



THE CHILDREN'S MERCY HOSPITAL

Uniform Guidance Single Audit Report

June 30, 2023

(With Independent Auditors' Reports Thereon)

THE CHILDREN'S MERCY HOSPITAL

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KPMG LLP
4200 Wells Fargo Center
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**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

The Board of Directors
The Children's Mercy Hospital:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Children's Mercy Hospital and Affiliates (collectively, the Hospital), which comprise the Hospital's consolidated balance sheet as of June 30, 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Hospital'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 Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital'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 Hospital'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Minneapolis, Minnesota
October 31, 2023



KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

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

The Board of Directors
The Children's Mercy Hospital:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Children's Mercy Hospital (the Hospital) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Hospital's major federal program for the year ended June 30, 2023. The Hospital's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hospital complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Hospital'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 Hospital's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Hospital'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 program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.

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

We have audited the consolidated financial statements of the Hospital as of and for the year ended June 30, 2023, and have issued our report thereon dated October 31, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Minneapolis, Minnesota
March 7, 2024

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
Other Federal Programs:						
Department of Homeland Security:						
Kansas State Emergency Management Agency:						
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	NA	\$ 318,908	—	318,908	—
Total Department of Homeland Security			318,908	—	318,908	—
Department of Health and Human Services:						
Department of Health and Human Services:						
HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.461	NA	—	88,656	88,656	—
Total Department of Health and Human Services			—	88,656	88,656	—
Centers for Disease Control:						
Centers for Disease Control:						
Epidemiology of Symptomatic and Asymptomatic Respiratory Virus	93.U01	75D30122C15140 (200-2022-15140)	—	4,860	4,860	—
The American Academy of Pediatrics:						
Health Program for Toxic Substances and Disease Registry	93.161	771122_CMH	386	—	386	—
Health Program for Toxic Substances and Disease Registry	93.161	PO# 100788	61,023	—	61,023	20,000
Health Program for Toxic Substances and Disease Registry	93.161	PO# 100814	37,898	—	37,898	—
Health Program for Toxic Substances and Disease Registry	93.161	PO# 101027	91,439	—	91,439	—
Total Centers for Disease Control			190,746	4,860	195,606	20,000
Department of Agriculture:						
Missouri Department of Mental Health:						
Summer Food Service Program For Children	10.559	SFSP 2022	10	—	10	—
Total Department of Agriculture			10	—	10	—
Department of Health and Human Services:						
Baylor College of Medicine:						
National Bioterrorism Hospital Preparedness Program	93.889	P700000012	19,614	—	19,614	—
Greater KC Linc, INC:						
Temporary Assistance for Needy Families	93.558	N/A	(16)	—	(16)	—
Kansas Department of Children and Families:						
Children's Justice Grants to States	93.643	PPS-2022-CJA-02	26,359	—	26,359	—
Missouri Department of Elementary and Secondary Education:						
Every Student Succeeds Act/preschool Development Grants	93.434	3300-0105-7217-PDF2	8,880	—	8,880	—
The Nebraska Medical Center:						
Hospital Preparedness Program Ebola Preparedness and Response	93.817	1003054 GR30541125	16,633	—	16,633	—
Hospital Preparedness Program Ebola Preparedness and Response	93.817	1003054 GR30541128	15,692	—	15,692	—
University of Missouri Kansas City:						
Developmental Disabilities Basic Support and Advocacy Grants	93.630	0011162/00075891	5,029	—	5,029	—
Every Student Succeeds Act/Preschool Development Grants	93.434	0000000/00078632	30,000	—	30,000	—
Total Department of Health and Human Services			122,191	—	122,191	—
Health Resources and Services:						
Health Resources and Services:						
Congressional Directives	93.493	GE146331	—	422,717	422,717	—
Kansas Department of Health and Environment:						
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X10MC43582	564,288	—	564,288	100,189
Missouri Department of Elementary and Secondary Education:						
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	0105-500-3300-7267-EVCI	4,212	—	4,212	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	3300-0105-7267-EVC2	3,963	—	3,963	—
Missouri Department of Health:						
Maternal and Child Health Services Block Grant to the States	93.994	KQ210049616	9,338	—	9,338	—
University of Missouri Kansas City:						
Health Careers Opportunity Program	93.822	00111926/00076733	12,629	—	12,629	—
University of Texas Health Science:						
Maternal and Child Health Federal Consolidated Programs	93.110	SA00000874	(2,158)	—	(2,158)	—
Total Health Resources and Services			592,272	422,717	1,014,989	100,189
Office of Healthy Homes:						
ICAST – INTL Center for Appropriate & Sustainable Tech:						
Healthy Homes and Weatherization Cooperation Demonstration	93.U02	SC-00417	13,244	—	13,244	—
St. Louis County:						
Healthy Homes Production Grant Program	14.913	HE2022-0116	46,568	—	46,568	—

