable attempts are made to obtain a price from an independent source. Real estate holdings are priced on relevant business days with an evaluation price based on the total value of the security for the share of the holdings. Net asset value investments relating to private equity, real estate and hedge funds are recorded at net asset value (“NAV”) with the exception of some other investments recorded using the equity method of accounting and are not required to be included as Level 1, 2 or 3.

The following table displays information by asset class for assets limited to use that are measured using NAV as a practical expedient as of June 30, 2023:

	<b>Fair Value</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>	<b>Unfunded Commitments</b>
Equity Funds	\$ -	Monthly / Quarterly	20-90 days	\$ -
Hedge Funds	527,022,000	Monthly / Quarterly	20-90 days	-
Real Estate	127,370,000	Annually	Over 12 months	124,960,000
Venture Capital, Private Equity and Other	<u>1,207,225,000</u>	Annually	Over 12 months	<u>542,905,000</u>
	<u>\$ 1,861,617,000</u>			<u>\$ 667,865,000</u>

The following table displays information by asset class for assets limited to use that are measured using NAV as a practical expedient as of June 30, 2022:

	<b>Fair Value</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>	<b>Unfunded Commitments</b>
Equity Funds	\$ -	Monthly/Quarterly	20-90 days	\$ -
Hedge Funds	490,161,000	Monthly/Quarterly	20-90 days	-
Real Estate	99,744,000	Annually	Over 12 months	129,144,000
Venture Capital, Private Equity and Other	<u>1,432,144,000</u>	Annually	Over 12 months	<u>591,810,000</u>
	<u>\$ 2,022,049,000</u>			<u>\$ 720,954,000</u>

Equity Funds: Commingled equity funds with a focus on energy and hard assets. Strategies involve Exchange Traded Funds that invest in both publicly traded companies as well as emerging markets.

Hedge Funds: Consists of private equity hedge funds. Strategies can be broadly diversified or narrowly focused and can range in terms of levels of net exposure.

Real Estate: Private equity partnerships with investments in real estate properties. Strategies focus in the United States but can cross geographic.

Venture Capital and Private Equity: Investments in private equity partnerships. Strategies can be broadly diversified or narrowly focused and can range in terms of levels of net exposure.



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The following table is a roll forward for the balance sheet amounts for financial instruments classified by the Enterprise within Level 3 of the fair value hierarchy defined above.

	Fair value 2022	Unrealized Gains / (Losses)	Realized Gains / (Losses)	Sales	Purchases	Fair value 2023
Cash, Cash Equivalents & Money Markets	\$ 76,000	\$ -	\$ -	\$ (13,000)	\$ -	\$ 63,000
Corporate & Municipal Bonds	52,166,000	(18,602,000)	17,480,000	(50,133,000)	1,092,000	2,003,000
Domestic & Foreign Equities	177,440,000	18,054,000	57,000	(2,314,000)	32,185,000	225,422,000
Private Equity, Real Assets & Hedge Funds	15,754,000	(9,741,000)	-	-	-	6,013,000
Perpetual Trusts Held by 3rd Party	22,236,000	4,273,000	-	-	-	26,509,000
Other	26,506,000	-	-	(3,524,000)	-	22,982,000
	<u>\$294,178,000</u>	<u>\$ (6,016,000)</u>	<u>\$ 17,537,000</u>	<u>\$ (55,984,000)</u>	<u>\$ 33,277,000</u>	<u>\$282,992,000</u>

	Fair value 2021	Unrealized Gains (Losses)	Realized Gains (Losses)	Sales	Purchases	Fair value 2022
Cash, Cash Equivalents & Money Markets	\$ 93,000	\$ -	\$ -	\$ (17,000)	\$ -	\$ 76,000
Corporate & Municipal Bonds	62,847,000	(10,157,000)	-	(524,000)	-	52,166,000
Domestic & Foreign Equities	270,062,000	(47,872,000)	5,061,000	(51,847,000)	2,036,000	177,440,000
Private Equity, Real Assets & Hedge Funds	14,105,000	-	-	-	1,649,000	15,754,000
Perpetual Trusts Held by 3rd Party	26,413,000	-	-	(4,177,000)	-	22,236,000
Other	25,215,000	-	-	-	1,291,000	26,506,000
	<u>\$398,735,000</u>	<u>\$ (58,029,000)</u>	<u>\$ 5,061,000</u>	<u>\$ (56,565,000)</u>	<u>\$ 4,976,000</u>	<u>\$294,178,000</u>

Included above, in restricted by donors are funds held in trust by others in perpetuity for the benefit of the Enterprise, which have been recorded in net assets with donor restriction at fair market value at \$26,509,000 at June 30, 2023 and \$22,236,000 at June 30, 2022.

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**5. Land, Buildings and Equipment**

Land, buildings and equipment and accumulated depreciation consist of the following at June 30:

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Land	\$90,072,000	\$90,072,000
Land improvements	4,937,000	4,663,000
Buildings and building improvements	3,870,747,000	3,707,667,000
Fixed equipment	747,377,000	770,246,000
Major movable equipment	1,513,729,000	1,372,556,000
Construction in progress	464,181,000	308,146,000
	<u>6,691,043,000</u>	<u>6,253,350,000</u>
<b>Accumulated depreciation</b>		
Land improvements	(3,195,000)	(2,940,000)
Buildings and building improvements	(1,258,931,000)	(1,144,805,000)
Fixed equipment	(614,404,000)	(603,043,000)
Major movable equipment	(1,160,597,000)	(1,060,448,000)
	<u>(3,037,127,000)</u>	<u>(2,811,236,000)</u>
	<u>\$3,653,916,000</u>	<u>\$3,442,114,000</u>

The Enterprise capitalized \$12,966,000 and \$21,316,000 of interest expense during the years ended June 30, 2023 and 2022, respectively.

A component in the change year over year included in property, plant and equipment, net is change in non-cash additions of (\$5,729,000) and \$25,643,000 for the years ended June 30, 2023 and 2022, respectively. The change in non-cash additions have been excluded from operating and investing activities in the statement of cash flow.

For financial reporting purposes, the Enterprise uses straight-line depreciation over the assets’ estimated lives, which are as follows:

Land improvements	10-20 years
Buildings and building improvements	10-40 years
Fixed equipment	5-20 years
Major movable equipment	3-20 years

Construction-in-progress at June 30, 2023 relates to expansion projects at CHOP and information systems projects. The total estimated costs to complete the projects in construction-in-progress are approximately \$1,768,847,000.

**6. Leases**

The Enterprise has operating leases related to real estate lease agreements for office space and clinical sites. At June 30, 2023 and 2022 respectively, the Enterprise has lease ROU assets of \$172,793,000 and \$189,611,000 as well as lease liabilities of \$172,793,000 and \$189,639,000 reflected on the balance sheet which has a discount rate of 3.313% and 3.352% applied based on the Enterprise’s incremental borrowing rate. The Enterprise election excludes non-lease

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components for real estate contracts, such as common area maintenance, in determining the ROU assets.

	<b><u>2023</u></b>	<b><u>2022</u></b>
Weighted average remaining lease term:		
Operating leases	11.17 years	11.53 years
Weighted average discount rate:		
Operating leases	3.313%	3.352%

The Enterprise is also a lessor of real estate under operating leases. Lease income for the year ended June 30, 2023 and 2022, were \$1,365,000 and \$1,207,000 respectively, which is included in other operating revenue in the Consolidated Statements of Operations and Changes in Net Assets. Variable lease income included in the rent charges for maintenance costs is not material.

The Enterprise leases various facilities under operating leases expiring at various dates through 2027. Certain Practice Plans have office equipment under operating leases. Total rental expense in 2023 and 2022 for all operating leases was approximately \$23,772,000 and \$25,853,000, respectively, included in purchased services in the consolidated statement of operations.

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2023, that have initial or remaining lease terms in excess of one year:

2024	\$21,051,000
2025	21,000,000
2026	20,336,000
2027	16,573,000
2028 and beyond	<u>133,704,000</u>
Total lease payments	\$212,664,000
Less: Present value discount	<u>(39,871,000)</u>
Total lease payments	\$172,793,000
Less: Current obligations	<u>(\$20,376,000)</u>
Long-term lease obligations	<u>\$152,417,000</u>

Real estate leases may include options to renew that can extend the lease terms for an additional three to ten years. Some leases include the options to terminate the lease early in line with the agreed upon contract terms. One lease includes an option for the right to purchase the premises from the landlord with a closing to occur May 2034, the expiration of the 156<sup>th</sup> month following the commencement date of April 2021. The Enterprise does not recognize these options as part of its ROU assets and lease liabilities because these options are evaluated at time of renewal.

Supplemental cash flow information related to leases for the period ended June 30 are as follows:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows from operating leases:	\$22,200,000	\$23,284,000
Non-cash activity for the additions to the right of use assets obtained from operating leases:	\$2,496,000	\$34,101,000

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**7. Long-Term Debt**

Long-term debt consists of the following at June 30:

<b>Bond</b>	<b>Fixed or Variable</b>	<b>Interest Payable</b>	<b>Effective Interest Rate</b>	<b>Maturity Date</b>	<b>Foot-note</b>	<b>2023</b>	<b>2022</b>
2017 Bonds	Fixed	Semi-annually	4.43%	7/1/2037	(a)	172,590,000	173,765,000
2020 Bonds	Fixed	Semi-annually	2.70%	7/1/2050	(b)	500,000,000	500,000,000
2021A Bonds	Fixed	Semi-annually	5.00%	7/1/2032	(c)	124,015,000	124,015,000
2021B Bonds	Variable	Semi-annually	2.74%	7/1/2041	(d)	220,635,000	241,485,000
2022 Bonds	Fixed	Semi-annually	3.50%	7/1/2044	(e)	201,580,000	201,580,000
PIDC Loan	Fixed	Monthly	3.18%	5/1/2031	(f)	3,152,000	3,499,000
Line of Credit	Fixed	Monthly	0.43%	12/19/2024	(g)	175,000,000	-
						<u>1,396,972,000</u>	<u>1,244,344,000</u>
Less: Current Portion						<u>(23,173,000)</u>	<u>(22,373,000)</u>
						<u>1,373,799,000</u>	<u>1,221,971,000</u>
Unamortized bond related liabilities						<u>45,312,000</u>	<u>47,362,000</u>
Total Long-Term Debt						<u>\$1,419,111,000</u>	<u>\$1,269,333,000</u>

Principal repayments as of June 30, 2023 on the debt are due as follows:

2024	\$23,173,000
2025	198,999,000
2026	19,365,000
2027	20,297,000
2028	21,309,000
Thereafter	<u>1,113,829,000</u>
	<u>\$1,396,972,000</u>

- a. During June 2017, the Enterprise borrowed \$179,080,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children’s Hospital of Philadelphia Project) Series 2017, (Series 2017 Bonds) issued by the Philadelphia Authority for Industrial Development. The bonds were sold at a premium resulting in \$198,214,000 in proceeds. The net proceeds were paid to the Bond Trustee on behalf of CHOP and applied, together with other available funds of CHOP, to finance the costs of a project consisting of: (i) the current refunding of all of the outstanding Series A of 2007 Bonds and (ii) payment of bond issuance expenses and related costs and expenses.
- b. During October 2020, the Enterprise borrowed \$500,000,000 under a Loan Agreement from the Children’s Hospital of Philadelphia Taxable Bonds, Series 2020, (Series 2020 Bonds) issued by the Bank of New York Mellon Trust Company, N.A. The proceeds of the Bonds will be used (1) for general corporate purposes of CHOP, including acquisition and construction of capital projects, and (2) to pay a portion of the costs of issuance of the Bonds.

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- c. In July 2021, the Enterprise borrowed \$124,015,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project) Series A of 2021, (Series 2021A Bonds) issued by the Philadelphia Authority for Industrial Development. The bonds were sold at a premium resulting in \$164,523,000 in proceeds which included \$2,646,000 from the terminated 2021D Swap.
- d. In July 2021, the Enterprise borrowed \$241,485,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project) Series B of 2021, (Series 2021B Bonds) issued by the Philadelphia Authority for Industrial Development. The net proceeds received by the Authority from the sale of the Series 2021A&B Bonds, were applied to finance the costs of a project consisting of: (a) refunding of (i) the Authority's 2002 A&B Bonds; (ii) the Authority's 2011 A&B Bonds; and (iii) the Authority's Series 2011C Bonds; and (b) paying the issuance costs of 2021 A&B Bonds.
- e. In May 2022, the Enterprise borrowed \$201,580,000 under a Loan Agreement from the sale of taxable Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project) Series of 2022, issued by the Philadelphia Authority for Industrial Development. The net proceeds were paid to the Bond Trustee on behalf of CHOP and applied, together with other available funds of CHOP, to finance the costs of a project consisting of: (i) the advance refunding of the outstanding Series 2014 Bonds and (ii) payment of bond issuance expenses and related costs and expenses.
- f. The Enterprise also entered into a loan with Philadelphia Industrial Development Corporation ("PIDC") in the original principal amount of \$8,279,000.
- g. On December 20, 2022, the Enterprise entered a revolving credit arrangement with Truist Bank. The agreement outlines the commitment of Truist Bank to make loans in an aggregate principal at any one time outstanding not to exceed \$350,000,000 with a commitment termination date of December 19, 2024.

**Derivative Financial Instruments**

In connection with the issuance of the 2002 Bonds, the Enterprise entered into two interest rate swap agreements on July 30, 2002 relating to Series A (the "2002A Swap") with expiration date of July 1, 2022. The 2002A Swap was entered into for the purpose of fixing interest rates on variable rate bonds, thus reducing exposures to interest rate fluctuations. The amount exchanged is based on the notional amount whereby the Enterprise pays the counterparty interest at a fixed rate and the counterparty pays the Enterprise at a variable rate based on the weekly SIFMA Swap Index. The Enterprise has accounted for the 2002A Swap as a cash flow hedge with the change in valuation being accounted for as a component of the changes in net assets without donor restrictions. The swap was terminated on July 1, 2022 per the agreement.

