

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, 2022**

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June 30, 2022

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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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 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, 2022 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, 2022 on page 56 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 30, 2022 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, 2022. 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 30, 2022

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Consolidated Balance Sheets
June 30, 2022 and 2021

ASSETS	June 30, 2022	June 30, 2021
Current assets		
Cash	\$329,258,000	\$631,766,000
Receivables for patient services	842,833,000	598,415,000
Current portion of pledges receivable, net	41,326,000	19,248,000
Due from third parties	32,297,000	29,329,000
Other receivables	109,664,000	96,391,000
Current portion of assets limited as to use	78,100,000	69,072,000
Supplies, drugs and prepaid expenses	84,278,000	47,563,000
Total current assets	<u>1,517,756,000</u>	<u>1,491,784,000</u>
Assets limited as to use		
Board designated	2,812,484,000	3,112,731,000
Restricted by donor	393,106,000	410,016,000
Trustee-held construction and debt service fund	36,168,000	40,968,000
Trustee-held for self-insurance and other	365,621,000	377,677,000
Noncurrent assets limited as to use	<u>3,607,379,000</u>	<u>3,941,392,000</u>
Investments	633,773,000	690,900,000
Land, buildings and equipment at cost, net	3,442,114,000	3,100,508,000
Operating lease right-of-use asset	189,611,000	193,258,000
Pledges receivable, net	75,089,000	70,958,000
Long-term notes receivable	140,000	20,910,000
Other long-term assets and receivables	32,442,000	30,202,000
Total assets	<u>\$9,498,304,000</u>	<u>\$9,539,912,000</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$22,373,000	\$21,119,000
Current portion of operating lease liabilities	16,168,000	21,801,000
Accounts payable and accrued expenses	628,808,000	648,684,000
Current portion of pledges payable	5,000,000	-
Total current liabilities	<u>672,349,000</u>	<u>691,604,000</u>
Long-term debt, net	1,269,333,000	1,322,514,000
Other liabilities	330,855,000	312,863,000
Operating lease liabilities	173,471,000	171,457,000
Accrued pension cost	10,837,000	11,342,000
Long term pledges payable	5,000,000	-
Total liabilities	<u>2,461,845,000</u>	<u>2,509,780,000</u>
NET ASSETS		
Without donor restriction	6,334,264,000	6,366,424,000
With donor restriction	702,195,000	663,708,000
Total net assets	<u>7,036,459,000</u>	<u>7,030,132,000</u>
Total liabilities and net assets	<u>\$9,498,304,000</u>	<u>\$9,539,912,000</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, 2022 and 2021

	June 30,	
	2022	2021
REVENUES AND OTHER SUPPORT		
Patient service revenue	\$3,080,165,000	\$2,697,764,000
Contributions	14,813,000	20,929,000
Research revenue	320,651,000	303,972,000
Other operating revenue, gains and support	262,956,000	203,475,000
CARES Act funding	1,229,000	114,802,000
Total revenues and other support	3,679,814,000	3,340,942,000
EXPENSES		
Salaries, wages and professional fees	1,853,106,000	1,573,858,000
Employee benefits	412,530,000	398,576,000
Supplies	447,165,000	394,510,000
Purchased services and other expenses	542,320,000	491,661,000
Depreciation	256,000,000	245,689,000
Interest and amortization	14,240,000	21,907,000
Total expenses	3,525,361,000	3,126,201,000
Operating Income	154,453,000	214,741,000
Dividend and Interest income, net	24,476,000	26,763,000
Earnings allocations	(18,425,000)	(16,430,000)
Realized gains on investments	93,128,000	182,504,000
Sponsorship	(7,741,000)	1,092,000
Change in fair value of derivatives	90,000	14,000
Change in unrealized gains / (losses) on investments	(448,445,000)	361,051,000
Gains on alternative investments	130,948,000	305,011,000
Loss on extinguishment of debt	2,719,000	-
Other components of net periodic benefit costs	(2,270,000)	(1,402,000)
Noncontrolling interest	(422,000)	(403,000)
Excess of revenue over expenses	(71,489,000)	1,072,941,000
Pension related changes other than net periodic benefit cost	1,631,000	(697,000)
Change in fair value of derivatives	8,905,000	4,111,000
Net assets released from restrictions for capital	19,564,000	3,102,000
Transfer from affiliates	298,000	-
External funding for capital	9,065,000	-
Transfer to net assets with donor restriction	(134,000)	(530,000)
Increase / (decrease) in net assets without donor restriction	(\$32,160,000)	\$1,078,927,000

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, 2022 and 2021

	June 30,	
	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTION		
Excess of revenues over expenses	(\$71,489,000)	\$1,072,941,000
Pension related changes other than net periodic benefit cost	1,631,000	(697,000)
Change in fair value of derivatives	8,905,000	4,111,000
Net assets released from restrictions for capital	19,564,000	3,102,000
Transfer from affiliates	298,000	-
External funding for capital	9,065,000	-
Transfer to net assets with donor restriction, net	(134,000)	(530,000)
Increase / (decrease) in net assets without donor restriction	(32,160,000)	1,078,927,000
NET ASSETS WITH DONOR RESTRICTION		
Contributions	115,672,000	67,921,000
Interest and dividend income	2,133,000	2,242,000
Realized gains on investments	10,113,000	16,984,000
Change in unrealized gains / (losses) on investments	(18,190,000)	64,961,000
Net assets released from restrictions for operations	(47,878,000)	(36,385,000)
Net assets released from restrictions for capital	(19,320,000)	(3,102,000)
Increase in value of perpetual trusts	(4,177,000)	2,471,000
Transfer from net assets without donor restriction, net	134,000	530,000
Increase in net assets with donor restriction	38,487,000	115,622,000
Increase in net assets	6,327,000	1,194,549,000
NET ASSETS		
Beginning of Year	7,030,132,000	5,835,583,000
End of Period	\$7,036,459,000	\$7,030,132,000

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 Cash Flows
Years Ended June 30, 2022 and 2021

	June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$6,327,000	\$1,194,548,000
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	253,721,000	244,801,000
Contributions restricted for endowment and capital	(39,710,000)	(47,118,000)
Realized gains on investments	(103,241,000)	(199,488,000)
Change in unrealized gains / losses on investments	339,865,000	(733,494,000)
Change in fair value of derivatives	(8,995,000)	(4,125,000)
Pension related changes other than net periodic benefit cost	(1,631,000)	697,000
Loss on extinguishment of debt	(2,719,000)	-
Other bond related accounts	26,110,000	(3,265,000)
Receivables for patient services	(244,418,000)	(233,190,000)
Other current assets	(49,988,000)	13,370,000
Pledges receivable	(26,209,000)	(1,133,000)
Other long term assets	24,456,000	(3,476,000)
Accounts payable and accrued expenses	(36,524,000)	173,129,000
Pledges payable	10,000,000	-
Accrued pension cost	1,126,000	(194,000)
Amounts due from third parties, net	(2,968,000)	(13,064,000)
Other liabilities	14,373,000	195,107,000
Net cash provided by operating activities	159,575,000	583,106,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land, buildings and equipment	(571,963,000)	(716,344,000)
Purchase of investments	(2,600,559,000)	(2,149,430,000)
Sale of investments	2,686,767,000	1,697,696,000
Net cash used by investing activities	(485,755,000)	(1,168,078,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(440,818,000)	(20,799,000)
Proceeds from new debt	365,500,000	500,000,000
Contributions restricted for endowment and capital	39,710,000	47,118,000
Net cash provided / (used) by financing activities	(35,608,000)	526,319,000
Net decrease in cash	(361,788,000)	(58,653,000)
CASH		
Beginning of Year	799,245,000	857,898,000
End of Year	\$437,457,000	\$799,245,000
SUPPLEMENTAL DISCLOSURE		
Cash paid during the year for interest, net of capitalized interest	\$23,321,000	\$16,397,000

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, 2022 and 2021

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.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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.

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

4865 Market Street Associates, L.P. was a limited partnership and a Qualified Active Low Income Community Business. The partnership was officially terminated February 4, 2021.

1700 Broad Street Inc. is a Pennsylvania nonprofit 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.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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.

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 noninterest-bearing and interest-bearing accounts.

At June 30, 2022 and 2021, 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.

	2022	2021
Cash	\$329,258,000	\$631,766,000
Cash and restricted cash included in other investments	108,199,000	167,479,000
	<u>\$437,457,000</u>	<u>\$799,245,000</u>

Amounts included in cash and restricted cash represent \$329,258,000 of operating cash, \$108,199,000 in our investment portfolio, \$33,000 in funds limited to use for emergency construction costs for PGHDC and \$396,000 in funds restricted for the payment of capital invoices for PGHDC.

Inventory Valuation

Inventories which are included in supplies, drugs and prepaid expenses on the balance sheet are generally stated at the lower of average cost or market value and valued at \$27,794,000 at June 30, 2022.

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, 2022 and 2021. The current portion of assets limited as to use is primarily for unfunded liabilities related to self-insurance.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Nonalternative 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 (\$199,892,000) and \$875,329,000, for the years ended June 30, 2022 and 2021, respectively.

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, 2022 and 2021, the Enterprise had unfunded commitments relating to these alternative investments of \$720,954,000 and \$381,747,000, 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.

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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.

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.

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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.