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
The University of Tulsa: Healthy Homes Technical Studies Grants	14.906	14-2-12-148316-66020	11,787	—	11,787	—
University of Missouri: A Novel Method for Identifying Homes That Put Children at High Risk	14.U02	00104444/00071699	\$ 22,317	—	22,317	—
Total Office of Healthy Homes			93,916	—	93,916	—
National Highway Traffic Safety Administration: Missouri Highway and Transportation: State and Community Highway Safety Programs	20.600	23-CR-05-004	112,649	—	112,649	—
Total National Highway Traffic Safety Administration			112,649	—	112,649	—
Office of Population Affairs: Missouri Family Health Council: Family Planning Services	93.217	FPHPA006455	(227)	—	(227)	—
Family Planning Services	93.217	FPHPA006561	242,921	—	242,921	—
Total Office of Population Affairs			242,694	—	242,694	—
US Department of Energy: Metropolitan Energy Center: Energy Efficiency and Conservation Block Grant Program	81.128	S-EWKC01	26,041	—	26,041	19,098
Total US Department of Energy			26,041	—	26,041	19,098
Total Other Federal Programs			1,699,427	516,233	2,215,660	139,287
Research and Development Cluster: AHRQ: AHRQ: Research on Healthcare Costs, Quality and Outcomes	93.226	1K08HS028845-01A1	—	83,827	83,827	—
The Washington University: Research on Healthcare Costs, Quality and Outcomes	93.226	WU-23-0097	7,213	—	7,213	—
University of Missouri: Research on Healthcare Costs, Quality and Outcomes	93.226	C00072877-1	6,142	—	6,142	—
Total AHRQ			13,355	83,827	97,182	—
Centers for Disease Control: Boston Children's Hospital: BCH Subaward – PALISI (CDC)	93.RD	GENFD0002020419	(40)	—	(40)	—
BCH Subaward – PALISI (CDC)	93.RD	75D30120C07725	(33,477)	—	(33,477)	—
Respiratory Virus Surveillance and COVID-19 Vaccine Effectiveness	93.RD	GENFD0002272480	42,683	—	42,683	—
Centers for Disease Control: Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	U01IP001154	—	1,746,256	1,746,256	—
The Washington University: Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	WU-21-167	(1,310)	—	(1,310)	—
Birth Defects and Developmental Disabilities – Prevention and Surveillance	93.073	WU-23-0305	40,966	—	40,966	—
University of Alabama: Mycoplasma Surveillance	93.RD	200-2017-96217	130	—	130	—
University of Texas Health Science: Blood Disorder Program: Prevention, Surveillance, and Research	93.080	SA0001312	32,952	—	32,952	—
Total Centers for Disease Control			81,904	1,746,256	1,828,160	—
Department of Veterans Affairs: Department of Veterans Affairs: Analysis of existing audio recordings from RCTs	93.RD	36C26122C00044	—	11,544	11,544	—
Nursing Unit Design and Hospital Falls	93.RD	VA IPA extension1	—	6,228	6,228	—
Total Department of Veterans Affairs			—	17,772	17,772	—
Department of Health and Human Services: The Washington University: Dissemination and Implementation of an Evidence-Based Pediatric	93.349	WU-22-0405	219,349	—	219,349	—
Dissemination and Implementation of an Evidence-Based Pediatric	93.349	WU-23-0460	16,073	—	16,073	—
Total Department of Health and Human Services			235,422	—	235,422	—
Environmental Protection Agency: BikeWalkKC: Environmental Justice Collaborative Problem-Solving Cooperative Agreement Program	66.306	EC-97791001-0	36,470	—	36,470	—
Total Environmental Protection Agency			36,470	—	36,470	—