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In March of 2020, the Enterprise entered two forward starting fixed rate swaps, each with an effective date of July 01, 2021. The swaps were entered into for the purpose of fixing interest rates on variable rate bonds, thus reducing exposures to interest rate fluctuations. The amount exchanged is based on the notional amount whereby the Enterprise pays the counterparty interest at a fixed rate and the counterparty pays the Enterprise at a variable rate based on the weekly SIFMA Swap Index. The first swap, Series D (the “2021D Swap”) had a notional amount of \$165,670,000 set to expire on July 01, 2032 but was terminated on June 17, 2021. The second swap, 2021 C Swap, has a notional amount of \$76,370,000 and expires on July 01, 2041. As of June 30, 2023, the fair market value of the 2021C Swap was approximately \$13,518,000. The Enterprise has accounted for these swaps as a cash flow hedge with the change in valuation being accounted for as a component of the changes in net assets without donor restrictions

The notional amounts and fair values, based on quoted market prices, of the Enterprise’s derivative financial instruments are as follows at June 30:

	Notional		Balance Sheet		Statement of Operations	
	2023	2022	2023	2022	2023	2022
<b>Interest Rate Swap</b>						
2002A Swap	\$ -	\$ -	(\$104,000)		\$ -	\$ -
2021C Swap	76,370,000	13,518,000	12,621,000		(897,000)	(8,995,000)
Totals	\$76,370,000	\$13,518,000	\$12,517,000		(\$897,000)	(\$8,995,000)

Under these agreements, net interest expense of \$1,371,000 and \$488,000 relating to the derivative financial instruments was incurred for the years ended June 30, 2023 and 2022 respectively.

Interest rate swaps have been classified in Level 2 of the fair value hierarchy. For the over-the-counter derivatives that trade in liquid markets, such as interest rate swaps, model inputs (i.e. contractual terms, market prices, yield curves, credit curves and measures of volatility) can generally be verified and model selection does not involve significant management judgment.

**8. Pension Plans**

The Hospital’s Boards of Trustees (the “Boards of Trustees”) authorized the adoption of a noncontributory, defined benefit pension plan called the Pension Plan for Union-Represented Employees Hired before July 1, 2000 for the benefit of certain employees of CHOP as of June 30, 2000 who are covered under the collective bargaining agreement between CHOP and the National Union of Hospital and Health Care Employees, District 1199C. This plan excludes those employees of CHOP who had at least 15 years seniority with CHOP as of July 1, 2000, or who would be eligible to retire on an early or normal retirement date under the terms of the Pension Plan for Hospital and Health Care Employees, Philadelphia Vicinity (the “1199C Plan”), as in effect on June 1, 2000, on or before July 1, 2001, based on their anticipated service as of July 1, 2001 (“Grandfathered Union Employees”). These Grandfathered Union Employees remain in the 1199C plan.

The Boards of Trustees authorized the adoption of a noncontributory defined benefit pension plan with a cash balance payment formula called The Children’s Hospital of Philadelphia Pension Plan for Union-Represented Employees Hired on or After July 1, 2000. This plan was similar to The Children’s Hospital of Philadelphia Pension Account Plan as in effect at that time. This plan covers

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the employees under the collective bargaining agreement between CHOP and District 1199C hired on or after July 1, 2000.

On April 30, 2021, Children’s Hospital of Philadelphia announced that The Children’s Hospital of Philadelphia Pension Plan for Union-Represented Employees will be frozen as of December 31, 2021, and participants will not receive compensation credits or benefit accruals for periods beginning on or after January 1, 2022. This announcement resulted in a curtailment and remeasurement of net periodic pension cost for the Plan for the remainder of the 2021 fiscal year. There was no gain or loss due to this change. In June 2021, the Board of Trustees approved the termination of the plan effective December 31, 2021; as such the termination was determined to be imminent as of June 2021. During the year ending June 30, 2020, the Children’s Hospital of Philadelphia Foundation loaned the Union Plan \$12,000,000 which will be repaid with an exchange of alternative investments. Repayments of the loan began in FY2023 with \$2,434,000 repaid as of June 30, 2023.

The 2023 and 2022 actuarially computed cost for the Plan, Pension Plan for Union Represented Employees hired before July 1, 2000 and Pension Plan for Union-Represented Employees hired after on or July 1, 2000 included the following components:

	<b>2023</b>	<b>2022</b>
<b>Change in benefit obligation</b>		
Benefit obligation at beginning of year	\$ 96,067,000	\$ 109,500,000
Service cost	1,400,000	2,356,000
Interest cost	3,069,000	3,530,000
Actuarial (gain) loss	(2,200,000)	(16,771,000)
Benefits paid	(2,280,000)	(1,691,000)
Other	(1,164,000)	(857,000)
Benefit obligation at end of year	<u>94,892,000</u>	<u>96,067,000</u>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	73,479,000	86,407,000
Actual return on plan assets (net expenses)	(3,252,000)	(13,880,000)
Employer contributions	-	3,500,000
Benefits paid	(2,280,000)	(1,691,000)
Other	(1,164,000)	(857,000)
Fair value of plan assets at end of year	<u>66,783,000</u>	<u>73,479,000</u>
<b>Reconciliation of the funded status</b>		
Funded status	<u>(28,109,000)</u>	<u>(22,588,000)</u>
Accrued pension cost	<u>\$ (28,109,000)</u>	<u>\$ (22,588,000)</u>

The accumulated benefit obligation for all defined benefit pension plans was \$94,892,000 and \$96,067,000 at June 30, 2023 and 2022, respectively.

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	<b>2023</b>	<b>2022</b>
<b>Components of net periodic benefit cost</b>		
Service cost	\$1,400,000	\$2,356,000
Interest cost	3,069,000	3,530,000
Expected return on plan assets	(1,286,000)	(2,651,000)
Amortization of prior service cost	-	-
Amortization of net actuarial loss	392,000	1,391,000
Net periodic benefit cost	<u>\$3,575,000</u>	<u>\$4,626,000</u>
Net (loss) / Gain	2,338,000	(240,000)
Amortization of prior service cost	-	-
Amortization of net loss	<u>(\$392,000)</u>	<u>(\$1,391,000)</u>
Total recognized in net assets without donor restrictions	1,946,000	(1,631,000)
Total recognized in net periodic benefit cost and net assets without donor restrictions	<u>\$5,521,000</u>	<u>\$2,995,000</u>

The estimated net loss that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is \$0. Amounts not yet recognized in net periodic benefit cost include \$26,375,000 and \$24,429,000 in actuarial loss and \$0 and \$0 in prior service cost for the periods ended June 30, 2023 and 2022, respectively.

	<b>2023</b>	<b>2022</b>
<b>Weighted-average assumptions as of June 30</b>		
Discount Rate (Union Represented Plan)	5.00%	3.25%
Rate of compensation increase (Union Represented Plan)	3.00%	3.00%
<b>Weighted-average assumptions for net periodic benefit cost</b>		
Discount rate	4.64%	3.25%
Expected return on plan assets	3.00%	3.00%
Rate of compensation (Union Represented Plan)	3.00%	3.00%

The discount rate was changed to 5.00% reflecting liquidation accounting due to the plan termination. The plan was measured using the midpoint of the range of results under the following assumptions: 1) for actives and term vested, actual lump sum elections of \$62,679,945 for 1,200 participants during the window are reflected within the PBO. Insurer pricing was assumed to be 115% to 125% of the PBO for the remaining benefits and 2) for retirees and beneficiaries in payment, insurer pricing was assumed to be 102% to 107% of PBO.

In 2020, CHOP adopted the Society of Actuaries Pri-2012 base table with generational projection using scale MP-2019 applied.



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The average asset allocation of these pension plans at June 30, 2023 and 2022 by asset category are as follows:

	<b>Percentage of Plan Assets 2023</b>	<b>Percentage of Plan Assets 2022</b>
Government Securities	32%	78%
Alternative Investments	2%	6%
Cash	66%	16%
	<u>100%</u>	<u>100%</u>

The expected long-term rate of return for the U.S. plan assets is based on the expected return of each of the above categories, weighted based on the target allocations for each class. Equity securities are expected to return 10% on average over the long-term. Debt securities are expected to return 6% over the long term and real assets are expected to return 8% over the long term.

The majority of the Union Plan assets, approximately 82%, are invested in highly rated long-term Treasury securities to maintain liquidity and minimize permanent loss of capital due to increased volatility in other markets and impairments to the economy. Approximately 9% of plan assets are in cash, with the remainder of assets in alternative investments including private equity, real assets, and hedge funds that follow multiple different strategies.

**Estimated future benefit payments**

The following benefit payments which reflect expected future service, as appropriate, are expected to be paid:

2024	\$94,892,000
2025	-
2026	-
2027	-
2028	-
2029 - 2033	-

**Contributions**

The Enterprise projects it will be required to make a pension plan contribution of approximately \$0 to the Plan in 2024.

**Fair Value**

The following table sets forth by level within the fair value hierarchy, the Plan’s assets at fair value as of June 30, 2023:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Net Asset Value Investments</b>	<b>Total</b>
Cash	\$ -	\$43,936,000	\$ -	\$ -	\$43,936,000
Debt	-	-	-	-	-
Equities	-	-	-	-	-
Government Securities	-	21,836,000	-	-	21,836,000
Alternative	-	-	-	1,011,000	1,011,000
Total	\$ -	\$65,772,000	\$ -	\$1,011,000	\$66,783,000

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023 and 2022**

The following table sets forth by level within the fair value hierarchy, the Plan’s assets at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Net Asset Value Investments	Total
Cash	\$ -	\$ -	\$12,537,000	\$ -	\$12,537,000
Debt	-	22,257,000	-	-	22,257,000
Equities	-	-	-	-	-
Government Securities	-	34,123,000	-	-	34,123,000
Alternative	-	-	-	4,563,000	4,563,000
<b>Total</b>	<b>\$ -</b>	<b>\$56,380,000</b>	<b>\$12,537,000</b>	<b>\$4,563,000</b>	<b>\$73,480,000</b>

The following table sets forth a summary of changes in the fair value of the Plan’s Level 3 investments for the years ended June 30, 2023 and 2022.

	Fair value 2022	Unrealized Gains (Losses)	Realized Gains (Losses)	Sales	Purchases	Fair value 2023
Cash	\$12,537,000	\$ -	\$ -	(\$12,537,000)	\$ -	\$ -
Debt	-	-	-	-	-	-
Equity	-	-	-	-	-	-
	<b>\$12,537,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(\$12,537,000)</b>	<b>\$ -</b>	<b>\$ -</b>

	Fair value 2021	Unrealized Gains (Losses)	Realized Gains (Losses)	Sales	Purchases	Fair value 2022
Cash	\$8,816,000	\$ -	\$ -	\$ -	\$3,721,000	\$12,537,000
Debt	-	-	-	-	-	-
Equity	-	-	-	-	-	-
	<b>\$8,816,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$3,721,000</b>	<b>\$12,537,000</b>

The Enterprise assets are managed by investment managers. Valuation techniques are utilized to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used to measure fair value at June 30, 2023.

- Common stock is valued based on quoted market prices in the active markets on which the individual securities traded.
- Registered investment companies are valued at net asset value (NAV) of shares held by the Plan at year end.
- Alternative Investments are valued based upon the NAV of the fund held by the Plan at year end. The Plan considers valuations provided to it by the general partners of the funds. The values assigned to private equity funds are based upon assessment of each underlying investment, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions and performance multiples among other factors.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of

# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates

## Notes to Consolidated Financial Statements

### June 30, 2023 and 2022

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different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Boards of Trustees authorized the adoption of a supplemental retirement plan, called The Children's Hospital of Philadelphia Retirement Savings Plan, which is a tax-deferred annuity plan under Section 403(b) of the IRC of 1986, as amended, for non-bargaining unit employees.

The Boards of Trustees authorized the adoption of a supplemental retirement plan, called The Children's Hospital of Philadelphia Retirement Savings Plan for Union-Represented Employees, which is a tax-deferred annuity plan under Section 403(b) of the IRC of 1986, as amended, for bargaining unit employees.

The Enterprise also has The Children's Hospital of Philadelphia Funded Retirement Savings Plan which is a defined contribution plan that operates under Section 401(a) of the Internal Revenue

Code (IRC) covering all employees of The Children's Hospital of Philadelphia (the Hospital) and any other subsidiaries as approved by the Board of Trustees of the Hospital (collectively, the Participating Employers), however, the Plan is sponsored by the Hospital. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Total expenses under the supplemental retirement 403(b) plans were \$32,959,000 and \$31,255,000 for the periods ended June 30, 2023 and 2022. Total expenses under the funded retirement savings 401(a) plan were \$60,951,000 and \$44,327,000 for the periods ended June 30, 2023 and 2022.

## 9. Commitments and Contingencies and Other Transactions

### Industry

The healthcare industry in general and the services that the Enterprise provides are subject to extensive federal and state laws and regulations. Additionally, a portion of the Enterprise's net revenue is from payments by government-sponsored healthcare programs, principally Medicaid, and is subject to audit and adjustments by applicable regulatory agencies. Failure to comply with any of these laws or regulations, the results of regulatory audits and adjustments, or changes in the amounts payable for the Enterprise's services under these programs, could have a material adverse effect on the Enterprise's financial position and results of operations.