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

	2022			
	Inpatient	Outpatient	Professional Fees	Total
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
	\$1,367,007,000	\$955,457,000	\$757,701,000	\$3,080,165,000

	2021			
	Inpatient	Outpatient	Professional Fees	Total
Blue Cross/Blue Shield	\$415,849,000	\$351,828,000	\$324,473,000	\$1,092,150,000
Medical Assistance	65,631,000	16,381,000	2,585,000	84,597,000
MA-Managed Care	333,011,000	175,233,000	114,057,000	622,301,000
Commercial	170,799,000	118,148,000	112,069,000	401,016,000
Aetna	150,415,000	126,298,000	94,652,000	371,365,000
Self Pay	1,121,000	1,702,000	5,673,000	8,496,000
Other	39,015,000	17,811,000	7,012,000	63,838,000
International	38,388,000	9,208,000	6,405,000	54,001,000
	\$1,214,229,000	\$816,609,000	\$666,926,000	\$2,697,764,000

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

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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 \$2,888,000 and \$5,791,000 in 2022 and 2021, 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 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 2022 and 2021, grant and contract revenue earned totaled \$320,636,000 and \$304,094,000, 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 \$193,891,000 and \$216,165,000 at June 30, 2022 and 2021, 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 \$62,809,000 and \$60,158,000 at June 30, 2022 and 2021, 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.

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CARES Act Stimulus Funding Revenue

In January 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a Public Health Emergency of International Concern. The COVID-19 pandemic has caused a disruption to our nation's healthcare system. Such disruption includes reduction in availability of staffing and reductions in the availability of personal protective equipment to prevent spread of the disease during patient treatment.

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 \$1,094,000 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 and 2021.

HHS requires the hospital and practice plans to identify healthcare related expenses attributable to coronavirus that another source has not reimbursed. If those expenses do not exceed the funding received the hospital and practice plans will need to demonstrate that the remaining provider relief funds were used for a negative change in calendar year 2020 patient care operating income compared to calendar year 2019. The same process was applied for calendar year 2021. HHS is entitled to recoup amounts in excess of the negative change in patient care operating income reported net of healthcare related expenses attributable to coronavirus.

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.

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.

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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 Notes 4 and 5, respectively.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU-842, Leases. This standard requires lessees to recognize assets and liabilities for the rights and obligations created by leases with terms in excess of 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease will primarily depend on its classification as a finance or operating lease. The accounting by lessors remains largely unchanged. This standard was effective for fiscal years beginning after December 15, 2018 with an option to defer a year which CHOP elected. The Enterprise adopted this standard effective July 1, 2020 and utilized the modified retrospective transition method with no adjustments to comparative periods presented in the consolidated financial statements. See Footnote 7 for further details.

In August 2017, the FASB issued ASU 2017-12, Derivatives and Hedging – Targeted Improvements to Accounting for Hedging Activities, to better align hedge accounting with an organization's risk management activity in the financial statements. ASU 2017-12 is effective for fiscal years beginning after December 15, 2019. The adoption did not have a material impact to the consolidated financial statements disclosures beginning in fiscal year 2021.

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 nonprofit 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.

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

- 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.

There are no donor restricted endowment funds where the market value is less than the historic gift amount ("underwater").

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

	Without Restriction	With Restriction	Total
Donor-restricted funds	\$0	\$366,255,000	\$366,255,000
Investments	1,795,000	0	1,795,000
Board-designated funds	2,962,713,000	0	2,962,713,000
	<u>\$2,964,508,000</u>	<u>\$366,255,000</u>	<u>\$3,330,763,000</u>

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

	Without Restriction	With Restriction	Total
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>

The June 30, 2021 endowment net asset composition by type of fund consisted of the following:

	Without Restriction	With Restriction	Total
Donor-restricted funds	\$0	\$370,277,000	\$370,277,000
Investments	427,954,000	0	427,954,000
Board-designated funds	2,648,371,000	0	2,648,371,000
	<u>\$3,076,325,000</u>	<u>\$370,277,000</u>	<u>\$3,446,602,000</u>

Changes in endowment net assets for the fiscal year ended June 30, 2021 consisted of the following:

	Without Restriction	With Restriction	Total
Endowment net assets, beginning of year	\$2,327,438,000	\$275,609,000	\$2,603,047,000
Investment return:			
Investment income	18,541,000	2,229,000	20,770,000
Net appreciation (realized and unrealized)	741,859,000	80,804,000	822,663,000
Total investment return	760,400,000	83,033,000	843,433,000
Contributions	59,301,000	22,096,000	81,397,000
Transfers	39,847,000	241,000	40,088,000
Amounts appropriated for expenditures	(110,661,000)	(10,702,000)	(121,363,000)
	<u>\$3,076,325,000</u>	<u>\$370,277,000</u>	<u>\$3,446,602,000</u>

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Net assets with donor restriction at June 30, 2022 and 2021 are available for the following purpose:

	2022	2021
Endowment	\$367,020,000	\$370,038,000
Special purpose, Pledges & Other	209,341,000	174,321,000
Research	103,062,000	88,699,000
Perpetual trusts	22,236,000	26,413,000
Capital improvements	536,000	4,237,000
	<u>\$702,195,000</u>	<u>\$663,708,000</u>

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 3.64% for all pledge receivables.

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

	2022	2021
Less than one year	\$41,326,000	\$19,248,000
One to five years	61,223,000	58,052,000
Thereafter	28,400,000	26,000,000
	<u>130,949,000</u>	<u>103,300,000</u>
Less: Present value discount	<u>(13,055,000)</u>	<u>(11,919,000)</u>
	117,894,000	91,381,000
Less: Allowance for uncollectible pledges	<u>(1,479,000)</u>	<u>(1,175,000)</u>
	116,415,000	90,206,000
Less: Current portion	<u>(41,326,000)</u>	<u>(19,248,000)</u>
	<u>\$75,089,000</u>	<u>\$70,958,000</u>

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4. Assets Limited as to Use

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

	Level 1	Level 2	Level 3	Net Asset Value Investments	Total
Board-designated					
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
	81,023,000	1,139,895,000	172,801,000	1,418,765,000	2,812,484,000
Restricted by donors					
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
	11,644,000	128,160,000	49,422,000	203,880,000	393,106,000
Held by trustee under debenture agreement					
Cash, cash equivalents and money market	36,168,000	-	-	-	36,168,000
	36,168,000	-	-	-	36,168,000
Self insurance					
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
	43,831,000	179,451,000	45,833,000	176,606,000	443,721,000
Less: Current portion	(24,854,000)	(53,246,000)	-	-	(78,100,000)
	18,977,000	126,205,000	45,833,000	174,606,000	365,621,000
	\$147,812,000	\$1,394,260,000	\$268,056,000	\$1,797,251,000	\$3,607,379,000

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Assets limited as to use are comprised of the following at June 30, 2021:

	Level 1	Level 2	Level 3	Net Asset Value Investments	Total
Board-designated					
Cash, cash equivalents and money market	\$74,676,000	-	-	-	\$74,676,000
Corporate and municipal bonds	-	\$710,356,000	\$42,619,000	-	752,975,000
Domestic and foreign equities	64,244,000	676,876,000	186,724,000	-	927,844,000
U.S. government securities	-	117,096,000	-	-	117,096,000
Private Equity, Real Assets & Hedge Funds	-	-	14,105,000	\$1,226,035,000	1,240,140,000
	138,920,000	1,504,328,000	243,448,000	1,226,035,000	3,112,731,000
Restricted by donors					
Cash, cash equivalents and money market	10,667,000	-	73,000	-	10,740,000
Corporate and municipal bonds	-	36,127,000	7,975,000	-	44,102,000
Domestic and foreign equities	9,197,000	96,895,000	30,399,000	-	136,491,000
U. S. government securities	-	16,762,000	-	-	16,762,000
Private Equity, Real Assets & Hedge Funds	-	-	-	175,508,000	175,508,000
Perpetual Trusts	-	-	26,413,000	-	26,413,000
	19,864,000	149,784,000	64,860,000	175,508,000	410,016,000
Held by trustee under debenture agreement					
Cash, cash equivalents and money market	40,968,000	-	-	-	40,968,000
	40,968,000	-	-	-	40,968,000
Self insurance					
Cash, cash equivalents and money market	23,954,000	-	-	-	23,954,000
Corporate and municipal bonds	-	72,928,000	5,130,000	-	78,058,000
Domestic and foreign equities	27,151,000	81,481,000	22,477,000	-	131,109,000
U. S. government securities	-	47,330,000	-	-	47,330,000
Private Equity, Real Assets & Hedge Funds	-	-	-	141,083,000	141,083,000
Other	-	-	25,215,000	-	25,215,000
	51,105,000	201,739,000	52,822,000	141,083,000	446,749,000
Less: Current portion	(20,893,000)	(48,179,000)	-	-	(69,072,000)
	30,212,000	153,560,000	52,822,000	141,083,000	377,677,000
	\$229,964,000	\$1,807,672,000	\$361,130,000	\$1,542,626,000	\$3,941,392,000

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.