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
FDA:						
Duke University:						
Food and Drug Administration Research	93.103	EPM 7259	\$ (35,402)	—	(35,402)	—
Total FDA			(35,402)	—	(35,402)	—
Health Resources and Services:						
Children's Hospital of Philadelphia:						
Autism Collaboration, Accountability, Research, Education	93.877	GRT-00001441-0823 / 20423961	2,329	—	2,329	—
Children's National Medical Center:						
Maternal and Child Health Federal Consolidated Programs	93.110	30007492-04	382,345	—	382,345	—
Health Resources and Services:						
Maternal and Child Health Federal Consolidated Programs	93.110	H98MC33239	—	401,536	401,536	3,361
University of Pittsburgh:						
Maternal and Child Health Federal Consolidated Programs	93.110	AWD00002738 (416932-19)	(148)	—	(148)	—
University of Texas Health Science:						
Emergency Medical Services for Children	93.127	UTA20-001239	3,269	—	3,269	—
Maternal and Child Health Federal Consolidated Programs	93.110	SA0002471	19,901	—	19,901	—
Total Health Resources and Services			407,696	401,536	809,232	3,361
National Institute of Child Health and Human Development:						
Cornell University (Weill):						
Child Health and Human Development Extramural Research	93.865	86433-11269	3,073	—	3,073	—
Duke University:						
Down Syndrome Thought Leader	93.RD	203-7901	1,348	—	1,348	—
Pediatric Trial Network Opportunity	93.RD	252507	2,277	—	2,277	—
POP02	93.RD	00002496	(19,860)	—	(19,860)	—
ICF Macro, Inc:						
Trans-NIH Research Support	93.310	2102238212	638,395	—	638,395	—
Johns Hopkins University:						
Trans-NIH Research Support	93.310	2005486471	3,375	—	3,375	—
National Institute of Child Health and Human Development:						
Child Health and Human Development Extramural Research	93.865	1R21HD107247-01A1	—	122,298	122,298	26,392
Child Health and Human Development Extramural Research	93.865	1R01HD110447-01	—	52,677	52,677	—
Child Health and Human Development Extramural Research	93.865	3R21HD098086-02S1	—	241,601	241,601	—
Child Health and Human Development Extramural Research	93.865	K23HD109464	—	107,891	107,891	—
Child Health and Human Development Extramural Research	93.865	KHD098299A	—	126,373	126,373	—
Child Health and Human Development Extramural Research	93.865	P50HD090258	—	30,911	30,911	8,835
Child Health and Human Development Extramural Research	93.865	R03HD107642	—	114,494	114,494	—
Child Health and Human Development Extramural Research	93.865	R21HD098086	—	67,655	67,655	55,796
Child Health and Human Development Extramural Research	93.865	R21HD101111	—	142,725	142,725	11,000
Child Health and Human Development Extramural Research	93.865	T32HD069038	—	185,102	185,102	—
Child Health and Human Development Extramural Research	93.865	R01HD100545	—	519,967	519,967	21,350
RAND Corporation:						
Child Health and Human Development Extramural Research	93.865	SCON-00000045	(2,731)	—	(2,731)	9,474
RTI International:						
Child Health and Human Development Extramural Research	93.865	3-312-0216392-66500L	246	—	246	—
The Medical College of Wisconsin, Inc:						
Child Health and Human Development Extramural Research	93.865	R01HD104607	(12,705)	—	(12,705)	—
The Research Foundation for Suny on Behalf of the University at Buffalo:						
Child Health and Human Development Extramural Research	93.865	R1245893	123,897	—	123,897	—
University of Kansas Medical Center:						
Child Health and Human Development Extramural Research	93.865	AWD-0002299	12,298	—	12,298	—
Child Health and Human Development Extramural Research	93.865	GR12163	87,344	—	87,344	—
Child Health and Human Development Extramural Research	93.865	GR16519	6,856	—	6,856	—
Child Health and Human Development Extramural Research	93.865	GR16765	10,657	—	10,657	—
University of Colorado:						
Child Health and Human Development Extramural Research	93.865	FY20.812.005	11,738	—	11,738	—
University of Pittsburgh:						
Child Health and Human Development Extramural Research	93.865	AWD00004684 (136793-1)	182,724	—	182,724	—
University of Utah:						
Child Health and Human Development Extramural Research	93.865	10058860-20-MERC	22,065	—	22,065	—
Washington State University:						
Child Health and Human Development Extramural Research	93.865	137539 SPC003588	147,291	—	147,291	—
Total National Institute of Child Health and Human Development:			1,218,288	1,711,694	2,929,982	132,847