### Litigation

Although the Enterprise is party to certain claims and litigation, in the opinion of management, the final outcome of these are not reasonably expected to have a material adverse effect on their consolidated financial position or results of operations.

### Professional Liability Insurance

By an agreement effective April 1, 1998 among CHOP and Children's Anesthesiology Associates, Ltd., Children's Health Care Associates, Inc., Children's Surgical Associates, Ltd., and Radiology Associates of Children's Hospital, Inc. (collectively, together with their New Jersey counterparts and their affiliates, the "Practice Plans"), and the Hospital's Departments of Pathology and Laboratory Medicine and Child and Adolescent Psychiatry (together with the Practice Plans, the "Departments"), CHOP and the Departments entered into a Joint Insurance Program (the "Joint Program"). Through June 30, 2001, the Joint Program was administered with the Departments participating with CHOP in its large deductible policies.

# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates

## Notes to Consolidated Financial Statements

### June 30, 2023 and 2022

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All claims with respect to occurrences beginning July 1, 2001 are insured through First Medical Insurance Company, a Risk Retention Group ("RRG"), domiciled in Vermont that was established by CHOP and certain of its tax-exempt affiliates, including the Practice Plans. Funding for indemnity, defense and other corporate expenses for the RRG are included in RRG accounts. The July 1, 2001 to July 1, 2002 policy period was novated from a large deductible commercial policy into the RRG effective July 2003.

CHOP includes the RRG's and other related investments, reserves, claim liabilities, and expenses for self-insured malpractice claims in the accompanying financial statements. Deposits to the RRG and other reserves are actuarially determined and represent estimates of funding necessary to cover the potential liability for professional malpractice claims and related legal fees and other expenses for CHOP and its affiliated health care provider entities and their covered physicians.

The estimate of the gross liability and corresponding receivable for unasserted claims arising from unreported incidents is based on analysis of historical claims data by an independent actuary, which is recorded utilizing a 3.0% to 4.5% discount rate at June 30, 2023 and 2022. Total liability under this program is approximately \$314,943,000 and \$314,305,000 included in other liabilities on the balance sheet, with a corresponding receivable included in other receivables of \$32,102,000 and \$32,257,000 at June 30, 2023 and 2022, respectively. CHOP also purchases catastrophic excess coverage.

CHOP and most of the physicians insured by the RRG are subject to Pennsylvania and/or New Jersey law requiring professional liability insurance. For policies written in 2002 and prior, the amount of required coverage pursuant to Pennsylvania law for physicians and nurse midwives was \$1.2 million per incident/\$3.6 million in the aggregate. For policies written subsequent to 2002, the required amount of coverage is \$1 million per incident/\$3 million in the aggregate.

#### **The Medical Care Availability and Reduction of Error Fund ("MCARE")**

The Medical Care Availability and Reduction of Error Fund ("MCARE Fund"), an agency fund of the Commonwealth of Pennsylvania, acts as a service agent to facilitate the payment of medical malpractice claims exceeding the primary layer of professional liability insurance carried by CHOP, and most of the physicians they insure. The MCARE Fund levies healthcare provider surcharges, as a percentage of joint underwriting association premiums for basic coverage, to pay claims and administrative expenses on behalf of MCARE Fund participants.

The actuarially computed liability to all health care providers (hospital, physicians and others) participating in the MCARE Fund at June 30, 2022 (the latest date for which such information is available) was \$1.11 billion. CHOP, the Practice Plans, and the employed/insured physicians paid surcharge assessments during fiscal 2023 and 2022 totaling \$4,261,000 and \$6,044,000, respectively. No provision has been made for any MCARE Fund unfunded liabilities in the accompanying financial statements as CHOP's portion of the MCARE Fund unfunded liability cannot be reasonably estimated.

#### **Workers' Compensation**

The Enterprise is self-insured for workers' compensation claims. At June 30, 2023 and 2022, the Enterprise has an estimate of \$5,428,000 and \$4,828,000 respectively, included in accounts payable and accrued expenses to reserve for potential losses and paid expenses under the program. The discount rate used is 3%.

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023 and 2022**

**Other Transactions**

The Practice Plans utilize the payroll accounting infrastructure of The University of Pennsylvania (UPenn) for certain Practice Plan personnel. Amounts due to these entities include in accounts payable and accrued expenses are as follows at June 30:

	<u>2023</u>	<u>2022</u>
UPenn	<u>\$38,978,000</u>	<u>\$34,277,000</u>

**10. Concentrations of Credit Risk**

The Enterprise grants credit without collateral to their patients, most of whom reside in the Delaware Valley, and are insured under third-party payor agreements. The mix of net receivables from patients and third-party payors at June 30 is as follows:

	<u>2023</u>	<u>2022</u>
Blue Cross/Blue Shield	29%	28%
Medical Assistance	7%	5%
MA-Managed Care	27%	29%
Commercial	16%	16%
Aetna	8%	9%
Self Pay	1%	1%
Other	3%	2%
International	9%	10%
	<u>100%</u>	<u>100%</u>

**11. Functional Expenses**

The Enterprise provides general and specialty health care services to pediatric patients. Costs by function are directly charged based on discrete cost centers. Expenses related to providing these services as of June 30 are as follows:

	<u>June 30, 2023</u>					
	Health Care Services	Research Services	Fundraising	Education	General and Administrative	Total
Salaries, wages and professional fees	\$1,256,304,000	\$217,304,000	\$22,544,000	\$44,215,000	\$585,617,000	\$2,125,984,000
Employee benefits	372,333,000	53,132,000	6,781,000	14,803,000	30,142,000	477,191,000
Supplies	428,805,000	45,124,000	2,045,000	183,000	34,358,000	510,515,000
Purchased services and other expenses	114,978,000	121,911,000	12,604,000	5,022,000	332,445,000	586,960,000
Depreciation	29,180,000	3,508,000	1,000	51,000	274,513,000	307,253,000
Interest and amortization	-	2,600,000	-	-	22,050,000	24,650,000
	<u>\$2,201,600,000</u>	<u>\$443,579,000</u>	<u>\$43,975,000</u>	<u>\$64,274,000</u>	<u>\$1,279,125,000</u>	<u>\$4,032,553,000</u>
<b>Non-operating expenses:</b>						
Investment Fees	74,000	19,000	10,655,000	-	1,648,000	12,396,000
Sponsorship	14,329,000	5,925,000	(62,633,000)	-	46,234,000	3,855,000
Other components of net periodic benefit costs	-	-	-	-	2,176,000	2,176,000
	<u>14,403,000</u>	<u>5,944,000</u>	<u>(51,978,000)</u>	<u>-</u>	<u>50,058,000</u>	<u>18,427,000</u>
<b>Total expenses</b>	<u>\$2,216,003,000</u>	<u>\$449,523,000</u>	<u>(\$8,003,000)</u>	<u>\$64,274,000</u>	<u>\$1,329,183,000</u>	<u>\$4,050,980,000</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023 and 2022**

	<b>June 30, 2022</b>					
	Health Care Services	Research Services	Fundraising	Education	General and Administrative	Total
<b>Operating expenses:</b>						
Salaries, wages and professional fees	\$1,107,808,000	\$197,185,000	\$16,052,000	\$39,265,000	\$492,796,000	\$1,853,106,000
Employee benefits	325,195,000	47,103,000	4,930,000	12,837,000	22,465,000	412,530,000
Supplies	370,317,000	42,462,000	962,000	263,000	33,161,000	447,165,000
Purchased services and other expenses	99,899,000	128,801,000	11,269,000	3,294,000	299,057,000	542,320,000
Depreciation	29,296,000	2,799,000	3,000	82,000	223,820,000	256,000,000
Interest and amortization	-	1,513,000	-	-	12,727,000	14,240,000
	<u>\$1,932,515,000</u>	<u>\$419,863,000</u>	<u>\$33,216,000</u>	<u>\$55,741,000</u>	<u>\$1,084,026,000</u>	<u>\$3,525,361,000</u>
<b>Non-operating expenses:</b>						
Investment Fees	-	-	6,515,000	-	959,000	7,474,000
Sponsorship	-	-	-	-	-	-
Other components of net periodic benefit costs	-	-	-	-	2,270,000	2,270,000
	<u>-</u>	<u>-</u>	<u>6,515,000</u>	<u>-</u>	<u>3,229,000</u>	<u>9,744,000</u>
<b>Total expenses</b>	<u>\$1,932,515,000</u>	<u>\$419,863,000</u>	<u>\$39,731,000</u>	<u>\$55,741,000</u>	<u>\$1,087,255,000</u>	<u>\$3,535,105,000</u>

**12. Liquidity and Availability of Resources**

Financial assets available within one year of the balance sheet date for general expenditures such as operating expenses and construction costs not financed with debt are as follows:

	<b>2023</b>	<b>2022</b>
Cash	\$375,073,000	\$329,258,000
Receivables from patient services	937,925,000	842,833,000
Due from third parties	42,476,000	32,297,000
Other receivables	103,301,000	109,664,000
Investments	465,440,000	408,975,000
	<u>\$1,924,215,000</u>	<u>\$1,723,027,000</u>

Current financial assets not available for general use because of contractual or donor-imposed restrictions were \$592,678,000 and \$513,599,000 at June 30, 2023 and 2022, respectively. Amounts not available for general use include amounts set aside for scheduled principal payments, self-insurance funds, and time and purpose restricted assets. As of June 30, 2023, the Enterprise has \$1,411,601,000 of Board of Trustee-designated assets limited to use which are excluded from the quantitative information above; however, these assets can be released by the Board of Trustees and made available for general expenditure. The Enterprise strategically manages financial assets to ensure adequate liquidity for general expenditures and other obligations as they come due. In addition, the Enterprise invests cash in excess of daily requirements in short-term investments. The Enterprise maintains line of credit facilities with several banks to provide additional liquidity should unanticipated needs arise. In determining the amount of liquidity in board-designated endowment funds, management excludes amounts held in investments that may

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023 and 2022**

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contain provisions prohibiting their redemption within one year and other investments for which redemption within one year may not be practical.

**13. Subsequent Events**

As the Children’s Hospital of Philadelphia Pension Plan for Union-Represented Employees was terminated effective December 31, 2021, lump sum payments elected by plan participants were paid out in July 2023. On August 2, 2023, the Children’s Hospital of Philadelphia purchased an annuity from Principal Life Insurance Company (the “insurer”) for \$32,372,000 to cover all participants who did not elect a lump sum distribution.

The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates has evaluated and concluded that subsequent events are properly reflected in The Enterprise financial statements and notes as required by standard for accounting disclosure of subsequent events as of September 29, 2023, the original issuance date of the financial statements as of and for the year ended June 30, 2023.

**Supplemental Consolidating Schedules**



**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Supplemental Consolidating Balance Sheets**  
**June 30, 2023**

(in thousands of dollars)

<b>ASSETS</b>	<b>Obligated Group</b>	<b>Practice Plans</b>	<b>PGHDC</b>	<b>Total Eliminations</b>	<b>Total Consolidated</b>
<b>Current assets</b>					
Cash and cash equivalents	\$211,605,000	\$163,318,000	\$150,000	\$ -	\$375,073,000
Receivables for patient services	823,569,000	114,356,000	-	-	937,925,000
Current portion of pledges receivable	35,737,000	-	-	-	35,737,000
Due from third parties	42,476,000	-	-	-	42,476,000
Due from Affiliates	67,569,000	55,134,000	-	(122,703,000)	-
Other receivables	99,024,000	4,080,000	197,000	-	103,301,000
Current portion of assets limited as to use	80,167,000	-	-	-	80,167,000
Supplies, drugs and prepaid expenses	87,308,000	259,000	14,000	-	87,581,000
<b>Total current assets</b>	<b>1,447,455,000</b>	<b>337,147,000</b>	<b>361,000</b>	<b>(122,703,000)</b>	<b>1,662,260,000</b>
<b>Assets limited as to use</b>					
Board designated	2,717,557,000	-	-	-	2,717,557,000
Restricted by donors	429,371,000	-	-	-	429,371,000
Trustee-held construction and debt service fund	40,029,000	-	348,000	-	40,377,000
Trustee-held for self-insurance and other	388,209,000	-	-	-	388,209,000
<b>Noncurrent assets limited as to use</b>	<b>3,575,166,000</b>	<b>-</b>	<b>348,000</b>	<b>-</b>	<b>3,575,514,000</b>
<b>Investments</b>					
Land, buildings and equipment at cost, net	424,887,000	247,553,000	-	-	672,440,000
Operating Lease Right-Of-Use Asset	3,645,176,000	1,166,000	7,574,000	-	3,653,916,000
Pledges receivable, net	172,793,000	-	-	-	172,793,000
Other long-term assets and receivables	54,179,000	-	-	-	54,179,000
<b>Total assets</b>	<b>\$9,365,468,000</b>	<b>\$585,866,000</b>	<b>\$8,283,000</b>	<b>(\$122,703,000)</b>	<b>\$9,836,914,000</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities</b>					
Current portion of long-term debt	23,173,000	-	-	-	23,173,000
Current Portion of Operating Lease Liabilities	20,376,000	-	-	-	20,376,000
Accounts payable and accrued expenses	648,222,000	141,897,000	146,000	(122,703,000)	667,562,000
<b>Total current liabilities</b>	<b>691,771,000</b>	<b>141,897,000</b>	<b>146,000</b>	<b>(122,703,000)</b>	<b>711,111,000</b>
Long-term debt	1,419,111,000	-	-	-	1,419,111,000
Other liabilities	308,771,000	-	-	-	308,771,000
Operating Lease Liabilities	152,417,000	-	-	-	152,417,000
Accrued pension cost	18,792,000	-	-	-	18,792,000
Pledges payable, less current portion	5,000,000	-	-	-	5,000,000
<b>Total liabilities</b>	<b>2,595,862,000</b>	<b>141,897,000</b>	<b>146,000</b>	<b>(122,703,000)</b>	<b>2,615,202,000</b>
<b>NET ASSETS</b>					
Without donor restriction	5,921,095,000	443,969,000	8,137,000	106,039,000	6,479,240,000
With donor restriction	848,511,000	-	-	(106,039,000)	742,472,000
<b>Total net assets</b>	<b>6,769,606,000</b>	<b>443,969,000</b>	<b>8,137,000</b>	<b>-</b>	<b>7,221,712,000</b>
<b>Total liabilities and net assets</b>	<b>\$9,365,468,000</b>	<b>\$585,866,000</b>	<b>\$8,283,000</b>	<b>(\$122,703,000)</b>	<b>\$9,836,914,000</b>