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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:

	Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Equity Funds	\$0	Monthly / Quarterly	20-90 days	\$0
Hedge Funds	435,668,000	Monthly / Quarterly	20-90 days	0
Real Estate	88,655,000	Annually	Over 12 months	114,787,000
Venture Capital, Private Equity and Other	<u>1,272,928,000</u>	Annually	Over 12 months	<u>526,016,000</u>
	\$1,797,251,000			\$640,803,000

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, 2021:

	Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Equity Funds	\$0	Monthly/Quarterly	20-90 days	\$0
Hedge Funds	418,616,000	Monthly/Quarterly	20-90 days	0
Real Estate	85,206,000	Annually	Over 12 months	20,219,000
Venture Capital, Private Equity and Other	<u>977,033,000</u>	Annually	Over 12 months	<u>317,996,000</u>
	\$1,480,855,000			\$338,215,000

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	Unrealized	Realized			Fair value
	2021	Gains	Gains	Sales	Purchases	2022
		(Losses)	(Losses)			
Cash, Cash						
Equivalents & Money						
Markets	\$73,000	-	-	(\$13,000)	-	\$60,000
Corporate &						
Municipal Bonds	55,724,000	(\$9,199,000)	-	(290,000)	-	46,235,000
Domestic & Foreign						
Equities	239,600,000	(43,357,000)	\$4,584,000	(45,480,000)	\$1,918,000	157,265,000
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>\$361,130,000</u>	<u>(\$52,556,000)</u>	<u>\$4,584,000</u>	<u>(\$49,697,000)</u>	<u>\$4,858,000</u>	<u>\$268,056,000</u>

	Fair value	Unrealized	Realized			Fair value
	2020	Gains	Gains	Sales	Purchases	2021
		(Losses)	(Losses)			
Cash, Cash						
Equivalents & Money						
Markets	\$62,000	-	-	-	\$11,000	\$73,000
Corporate &						
Municipal Bonds	53,009,000	(\$5,338,000)	\$6,489,000	(\$28,342,000)	29,906,000	55,724,000
Domestic & Foreign						
Equities	175,617,000	56,039,000	9,661,000	(17,237,000)	15,520,000	239,600,000
Private Equity, Real						
Assets & Hedge						
Funds	8,725,000	266,663,000	131,035,000	(747,200,000)	354,882,000	14,105,000
Perpetual Trusts						
Held by 3rd Party	23,381,000	3,032,000	-	-	-	26,413,000
Other	24,281,000	934,000	-	-	-	25,215,000
	<u>\$285,075,000</u>	<u>\$321,330,000</u>	<u>\$147,185,000</u>	<u>(\$792,779,000)</u>	<u>\$400,319,000</u>	<u>\$361,130,000</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 \$22,236,000 at June 30, 2022 and \$26,413,000 at June 30, 2021.

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5. Investments

Investments are comprised of the following at June 30, 2022:

	Level 1	Level 2	Level 3	Net Asset Value Investments	Total
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>

Investments are comprised of the following at June 30, 2021:

	Level 1	Level 2	Level 3	Net Asset Value Investments	Total
Cash, cash equivalents and money market	\$17,213,000	-	\$20,000	-	\$17,233,000
Corporate and municipal bonds	106,720,000	\$39,729,000	7,123,000	-	153,572,000
Domestic and foreign equities	171,208,000	106,558,000	30,462,000	-	308,228,000
U. S. government securities	-	18,434,000	-	-	18,434,000
Private Equity, Real Assets & Hedge Funds	-	-	-	\$193,260,000	193,260,000
Accrued Interest	173,000	-	-	-	173,000
	<u>\$295,314,000</u>	<u>\$164,721,000</u>	<u>\$37,605,000</u>	<u>\$193,260,000</u>	<u>\$690,900,000</u>

Level 3 investments are largely commingled investment funds utilizing total market value for pricing. Alternative investments, except certain real assets, are accounted at net asset value or under the equity method of accounting and are not required to be included as Level 1, 2 or 3.

The following table displays information by investments that are measured using NAV as a practical expedient as of June 30, 2022:

	Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Equity Funds	\$0	Monthly/Quarterly	20-90 days	\$0
Hedge Funds	54,493,000	Monthly/Quarterly	20-90 days	0
Real Estate	11,089,000	Annually	Over 12 months	14,537,000
Venture Capital, Private Equity and Other	<u>159,216,000</u>	<u>Annually</u>	<u>Over 12 months</u>	<u>65,794,000</u>
	<u>\$224,798,000</u>			<u>\$80,151,000</u>

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The following table displays information by investments that are measured using NAV as a practical expedient as of June 30, 2021:

	Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Equity Funds	\$0	Monthly/Quarterly	20-90 days	\$0
Hedge Funds	52,156,000	Monthly/Quarterly	20-90 days	0
Real Estate	10,616,000	Annually	Over 12 months	2,519,000
Venture Capital, Private Equity and Other	121,731,000	Annually	Over 12 months	39,620,000
	<u>\$184,503,000</u>			<u>\$42,139,000</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.

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	Unrealized Gains	Realized Gains			Fair value
	2021	(Losses)	(Losses)	Sales	Purchases	2022
Cash, Cash Equivalents & Money Markets	\$20,000	-	-	(\$4,000)	-	\$16,000
Corporate & Municipal Bonds	7,123,000	(\$958,000)	-	(234,000)	-	5,931,000
Domestic & Foreign Equities	30,462,000	(4,515,000)	\$477,000	(6,367,000)	\$118,000	20,175,000
Private Equity, Real Assets & Hedge Funds	-	-	-	-	-	-
	<u>\$37,605,000</u>	<u>\$ (5,473,000)</u>	<u>\$477,000</u>	<u>\$ (6,605,000)</u>	<u>\$118,000</u>	<u>\$26,122,000</u>

	Fair value	Unrealized Gains	Realized Gains			Fair value
	2020	(Losses)	(Losses)	Sales	Purchases	2021
Cash, Cash Equivalents & Money Markets	\$14,000	-	-	-	\$6,000	\$20,000
Corporate & Municipal Bonds	7,258,000	(\$594,000)	\$722,000	(\$3,155,000)	\$2,892,000	7,123,000
Domestic & Foreign Equities	24,111,000	6,238,000	1,075,000	(2,532,000)	1,570,000	30,462,000
Private Equity, Real Assets & Hedge Funds	350,000.00	29,684,000	14,586,000	(84,124,000)	39,504,000	-
	<u>\$31,733,000</u>	<u>\$35,328,000</u>	<u>\$16,383,000</u>	<u>\$ (89,811,000)</u>	<u>\$43,972,000</u>	<u>\$37,605,000</u>

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6. Land, Buildings and Equipment

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

	2022	2021
Assets		
Land	\$90,072,000	\$76,013,000
Land improvements	4,663,000	3,465,000
Buildings and building improvements	3,707,667,000	2,929,155,000
Fixed equipment	770,246,000	772,306,000
Major movable equipment	1,372,556,000	1,272,683,000
Construction in progress	308,146,000	646,771,000
	<u>6,253,350,000</u>	<u>5,700,393,000</u>
Accumulated depreciation		
Land improvements	(2,940,000)	(2,716,000)
Buildings and building improvements	(1,144,805,000)	(1,006,545,000)
Fixed equipment	(603,043,000)	(576,159,000)
Major movable equipment	(1,060,448,000)	(1,014,465,000)
	<u>(2,811,236,000)</u>	<u>(2,599,885,000)</u>
	<u>\$3,442,114,000</u>	<u>\$3,100,508,000</u>

The Enterprise capitalized \$21,316,000 and \$17,179,000 of interest expense during the years ended June 30, 2022 and 2021, respectively.

A component in the change year over year included in property, plant and equipment, net is change in noncash additions of \$25,643,000 and \$4,286,000 for the years ended June 30, 2022 and 2021, respectively. The change in noncash 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, 2022 relates to expansion projects at CHOP and information systems projects. The total estimated costs to complete the projects in construction-in-progress are approximately \$1,300,974,000.

7. Leases

The Enterprise has operating leases related to real estate lease agreements for office space and clinical sites. Beginning July 1, 2020, the Enterprise adopted ASU 2016-02 using the effective method. At transition, lease right-of-use ("ROU") assets of \$202,311,000, short term lease liabilities of \$18,644,000 and long-term lease liability of \$183,667,000 were recorded. At June 30, 2022, the Enterprise has lease ROU assets of \$189,611,000 and lease liability of \$189,639,000

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reflected on the balance sheet which has a discount rate of 3.352% applied based on the Enterprise's incremental borrowing rate. The Enterprise election excludes nonlease components for real estate contracts, such as common area maintenance, in determining the ROU assets.