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
National Cancer Institute:						
Children's Hospital of Philadelphia:						
Cancer Treatment Research	93.395	1019005	\$ (41,739)	—	(41,739)	—
Cancer Treatment Research	93.395	FP0026529_SUB212_01	(30,219)	—	(30,219)	—
Cancer Treatment Research	93.395	FP0026529_SUB35_01	(6,887)	—	(6,887)	—
Cancer Treatment Research	93.395	FP15221_SUB238 COG-NCTN	(2,640)	—	(2,640)	—
Cancer Treatment Research	93.395	U10CA180899	(13,625)	—	(13,625)	—
Children's Oncology Group:						
Cancer Control	93.395	7UG1CA189955-08	11,291	—	11,291	—
Hologic Inc:						
Cancer Treatment Research	93.395	ALTE1621STUDY	(16,684)	—	(16,684)	—
National Cancer Institute:						
Cancer Biology Research	93.396	7R01CA214916-04	—	268,427	268,427	70,021
Public Health Institute:						
Cancer Treatment Research	93.395	9F1CF57AA4C2	143,017	—	143,017	—
Cancer Treatment Research	93.395	AR06718	2,050	—	2,050	—
Cancer Treatment Research	93.395	U10CA180886	20,432	—	20,432	—
University of Kansas Medical Center:						
Cancer Biology Research	93.396	AWD-0001923	20,910	—	20,910	—
Cancer Centers Support Grants	93.397	AWD-0001806	(163)	—	(163)	—
Cancer Centers Support Grants	93.397	GR15565	197	—	197	—
Cancer Centers Support Grants	93.397	GR500978	31,722	—	31,722	—
Cancer Centers Support Grants	93.397	GR503174	41,405	—	41,405	—
University Colorado:						
Cancer Cause and Prevention Research	93.393	FY22.965.004	57,567	—	57,567	—
University of Florida:						
Cancer Treatment Research	93.395	FP15221_SUB751	(3,564)	—	(3,564)	—
University of Kansas:						
Cancer Detection and Diagnosis Research	93.394	FY2020-030-M3	68,459	—	68,459	—
Total National Cancer Institute			281,529	268,427	549,956	70,021
National Center for Advancing:						
New York University:						
National Center for Advancing Translational Sciences	93.350	00003979	78	—	78	—
University of Kansas Medical Center:						
Aging Research	93.866	GR12361/ZAP00070	13,732	—	13,732	—
National Center for Advancing Translational Sciences	93.350	KUMC Frontiers Pilot – Hip dy	14,136	—	14,136	—
National Center for Advancing Translational Sciences	93.350	GR116348	(4,868)	—	(4,868)	—
National Center for Advancing Translational Sciences	93.350	GR16349	(9)	—	(9)	—
National Center for Advancing Translational Sciences	93.350	GR16351	15,128	—	15,128	—
National Center for Advancing Translational Sciences	93.350	GR16357	(6,132)	—	(6,132)	—
National Center for Advancing Translational Sciences	93.350	GR16358	964	—	964	—
National Center for Advancing Translational Sciences	93.350	GR16361	(1,645)	—	(1,645)	—
National Center for Advancing Translational Sciences	93.350	GR16362	67	—	67	—
National Center for Advancing Translational Sciences	93.350	GR16997	171,669	—	171,669	—
National Center for Advancing Translational Sciences	93.350	GR16999	117,461	—	117,461	—
National Center for Advancing Translational Sciences	93.350	GR17012	102,323	—	102,323	—
National Center for Advancing Translational Sciences	93.350	GR505610	79,057	—	79,057	—
National Center for Advancing Translational Sciences	93.350	GR505611	182,558	—	182,558	—
National Center for Advancing Translational Sciences	93.350	GR505613	118,855	—	118,855	—
National Center for Advancing Translational Sciences	93.350	GR505615	19,941	—	19,941	—
National Center for Advancing Translational Sciences	93.350	GR505618	51,504	—	51,504	—
National Center for Advancing Translational Sciences	93.350	GR505619	36,818	—	36,818	—
National Center for Advancing Translational Sciences	93.350	GR505620	18,679	—	18,679	—
National Center for Advancing Translational Sciences	93.350	GR505622	84,160	—	84,160	—
University of Missouri Kansas City:						
National Center for Advancing Translational Sciences	93.350	UL1TR002366	39,790	—	39,790	—
Total National Center for Advancing			1,054,266	—	1,054,266	—