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates**  
**Supplemental Consolidating Statements of Operations**  
**Year Ended June 30, 2023**

(in thousands of dollars)

	Obligated Group	Practice Plans	PGHDC	Total Eliminations	Total Consolidated
<b>REVENUES AND OTHER SUPPORT</b>					
Patient service revenue	\$2,695,079,000	\$ 651,454,000	\$ -	\$ -	\$3,346,533,000
Contributions	12,302,000	2,200,000	-	-	14,502,000
Research revenue	365,389,000	28,231,000	-	-	393,620,000
Other operating revenue	311,735,000	47,184,000	739,000	(58,740,000)	300,918,000
Total revenues and other support	3,384,505,000	729,069,000	739,000	(58,740,000)	4,055,573,000
<b>EXPENSES</b>					
Salaries, wages and professional fees	1,643,321,000	477,423,000	-	5,240,000	2,125,984,000
Employee benefits	380,353,000	98,132,000	-	(1,294,000)	477,191,000
Supplies	500,181,000	10,334,000	-	-	510,515,000
Purchased services and other expenses	562,749,000	79,963,000	742,000	(56,493,000)	586,961,000
Depreciation	306,404,000	273,000	576,000	-	307,253,000
Interest and amortization	24,650,000	-	-	-	24,650,000
Total expenses	3,417,658,000	666,125,000	1,318,000	(52,547,000)	4,032,554,000
Operating Income	(33,153,000)	62,944,000	(579,000)	(6,193,000)	23,019,000
Dividend and interest income, net	17,735,000	8,687,000	2,000	-	26,424,000
Earnings allocation	(64,587,000)	-	-	6,585,000	(58,002,000)
Realized gains on marketable securities	191,759,000	1,552,000	-	-	193,311,000
Sponsorship	62,541,000	(66,396,000)	-	-	(3,855,000)
Gains on alternative investments	(55,300,000)	-	-	-	(55,300,000)
Unrealized gains / (losses) on investments	(2,964,000)	15,346,000	-	-	12,382,000
Minimum pension liability adjustment	(2,176,000)	-	-	-	(2,176,000)
Minority interest	-	-	-	(392,000)	(392,000)
Excess of revenue over expenses	113,855,000	22,133,000	(577,000)	-	135,411,000
Pension related changes other than					
Net periodic benefit costs	(1,946,000)	-	-	-	(1,946,000)
Change in fair value of derivatives	897,000	-	-	-	897,000
Net assets released from restrictions for capital	10,493,000	-	-	-	10,493,000
Transfer to/from affiliates	(170,000)	-	314,000	-	144,000
Transfer from net assets with donor restriction	(23,000)	-	-	-	(23,000)
Increase in net assets without donor restriction	\$123,106,000	\$22,133,000	(\$263,000)	\$ -	\$144,976,000

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates  
Supplemental Consolidating Statements of Changes in Net Assets  
Year Ended June 30, 2023**

*(in thousands of dollars)*

	Obligated Group	Practice Plans	PGHDC	Total Eliminations	Total Consolidated
<b>NET ASSETS WITHOUT DONOR RESTRICTION</b>					
Excess of revenues over expenses	\$113,855,000	\$22,133,000	(\$577,000)	\$ -	\$135,411,000
Pension related changes other than net periodic benefit cost	(1,946,000)	-	-	-	(1,946,000)
Change in fair value of derivatives	897,000	-	-	-	897,000
Net assets released from restrictions for capital	10,493,000	-	-	-	10,493,000
Transfer to / from affiliates	(170,000)	-	314,000	-	144,000
Transfer from net assets with donor restrictions, net	(23,000)	-	-	-	(23,000)
Increase in net assets without donor restriction	123,106,000	22,133,000	(263,000)	-	144,976,000
<b>NET ASSETS WITH DONOR RESTRICTION</b>					
Contributions	91,613,000	-	-	-	91,613,000
Interest and dividend income	1,869,000	-	-	-	1,869,000
Realized gains on investments	20,462,000	-	-	-	20,462,000
Change in unrealized gains on investments	(4,204,000)	-	-	-	(4,204,000)
Net assets released from restrictions for operations	(63,494,000)	-	-	-	(63,494,000)
Net assets released from restrictions for capital	(10,265,000)	-	-	-	(10,265,000)
Adjustment of value of perpetual trusts	4,273,000	-	-	-	4,273,000
Transfer from unrestricted/permanently restricted net assets	-	-	-	-	-
Transfer from net assets without donor restriction, net	23,000	-	-	-	23,000
Increase in net assets with donor restriction	40,277,000	-	-	-	40,277,000
Increase in Net Assets	163,383,000	22,133,000	(263,000)	-	185,253,000
<b>NET ASSETS</b>					
Beginning of Year	6,606,223,000	421,836,000	8,400,000	-	7,036,459,000
End of Period	\$6,769,606,000	\$443,969,000	\$8,137,000	\$ -	\$7,221,712,000

**Schedules of Expenditures of Federal and State Awards**

# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
<b>Federal Awards:</b>					
<b>Research and Development Center</b>					
<b>U.S. Department of Health and Human Services</b>					
<b>Center for Disease Control</b>					
Direct Center for Disease Control					
Prevention of Disease, Disability, and Death by Infectious Diseases	93-084			\$ 122,943	\$ -
Injury Prevention and Control Research and State and Community Based Programs	93-136			238,591	-
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	93-265			186,233	70,324
Total Direct Center for Disease Control				547,767	70,324
Pass Through:					
Blood Disorder Program: Prevention, Surveillance, and Research	93-080	American Thrombosis and Hemostasis Network	NU27DD000020	261,166	187,884
Prevention of Disease, Disability, and Death by Infectious Diseases	93-136	University of Pennsylvania	US4C000610	176,670	-
Injury Prevention and Control Research and State and Community Based Programs	93-136	University of Pennsylvania	R49CE09083	19,235	-
Injury Prevention and Control Research and State and Community Based Programs	93-136	University of Pennsylvania	ROI0E00347	21,779	-
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	93-265	University of Pennsylvania	NU31CK000050	195,599	-
Cooperative Agreement Title: Strengthening Public Health Systems and Services	93-421	Association of University Centers on Disabilities (AUCCD)	CDC_AUCCD	1,813	-
COVID-19 Cooperative Agreement Title: Strengthening Public Health Systems and Services	93-421	Task Force for Global Health	NU380T00316	150,020	-
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93-944	City of Philadelphia	222809CE72001	210,000	-
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93-944	City of Philadelphia	2220870-01-CBT3001	30,773	-
Chronic Disease and Injury Prevention	93-RD	City of Philadelphia	2020167-04	78,276	-
Total Center for Disease Control and Prevention - Pass Through				955,413	187,884
<b>Total Center for Disease Control</b>				<b>\$ 1,503,280</b>	<b>\$ 268,208</b>
<b>National Institutes of Health</b>					
Direct Grants and Contracts:					
21st Century Cures Act - Beau Biden Cancer Moonshot	93-333			\$ 6,765,311	\$ 2,984,137
Aging Research	93-866			1,437,585	922,018
Allergy, Immunology, and Transplantation Research	93-866			9,938,754	1,753,464
Arthritis, Musculoskeletal, and Skin Diseases Research	93-846			3,000,831	638,932
Assistance Programs for Chronic Disease Prevention and Control	93-945			286,894	59,016
Biomedical Research and Research Training	93-839			4,853,909	269,079
Blood Diseases and Resources Research	93-839			11,408,431	2,075,533
Cancer Biology Research	93-396			3,853,355	253,399
Cancer Cause and Prevention Research	93-393			1,274,252	178,812
Cancer Control	93-399			4,154	-
Cancer Detection and Prevention Research	93-394			1,848,433	378,036
Cancer Research Manpower	93-398			8,668	-
Cancer Treatment Research	93-393			3,415,335	997,514
Child Health and Human Development Extramural Research	93-866			19,328,419	3,663,973
Diabetes, Endocrinology, and Metabolism Research	93-847			17,114,894	3,658,286
Discovery and Applied Research for Technological Innovations to Improve Human Health	93-286			298,732	76,445
Drug Abuse and Addiction Research Program	93-279			9,959,449	79,420
Extramural Research Programs in the Neurosciences and Neurological Disorders	93-853			16,334,047	1,803,543
Cardiovascular Diseases Research	93-837			13,948,080	6,040,526
Human Genome Research	93-173			3,821,801	172,882
Indian Health Services	93-RD			182,704	-
Lang Diseases Research	93-838			7,217,659	677,282
Medical Library Assistance	93-879			469,295	89,907
Mental Health Research Grants	93-242			6,000,662	1,295,312
Mental and Behavioral Health Education and Training Grants	93-732			176,620	-
Minority Health and Health Disparities Research	93-307			789,276	118,39
National Center for Advancing Translational Sciences	93-339			11,654	15,487
National Center on Sleep Disorders Research	93-233			1,960,095	528,724
National Research Service Awards Health Services Research Training	93-245			597,587	482,034
Nursing Research	93-364			1,955,983	177,145
Oral Diseases and Disorders Research	93-121			504,922	104,249
Research Related to Deafness and Communication Disorders	93-173			6,680,020	107,259
Research and Training in Complementary and Integrative Health	93-213			18,250	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93-243			421,632	181,168
Targeted Clinical Research to Address Select Viral Infections	93-RD			912,207	706,742
Trans-NIH Research Support	93-310			9,020,033	1,627,777
Vision Research	93-867			2,404,013	1,415,601
Total National Institutes of Health - Direct				106,600,896	32,618,412
Pass Through:					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93-243	AccessMatters	SAM2101	92,739	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93-243	AccessMatters	SAM2201	10,162	-
Cardiovascular Diseases Research	93-837	Albert Einstein College of Medicine	ROIHL16747	131,527	-
Child Health and Human Development Extramural Research	93-866	Albert Einstein College of Medicine	ROIHD09454	5,595	-
Cardiovascular Diseases Research	93-837	American Academy of Pediatrics	ROIHL128231	6,754	5,583
Lang Diseases Research	93-838	American Academy of Pediatrics	OT2HL164847	37,471	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93-847	Amidaglio LLC	R44KX1394	100,180	-
Arthritis, Musculoskeletal and Skin Diseases Research	93-846	Ann & Robert H. Lurie Children's Hospital of Chicago	U01AR079183	(2,368)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93-847	Ann & Robert H. Lurie Children's Hospital of Chicago	U01DK127995	184,115	-
Child Health and Human Development Extramural Research	93-866	Ann & Robert H. Lurie Children's Hospital of Chicago	ROIHD02428	149,864	-
Assistance Programs for Chronic Disease Prevention and Control	93-945	Ann & Robert H. Lurie Children's Hospital of Chicago	NU58DP00214	13,291	-
Assistance Programs for Chronic Disease Prevention and Control	93-945	Ann & Robert H. Lurie Children's Hospital of Chicago	U18DP06693	27,608	-
Assistance Programs for Chronic Disease Prevention and Control	93-945	Ann & Robert H. Lurie Children's Hospital of Chicago	U18DP06944	1,384	-
Allergy and Infectious Diseases Research	93-855	Arkansas Children's Hospital Research Institute	ROIAT70385	280,434	-
Allergy and Infectious Diseases Research	93-855	Arkansas Children's Hospital Research Institute	ROIAT19032	198,107	-
Cancer Treatment Research	93-393	ATM LifeTech, Inc	R45CA27476	121,776	-
Food Safety Grants	93-103	Baylor University	P90FD06428	1,938	-
NIH Superfund Hazardous Substances, Basic Research and Education	93-143	Baylor University	P42ES02725	34,627	-
Trans-NIH Research Support	93-307	Baylor University	ROI7R004243	22,276	-
Cancer Cause and Prevention Research	93-393	Baylor University	ROI9CA27935	47,793	-
Child Health and Human Development Extramural Research	93-866	Baylor University	ROIHD104326	9,168	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93-847	Bevanora Research Institute of the City of Hope	U24KX16960	21,681	-
Allergy and Infectious Diseases Research	93-855	Bevanora Research Institute of the City of Hope	UM1AI109655	7,529	-
Research on Healthcare Costs, Quality and Outcomes	93-226	Boston Children's Hospital	ROIHS029346	134,482	-
Allergy and Infectious Diseases Research	93-855	Boston Children's Hospital	ROIAG16950	19,820	-
Allergy and Infectious Diseases Research	93-855	Boston Children's Hospital	ROIAG16972	24,252	-
Mental Health Research Grants	93-242	Boston University Medical Campus	ROI0MH1599	(45,084)	-
Research Related to Deafness and Communication Disorders	93-173	Boystown National Research	ROI0CN0595	5,411	-
Human Genome Research	93-172	Broad Institute, Inc	U24HG016262	8,756	-
Arthritis, Musculoskeletal and Skin Diseases Research	93-846	Brown University	ROIAR071382	151,377	-
Aging Research	93-866	Brown University	ROIAG067282	224,186	-
Aging Research	93-866	Brown University	ROIAG079295	888,172	-
Arthritis, Musculoskeletal and Skin Diseases Research	93-846	CFD Research Corporation	R44AR07160	243,950	-
Mental Health Research Grants	93-242	Children's Hospital Boston	ROI0MH16990	380,893	-
Mental Health Research Grants	93-242	Children's Hospital Boston	U01MH14962	170,231	-
Alcohol Research Programs	93-273	Children's Hospital Boston	ROIAG027253	20,777	-
National Center for Advancing Translational Sciences	93-339	Children's Hospital Boston	ROI7R005623	289,103	-
Mental Health Research Grants	93-242	Children's Hospital Los Angeles	ROI0MH14162	101,829	-
Child Health and Human Development Extramural Research	93-866	Children's Mercy Hospital	R21HD098086	37,414	-
Cancer Cause and Prevention Research	93-393	Children's Research Institute	ROI0CA2190	26,490	23,000
Cancer Cause and Prevention Research	93-393	Children's Research Institute	R21CA20497	6,784	-
Arthritis, Musculoskeletal and Skin Diseases Research	93-846	Children's Research Institute	ROIHD089289	12,476	-
Allergy and Infectious Diseases Research	93-855	Children's Research Institute	ROIAG103306	39,878	-
Child Health and Human Development Extramural Research	93-866	Children's Research Institute	ROIHD09262	98,945	-
Child Health and Human Development Extramural Research	93-866	Children's Research Institute	ROIHD04423	48,902	-
Child Health and Human Development Extramural Research	93-866	Children's Research Institute	ROIHD09284	97,205	-
Child Health and Human Development Extramural Research	93-866	Children's Research Institute	US41D01321	31,733	-
Lang Diseases Research	93-838	Cincinnati Children's Hospital Medical Center (CCHMC)	ROIHL167392	226,789	-
Arthritis, Musculoskeletal and Skin Diseases Research	93-846	Cincinnati Children's Hospital Medical Center (CCHMC)	ROIHL166366	96,822	-
Allergy and Infectious Diseases Research	93-855	Cincinnati Children's Hospital Medical Center (CCHMC)	ROIAR078827	6,413	-
Child Health and Human Development Extramural Research	93-866	Cincinnati Children's Hospital Medical Center (CCHMC)	US4A117804	76,170	-
Child Health and Human Development Extramural Research	93-866	Cincinnati Children's Hospital Medical Center (CCHMC)	ROIHD09264	16,097	-
Cancer Treatment Research	93-393	Cincinnati Children's Hospital Medical Center (CCHMC)	ROIHD10251	6,331	-
Human Genome Research	93-172	City of Hope National Med Ctr	ROI0CA19684	19,250	-
Research on Healthcare Costs, Quality and Outcomes	93-226	Columbia University	ROIHG016265	179,121	-
Mental Health Research Grants	93-242	Columbia University	ROI0S04503	29,974	-
Nursing Research	93-364	Columbia University	ROI0H07977	13,064	-
Cancer Centers Support Grants	93-397	Columbia University	ROI0NR7206	233	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93-847	Columbia University	US4CA10041	(5)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93-847	Columbia University	ROI0K12626	243,234	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93-847	Columbia University	US4S078099	20,426	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93-853	Columbia University	ROI0NS10000	98,531	-
Biomedical Research and Research Training	93-859	Columbia University	ROI0G120609	(1)	-
Child Health and Human Development Extramural Research	93-866	Columbia University	ROIHD080445	9,890	-
Child Health and Human Development Extramural Research	93-866	Columbia University	ROIHD01790	229,298	-
Medical Library Assistance	93-879	Columbia University	ROI0M12895	314,725	-
Food Safety Grants	93-103	Critical Path Institute (C-Path)	U01FD007220	33,686	-
Nursing Research	93-364	Dana-Farber Cancer Institute	ROI0R00720	108,141	-
Cancer Detection and Prevention Research	93-394	Dana-Farber Cancer Institute	ROI0CA214912	68,726	-
Oral Diseases and Disorders Research	93-121	Drexel University	R21D020297	2,973	-
Research Related to Deafness and Communication Disorders	93-173	Drexel University	R21D020547	11,007	-
Trans-NIH Research Support	93-310	Drexel University	UG9OD02342	(4)	-
Trans-NIH Research Support	93-310	Drexel University	UI9OD02342	141,234	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93-847	Drexel University	ROI0G13807	92,712	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93-853	Drexel University	ROI0NS10898	9,539	-
Allergy and Infectious Diseases Research	93-855	Drexel University	ROI0I135268	27,116	-
Aging Research	93-866	Drexel University	ROI0G06197	108,471	-
Blood Diseases and Resources Research	93-839	Duke University	ROIHL15730	265,610	-
Allergy and Infectious Diseases Research	93-855	Duke University	ROI0I139032	(12,753)	-
(FNI) Core Function Activities	93-RD	Duke University	HHSS272018000001	193,899	-
Mental Health Research Grants	93-242	Emory University	R24MH116805	114,822	-
Lang Diseases Research	93-838	Emory University	UG9HL18366	80,817	-
Allergy and Infectious Diseases Research	93-855	Emory University	ROI0I16088	24,077	-
Child Health and Human Development Extramural Research	93-866	Emory University	ROIHD081120	60,759	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.



# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided to Subrecipients (\$)
Cardiovascular Diseases Research	93.837	University of Colorado Denver	Ro1HL44278	(43,129)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Colorado Denver	Uo1NS14534	210,660	-
Child Health and Human Development Extramural Research	93.865	University of Colorado Denver	Ro1HD09399	34,559	-
Child Health and Human Development Extramural Research	93.865	University of Colorado Denver	Ro3HD02773	(4)	-
Food Safety Grants	93.103	University of Florida	Ro1FD00507	9,344	-
Alcohol Research Programs	93.273	University of Iowa	Ro1AA02486	(19,659)	-
Blood Diseases and Resources Research	93.839	University of Iowa	Uo3HL14304	127,771	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Kansas	Uo1NS02993	29,608	-
Child Health and Human Development Extramural Research	93.865	University of Kansas Medical Center Research Institute, Inc	Ro1HD09393	42,492	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Kentucky	Ro1NS14266	14,949	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Kentucky	RF1NS08555	64,445	-
Cardiovascular Diseases Research	93.837	University of Maryland	U24HL134763	(661)	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	University of Maryland	Ro1AR09687	216	-
Mental Health Research Grants	93.242	University of Massachusetts Chan Medical School	Ro1MH14999	3,330	-
Cardiovascular Diseases Research	93.837	University of Michigan	U13HL159134	157,418	-
Cardiovascular Diseases Research	93.837	University of Michigan	Uo3HL159134	13,620	-
Lang Diseases Research	93.838	University of Michigan	Ro1HL12761	52,320	-
Lang Diseases Research	93.838	University of Michigan	Ro1HL14910	(6,308)	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	University of Michigan	Ro1AR07470	59,481	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Michigan	U24R08392	21,887	-
Aging Research	93.866	University of Michigan	Ro1AG02705	344,542	-
Mental Health Research Grants	93.242	University of Minnesota	R56AG07205	14,062	-
Cardiovascular Diseases Research	93.837	University of North Carolina	Ro1HL16964	35,274	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	OT3HL147154	21,769	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	Ro1HD09371	163,264	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	Ro1HD09363	483,271	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	Ro1HD10992	295,914	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	Uo1HD08881	59,672	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	U24HD08881	(560)	-
Child Health and Human Development Extramural Research	93.865	University of Oklahoma	Ro1HD074579	(52)	-
Oral Diseases and Disorders Research	93.121	University of Oklahoma	Ro1HD07732	1,884	-
Research on Healthcare Costs, Quality and Outcomes	93.226	University of Oklahoma	R21HL14917	(28,997)	-
Mental Health Research Grants	93.242	University of Pennsylvania	R18MH106862	28,039	-
Mental Health Research Grants	93.242	University of Pennsylvania	Po3MH097488	56,032	34,730
Mental Health Research Grants	93.242	University of Pennsylvania	Uo1HL12761	252,390	-
Mental Health Research Grants	93.242	University of Pennsylvania	Ro1MH08742	192,654	-
Mental Health Research Grants	93.242	University of Pennsylvania	Ro1MH12847	346,979	-
Mental Health Research Grants	93.242	University of Pennsylvania	Ro1MH10912	595,035	-
Mental Health Research Grants	93.242	University of Pennsylvania	Ro1MH18360	163,234	-
Mental Health Research Grants	93.242	University of Pennsylvania	Ro1MH119185	118,863	-
Mental Health Research Grants	93.242	University of Pennsylvania	Ro1MH12143	200,973	-
Mental Health Research Grants	93.242	University of Pennsylvania	Ro1MH12673	602,445	-
Mental Health Research Grants	93.242	University of Pennsylvania	Uo1MH07276	33,195	-
Drug Abuse and Addiction Research Program	93.279	University of Pennsylvania	Ro1DA02974	483,234	-
Drug Abuse and Addiction Research Program	93.279	University of Pennsylvania	Ro1DA02986	125,386	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	University of Pennsylvania	PA1E02460	7,608	-
Minority Health and Health Disparities Research	93.307	University of Pennsylvania	Ro1MD16209	(627)	-
Trans-NIH Research Support	93.310	University of Pennsylvania	Uo1DK127405	314,295	-
Trans-NIH Research Support	93.310	University of Pennsylvania	Uo1OD03246	50,252	-
National Center for Advancing Translational Sciences Research Infrastructure Program	93.339	University of Pennsylvania	U11TR001931	3,753,999	-
21st Century Cures Act - Bevan Biden Cancer Moonshot	93.351	University of Pennsylvania	P40OD00930	51,796	-
Nursing Research	93.333	University of Pennsylvania	Ro1NR1478	(5,021)	-
Nursing Research	93.361	University of Pennsylvania	Ro1NR1478	17,824	-
Nursing Research	93.361	University of Pennsylvania	Ro1NR01939	111,043	-
Cancer Cause and Prevention Research	93.394	University of Pennsylvania	Ro1CA18425	360,404	-
Cancer Cause and Prevention Research	93.394	University of Pennsylvania	Ro1CA18425	26,140	-
Cancer Detection and Diagnosis Research	93.394	University of Pennsylvania	U15CA24974	40,318	-
Cancer Treatment Research	93.395	University of Pennsylvania	Ro1CA26628	19,355	-
Cancer Treatment Research	93.395	University of Pennsylvania	Ro1CA26606	139,949	-
Cancer Treatment Research	93.395	University of Pennsylvania	Ro1CA19871	70,386	-
Cancer Biology Research	93.396	University of Pennsylvania	Ro1CA28904	7,097	-
Cancer Biology Research	93.396	University of Pennsylvania	Ro1CA26694	1,251	-
Cancer Centers Support Grants	93.397	University of Pennsylvania	Uo1CA24886	11,114	-
Cancer Research Mainpower	93.397	University of Pennsylvania	P90CA01620	444,549	-
Opioid STR	93.788	University of Pennsylvania	Uo1OD03246	59,682	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	H97108297	12,998	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	Ro1HL07302	101,146	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	Ro1HL15224	81,608	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	Ro1HL15264	20,756	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	Ro1HL15359	20,796	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	Ro1HL15766	395,963	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	Ro1HL16495	15,659	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	R56HL15896	149,585	-
Lang Diseases Research	93.838	University of Pennsylvania	R24HL14670	(943)	-
Lang Diseases Research	93.838	University of Pennsylvania	Ro1HL14354	194,214	-
Lang Diseases Research	93.838	University of Pennsylvania	Ro1HL15017	177,044	-
Lang Diseases Research	93.838	University of Pennsylvania	Ro1HL14740	43,483	-
Lang Diseases Research	93.838	University of Pennsylvania	Ro1HL14857	(19,847)	-
Lang Diseases Research	93.838	University of Pennsylvania	U13HL14736	118,335	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	Uo3HL14305	230,443	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	Ro1HL15731	483,419	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	Ro1HL09724	126,680	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	Ro1HL14122	(5,263)	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	Ro1HL15235	21,635	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	Ro1HL16385	11,460	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	U24HD06254	39,995	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	P90AR06069	20,995	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	Ro1AR070873	88,270	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	Ro1AR07975	(872)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Ro1DK12448	17,874	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	P90DK01925	59,486	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Ro1DK070869	8,779	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Ro1DK12448	12,073	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Ro1DK12488	(94)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Ro1DK18431	183,517	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Ro1DK070869	12,073	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R21V034877	6,303	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Uo1DK03225	1,835	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Uo1DK06862	23,905	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Uo1DK12217	222,697	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	U24MD08099	1,590	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	Uo3DK12644	194,500	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	UM1DK16194	392,401	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Ro1NS11106	29,791	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Ro1NS11106	(2,673)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Ro1NS08322	7,618	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Ro1NS09749	130,284	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Ro1NS10721	484,071	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Ro1NS11776	19,922	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Ro1NS10472	28,076	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R21NS10281	90,107	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R25NS06745	72,829	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	Uo1NS11443	260,835	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	U24NS1999	37,469	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	P90AI04068	588,097	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	Ro1AI139123	72,964	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	Ro1AI19015	76,294	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	Ro1AI19062	16,143	-
Biomedical Research and Research Training	93.859	University of Pennsylvania	K15GM08129	12,679	-
Biomedical Research and Research Training	93.859	University of Pennsylvania	Ro1GM12910	29,408	-
Biomedical Research and Research Training	93.859	University of Pennsylvania	EM1PM19511	2,471	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	Ro1HD08390	(413)	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	Ro1HD09363	297,335	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	R21HD03927	200,735	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	R24HD07747	21,600	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	Uo1HD09363	18,662	-
Aging Research	93.866	University of Pennsylvania	Ro1AG060401	9,434	-
Aging Research	93.866	University of Pennsylvania	Ro1AG07725	85,437	-
Aging Research	93.866	University of Pennsylvania	R56AG06065	(6,023)	-
Aging Research	93.866	University of Pennsylvania	Uo1AG02984	20,386	-
Vision Research	93.867	University of Pennsylvania	Ro1V023357	275,574	-
Medical Library Assistance	93.879	University of Pennsylvania	Ro1LM01437	20,461	-
Medical Library Assistance	93.879	University of Pennsylvania	Ro1LM013519	13,096	-
Biomedical Advanced Research and Development Authority	93.879	University of Pennsylvania	Ro1V023357	275,574	-