	<u>2022</u>	<u>2021</u>
Weighted average remaining lease term:		
Operating leases	11.53 years	10.67 years
Weighted average discount rate:		
Operating leases	3.352%	3.004%

The Enterprise is also a lessor of real estate under operating leases. Lease income for the year ended June 30, 2022 and 2021, were \$1,207,000 and \$1,176,000, 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 2022 and 2021 for all operating leases was approximately \$25,853,000 and \$23,314,000, 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, 2022, that have initial or remaining lease terms in excess of one year:

2022	\$16,168,000
2023	19,413,000
2024	19,824,000
2025	19,340,000
2026 and beyond	<u>141,963,000</u>
Total lease payments	\$216,708,000
Less: Present value discount	<u>(27,069,000)</u>
Total lease payments	\$189,639,000
Less: Current obligations	<u>(\$16,168,000)</u>
Long-term lease obligations	<u>\$173,471,000</u>

Real estate leases may include options to renew that can extend the lease terms for an additional two to ten years. Some leases also 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 with a closing to occur May 2034, the expiration of the 156th month following the commencement date. 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:

	<u>2022</u>	<u>2021</u>
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows from operating leases:	\$23,284,000	\$23,314,000
Noncash activity for the additions to the right of use assets obtained from operating leases:	\$34,101,000	\$67,025,000

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8. Long-Term Debt

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

Bond	Fixed or Variable	Interest Payable	Effective Interest Rate	Maturity Date	Footnote	2022	2021
2002 A Bonds	Variable	Monthly	0.00%	-	(a)	\$0	\$4,900,000
2002 B Bonds	Variable	Monthly	0.00%	-	(a)	-	73,100,000
2011 A Bonds	Variable	Monthly	0.00%	-	(b)	-	50,000,000
2011 B Bonds	Variable	Monthly	0.00%	-	(b)	-	50,000,000
2011 C Bonds	Fixed	Semi- annually	0.00%	-	(c)	-	81,465,000
2011 D Bonds	Fixed	Semi- annually	0.00%	-	(d)	-	164,010,000
2014 A Bonds	Fixed	Semi- annually	3.94%	-	(e)	-	190,420,000
2017 Bonds	Fixed	Semi- annually	4.31%	7/1/2037	(f)	173,765,000	174,815,000
2020 Bonds	Fixed	Semi- annually	2.70%	7/1/2050	(g)	500,000,000	500,000,000
2021A Bonds	Fixed	Semi- annually	5.00%	7/1/2032	(h)	124,015,000	-
2021B Bonds	Variable	Semi- annually	0.43%	7/1/2041	(i)	241,485,000	-
2022 Bonds	Fixed	Semi- annually	3.50%	7/1/2044	(j)	201,580,000	-
Notes Payable 2014	Fixed	Annually	1.00%	-	(k)	-	29,835,000
PIDC Loan	Fixed	Monthly	3.00%	5/1/2031	(l)	3,499,000	3,837,000
						<u>1,244,344,000</u>	<u>1,322,382,000</u>
Less: Current Portion						<u>(22,373,000)</u>	<u>(21,119,000)</u>
						<u>1,221,971,000</u>	<u>1,301,263,000</u>
Unamortized bond related liabilities						<u>47,362,000</u>	<u>21,251,000</u>
Total Long-Term Debt						<u>\$1,269,333,000</u>	<u>\$1,322,514,000</u>

Principal repayments as of June 30, 2022 on the debt are due as follows:

2023	\$22,373,000
2024	23,173,000
2025	23,999,000
2026	19,365,000
2027	20,297,000
Thereafter	<u>1,135,137,000</u>
	<u>\$1,244,344,000</u>

- a. During July 2002, the Enterprise borrowed \$309,300,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project), Series A, B, C, D, and E of 2002 (the "2002 Bonds") issued by the Enterprise and The

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Hospitals and Higher Education Facilities Authority of Philadelphia (the "Authority"). The proceeds from the sale of the 2002 Bonds were deposited in escrow accounts and used to provide funds to (i) pay or reimburse CHOP for the costs of constructing new facilities (ii) advance refund the Hospital Revenue Bonds (CHOP) Series 1992A, 1992B and 1996A in the aggregate amount of \$183,430,000 and the Hospital Revenue Bonds (The Children's Seashore House of The Children's Hospital of Philadelphia) Series 1992A and 1992B in the aggregate amount of \$37,140,000, and (iii) fund debt service reserves and debt issuance costs pertaining to the 2002 Bonds. The terms of the Series 2002 Bonds also specified conditions under which the members of the Enterprise may incur additional debt. Failure by the members of the Enterprise to observe certain covenants may result in the occurrence of an event of default, upon which the remaining obligations may be declared immediately due and payable. The Enterprise was in compliance with its covenants. The Series 2002 A & B Bonds were refunded in July 2021 with the proceeds of the Series 2021 Bonds (hereinafter defined).

- b. During March 2011, the Enterprise borrowed \$100,000,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project) Series 2011 A, and B (Series 2011 Bonds) issued by the Authority. The proceeds were used to finance the costs of a project consisting of: (A)(i) construction of a new, eight story ambulatory care center, a five-level underground parking garage for 1,500 cars and other improvements relating to the ambulatory care center; (ii) undertaking certain other miscellaneous capital projects, equipment purchases and campus renovation; (iii) reimbursing the Enterprise for certain costs heretofore incurred in connection with such projects; and (B) payment of bond issuance costs and expenses. The Series 2011 Bonds were refunded in July 2021 with the proceeds of the Series 2021 Bonds.
- c. During October 2011, the Enterprise borrowed \$96,785,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project) Series 2011 C, (Series 2011C Bonds) issued by the Authority. The proceeds were used to finance the costs of a project consisting of: (A)(i) construction of a new, eight story ambulatory care center, a five-level underground parking garage for 1,500 cars and other improvements relating to the ambulatory care center; (ii) undertaking certain other miscellaneous capital projects, equipment purchases and campus renovation; (iii) reimbursing the Enterprise for certain costs heretofore incurred in connection with such projects; and (B) payment of bond issuance costs and expenses. The Series 2011C Bonds were refunded in July 2021 with the proceeds of the Series 2021 Bonds.
- d. During October 2011, the Enterprise borrowed \$164,010,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project) Series 2011 D, (Series 2011D Bonds) issued by the Authority. The proceeds were used to (A) refund the Series 2008 A, B, and C Bonds and (B) payment of bond issuance costs and expenses. The Series 2011D Bonds were refunded in July 2021 with the proceeds of the Series 2021 Bonds.
- e. During September 2014, the Enterprise borrowed \$190,420,000 under a Loan Agreement from the sale of tax-exempt Hospital Revenue Bonds (The Children's Hospital of Philadelphia Project) Series 2014 A, (Series 2014 Bonds) issued by the Philadelphia Authority for Industrial Development ("PAID"). The bonds were sold at a premium resulting in \$200,000,000 in proceeds. The proceeds were used to finance the costs of a project consisting of: (A)(i) construction of a new, eight story ambulatory care center, a five-level underground parking garage for 1,500 cars and other improvements relating to the ambulatory care center; (ii)

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reimbursing the Enterprise for certain costs heretofore incurred in connection with such projects; and (B) payment of bond issuance costs and expenses. The Series 2014 Bonds were refunded in May 2022 with the proceeds of the Series 2022 Bonds (hereinafter defined).

- f. 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.
- g. 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.
- h. 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.
- i. 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.
- j. 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.
- k. During October 2014, the Enterprise entered into a transaction with Chase NMTC CHOP Investment Fund, LLC related to the 1700 Broad Street Family Care Center in South Philadelphia, Pennsylvania and expects to receive a net benefit of \$9.0 million under a qualified New Markets Tax Credit Program ("NMTC"). The NMTC was provided for in the Community Renewal Tax Relief Act of 2000 (the "Act") and is intended to induce investment capital in under-served and impoverished areas of the United States. As a result of the transaction, the Enterprise has a receivable in the amount of \$20,770,000 and a loan in the amount of \$29,835,000. In 2020, the receivable and the loan were forgiven and CHOP recognized \$9,065,000 of the net cash received in the year ended June 30, 2021.
- l. The Enterprise also entered into a loan with Philadelphia Industrial Development Corporation ("PIDC") in the original principal amount of \$8,279,000.

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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.

In March of 2020, the Enterprise entered two forward starting fixed rate swaps, each with an effective date of July 01, 2021. The first swap, 2011D 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, 2011 C Swap, has a notional amount of \$79,940,000 and expires on July 01, 2041. As of June 30, 2021, the fair market value of the 2011C Swap was approximately \$3,626,000.

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	
	2022	2022	2021	2022	2021
Interest Rate Swap					
2002A Swap	\$2,500,000	(\$104,000)	(\$104,000)	\$ -	\$ (198,000)
2005A Swap	-	-	-	-	(301,000)
2021C Swap	\$79,940,000	12,621,000	-	(8,995,000)	(3,626,000)
2021D Swap	-	-	-	-	-
Totals	\$82,440,000	\$12,517,026	(\$104,000)	(\$8,995,000)	(\$4,125,000)

Under these agreements, net interest expense of \$488,000 and \$519,000 relating to the derivative financial instruments was incurred for the years ended June 30, 2022 and 2021, 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.

9. Pension Plans

Through December 31, 1999, CHOP sponsored a defined benefit pension plan (the "Plan") that covered substantially all nonunion employees. The Plan called for benefits to be paid to eligible employees at retirement, based primarily upon years of service with CHOP and compensation. Contributions to the Plan reflected benefits attributed to employees' service to date, as well as service expected to be rendered in the future. Plan assets consisted primarily of common stock, investment-grade corporate bonds, and U.S. Government obligations.

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The Plan sponsor voted to amend and restate the Plan effective January 1, 2000 to reflect the conversion of the Plan to a cash balance payment formula and the change in the Plan's name to The Children's Hospital of Philadelphia Pension Account Plan. Subject to certain grandfathering, the accrued benefit under the old plan was converted to the opening balance of the Pension Account Plan. The present value of the accrued benefit payable at age 65 was converted to a lump-sum using IRS required present value assumptions.