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
National Center for Complementary & Integrative Health: Duke University: Research and Training in Complementary and Integrative Health	93.213	A03-2244	\$ (803)	—	(803)	—
Total National Center for Complementary & Integrative Health			(803)	—	(803)	—
National Eye Institute: Cincinnati Children's Hospital: Vision Research	93.867	OS00000361AM1/309380	155	—	155	—
JAEB Center for Health Research: Vision Research	93.867	IXT5	842	—	842	—
Vision Research	93.867	IXT6	(304)	—	(304)	—
Vision Research	93.867	U10EY11751	842	—	842	—
Vision Research	93.867	UG1EY011751	13,276	—	13,276	—
University of California San Diego: Vision Research	93.867	1UG1EY029658-01	3,971	—	3,971	—
Total National Eye Institute			18,782	—	18,782	—
National Heart Lung and Blood: Board of Regents of the University System of Georgia on Behalf of August University Blood Diseases and Resources Research	93.839	33737-39	3,164	—	3,164	—
Children's Hospital of Los Angeles Pediatric Blood and Marrow Transplant Consortium	93.RD	PBMTC_SUP1701	(2,692)	—	(2,692)	—
Duke University: Lung Diseases Research	93.838	A035364 (SPS-269060)	199	—	199	—
Emory University: Cardiovascular Diseases Research	93.837	A577287	3,273	—	3,273	—
Cardiovascular Diseases Research	93.837	A684280	5,572	—	5,572	—
Children's Hospital of Philadelphia: Blood Diseases and Resources Research	93.839	3201710624	(8,536)	—	(8,536)	—
Blood Diseases and Resources Research	93.839	3,201,710,624	9,349	—	9,349	—
Lung Diseases Research	93.838	3200930822 / PO#20341894	12,968	—	12,968	—
National Heart Lung and Blood Institute: Cardiovascular Diseases Research	93.837	K23HL153895	—	220,398	220,398	6,600
Cardiovascular Diseases Research	93.837	K23HL159325	—	118,919	118,919	7,339
Cardiovascular Diseases Research	93.837	R01HL148463	—	957,853	957,853	763,471
Lung Diseases Research	93.838	R01HL162937	—	65,080	65,080	2,465
New England Research Institute: Cardiovascular Diseases Research	93.837	MUSIC	32,378	—	32,378	—
Cardiovascular Diseases Research	93.837	PHN FUEL OLE	12,538	—	12,538	—
Cardiovascular Diseases Research	93.837	U10HL068270	9,275	—	9,275	—
RTI International: Blood Diseases and Resources Research	93.839	0216392	314	—	314	—
Lung Diseases Research	93.838	NRN: 0216392	(2,506)	—	(2,506)	—
Rutgers, The State University: Lung Diseases Research	93.838	SUB00002596	44,679	—	44,679	—
Seattle Children's Hospital: Cardiovascular Diseases Research	93.837	PAR-13-128	11	—	11	—
The University of Michigan: Lung Diseases Research	93.838	SUBK00014454	814	—	814	—
University of Iowa: Blood Diseases and Resources Research	93.839	S00637-04	4,556	—	4,556	—
Blood Diseases and Resources Research	93.839	S00637-05	11,324	—	11,324	—
Total National Heart Lung and Blood			136,680	1,362,250	1,498,930	779,875
National Human Genome Research: Arima Genomics: Human Genome Research	93.172	R44HG011897	8,708	—	8,708	—
National Human Genome Research Institute: Human Genome Research	93.172	1R21HG012422-01	—	141,744	141,744	—
Human Genome Research	93.172	R25HG009651	—	60,521	60,521	—
Total National Human Genome Research			8,708	202,265	210,973	—