NIAID Centers of Excellence for Influenza Research and Response	93.879	University of Pennsylvania	Ro1V023357	275,574	-
National Center on Sleep Disorders Research	93.233	University of Pennsylvania	Ro1HL14370	432,061	-
Mental Health Research Grants	93.242	University of Pittsburgh	P90MH11838	657,171	-
Mental Health Research Grants	93.242	University of Pittsburgh	Ro1MH11838	29,960	-
Lang Diseases Research	93.838	University of Pittsburgh	Ro1HL12299	19,271	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pittsburgh	Ro1DK09365	(26,877)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pittsburgh	Ro1DK12913	18,437	-
Mental Health Research Grants	93.242	University of Texas Southwestern Medical Center	R21MH131865	19,601	-
Blood Diseases and Resources Research	93.839	University of Washington	Uo3HL16264	12,199	-
Child Health and Human Development Extramural Research	93.865	University of Washington	Ro1HD08815	549,752	-
Child Health and Human Development Extramural Research	93.865	University of Washington	Ro1HD01878	170,038	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	UroGenie LLC	R44DK127835	93,812	-
Drug Abuse and Addiction Research Program	93.279	Vanderbilt University	R24DA04483	80,039	-
Cancer Cause and Prevention Research	93.993	Vanderbilt University	R01CA220005	38,710	-
Cancer Treatment Research	93.993	Vanderbilt University	R01CA274675	74,993	-
Allergy and Infectious Diseases Research	93.853	Vanderbilt University	UM1HL184452	20,852	-
Child Health and Human Development Extramural Research	93.866	Vanderbilt University	R21HD097992	4,185	-
International Research and Research Training	93.989	Vanderbilt University	R21TW014327	14,835	-
Blood Diseases and Resources Research	93.839	Vascular Vision Pharmaceutical Company	R44HL17737	32,890	-
Blood Diseases and Resources Research	93.839	Virginia Commonwealth University	R01HL156158	208,040	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Virginia Commonwealth University	P04AR072000	440	-
Research Related to Deafness and Communication Disorders	93.173	Washington Univ in St. Louis	R01DC048942	47,663	-
Mental Health Research Grants	93.242	Washington Univ in St. Louis	R01MH18362	653,965	-
National Center for Advancing Translational Sciences	93.242	Washington Univ in St. Louis	R01HL126693	108,122	-
Blood Diseases and Resources Research	93.839	Washington Univ in St. Louis	U01HD089794	65,990	-
Blood Diseases and Resources Research	93.839	Washington Univ in St. Louis	R01HL055337	6,064	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Washington Univ in St. Louis	R01DK124274	(932)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Washington Univ in St. Louis	R01NS14653	59,416	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Washington Univ in St. Louis	R21NS10574	5,440	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Washington Univ in St. Louis	R56NS117635	11,765	-
Allergy and Infectious Diseases Research	93.855	Washington Univ in St. Louis	R01HL18391	454,745	-
Allergy and Infectious Diseases Research	93.855	Washington Univ in St. Louis	R21AI154370	26,060	-
Child Health and Human Development Extramural Research	93.866	Washington Univ in St. Louis	R01HD060681	127,104	-
Child Health and Human Development Extramural Research	93.866	Wayne State University	U19HD089875	68	-
Child Health and Human Development Extramural Research	93.866	Westat	UM2HD11070	56,012	-
Lang Diseases Research	93.838	Wistar Institute	R01HL147472	273,908	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Wistar Institute	R01DK127333	43,509	-
Food Safety Grants	93.103	Yale University	U01FD009398	8,256	-
Drug Abuse and Addiction Research Program	93.279	Yale University	R21DA033312	134,071	-
Minority Health and Health Disparities Research	93.907	Yale University	R01MD14863	93,883	-
21st Century Cures Act - Beas Biden Cancer Moonshot	93.353	Yale University	U01CA246665	(21,283)	-
Child Health and Human Development Extramural Research	93.866	Yale University	R01HD060626	17,508	-
Total National Institutes of Health - Pass Through				\$2,893,414	\$ 4,710,424
<b>Total National Institutes of Health</b>				<b>\$ 209,404,310</b>	<b>\$ 37,207,966</b>
<b>Food and Drug Administration</b>					
Direct Grants and Contracts:					
Food and Drug Administration-Research	93.103			\$ 1,269,429	\$ 615,281
Incidence and Outcomes of Human Adenovirus Infection	93.RD			119,810	-
Natural History of Enteroviral Sepsis Using Real World Data	93.RD			50,738	-
Pediatric High-Risk Cancer Preclinical Model Resource	93.RD			330,420	-
Polyethylene Glycol Safety in Children	93.RD			2,010,027	-
Total Food and Drug Administration - Direct				2,010,027	615,281
Pass-through:					
Active Risk Identification and Analysis	93.RD	Harvard Pilgrim Health Care	93.75F4019D10037	50,937	-
Total Food and Drug Administration - Pass-through				50,937	-
<b>Total Food and Drug Administration</b>				<b>\$ 2,070,491</b>	<b>\$ 615,281</b>
<b>Health Resources and Services Administration</b>					
Direct Grants and Contracts:					
Environmental Health	93.113			\$ 219,580	\$ -
Maternal and Child Health Federal Consolidated Programs	93.110			2,206,212	430,039
Autism Collaborative, Accountability, Research, Education and Support	93.977			2,552,550	82,292
Total Health Resources and Services Administration - Direct				2,901,442	479,289
Pass Through:					
Maternal and Child Health Federal Consolidated Programs	93.110	American Academy of Pediatrics	U31MC39344	41,004	-
Environmental Health	93.113	Drexel University	R21ES009057	158,030	-
Maternal and Child Health Federal Consolidated Programs	93.110	Lehigh Valley Hospital	H30MC48960	72,509	-
Environmental Health	93.113	Keck School of Medicine at Mount Sinai	R01ES031295	47,591	-
Maternal and Child Health Federal Consolidated Programs	93.110	Ann & Robert H. Lurie Children's Hospital of Chicago	U11AMC1798	16,788	-
Maternal and Child Health Federal Consolidated Programs	93.110	Regents of the University of California, Los Angeles	U46MC32492	2,432	-
Environmental Health	93.113	Southern Illinois University	R15ES033394	19,326	-
Environmental Health	93.113	University of North Carolina	R01ES01940	141,141	-
Environmental Health	93.113	University of Pennsylvania	P2CES033488	191,907	-
Environmental Health	93.113	University of Pennsylvania	R21ES031243	2,967	-
Environmental Health	93.113	University of Pennsylvania	P30ES033588	17,523	-
Medical Student Education	93.680	The University of Utah	6T99HP39203	31,590	-
Total Health Resources and Services Administration - Pass Through				663,808	-
<b>Total Health Resources and Services Administration</b>				<b>\$ 3,463,350</b>	<b>\$ 479,289</b>
<b>Agency for Healthcare Research and Quality</b>					
Direct Grants and Contracts:					
Research on Healthcare Costs, Quality, and Outcomes	93.226			\$ 2,001,352	\$ 330,558
Total Agency for Healthcare Research and Quality - Direct				2,001,352	330,558
<b>Total Agency for Healthcare Research and Quality</b>				<b>\$ 2,001,352</b>	<b>\$ 330,558</b>
<b>Total U.S. Department of Health and Human Services</b>				<b>\$ 218,534,783</b>	<b>\$ 38,951,312</b>
<b>U.S. Department of Defense</b>					
<b>Department of Army, Army Research and Materiel Command</b>					
Direct Grants and Contracts:					
Military Medical Research and Development	12.420			\$ 7,324,073	\$ 321,497
Total United States Department of Army - Direct				7,324,073	321,497
Pass Through:					
Military Medical Research and Development	12.420	Advanced Technology International - ATI	W81XWH-15-9-0001	574,978	335,965
Military Medical Research and Development	12.420	Children's Hospital Boston	W81XWH-21-1-0499	14,315	-
Military Medical Research and Development	12.420	EnMentis Therapeutics, Inc	W81XWH1939001	86,123	-
Military Medical Research and Development	12.420	Mind Research Network	W81XWH2220667	7,310	-
Military Medical Research and Development	12.420	Oecologica	W81XWH21C0103	28,985	-
Military Medical Research and Development	12.420	SENY Dowstate Medical Center	W81XWH2101189	94,560	-
Basic Scientific Research	12.431	University of Pennsylvania	WJ11NF2010080	151,788	-
Military Medical Research and Development	12.420	University of Alabama at Birmingham	W81XWH17-0037	90,242	-
Military Medical Research and Development	12.420	Wayne State University	W81XWH1010102	17,024	-
Total United States Department of Army - Pass Through				1,144,995	335,965
<b>Total Department of Army, Army Research and Materiel Command</b>				<b>\$ 8,468,958</b>	<b>\$ 656,862</b>
<b>National Aeronautics and Space Administration</b>					
Direct Grants and Contracts:					
Exploration	43.003			\$ 105,473	\$ -
Total National Aeronautics and Space Administration - Direct				105,473	-
Pass Through:					
Exploration	43.003	Baylor University	NNX16A066A	2,231	-
Total National Aeronautics and Space Administration - Pass Through				2,231	-
<b>Total National Aeronautics and Space Administration</b>				<b>\$ 108,724</b>	<b>\$ -</b>
<b>Total U.S. Department of Defense</b>				<b>\$ 8,377,682</b>	<b>\$ 656,862</b>
<b>Environmental Protection Agency</b>					
<b>National Science Foundation</b>					
Direct Grants and Contracts:					
Engineering Grants	47.041			\$ 133,556	\$ -
Computer and Information Science and Engineering	47.070			80,731	-
	47.075			16	-
Total National Science Foundation - Direct				214,303	-
Pass Through:					
Computer and Information Science and Engineering	47.070	Drexel University	1741306	23,991	-
Engineering Grants	47.041	Drexel University	2047073	11,115	-
Technology, Innovation, and Partnerships	47.084	Hacks/Hackers	4910001210037	65,240	-
Social, Behavioral, and Economic Sciences	47.075	University of Pennsylvania	5917508	1,114	-
Total National Science Foundation - Pass Through				101,356	-
<b>Total National Science Foundation</b>				<b>\$ 316,039</b>	<b>\$ -</b>
<b>United States Department of Education</b>					
Direct Grants and Contracts:					
Education Research, Development and Dissemination	84.305			\$ 1,908,024	\$ 189,119
Total United States Department of Education-Direct				1,908,024	189,119
<b>Total United States Department of Education</b>				<b>\$ 1,908,024</b>	<b>\$ 189,119</b>
<b>Total Federal Financial Assistance Research and Development Cluster</b>				<b>\$ 229,336,528</b>	<b>\$ 39,797,293</b>
<b>Head Start Cluster</b>					
<b>U.S. Department of Health and Human Services</b>					
<b>Administration for Children and Families</b>					
Direct Grants and Contracts:					
Head Start	93.600			\$ 2,295,393	\$ 99,454
Total Administration for Children and Families - Direct				2,295,393	99,454
<b>Total Administration for Children and Families</b>				<b>\$ 2,295,393</b>	<b>\$ 99,454</b>
<b>Total U.S. Department of Health and Human Services</b>				<b>\$ 2,295,393</b>	<b>\$ 99,454</b>
<b>Total Federal Financial Assistance Head Start Cluster</b>				<b>\$ 2,295,393</b>	<b>\$ 99,454</b>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.



# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates

## Schedule of Expenditures of Federal Awards

### Year Ended June 30, 2023

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
<b>Highway Safety Cluster</b>					
<b>U.S. Department of Transportation</b>					
Pass Through:					
Highway Research and Development Program	20.600	Ohio Department of Public Safety	69A375233000040200H0	\$ 437,725	\$ -
Discretionary Safety Grants and Cooperative Agreements	20.614	National Safety Council	6934921500023	142,440	-
National Priority Safety Programs	20.616	New Jersey Division of Highway Traffic Safety	69A3752330000400CN10	355,600	-
Total US Department of Transportation - Pass Through				935,855	-
<b>Total US Department of Transportation</b>				<b>\$ 935,855</b>	<b>\$ -</b>
<b>Total Federal Financial Assistance Highway Safety Cluster</b>					
<b>477 Cluster</b>					
<b>U.S. Department of Health and Human Services</b>					
<b>National Institutes of Health</b>					
Pass Through:					
Temporary Assistance for Needy Families	93.058	Philadelphia Works, Inc.	090-19-336-1	\$ (192)	\$ -
Temporary Assistance for Needy Families	93.058	Philadelphia Works, Inc.	090-020-336-1	191,445	-
Total National Institutes of Health - Pass Through				191,445	-
<b>Total National Institutes of Health</b>				<b>\$ 191,445</b>	<b>\$ -</b>
<b>Total U.S. Department of Health and Human Services</b>				<b>\$ 191,445</b>	<b>\$ -</b>
<b>Total Federal Financial Assistance 477 Cluster</b>					
<b>Other Federal Awards</b>					
<b>U.S. Department of Health and Human Services</b>					
<b>Center for Disease Control and Prevention</b>					
Direct Grants and Contracts:					
HIV Prevention Activities Non-Governmental Organization Based	93.939			\$ 291,638	\$ -
Total Center for Disease Control and Prevention				291,638	-
Pass Through:					
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	Regents of the University of Minnesota	NU90CK000495	17,741	-
Emerging Infections Program	93.317	Minnesota Refugee Health Program	NU90CK000493	191,719	-
Immunization Cooperative Agreements	93.268	City of Philadelphia	2202097	609,253	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Re	93.354	City of Philadelphia	2020062	4,950	-
Environmental Public Health and Emergency Response	93.070	PA Department of Health: Environmental Public Health and Emergency Response	SAP #4100089404	24,148	-
Preventive Health and Health Services Block Grant	93.994	PA Department of Health: Preventive Health and Health Services Block Grant	SAP #4100089404	144,455	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	PA Department of Health: Preventive Health and Health Services Block Grant	SAP #4100090799	71,566	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	PA Department of Health: Preventive Health and Health Services Block Grant	SAP #4100094209	800,484	-
Total Center for Disease Control and Prevention - Pass Through				1,843,088	-
<b>Total Center for Disease Control and Prevention</b>				<b>\$ 2,235,516</b>	<b>\$ -</b>
<b>Health Resource and Service Administration</b>					
Direct Grants and Contracts:					
Prison Control Stabilization and Enhancement Grants	93.253			\$ 668,362	\$ -
Total Health Resource and Services Administration - Direct				668,362	-
Pass Through:					
National Bioterrorism Hospital Preparedness Program	93.889	Pennsylvania Department of Health	4100086079	17,994	-
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	AccessMatters	214404	35,883	-
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	AccessMatters	234404	68,263	-
Circle of Care Ryan White Title IV	93.994	AccessMatters	203001	6,500	-
Circle of Care Ryan White Title IV	93.994	AccessMatters	214403	71,484	-
Circle of Care Ryan White Title IV	93.994	AccessMatters	214403-01	9,490	-
Circle of Care Ryan White Title IV	93.994	AccessMatters	233001	30,345	-
Special Child Health and Early Intervention, Child Evaluation Centers 2021	93.994	NJ Department of Health	NJHHS - DFHS22EV1001	54,000	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RM3810	805,946	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RM3810	45,780	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RW2650	127,311	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RW2650	31,081	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RW2995	163,026	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RW2995	52,099	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RM3809	128,126	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RM3809	33,894	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2220536 - CP2012	75,101	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2220536-01 - CP2012	47,775	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2220536 - CP1043	92	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2220536 - CP2043	14,144	7,997
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2220536-01 - CP2043	6,419	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2020149-03 ST3481	88,240	-
Emergency Medical Services for Children	93.127	University of California	U03MCO001	138,247	-
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686	City of Philadelphia	2220626 - EHF2012	35,452	-
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686	City of Philadelphia	2220626-01 - EHF2012	30,327	-
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686	City of Philadelphia	2220626-01 - EHF2012	9,906	-
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686	City of Philadelphia	2220626-02 - EHF2012	2,232	-
HIV Care Formula Grants	93.917	City of Philadelphia	2120492	64,993	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	City of Philadelphia	2220355	32,216	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	City of Philadelphia	2220355-01	85,024	-
Total Health Resource and Services Administration - Pass Through				1,645,100	7,997
<b>Total Health Resource and Services Administration</b>				<b>\$ 2,313,532</b>	<b>\$ 7,997</b>
<b>Office of Population Affairs</b>					
Pass Through:					
Family Planning Services	93.217	AccessMatters	214401	\$ 27,000	\$ -
Family Planning Services	93.217	AccessMatters	234401	17,6124	-
Total Office of Population Affairs - Pass Through				201,124	-
<b>Total Office of Population Affairs</b>				<b>\$ 201,124</b>	<b>\$ -</b>
<b>Total U.S. Department of Health and Human Services</b>					
<b>U.S. Department of Agriculture</b>					
Direct Grants and Contracts:					
Agricultural Research Basic and Applied Research				\$ -	\$ -
Total US Department of Agriculture - Direct				-	-
Pass Through:					
Food Insecurity Nutrition Incentive Grants Program	10.331	Gretchen Swanson Center for Nutrition	2019-70930-30415	68,005	-
Total US Department of Agriculture - Pass Through				68,005	-
<b>Total US Department of Agriculture</b>				<b>\$ 68,005</b>	<b>\$ -</b>
<b>U.S. Department of Justice</b>					
Direct Grants and Contracts:					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.260			\$ 134,410	\$ -
Total Department of Justice				134,410	-
Pass Through:					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.260	University of Pennsylvania	2017-CK-BX-0016	7,982	-
Crime Victim Assistance	16.275	PA Commission on Crime and Delinquency	2018/2019/2020-VF-03-32915	155,021	-
Total US Department of Justice - Pass Through				163,003	-
<b>Total US Department of Justice</b>				<b>\$ 300,413</b>	<b>\$ -</b>
<b>U.S. Department of Treasury</b>					
Pass Through:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	PA Commission on Crime and Delinquency	2022-SF-VI-36801	\$ 498,166	\$ -
Total US Department of Treasury - Pass Through				498,166	-
<b>Total US Department of Treasury</b>				<b>\$ 498,166</b>	<b>\$ -</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 238,376,987</b>	<b>\$ 39,904,744</b>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
Schedule of Expenditures of New Jersey State Financial Assistance Awards  
Fiscal Year Ended June 30, 2023 (Unaudited)**

State Grantor/Program and Program Reference Number	Funding #	Grant Award Period	FY 6-30-23 Grant Expenditures	Total Grant Expenditures to Date
<b>Department of Health and Senior Services</b>				
<b>Direct Awards</b>				
Newborn Screening and Genetic Services 2023 <b>N NJ:DFHS23NWB001</b>	46.42208026925	7/1/2022 to 6/30/2023	\$ 199,686	\$ 202,970
Hemophilia Services 2023 <b>NJ:DFHS23HEM002</b>	46.42208027004	7/1/2022 to 6/30/2023	127,030	129,762
Newborn Screening and Genetic Services 2023 <b>NJ:DFHS23NWB002</b>	46.42208026926 46.42208026927	7/1/2022 to 6/30/2023	55,493	56,367
Special Child Health & Early Intervention, Child Evaluation Centers 2023 <b>NJ: DFHS22EVL001 and 93.994</b>	46.42208026972 46.42208026973 46.42208026974 46.42208026975	7/1/2022 to 6/30/2023	215,014	218,167
<b>Expenditures of New Jersey State Financial Assistance</b>			<b>\$ 597,223</b>	<b>\$ 607,266</b>

The accompanying notes are an integral part of the schedule of expenditures of New Jersey State Financial Assistance Awards.

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
Notes to Schedules of Expenditures of Federal and State Awards  
Fiscal Year Ended June 30, 2023**

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**1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards, and Supplemental Statements of Program Expenditures and Program Revenues (the “Schedules”), which include the Federal and State of New Jersey grant transactions of The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates (the “Enterprise”), and the federal funds passed through the City of Philadelphia, are recorded on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Because the Schedules present only a selected portion of the operations of the Enterprise, they are not intended to and do not present the financial position, changes in net assets or cash flows of the Enterprise. The information in these Schedules is presented in accordance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; 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), *the State of New Jersey Single Audit Policy Circular Letter 15-08-OMB*.

Negative amounts represent adjustments or credits to amounts reported as expenditures in prior years. The pass-through ID numbers were noted in the Schedule of Expenditures of Federal Awards when available.

**2. Facilities and Administrative Costs**

Expenditures consist of direct costs and indirect costs. The Enterprise applies its predetermined approved facilities and administration rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance.

## **City of Philadelphia Requirements**

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
AIDS Activity Coordination Office Award #RM2809; Assistant Listing #93.914  
Statement of Program Expenditures and Program Revenues  
Year Ended June 30, 2023  
Grant Period 03/01/2022 to 02/28/2023  
Award Amount: \$187,983  
Contract Number: 2120574-01 - RM2809  
Activity Description: Care Services Case Management MAI**

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**Expenditures**

Personnel:		
Salaries		\$ 100,075
Fringe benefits		28,051
Total personnel expenditures		<u>128,126</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		128,126
Administration		<u>-</u>
Total expenditures		128,126
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 128,126</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #RM2810; Assistant Listing #93.914  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2022 to 02/28/2023  
 Award Amount: \$152,718  
 Contract Number: 2120574-01 - RM2810  
 Activity Description: Outpatient Ambulatory Medical Care MAI**

---

**Expenditures**

Personnel:		
Salaries		\$ 84,887
Fringe benefits		21,059
Total personnel expenditures		<u>105,946</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		105,946
Administration		<u>-</u>
Total expenditures		105,946
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 105,946</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #RM3809; Assistant Listing #93.914  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2023 to 02/28/2024  
 Award Amount: \$179,912  
 Contract Number: 2120574-02 - RM3809  
 Activity Description: Care Services Case Management MAI**

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**Expenditures**

Personnel:		
Salaries		\$ 26,459
Fringe benefits		7,435
Total personnel expenditures		<u>33,894</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		33,894
Administration		<u>-</u>
Total expenditures		33,894
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 33,894</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #RM3810; Assistant Listing #93.914  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2023 to 02/28/2024  
 Award Amount: \$146,161  
 Contract Number: 2120574-02 – RM3810  
 Activity Description: Outpatient Ambulatory Medical Care MAI**

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**Expenditures**

Personnel:		
Salaries		\$ 36,469
Fringe benefits		9,311
Total personnel expenditures		<u>45,780</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		45,780
Administration		<u>-</u>
Total expenditures		45,780
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 45,780</u>



**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #RW2650; Assistant Listing #93.914  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2022 to 02/28/2023  
 Award Amount: \$127,693  
 Contract Number: 2120574-01 - RW2650  
 Activity Description: Outpatient/Ambulatory Medical Care**

---

**Expenditures**

Personnel:		
Salaries		\$ 99,881
Fringe benefits		27,630
Total personnel expenditures		<u>127,511</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		127,511
Administration		<u>-</u>
Total expenditures		127,511
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 127,511</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
AIDS Activity Coordination Office Award #RW2995; Assistant Listing #93.914  
Statement of Program Expenditures and Program Revenues  
Year Ended June 30, 2023  
Grant Period 03/01/2022 to 02/28/2023  
Award Amount: \$164,475  
Contract Number: 2120574-01 - RW2995  
Activity Description: Case Services Case Management**

---

**Expenditures**

Personnel:		
Salaries		\$ 127,691
Fringe benefits		35,335
Total personnel expenditures		<u>163,026</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		163,026
Administration		<u>-</u>
Total expenditures		163,026
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 163,026</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #RW3650; Assistant Listing #93.914  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2023 to 02/28/2024  
 Award Amount: \$125,974  
 Contract Number: 2120574-02 - RW3650  
 Activity Description: Outpatient/Ambulatory Medical Care**

---

**Expenditures**

Personnel:		
Salaries		\$ 24,263
Fringe benefits		6,818
Total personnel expenditures		<u>31,081</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		31,081
Administration		<u>-</u>
Total expenditures		31,081
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 31,081</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #RW3995; Assistant Listing #93.914  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2023 to 02/28/2024  
 Award Amount: \$157,814  
 Contract Number: 2120574-02 - RW3995  
 Activity Description: Case Services Case Management**

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**Expenditures**

Personnel:		
Salaries		\$ 40,671
Fringe benefits		11,428
Total personnel expenditures		<u>52,099</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		52,099
Administration		<u>-</u>
Total expenditures		52,099
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 52,099</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #CP1043; Assistant Listing #93.940  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 01/01/2021 to 12/31/2021  
 Award Amount: \$20,000  
 Contract Number: 1820411-03 - CP1043  
 Activity Description: Comprehensive HIV Prevention and Surveillance Project**

---

**Expenditures**

Personnel:		
Salaries		\$ 72
Fringe benefits		20
Total personnel expenditures		<u>92</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		92
Administration		-
Total expenditures		<u>92</u>
Program revenue		
Net AACO funded expenditures		<u>\$ 92</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
AIDS Activity Coordination Office Award #CP2012; Assistant Listing #93.940  
Statement of Program Expenditures and Program Revenues  
Year Ended June 30, 2023  
Grant Period 01/01/2022 to 12/31/2022  
Award Amount: \$128,000  
Contract Number: 2220536 - CP2012  
Activity Description: Testing in Adolescent Healthcare Settings**

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**Expenditures**

Personnel:		
Salaries		\$ 58,658
Fringe benefits		16,443
Total personnel expenditures		<u>75,101</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		75,101
Administration		<u>-</u>
Total expenditures		75,101
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 75,101</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #CP2043; Assistant Listing #93.940  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 01/01/2022 to 12/31/2022  
 Award Amount: \$20,000  
 Contract Number: 2220536 - CP2043  
 Activity Description: App Hosting**

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**Expenditures**

Personnel:		
Salaries		\$ 4,797
Fringe benefits		1,350
Total personnel expenditures		<u>6,147</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		7,997
Other		-
Total operating expenditures		<u>7,997</u>
Total direct expenditures		14,144
Administration		-
Total expenditures		<u>14,144</u>
Program revenue		
Net AACO funded expenditures		<u>\$ 14,144</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
AIDS Activity Coordination Office Award #CP3012; Assistant Listing #93.940  
Statement of Program Expenditures and Program Revenues  
Year Ended June 30, 2023  
Grant Period 01/01/2023 to 12/31/2023  
Award Amount: \$128,000  
Contract Number: 2220536-01 - CP3012  
Activity Description: Testing in Adolescent Healthcare Settings**