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 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. 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.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
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The 2022 and 2021 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:

	2022	2021
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 109,500,000	\$ 110,475,000
Service cost	2,356,000	4,403,000
Interest cost	3,530,000	3,564,000
Actuarial (gain) loss	(16,771,000)	528,000
Benefits paid	(1,691,000)	(1,364,000)
Other	(857,000)	(535,000)
Curtailments	-	(7,571,000)
Benefit obligation at end of year	96,067,000	109,500,000
Change in plan assets		
Fair value of plan assets at beginning of year	86,408,000	87,636,000
Actual return on plan assets (net expenses)	(13,880,000)	(5,579,000)
Employer contributions	3,500,000	6,250,000
Benefits paid	(1,691,000)	(1,364,000)
Other	(857,000)	(535,000)
Fair value of plan assets at end of year	73,480,000	86,408,000
Reconciliation of the funded status		
Funded status	(22,587,000)	(23,092,000)
Accrued pension cost	\$ (22,587,000)	\$ (23,092,000)

The accumulated benefit obligation for all defined benefit pension plans was \$96,067,000 and \$109,447,000 at June 30, 2022 and 2021, respectively.

	2022	2021
Components of net periodic benefit cost		
Service cost	\$ 2,356,000	\$ 4,403,000
Interest cost	3,530,000	3,564,000
Expected return on plan assets	(2,651,000)	(3,421,000)
Amortization of prior service cost	-	2,000
Amortization of net actuarial loss	1,391,000	1,257,000
Net periodic benefit cost	\$ 4,626,000	\$ 5,805,000
Net (loss) / Gain	(240,000)	1,956,000
Amortization of prior service cost	-	(2,000)
Amortization of net loss	(1,391,000)	(1,257,000)
Total recognized in net assets without donor restrictions	(1,631,000)	697,000
Total recognized in net periodic benefit cost and net assets without donor restrictions	\$ 2,995,000	\$ 6,502,000

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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 \$24,429,000 and \$26,060,000 in actuarial loss and \$0 and \$0 in prior service cost for the periods ended June 30, 2022 and 2021, respectively.

	2022	2021
Weighted-average assumptions as of June 30		
Discount Rate (Union Represented Plan)	3.25%	3.25%
Rate of compensation increase (Union Represented Plan)	3.00%	3.00%
Weighted-average assumptions for net periodic benefit cost		
Discount rate	3.25%	3.25% / 3.50%
Expected return on plan assets	3.00%	4.00% / 3.00%
Rate of compensation (Union Represented Plan)	3.00%	3.00%

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

The average asset allocation of these pension plans at June 30, 2022 and 2021 by asset category are as follows:

	Percentage of Plan Assets 2022	Percentage of Plan Assets 2021
Government Securities	78%	82%
Alternative Investments	6%	9%
Cash	16%	9%
	100%	100%

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:

2023	\$59,857,000
2024	1,799,000
2025	1,897,000
2026	1,997,000
2027	2,096,000
2028 - 2032	11,670,000

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

The Enterprise projects it will be required to make a pension plan contribution of approximately \$3,500,000 to the Plan in 2023.

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, 2022:

	Level 1	Level 2	Level 3	Alternative Investments	Total
Cash	\$0	\$0	\$12,537,000	\$0	\$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
Total	\$0	\$56,380,000	\$12,537,000	\$4,563,000	\$73,480,000

The following table sets forth by level within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Alternative Investments	Total
Cash	\$0	\$0	\$8,816,000	\$0	\$8,816,000
Debt	-	-	-	-	-
Equities	-	-	-	-	-
Government Securities	-	69,941,000	-	-	69,941,000
Alternative	-	-	-	7,651,000	7,651,000
Total	\$0	\$69,941,000	\$8,816,000	\$7,651,000	\$86,408,000

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, 2022 and 2021.

	Fair value 2021	Unrealized Gains (Losses)	Realized Gains (Losses)	Sales	Purchases	Fair value 2022
Cash	\$8,816,000	\$0	\$0	\$0	\$3,721,000	\$12,537,000
Debt	-	-	-	-	-	-
Equity	-	-	-	-	-	-
	<u>\$8,816,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,721,000</u>	<u>\$12,537,000</u>

	Fair value 2020	Unrealized Gains (Losses)	Realized Gains (Losses)	Sales	Purchases	Fair value 2021
Cash	\$1,959,000	\$0	\$0	\$0	\$6,857,000	\$8,816,000
Debt	-	-	-	-	-	-
Equity	-	-	-	-	-	-
	<u>\$1,959,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,857,000</u>	<u>\$8,816,000</u>

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, 2022.

- Common stock is valued based on quoted market prices in the active markets on which the individual securities traded.

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- 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 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 nonbargaining 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 \$31,255,000 and \$23,944,000 for the periods ended June 30, 2022 and 2021. Total expenses under the funded retirement savings 401(a) plan were \$44,327,000 and \$44,200,000 for the periods ended June 30, 2022 and 2021.

10. 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.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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.

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, 2022 and June 30, 2021. Total liability under this program is approximately \$314,305,000 and \$283,629,000 included in other liabilities on the balance sheet, with a corresponding receivable included in other receivables of \$32,257,000 and \$29,740,000 at June 30, 2022 and 2021, 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.

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The actuarially computed liability to all health care providers (hospital, physicians and others) participating in the MCARE Fund at December 31, 2020 (the latest date for which such information is available) was \$1.06 billion. CHOP, the Practice Plans, and the employed/insured physicians paid surcharge assessments during fiscal 2022 and 2021 totaling \$6,044,000 and \$5,564,000, 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, 2022 and 2021, the Enterprise has an estimate of \$4,828,000 and \$4,930,000, 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%.

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>2022</u>	<u>2021</u>
UPenn	\$34,277,000	\$35,809,000

11. 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>2022</u>	<u>2021</u>
Blue Cross/Blue Shield	28%	29%
Medical Assistance	5%	6%
MA-Managed Care	29%	32%
Commercial	16%	14%
Aetna	9%	8%
Self Pay	1%	1%
Other	2%	2%
International	10%	8%
	<u>100%</u>	<u>100%</u>

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

12. 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:

	June 30, 2022					
	Health Care Services	Research Services	Fundraising	Education	General and Administrative	Total
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	33,162,000	447,166,000
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
	\$1,932,515,000	\$419,863,000	\$33,216,000	\$55,741,000	\$1,084,027,000	\$3,525,362,000
Nonoperating expenses:						
Investment Fees	87,000	23,000	10,539,000	-	1,796,000	12,445,000
Sponsorship	(704,000)	1,819,000	(42,953,000)	-	49,579,000	7,741,000
Other components of net periodic benefit costs	-	-	-	-	2,270,000	2,270,000
	(617,000)	-	(32,414,000)	-	53,645,000	22,456,000
Total expenses	\$1,931,898,000	\$421,705,000	\$802,000	\$55,741,000	\$1,137,672,000	\$3,547,818,000

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

	June 30, 2021					
	Health Care Services	Research Services	Fundraising	Education	General and Administrative	Total
Operating expenses:						
Salaries, wages and professional fees	\$908,618,000	\$181,374,000	\$16,065,000	\$32,777,000	\$435,024,000	\$1,573,858,000
Employee benefits	225,300,000	43,332,000	4,357,000	8,929,000	116,658,000	398,576,000
Supplies	331,403,000	36,875,000	372,000	276,000	25,584,000	394,510,000
Purchased services and other expenses	121,076,000	128,166,000	9,934,000	795,000	231,690,000	491,661,000
Depreciation	32,846,000	1,369,000	3,000	109,000	211,362,000	245,689,000
Interest and amortization	-	2,608,000	-	-	19,299,000	21,907,000
	<u>\$1,619,243,000</u>	<u>\$393,724,000</u>	<u>\$30,731,000</u>	<u>\$42,886,000</u>	<u>\$1,039,617,000</u>	<u>\$3,126,201,000</u>
Nonoperating expenses:						
Investment Fees	-	-	6,515,000	-	959,000	7,474,000
Sponsorship	-	-	-	-	-	-
Other components of net periodic benefit costs	-	-	-	-	1,402,000	1,402,000
Pension settlement	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>6,515,000</u>	<u>-</u>	<u>2,361,000</u>	<u>8,876,000</u>
Total expenses	<u>\$1,619,243,000</u>	<u>\$393,724,000</u>	<u>\$37,246,000</u>	<u>\$42,886,000</u>	<u>\$1,041,978,000</u>	<u>\$3,135,077,000</u>

13. 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:

	2022	2021
Cash	\$329,258,000	\$631,766,000
Receivables from patient services	842,833,000	598,415,000
Due from third parties	32,297,000	29,329,000
Other receivables	109,664,000	96,391,000
Assets limited as to use	155,554,000	241,718,000
Investments (Level 1)	241,543,000	295,314,000
	<u>\$1,711,149,000</u>	<u>\$1,892,933,000</u>

Current financial assets not available for general use because of contractual or donor-imposed restrictions were \$111,684,000 and \$73,458,000 at June 30, 2022 and 2021, respectively. Amounts not available for general use include amounts set aside for scheduled principal payments, self-insurance funds, and time and purpose restricted assets. 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 contain provisions prohibiting their redemption within one year and other investments for which redemption within one year may not be practical.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Notes to Consolidated Financial Statements
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14. Subsequent Events

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 30, 2022, the original issuance date of the financial statements as of and for the year ended June 30, 2022.