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
National Institute of Allergy: Arkansas Children's Research Institute: Allergy and Infectious Diseases Research	93.855	034146-003	\$ 5,848	—	5,848	—
Benaroya Research Institute: Allergy and Infectious Diseases Research	93.855	FY201TN190	2,899	—	2,899	—
Boston Children's Hospital: Allergy and Infectious Diseases Research	93.855	GENFD0001983906	5,798	—	5,798	—
Duke University: Allergy and Infectious Diseases Research	93.855	00045657	43	—	43	—
Allergy and Infectious Diseases Research	93.855	257187/A031576	(3,564)	—	(3,564)	—
Allergy and Infectious Diseases Research	93.855	A035448	31,424	—	31,424	—
Fred Hutchinson Cancer Research Center: Allergy and Infectious Diseases Research	93.855	0001035759	(82,106)	—	(82,106)	—
Johns Hopkins University: Allergy and Infectious Diseases Research	93.855	2005216323	20,229	—	20,229	—
National Institute of Allergy and Infectious Diseases: Allergy and Infectious Diseases Research	93.855	R56A1147778	—	(41,785)	(41,785)	(25,000)
Allergy and Infectious Diseases Research	93.855	R01A1147778	—	941,502	941,502	319,366
University of Kansas Medical Center: Allergy and Infectious Diseases Research	93.855	GR500748	68,272	—	68,272	—
Vanderbilt University Medical Allergy and Infectious Diseases Research	93.855	VUMC 59098	(4,761)	—	(4,761)	—
Total National Institute of Allergy			44,082	899,717	943,799	294,366
National Institute of Arthritis: Cincinnati Children's Hospital: Arthritis, Musculoskeletal and Skin Diseases Research	93.846	138708 / OS0002561	132,269	—	132,269	—
Children's Hospital of Philadelphia: Arthritis, Musculoskeletal and Skin Diseases Research	93.846	3210940919	(5)	—	(5)	—
University of Kansas Medical Center: Arthritis, Musculoskeletal and Skin Diseases Research	93.846	AWD-0002359	1,166	—	1,166	—
Total National Institute of Arthritis			133,430	—	133,430	—
National Institute of Diabetes: Ann & Robert H. Lurie Children's Hospital of Chicago: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	901628-CMH	15,863	—	15,863	—
Children's Hospital of Philadelphia: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	3200370521/PO# 20298933	164	—	164	—
National Institute of Diabetes and Digestive and Kidney Diseases: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	1K23DK115827-01A1	—	146,253	146,253	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	K01DK119545	—	179,191	179,191	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	K08DK125735	—	154,848	154,848	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK107490	—	26,376	26,376	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK117296	—	479,378	479,378	170,782
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	U01DK066143	—	1,094,488	1,094,488	358,511
Nationwide Children's Hospital: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	700198-0523-00	9,040	—	9,040	—
The Nemours Foundation: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	1135299-0-RSUB	101,030	—	101,030	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	RSUB1052318	121,041	—	121,041	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	RSUB1138099	152,281	—	152,281	—
The University of Michigan: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	3003656166	(2,489)	—	(2,489)	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	SUBK00012116	12,369	—	12,369	—
Tulane University: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	TUL-HSC-556621-19/20	(817)	—	(817)	—
University of Kansas Medical Center: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	AWD0001831	12,398	—	12,398	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	AWD10000039	9,970	—	9,970	—
University of California San Diego: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	110813118 (S9002134)	31,568	—	31,568	—
University of California San Francisco: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	11848sc	18,367	—	18,367	2,400