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**Expenditures**

Personnel:		
Salaries		\$ 38,284
Fringe benefits		9,491
Total personnel expenditures		<u>47,775</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		<u>47,775</u>
Administration		<u>-</u>
Total expenditures		<u>47,775</u>
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 47,775</u>



**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #CP3043; Assistant Listing #93.940  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 01/01/2023 to 12/31/2023  
 Award Amount: \$20,000  
 Contract Number: 2220536-01 - CP3043  
 Activity Description: App Hosting**

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**Expenditures**

Personnel:		
Salaries		\$ 5,011
Fringe benefits		1,408
Total personnel expenditures		<u>6,419</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		6,419
Administration		<u>-</u>
Total expenditures		6,419
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 6,419</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
AIDS Activity Coordination Office Award #EH2012; Assistant Listing #93.686  
Statement of Program Expenditures and Program Revenues  
Year Ended June 30, 2023  
Grant Period 03/01/2022 to 02/28/2023  
Award Amount: \$67,755  
Contract Number: 2220626-02 - EH2012  
Activity Description: EtHE Services**

---

**Expenditures**

Personnel:		
Salaries		\$ 39,808
Fringe benefits		11,180
Total personnel expenditures		<u>50,988</u>
Operating:		
Travel		821
Equipment		-
Supplies		-
Printing		-
Subcontract		
Indirect cost		4,643
Total operating expenditures		<u>5,464</u>
Total direct expenditures		56,452
Administration		-
Total expenditures		<u>56,452</u>
Program revenue		
Net AACO funded expenditures		<u>\$ 56,452</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #EH2042; Assistant Listing #93.686  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 10/01/2022 to 02/28/2023  
 Award Amount: \$67,725  
 Contract Number: 2220626-01 - EH2042  
 Activity Description: RW HIV/AIDS Program Parts A and B**

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**Expenditures**

Personnel:		
Salaries		\$ 7,733
Fringe benefits		<u>2,173</u>
Total personnel expenditures		<u>9,906</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Indirect cost		<u>-</u>
Total operating expenditures		<u>-</u>
Total direct expenditures		9,906
Administration		<u>-</u>
Total expenditures		9,906
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 9,906</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #EH3012; Assistant Listing #93.686  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2023 to 02/28/2024  
 Award Amount: \$102,275  
 Contract Number: 2220626-02 - EH3012  
 Activity Description: EtHE Services**

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**Expenditures**

Personnel:		
Salaries		\$ 21,680
Fringe benefits		6,092
Total personnel expenditures		<u>27,772</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Indirect cost		2,555
Total operating expenditures		<u>2,555</u>
Total direct expenditures		30,327
Administration		-
Total expenditures		<u>30,327</u>
Program revenue		
Net AACO funded expenditures		<u>\$ 30,327</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #EH3042; Assistant Listing #93.686  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 03/01/2023 to 02/28/2024  
 Award Amount: \$140,000  
 Contract Number: 2220626-02 - EH3042  
 Activity Description: Mental Health Activity**

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**Expenditures**

Personnel:		
Salaries		\$ 2,523
Fringe benefits		709
Total personnel expenditures		<u>3,232</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Indirect cost		-
Total operating expenditures		<u>-</u>
Total direct expenditures		3,232
Administration		-
Total expenditures		<u>3,232</u>
Program revenue		
Net AACO funded expenditures		<u>\$ 3,232</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #ST3481; Assistant Listing #93.940  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 06/01/2023 to 06/30/2023  
 Award Amount: \$89,420  
 Contract Number: 2020149-03 - ST3481  
 Activity Description: HNS - HIV Navigation Services**

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**Expenditures**

Personnel:		
Salaries		\$ 69,254
Fringe benefits		19,386
Total personnel expenditures		<u>88,640</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		88,640
Administration		<u>-</u>
Total expenditures		88,640
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 88,640</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
AIDS Activity Coordination Office Award #CPT2001; Assistant Listing #93.944  
Statement of Program Expenditures and Program Revenues  
Year Ended June 30, 2023  
Grant Period 01/01/2022 to 12/31/2022  
Award Amount: \$20,000  
Contract Number: 2220870 - CPT2001  
Activity Description: Testing in Adolescent Healthcare Settings**

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**Expenditures**

Personnel:		
Salaries		\$ 16,042
Fringe benefits		3,958
Total personnel expenditures		<u>20,000</u>
Operating:		
Travel		-
Equipment		
Supplies		
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		20,000
Administration		<u>-</u>
Total expenditures		20,000
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 20,000</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
AIDS Activity Coordination Office Award #CBT3001; Assistant Listing #93.944  
Statement of Program Expenditures and Program Revenues  
Year Ended June 30, 2023  
Grant Period 01/01/2023 to 12/31/2023  
Award Amount: \$376,943  
Contract Number: 2220870 - CBT3001  
Activity Description: Community Mobilization**

---

**Expenditures**

Personnel:		
Salaries		\$ 24,023
Fringe benefits		6,750
Total personnel expenditures		<u>30,773</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		30,773
Administration		<u>-</u>
Total expenditures		30,773
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 30,773</u>



**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #1420096-03; Assistant Listing #93.918  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 07/01/2021 to 06/30/2022  
 Award Amount: \$75,000  
 Contract Number: 1820007-03  
 Activity Description: HIV Early Intervention Program**

---

**Expenditures**

Personnel:		
Salaries		\$ 25,436
Fringe benefits		6,780
Total personnel expenditures		<u>32,216</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		32,216
Administration		<u>-</u>
Total expenditures		32,216
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 32,216</u>

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
 AIDS Activity Coordination Office Award #1420096-03; Assistant Listing #93.918  
 Statement of Program Expenditures and Program Revenues  
 Year Ended June 30, 2023  
 Grant Period 07/01/2022 to 06/30/2023  
 Award Amount: \$85,962  
 Contract Number: 1820007-03  
 Activity Description: HIV Early Intervention Program**

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**Expenditures**

Personnel:		
Salaries		\$ 67,132
Fringe benefits		18,792
Total personnel expenditures		<u>85,924</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total operating expenditures		<u>-</u>
Total direct expenditures		85,924
Administration		<u>-</u>
Total expenditures		85,924
Program revenue		<u>-</u>
Net AACO funded expenditures		<u>\$ 85,924</u>

## **Reports on Internal Control and Compliance**



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

To The Board of Trustees of  
The Children's Hospital of Philadelphia Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the consolidated financial statements of The Children's Hospital of Philadelphia Foundation and Controlled Affiliates (the "Company"), which comprise the consolidated balance sheets as of June 30, 2023, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"), and have issued our report thereon dated September 29, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Company'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 Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 Company'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 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 Company'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 Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

Philadelphia, Pennsylvania  
September 29, 2023



**Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance and the *City of Philadelphia Subrecipient Audit Guide*, which incorporates the guidance from the Uniform Guidance**

To The Board of Trustees of  
The Children's Hospital of Philadelphia Foundation

**Report on Compliance for Each Major Federal and City of Philadelphia Program**

***Opinion on Each Major Federal and City of Philadelphia Program***

We have audited The Children's Hospital of Philadelphia Foundation and Controlled Affiliates' (the "Company") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *City of Philadelphia Subrecipient Audit Guide*, which incorporates the guidance from OMB Uniform Guidance, that could have a direct and material effect on each of the Company's major federal and City of Philadelphia programs for the year ended June 30, 2023. The Company's major federal and City of Philadelphia programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Company 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 and City of Philadelphia programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal and City of Philadelphia Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; 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) and the audit requirements of the *City of Philadelphia Subrecipient Audit Guide*, which incorporates the guidance from OMB Uniform Guidance. Our responsibilities under those standards and the Uniform Guidance and the City of Philadelphia Subrecipient Audit Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company 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 and City of Philadelphia program. Our audit does not provide a legal determination of the Company'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 Company's federal and City of Philadelphia programs.



### ***Auditors' 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 Company'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 US 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 Company's compliance with the requirements of each major federal and City of Philadelphia program as a whole.

In performing an audit in accordance with US 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 Company'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 Company'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 and the City of Philadelphia Subrecipient Audit Guide, which incorporates the guidance from OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Company'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.

### **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 or city program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 or city 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 or city 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 Auditors' 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 and the *City of Philadelphia Subrecipient Audit Guide*, which incorporates the guidance from OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PricewaterhouseCoopers LLP*

Philadelphia, Pennsylvania  
December 19, 2023



## **Schedule of Findings and Questioned Costs**

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2023**

**Section I – Summary of Auditor’s Results**

<b>Consolidated Financial Statements</b>		<u>Unmodified</u>	
(i) Type of auditor’s report issued			
(ii) Internal control over financial reporting: Material weakness(es) identified?	___ yes	_X_ no	
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	_X_ none reported	
(iii) Noncompliance material to consolidated financial statements noted?	___ yes	_X_ no	
<b>Federal Awards</b>			
(iv) Internal control over major programs: Material weakness(es) identified?	___ yes	_X_ no	
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	_X_ none reported	
(v) Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>		
(vi) Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	___ yes	_X_ none reported	
(vii) Identification of major programs:			
<b>Name of Federal Program or Cluster</b>	<b>Assistance Listing Number</b>		
Research & Development Cluster	Various		
(viii) Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000		
(ix) Auditee qualified as low-risk auditee	_X_ yes	___ no	
<b>City Awards</b>		<u>Unmodified</u>	
(iv) Internal control over major programs: Material weakness(es) identified?	___ yes	_X_ no	
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	_X_ none reported	
(v) Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>		
(vi) Any audit findings disclosed that are required to be reported in accordance with the 2CFR 200.516(a) and the <i>City of Philadelphia Subrecipient Audit Guide</i>	___ yes	_X_ none reported	
(vii) Identification of major programs:			
<b>Name of City Program</b>	<b>Assistance Listing Number</b>		
COVID-19 Immunization Grant	_93.268_		
(i) Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000		
(ii) Auditee qualified as low-risk auditee	_X_ yes	___ no	

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2023**

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**Section II – Financial Statement Findings**

None noted.

**Section III – Federal and City Award Findings and Questioned Costs**

None noted.

# The Children's Hospital of Philadelphia Foundation and Controlled Affiliates

## Summary Schedule of Prior Audit Findings

### Fiscal Year Ended June 30, 2023

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#### **2022 - 001 Reporting of PRF Expenses**

**Federal Granting Agency:** Health Resources and Services Administration

**Award Name:** COVID-19 Provider Relief Fund

**Assistance Listing Number:** 94.498

**Assistance Listing Title:** COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

**Award Year:** January 1, 2020 to December 31, 2021

**Pass-through:** Not applicable

#### **Summary**

The Company reported total Health Care-Related Expenses of \$2,355,345 (for calendar quarters Q1 2020 and Q2 2020) in the PRF Reporting Portal Submission for Period 1 for The Children's Hospital of Philadelphia. The Company duplicated the reporting of these expenses (for calendar quarters Q1 2020 and Q2 2020) in the PRF Reporting Portal Submission for Period 2 for the same entity. The duplicate reporting of expenses in the PRF Portal Submission for Period 1 and Period 2 resulted in an incorrect calculation of the Total Reportable Other PRF remaining to be applied to Lost Revenues amount in the PRF Financial Summary section of the PRF Portal Submission for Period 2. The calculated amount of PRF Remaining to be applied to Lost Revenues in the PRF Portal Submission for Period 2 was calculated as \$102,826,364 whereas the amount would have been \$105,181,709 if the expenses had not been duplicated in the Period 2 PRF Portal Submission Reporting. The total amount of PRF payments utilized in the period did not change, however, the amounts reported as Health Care-Related Expenses and PRF applied to Lost Revenues for the period were overstated and understated, respectively, by the \$2,355,345 noted above.

#### **Status Update**

The duplication of reported expenses in period 2 for the Covid-19-Provider Relief Fund related to FY 2022 was addressed. When the issue was discovered, CHOP opened a ticket with Health Resources and Services Administration to report the finding and seek guidance on the correction process; CHOP was subsequently informed that an update to its report was not required and therefore no action needed. CHOP continues to ensure a detailed review of terms and guidance for reporting requirements is completed and if unclear, will send an inquiry for guidance to assure full compliance with respect to reporting.

**The Children’s Hospital of Philadelphia Foundation and Controlled Affiliates  
Summary Schedule of Prior Audit Findings  
Fiscal Year Ended June 30, 2023**

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**2021 - 001 Completeness of funding on schedule of expenditures of federal awards**

**Federal Granting Agency:** Center for Disease Control and Prevention

**Award Name:** COVID-19 Community Testing

**Assistance Listing Number:** 93.354

**Assistance Listing Title:** Public Health Crisis Response Awards

**Award Year:** 9/10/2020 - 6/30/2021

**Pass-through:** City of Philadelphia Department of Public Health

**Summary**

Federal funds related to program 93.354 of \$2.3 million were incorrectly excluded from the 2021 SEFA. On the 2021 SEFA, Management did not record any eligible expenditures for this program as Management was unaware that the pass-through funding originated from federal sources. In addition, effort certification was also not performed timely for workers assigned on this grant, as this is a federal requirement and CHOP’s policy. Once management identified that this program was federally funded, effort was certified retroactively.

**Status Update**

The FY21 Uniform Guidance report was revised in the second quarter of FY24 to correct the 2021 SEFA and add the \$2.3 million of funding from the omitted program. In addition, Management fully put in place their corrective action plan to prevent such an omission from occurring again.