Supplemental Consolidating Schedules

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Supplemental Consolidating Balance Sheets
June 30, 2022

(in thousands of dollars)

	Obligated Group	Practice Groups	PGHDC	Total Eliminations	Total Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	\$150,567,000	\$178,500,000	\$191,000	\$0	\$329,258,000
Receivables for patient services	749,242,000	93,591,000	-	-	842,833,000
Current portion of pledges receivable	42,673,000	-	-	(1,347,000)	41,326,000
Due from third parties	32,297,000	-	-	-	32,297,000
Due from Affiliates	70,378,000	54,977,000	-	(125,355,000)	-
Other receivables	106,817,000	2,621,000	226,000	-	109,664,000
Current portion of assets limited as to use	78,100,000	-	-	-	78,100,000
Supplies, drugs and prepaid expenses	84,124,000	142,000	12,000	-	84,278,000
Total current assets	1,314,198,000	329,831,000	429,000	(126,702,000)	1,517,756,000
Assets limited as to use					
Board designated	2,812,484,000	-	-	-	2,812,484,000
Restricted by donors	393,106,000	-	-	-	393,106,000
Trustee-held construction and debt service fund	35,739,000	-	429,000	-	36,168,000
Trustee-held for self-insurance and other	365,621,000	-	-	-	365,621,000
Noncurrent assets limited as to use	3,606,950,000	-	429,000	-	3,607,379,000
Investments	405,070,000	228,703,000	-	-	633,773,000
Land, buildings and equipment at cost, net	3,433,537,000	689,000	7,888,000	-	3,442,114,000
Operating Lease Right-Of-Use Asset	189,611,000	-	-	-	189,611,000
Pledges receivable, net	75,089,000	-	-	-	75,089,000
Long-term notes receivable	140,000	-	-	-	140,000
Other long-term assets and receivables	32,442,000	-	-	-	32,442,000
Total assets	\$9,057,037,000	\$559,223,000	\$8,746,000	(\$126,702,000)	\$9,498,304,000
LIABILITIES AND NET ASSETS					
Current liabilities					
Current portion of long-term debt	22,373,000	-	-	-	22,373,000
Current Portion of Operating Lease Liabilities	16,168,000	-	-	-	16,168,000
Accounts payable and accrued expenses	617,782,000	136,035,000	346,000	(125,355,000)	628,808,000
Current portion of pledges payable	5,000,000	1,347,000	-	(1,347,000)	5,000,000
Total current liabilities	661,323,000	137,382,000	346,000	(126,702,000)	672,349,000
Long-term debt	1,269,333,000	-	-	-	1,269,333,000
Other liabilities	330,850,000	5,000	-	-	330,855,000
Operating Lease Liabilities	173,471,000	-	-	-	173,471,000
Accrued pension cost	10,837,000	-	-	-	10,837,000
Pledges payable, less current portion	5,000,000	-	-	-	5,000,000
Total liabilities	2,450,814,000	137,387,000	346,000	(126,702,000)	2,461,845,000
NET ASSETS					
Without donor restriction	5,797,989,000	421,836,000	8,400,000	106,039,000	6,334,264,000
With donor restriction	808,234,000	-	-	(106,039,000)	702,195,000
Total net assets	6,606,223,000	421,836,000	8,400,000	-	7,036,459,000
Total liabilities and net assets	\$9,057,037,000	\$559,223,000	\$8,746,000	(\$126,702,000)	\$9,498,304,000

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Supplemental Consolidating Statements of Operations
Year Ended June 30, 2022

(in thousands of dollars)

	Obligated Group	Practice Groups	PGHDC	Total Eliminations	Total Consolidated
REVENUES AND OTHER SUPPORT					
Patient service revenue	\$ 2,499,302,000	\$580,863,000	\$ -	\$ -	\$3,080,165,000
Contributions	12,636,000	2,177,000	-	-	14,813,000
Research revenue	320,651,000	25,966,000	-	(25,966,000)	320,651,000
Other operating revenue	277,920,000	40,172,000	906,000	(56,042,000)	262,956,000
CARES Act Funding	1,093,000	136,000	-	-	1,229,000
Total revenues and other support	3,111,602,000	649,314,000	906,000	(82,008,000)	3,679,814,000
EXPENSES					
Salaries, wages and professional fees	1,437,481,000	412,971,000	-	2,654,000	1,853,106,000
Employee benefits	331,044,000	82,739,000	-	(1,253,000)	412,530,000
Supplies	438,405,000	8,760,000	-	-	447,165,000
Purchased services and other expenses	523,535,000	70,414,000	906,000	(52,535,000)	542,320,000
Depreciation	255,225,000	219,000	556,000	-	256,000,000
Interest and amortization	14,240,000	-	-	-	14,240,000
Total expenses	2,999,930,000	575,103,000	1,462,000	(51,134,000)	3,525,361,000
Operating Income	111,672,000	74,211,000	(556,000)	(30,874,000)	154,453,000
Dividend and interest income, net	20,386,000	4,090,000	-	-	24,476,000
Earnings allocation	(49,721,000)	-	-	31,296,000	(18,425,000)
Realized gains on marketable securities	85,582,000	7,546,000	-	-	93,128,000
Sponsorship	35,358,000	(43,099,000)	-	-	(7,741,000)
Change in fair value of derivatives	90,000	-	-	-	90,000
Change in unrealized gains / (losses) on investments	(397,261,000)	(51,184,000)	-	-	(448,445,000)
Gains on alternative investments	130,948,000	-	-	-	130,948,000
Equity method	-	-	-	-	-
Loss on extinguishment of debt	2,719,000	-	-	-	2,719,000
Other components of net periodic benefit costs	(2,270,000)	-	-	-	(2,270,000)
Noncontrolling interest	-	-	-	(422,000)	(422,000)
Excess of revenue over expenses	(62,497,000)	(8,436,000)	(556,000)	-	(71,489,000)
Pension adjustment	1,631,000	-	-	-	1,631,000
Change in fair value of derivatives	8,905,000	-	-	-	8,905,000
Net assets released from restrictions for capital	19,564,000	-	-	-	19,564,000
Transfer to/from affiliates	(352,000)	-	650,000	-	298,000
External funding for capital	9,065,000	-	-	-	9,065,000
Transfer from / net assets with donor restriction	(134,000)	-	-	-	(134,000)
Increase in net assets without donor restriction	(\$23,818,000)	(\$8,436,000)	\$94,000	\$0	(\$32,160,000)

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Supplemental Consolidating Statements of Changes in Net Assets
Year Ended June 30, 2022

(in thousands of dollars)

	Obligated Group	Practice Groups	PGHDC	Total Eliminations	Total Consolidated
NET ASSETS WITHOUT DONOR RESTRICTION					
Excess of revenues over expenses	(\$62,497,000)	(\$8,436,000)	(\$556,000)	-	(\$71,489,000)
Pension related changes other than net periodic benefit costs	1,631,000	-	-	-	1,631,000
Change in fair value of derivatives	8,905,000	-	-	-	8,905,000
Net assets released from restrictions for capital	19,564,000	-	-	-	19,564,000
Transfer to / from affiliates	(352,000)	-	650,000	-	298,000
External funding for capital	9,065,000	-	-	-	9,065,000
Transfer to net assets with donor restrictions	(134,000)	-	-	-	(134,000)
Increase in net assets without donor restriction	(23,818,000)	(8,436,000)	94,000	-	(32,160,000)
NET ASSETS WITH DONOR RESTRICTION					
Contributions	115,672,000	-	-	-	115,672,000
Interest and dividend income, net	2,133,000	-	-	-	2,133,000
Realized gains on investments	10,113,000	-	-	-	10,113,000
Change in unrealized gains on investments	(18,190,000)	-	-	-	(18,190,000)
Net assets released from restrictions for operations	(47,878,000)	-	-	-	(47,878,000)
Net assets released from restrictions for capital	(19,320,000)	-	-	-	(19,320,000)
Increase in value of perpetual trusts	(4,177,000)	-	-	-	(4,177,000)
Transfer from net assets without donor restrictions, net	134,000	-	-	-	134,000
Increase in net assets with donor restriction	38,487,000	-	-	-	38,487,000
Increase in Net Assets	14,669,000	(8,436,000)	94,000	-	6,327,000
NET ASSETS					
Beginning of Year	6,591,554,000	430,272,000	8,306,000	-	7,030,132,000
End of Period	\$6,606,223,000	\$421,836,000	\$8,400,000	-	\$7,036,459,000