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
University of California Los Angeles (UCLA): Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	1652 G YA009	\$ 9,316	—	9,316	—
University of Missouri Kansas City: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	00115396/00075820	254,727	—	254,727	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	0099791/00067449	27,963	—	27,963	—
Trans-NIH Research Support	93.310	00103399/00072663	12,994	—	12,994	—
University of South Florida: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	6163-1082-10-BK	288,524	—	288,524	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	6163-1103-01-H	7,800	—	7,800	—
TN01 Pathway	93.RD	TN01 PATHWAY	(108)	—	(108)	—
USF Trial Net 27 (TN27) TOPPLE T1D	93.RD	TN-27	15,024	—	15,024	—
USF – Trial Net Clinical Site Agreement	93.RD	TN-01	8,782	—	8,782	—
USF – Trial Net Clinical Site Agreement	93.RD	TN-18	5,525	—	5,525	—
USF – Trial Net Clinical Site Agreement	93.RD	TN-22	1,300	—	1,300	—
Total National Institute of Diabetes			1,112,632	2,080,534	3,193,166	531,693
National Institute of Environment: University of Kansas Medical Center: Environmental Health	93.113	GR16506	8,962	—	8,962	—
Environmental Health	93.113	ZAS000C0	250,589	—	250,589	—
University of Washington: Environmental Health	93.113	UWSC12369	14,832	—	14,832	—
Total National Institute of Environment			274,383	—	274,383	—
National Institute of General Medical Sciences: Cincinnati Children's Hospital Biomedical Research and Research Training	93.859	302547	(2,991)	—	(2,991)	—
National Institute of General Medical Sciences: Biomedical Research and Research Training	93.859	R01GM129783	—	247,708	247,708	17,822
Biomedical Research and Research Training	93.859	R35GM146966	—	327,042	327,042	—
Total National Institute of General Medical Sciences			(2,991)	574,750	571,759	17,822
National Institute of Mental Health: Laureate Institute for Brain Research: Mental Health Research Grants	93.242	1R01MH123691-CMH	13,909	—	13,909	—
Mental Health Research Grants	93.242	1R01MH123652-01A1 CMH	14,667	—	14,667	—
National Institute of Mental Health: Mental Health Research Grants	93.242	1R34MH132473-01	—	78,183	78,183	1,604
Mental Health Research Grants	93.242	K23MH130728	—	11,956	11,956	—
RAND Corporation: Mental Health Research Grants	93.242	SCON-00000209	24,244	—	24,244	—
University of Kansas Medical Center: Mental Health Research Grants	93.242	AWD-0001704-GR13998	47,735	—	47,735	—
Mental Health Research Grants	93.242	FY2022-006	13,780	—	13,780	—
Total National Institute of Mental Health			114,335	90,139	204,474	1,604
National Institute of Neurology: The Washington University: Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	WU-10-238	(640)	—	(640)	—
University of California San Francisco: Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	11259sc	209	—	209	—
Total National Institute of Neurology			(431)	—	(431)	—
National Institute of Nursing: Indiana University: Nursing Research	93.361	1R01NR019190-01	37,054	—	37,054	—
RAND Corporation: Nursing Research	93.361	SCON-00000060	1,194	—	1,194	—
University of Kansas Medical Center: Nursing Research	93.361	GR16974	13,965	—	13,965	—