Schedules of Expenditures of Federal and State Awards

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
Federal Awards:					
Research and Development Cluster					
U.S. Department of Health and Human Services					
Center for Disease Control					
Pass Through:					
Injury Prevention and Control Research and State and Community Based Programs	93.136	Minnesota HealthSolutions Corp	R44CE002753	\$ 10,632	\$ -
Injury Prevention and Control Research and State and Community Based Programs	93.136	City of Philadelphia	2020619-01	290,000	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	City of Philadelphia	2020652	1,110,755	-
Cooperative Agreement Title: Strengthening Public Health Systems and Services	93.421	National Assoc of County &City Health	NU38OT000306	15,000	-
COVID-19 Cooperative Agreement Title: Strengthening Public Health Systems and Services	93.421	Task Force for Global Health	NU38OT00316	353,902	-
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	American Thrombosis&Hemophilia Inc	U27D0001155	56	-
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	American Thrombosis&Hemophilia Inc	NU27DD000020	427,944	316,036
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084	University of Pennsylvania	U54CK000485	(3)	-
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084	University of Pennsylvania	U54CK000610	16,200	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	University of Pennsylvania	R01CE003347	18,332	-
Chronic Disease and Injury Prevention	93.RD	City of Philadelphia	2020167-03	72,264	-
Total Center for Disease Control and Prevention - Pass Through				2,315,082	316,036
Total Center for Disease Control				\$ 2,315,082	\$ 316,036
National Institutes of Health					
Direct Grants and Contracts:					
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353			\$ 6,044,912	\$ 2,324,786
Aging Research	93.866			976,349	88,045
Allergy, Immunology, and Transplantation Research	93.855			10,076,661	1,599,320
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846			3,418,695	740,605
Assistance Programs for Chronic Disease Prevention and Control	93.945			154,936	4,253
Biomedical Research and Research Training	93.859			3,985,914	(9,211)
Blood Diseases and Resources Research	93.839			10,240,657	2,289,841
Cancer Biology Research	93.396			2,514,159	170,074
Cancer Cause and Prevention Research	93.393			1,060,946	244,965
Cancer Control	93.399			2,036,022	1,814,769
Cancer Detection and Prevention Research	93.394			1,265,081	524,983
Cancer Research Manpower	93.398			839,966	-
Cancer Treatment Research	93.395			7,587,793	3,492,202
Child Health and Human Development Extramural Research	93.865			14,704,364	2,987,451
Diabetes, Endocrinology, and Metabolism Research	93.847			16,225,911	3,193,300
Dietary Supplement Research Program	93.321			159,132	159,132
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286			344,818	22,402
Drug Abuse and Addiction Research Program	93.279			440,335	28,060
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			13,626,913	1,917,201
Cardiovascular Diseases Research	93.837			15,150,019	6,760,806
Human Genome Research	93.172			2,204,072	199,768
Indian Health Services	93.RD			77,126	-
Lung Diseases Research	93.838			4,900,809	589,517
Medical Library Assistance	93.879			328,796	5,155
Mental Health Research Grants	93.242			6,594,010	531,510
Mental and Behavioral Health Education and Training Grants	93.732			186,861	-
Minority Health and Health Disparities Research	93.307			733,985	49,903
National Center for Advancing Translational Sciences	93.350			814,400	271,663
National Center on Sleep Disorders Research	93.233			1,649,769	549,645
National Research Service Awards Health Services Research Training	93.225			670,425	536,298
Nursing Research	93.361			1,721,322	234,033
Oral Diseases and Disorders Research	93.121			20,233	-
Research Infrastructure Programs	93.351			(4,697)	-
Research Related to Deafness and Communication Disorders	93.173			479,107	151,392
Research and Training in Complementary and Integrative Health	93.213			8,911	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			864,596	265,007
Targeted Clinical Research to Address Select-Viral Infections	93.RD			487,573	314,362
Trans-NIH Research Support	93.310			7,448,599	2,568,255
Vision Research	93.867			2,337,777	1,641,986
Total National Institutes of Health - Direct				142,377,397	36,261,378
Pass Through:					
Child Health and Human Development Extramural Research	93.865	Actuated Medical, Inc	R44HD105552	22,314	-
Cardiovascular Diseases Research	93.837	Albert Einstein College of Med	R01HL157157	56,110	-
Child Health and Human Development Extramural Research	93.865	Albert Einstein College of Med	P01HD070454	469,027	264,578
Cardiovascular Diseases Research	93.837	American Academy of Pediatrics	R01HL128231	69,788	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	AmideBio LLC	R44DK111304	22,056	-
Lung Diseases Research	93.838	Ann & Robert Lurie HospChicago	R34HL153474	50,939	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Ann & Robert Lurie HospChicago	U01AR079113	10,329	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Ann & Robert Lurie HospChicago	U01DK127995	181,700	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Ann & Robert Lurie HospChicago	U34DK115355	6	-
Child Health and Human Development Extramural Research	93.865	Ann & Robert Lurie HospChicago	R01HD102428	123,803	-
Child Health and Human Development Extramural Research	93.865	Ann & Robert Lurie HospChicago	R21HD096402	10,062	-
Child Health and Human Development Extramural Research	93.865	Baylor University	R01HD101326	16,657	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Beckman Research Institute of the City of	U24DK104162	30,988	-
Allergy and Infectious Diseases Research	93.855	Benaroya Research Institute	UM1AI109565	56,378	-
Mental Health Research Grants	93.242	Boston University Medical Campus	R01MH104355	(312)	-
Mental Health Research Grants	93.242	Boston University Medical Campus	R01MH121599	123,142	-
Research Related to Deafness and Communication Disorders	93.173	Boystown National Research	R01DC015056	3,435	-
Human Genome Research	93.172	Brigham & Women's Hospital	U41HG006834	2,813	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Brigham & Women's Hospital	R01NS10007	5,673	-
Human Genome Research	93.172	Broad Institute, Inc.	U24HG1010262	20,134	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Brown University	R01AR071382	121,090	-
Aging Research	93.866	Brown University	R01AG065722	171,737	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	CFD Research Corporation	R44AR072169	35,119	-
Cancer Treatment Research	93.395	Children's Hosp of Los Angeles	P01CA217959	10	-
Human Genome Research	93.172	Children's Hospital Boston	R01HG010004	(12,580)	-
Mental Health Research Grants	93.242	Children's Hospital Boston	U01MH19690	544,088	-
Mental Health Research Grants	93.242	Children's Hospital Boston	U01MH124962	48,089	-
Alcohol Research Programs	93.273	Children's Hospital Boston	R01AA027253	20,834	-
National Center for Advancing Translational Sciences	93.359	Children's Hospital Boston	U01TR002623	(9,763)	-
Allergy and Infectious Diseases Research	93.855	Children's Hospital Boston	U01AI163072	22,126	-
Child Health and Human Development Extramural Research	93.865	Children's Mercy Hospital	R21HD098086	115,509	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Children's Research Institute	R01HD089289	23,410	-
Child Health and Human Development Extramural Research	93.865	Children's Research Institute	R01HD093622	123,720	-
Child Health and Human Development Extramural Research	93.865	Children's Research Institute	R01HD094213	51,450	-
Child Health and Human Development Extramural Research	93.865	Children's Research Institute	R01HD099284	117,171	-
Child Health and Human Development Extramural Research	93.865	Children's Research Institute	U54HD061221	40,987	-
Cardiovascular Diseases Research	93.837	Cincinnati Ch Hosp Medical Ctr	U01HL131003	64,310	-
Lung Diseases Research	93.838	Cincinnati Ch Hosp Medical Ctr	R01HL157392	83,470	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Cincinnati Ch Hosp Medical Ctr	R01AR075857	9,384	-
Allergy and Infectious Diseases Research	93.855	Cincinnati Ch Hosp Medical Ctr	U54AI117804	51,074	-
Child Health and Human Development Extramural Research	93.865	Cincinnati Children's Hosp Med	R01HD076321	10,291	-
Child Health and Human Development Extramural Research	93.865	Cincinnati Children's Hosp Med	R01HD103654	223	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	CoapTech, LLC	R44DK123910	20,364	-
Human Genome Research	93.172	Columbia University	R21HG010165	(30,728)	-
Research on Healthcare Costs, Quality and Outcomes	93.226	Columbia University	R01HS026493	31,996	-
Mental Health Research Grants	93.242	Columbia University	R01MH95797	8,677	-