THE CHILDREN'S MERCY HOSPITAL
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal ALN number	Federal award number, contract or pass-through identifying number	Pass-through awards	Direct awards	Total federal expenditures	Amounts provided to subrecipients
Wake Forest University Health Science: Nursing Research	93.361	205-100720-550114	\$ 117,364	—	117,364	—
Total National Institute of Nursing			169,577	—	169,577	—
National Institute on Drug Abuse: National Institute on Drug Abuse: Drug Abuse and Addiction Research Programs	93.279	5K23DA055736-02	—	172,471	172,471	—
Total National Institute on Drug Abuse			—	172,471	172,471	—
National Institute on Minority Health and Health Disparities: National Institute on Minority Health and Health Disparities: Minority Health and Health Disparities Research	93.307	1R01MD015409-01	—	508,465	508,465	155,938
Minority Health and Health Disparities Research	93.307	R01MD015409	—	220,688	220,688	—
University of Kansas Med Center: Minority Health and Health Disparities Research	93.307	AWD10000012	13,293	—	13,293	—
University of Missouri Kansas City: Trans-NIH Research Support	93.310	00119244/00079361	17,225	—	17,225	—
University of Rochester: Minority Health and Health Disparities Research	93.307	SUB00000107/URFAO:GR531126	44,476	—	44,476	—
Total National Institute on Minority Health and Health Disparities			74,994	729,153	804,147	155,938
National Science Foundation: Leland Stanford Junior University Engineering	47.041	63064440-246399	3,489	—	3,489	—
Total National Science Foundation			3,489	—	3,489	—
Office of the Director: Duke University: Trans-NIH Research Support	93.310	303002672 (Original A032483)	107,066	—	107,066	—
University of Kansas Medical Center: Trans-NIH Research Support	93.310	GR16530	99,738	—	99,738	—
University of Arkansas: Trans-NIH Research Support	93.310	54005-VDORA	1,557	—	1,557	—
Women & Infants Hospital of Rhode Island: Trans-NIH Research Support	93.310	5001441	413,754	—	413,754	—
Total Office of the Director			622,115	—	622,115	—
USA MED Research Acquisition Activity: Boston Children's Hospital: Military Medical Research and Development	12.420	W81XWH-17-0532 (53020-IBCM)	2,236	—	2,236	—
USA MED Research Acquisition Activity: Military Medical Research and Development	12.420	W81XWH-20-1-0358	—	86,051	86,051	—
Military Medical Research and Development	12.420	W81XWH-14-1-0374	—	(7)	(7)	—
Total USA MED Research Acquisition Activity			2,236	86,044	88,280	—
Total Research and Development Cluster			6,004,746	10,426,835	16,431,581	1,987,527
Grand total			\$ 7,704,173	10,943,068	18,647,241	2,126,814

See accompanying notes to schedule of expenditures of federal awards.

THE CHILDREN'S MERCY HOSPITAL

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

(1) General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal programs of The Children's Mercy Hospital (the Hospital). The Hospital's reporting entity is defined in note 1 to the Hospital's consolidated financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the Schedule. The Hospital did not elect to use the 10% de minimus indirect cost rate as discussed in Uniform Guidance section 200.414 as the Hospital has a negotiated indirect cost rate with the Department of Health and Human Services.

(2) Basis of Accounting

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The Schedule is prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and is an acceptable basis of accounting under the Uniform Guidance. The Hospital's financial statements are prepared using the accrual basis of accounting. The Hospital is able to reconcile amounts presented in its financial statements to the related amounts in the Schedule, as required by the Uniform Guidance.

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

The expenditures reported on the Schedule for COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution (PRF) ALN #93.498, were based on reporting time periods required for PRF portal reporting. The accompanying Schedule includes PRF for Periods 4 and 5 (defined as payments received between July 1, 2021 to June 30, 2022). The PRF payments were provided to eligible providers to support healthcare related expenses or lost revenues attributable to the coronavirus. No payments were received for Period 4 or 5.

During Period 2 (defined as payments received between July 1, 2020 to December 31, 2020), the Hospital received payments of \$75.6M under PRF, which included \$39.2M from the Phase 3 distribution. The Hospital completed the HRSA Period 2 Portal reporting indicating that \$75.6M of payments were received and reported that COVID-related expenses and lost revenue were incurred in excess of the \$75.6M. No payments were received for Period 3 (defined as payments received between January 1, 2021 to June 30, 2021). The Hospital reported \$48.2M of these payments as expenditures for PRF in the prior year schedule. The Hospital did not recognize \$27.4M of these payments as expenditures in the prior year schedule as the Phase 3 payment was greater than expected. The Hospital is actively pursuing written and authoritative guidance from HRSA regarding the greater than expected payment.

(3) Relationship to the Consolidated Financial Statements

Federal awards are reported in the consolidated financial statements as other revenue and public assistance.

THE CHILDREN'S MERCY HOSPITAL
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the consolidated financial statements were prepared in accordance with generally accepted accounting principles: Unmodified
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
 - Material weaknesses: No
 - Significant deficiencies: None reported
- (c) Noncompliance material to the financial statements: No
- (d) Internal control deficiencies over major programs disclosed by the audit:
 - Material weaknesses: No
 - Significant deficiencies: None reported
- (e) Type of report issued on compliance for major programs: Unmodified
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): No
- (g) Major programs:
 - R&D Cluster Various ALN
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
- (i) Auditee qualified as a low-risk auditee: Yes

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None

(3) Findings and Questioned Cost Relating to Federal Awards

None