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
Nursing Research	93.361	Columbia University	R01NR17206	18,883	-
Cancer Centers Support Grants	93.397	Columbia University	U54CA163004	91,303	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Columbia University	R01DK192666	187,701	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Columbia University	U54NS078059	22,079	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Columbia University	R01NS10826	63,607	-
Biomedical Research and Research Training	93.859	Columbia University	R01GM120609	28,846	-
Child Health and Human Development Extramural Research	93.865	Columbia University	R01HD086045	43,504	-
Child Health and Human Development Extramural Research	93.865	Columbia University	R01HD104720	277,512	-
Medical Library Assistance	93.879	Columbia University	R01LM012895	328,958	-
Child Health and Human Development Extramural Research	93.865	Connecticut Children's Medical Center	R03HD101795	11,956	-
Nursing Research	93.361	Dana-Farber Cancer Institute	R01NR016720	55,691	-
Cancer Detection and Prevention Research	93.394	Dana-Farber Cancer Institute	R01CA214912	49,928	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Dana-Farber Cancer Institute	R01NS091620	(3,130)	-
Mental Health Research Grants	93.242	Diagnostic Driving, Inc	R43MH122035	2,423	-
Oral Diseases and Disorders Research	93.121	Drexel University	R21DE029567	22,110	-
Trans-NIH Research Support	93.310	Drexel University	UG3OD023342	136,474	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Drexel University	R01NS110898	11,284	-
Aging Research	93.866	Drexel University	R21AG063029	72,885	-
(PTN) Core Function Activities	93.RD	Duke Clinical Res Institute	HHSN275201800003I	20,375	-
Blood Diseases and Resources Research	93.839	Duke University	R01HL151730	214,777	-
Allergy and Infectious Diseases Research	93.855	Duke University	R01AI39032	218,467	-
Child Health and Human Development Extramural Research	93.865	Dupont	R01HD091251	(5,538)	-
Mental Health Research Grants	93.242	Emory University	R34MH116805	80,845	-
Lung Diseases Research	93.838	Emory University	UG3HL148560	76,543	-
Child Health and Human Development Extramural Research	93.865	Emory University	R01HD081120	58,703	-
Cardiovascular Diseases Research	93.837	Eidometry Inc.	R44HL17340	(7)	-
Mental Health Research Grants	93.242	Fieldline Inc.	R43MH118154	6,049	-
Mental Health Research Grants	93.242	Floreo Technology, LLC	R42MH115539	94,712	-
Mental Health Research Grants	93.242	Florida State University	R01MH121627	40,260	-
Child Health and Human Development Extramural Research	93.865	Florida State University	R01HD093055	34,619	-
Trans-NIH Research Support	93.310	Four Points Technology, LLC	OT2OD027852	(352)	-
Cancer Cause and Prevention Research	93.393	Fox Chase Cancer Center	R01CA138835	30,140	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Fox Chase Cancer Center	R01DK04176	41,402	-
21st Century Cures Act - Beary Biden Cancer Moonshot	93.353	Fred Hutchinson Cancer Res Ctr	UM1CA154967	24,408	-
Cardiovascular Diseases Research	93.837	Functional Fluidics	R43HL145898	(226)	-
Lung Diseases Research	93.838	George Washington University	R01HL098354	20,611	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	George Washington University	U01DK061230	13,057	-
Allergy and Infectious Diseases Research	93.855	George Washington University	R01AI123433	16,027	-
Research Related to Deafness and Communication Disorders	93.173	Georgetown University	R01DC016902	3,638	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Giner Labs Inc	R43DK131910	12,043	-
Aging Research	93.866	Gracefall, Inc	R43AG067843	71,550	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Harvard Pilgrim Health Care, Inc.	R01DK120598	103,226	-
Enhance Safety of Children Affected by Substance Abuse	93.087	Health Federation of Philadelphia	90C0104	174,792	-
Mental Health Research Grants	93.242	Hektoen Institute for Medical Research	R01MH104106	(68,030)	-
Mental Health Research Grants	93.242	Hektoen Institute for Medical Research	R01MH114753	223,917	-
Lung Diseases Research	93.838	Henry Ford Health System	R01HL141845	41,101	-
Lung Diseases Research	93.838	Illexor Therapeutics LLC	R43HL156334	18,136	-
Blood Diseases and Resources Research	93.839	Illexor Therapeutics LLC	R43HL150961	20,607	-
Blood Diseases and Resources Research	93.839	Illexor Therapeutics LLC	R43HL154864	54,308	-
Cancer Centers Support Grants	93.397	Indiana Univ Indianapolis	U54CA196519	45,989	-
Child Health and Human Development Extramural Research	93.865	Innovation Design Labs	R43HD098958	11,785	-
Nursing Research	93.361	Innovations Unlimited, LLC	R44NR018418	56,425	-
Office of the National Coordinator for Health Information Technology	93.RD	JBS International, Inc	93-75P00120F37002	37,309	-
Research on Healthcare Costs, Quality and Outcomes	93.226	Johns Hopkins University	R18HS025642	14,628	-
Mental Health Research Grants	93.242	Johns Hopkins University	R01MH113215	27,185	-
Drug Abuse and Addiction Research Program	93.279	Johns Hopkins University	R01DA043089	(14,221)	-
Cardiovascular Diseases Research	93.837	Johns Hopkins University	U34HL148480	(6,112)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Johns Hopkins University	R01DK115648	188,099	-
Allergy and Infectious Diseases Research	93.855	Johns Hopkins University	UM1A1068632	49,024	-
Allergy and Infectious Diseases Research	93.855	Johns Hopkins University	UM2A130836	122,207	-
Child Health and Human Development Extramural Research	93.865	Johns Hopkins University	R01HD097692	62,234	-
Child Health and Human Development Extramural Research	93.865	Johns Hopkins University	R01HD102491	239,390	-
Child Health and Human Development Extramural Research	93.865	Johns Hopkins University	R03HD101336	52,785	-
Blood Diseases and Resources Research	93.839	KaloCyte, Inc	R42HL135965	(4,799)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Kennedy Krieger Institute	K12NS098428	4,184	-
Biomedical Research Pediatric Match APEC1621B	93.RD	Leidos Biomedical	NotCO2008-00001	1,575	1,575
NCI Cancer Data Service	93.RD	Leidos Biomedical	75N91019D00024	3,791,793	-
Develop Recombinant AV Vectors	93.RD	Leidos Biomedical	HHSN261200800001E	430,287	397,085
Trans-NIH Research Support	93.310	Massachusetts General Hospital	UG3OD023253	133,040	-
Cancer Cause and Prevention Research	93.393	Massachusetts General Hospital	R01CA245145	690,558	-
Blood Diseases and Resources Research	93.839	Massachusetts General Hospital	R01HL141366	45,203	-
Allergy and Infectious Diseases Research	93.855	Massachusetts General Hospital	R01AI27597	7,215	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Mayo Clinic	U54NS115198	332,307	-
Cancer Treatment Research	93.395	Medical College of Wisconsin	U24CA76518	13,994	-
Blood Diseases and Resources Research	93.839	Medical College of Wisconsin	U01HL143477	4,464	-
Blood Diseases and Resources Research	93.839	Medical College of Wisconsin	U01HL159850	31,693	-
Child Health and Human Development Extramural Research	93.865	Medical College of Wisconsin	R01HD091302	44,899	-
Food Safety Grants	93.103	Medical Device Innovation Consortium	U01FD0066292	214,598	135,903
Minority Health and Health Disparities Research	93.307	Medical University of South Carolina	R01MD16012	277,607	-
National Center for Advancing Translational Sciences	93.350	Memorial Sloan-Kettering	U01TR002626	129,047	-
Nursing Research	93.361	Memorial Sloan-Kettering	R01NR019637	59,326	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Memorial Sloan-Kettering	U24CA220457	146,892	-
Allergy and Infectious Diseases Research	93.855	Michigan State University	U01AI126610	17,404	-
Cardiovascular Diseases Research	93.837	Mind Biosciences, LLC	R43HL158441	6,250	-
Child Health and Human Development Extramural Research	93.865	Minnesota Health Solutions	R44HD085660	37,998	-
Child Health and Human Development Extramural Research	93.865	Minnesota Health Solutions	R44HD100278	12,601	-
Child Health and Human Development Extramural Research	93.865	Minnesota Health Solutions	R44HD103550	65,764	-
Research Related to Deafness and Communication Disorders	93.173	Monell Chemical Senses Center	R01DC011287	164,979	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Mount Sinai School of Med	U01DK119200	25,707	-
Cancer Cause and Prevention Research	93.393	Nationwide Children's Hospital	R01CA248103	88,996	-
Cardiovascular Diseases Research	93.837	Nationwide Children's Hospital	U34HL144360	(135)	-
Child Health and Human Development Extramural Research	93.865	Nationwide Children's Hospital	R01HD091347	26,029	-
Child Health and Human Development Extramural Research	93.865	Nationwide Children's Hospital	R01HD095976	(71,138)	-
Child Health and Human Development Extramural Research	93.865	National Disease Research Interchange	U24HD106537	164,476	-
Child Health and Human Development Extramural Research	93.865	Nemours Biomedical Research	R01HD092847	(11,062)	-
Pumps for Kids, Infants and Neonates (Pumpkin) Clinical Trial	93.RD	New England Research Institute	HHSN268201200001I	7,217	-
Vision Research	93.867	New Jersey Institute of Technology	R01EY023261	139,436	-
Mental Health Research Grants	93.242	New York University School of Medicine	R01MH119114	35,320	-
Cancer Treatment Research	93.395	New York University School of Medicine	R01CA140729	(53,057)	-
Cancer Treatment Research	93.395	New York University School of Medicine	R01CA260028	48,057	-
Lung Diseases Research	93.838	New York University School of Medicine	OT2HL161847	3,602,602	1,605,471
Child Health and Human Development Extramural Research	93.865	New York University School of Medicine	R01HD094830	1,248	-
Trans-NIH Research Support	93.310	Northwestern University	U24OD023319	106,725	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Northwestern University	R01NS096746	13,903	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Northwestern University	U54NS108874	274,196	-
Child Health and Human Development Extramural Research	93.865	Northwestern University	R01HD087363	85,141	-
Blood Diseases and Resources Research	93.839	Ohio State University Res Fdn	R01HL136652	108,144	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	OncoSynergy, Inc	R41NS115249	2,891	-
Cardiovascular Diseases Research	93.837	Onocor LLC	R42HL139309	10,414	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Pennsylvania State University	R24DK106766	(3,695)	-
Oral Diseases and Disorders Research	93.121	Phoenix Children's Hospital	U01DE029750	31,793	-
Medical Library Assistance	93.879	Phrase Health Inc	R41LM013317	10,595	-

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
Child Health and Human Development Extramural Research	93.865	Radiant Creative Group, LLC	R42HD087021	207,059	22,993
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	Regents of the UCLA	U01CA233074	115,892	-
Cancer Treatment Research	93.395	Regents of the UCLA	R01CA222695	28,712	-
Cancer Biology Research	93.396	Regents of the UCLA	R01CA220238	210,966	-
Allergy and Infectious Diseases Research	93.855	Regents of the UCLA	UM1A106716	1,936	-
Child Health and Human Development Extramural Research	93.865	Regents of University of Colorado Denver	R24HD98415	120,033	-
Cancer Treatment Research	93.395	Sarcoma Foundation of America, Inc	U01CA236220	286,973	-
Oral Diseases and Disorders Research	93.121	Seattle Children's Hospital	U01DE025862	36,832	-
Blood Diseases and Resources Research	93.839	Seattle Children's Hospital	R01HL134321	32,993	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Seattle Children's Hospital	R01NS101029	(8,168)	-
Child Health and Human Development Extramural Research	93.865	Seattle Children's Hospital	R01HD084547	(5,254)	-
Cancer Detection and Prevention Research	93.394	St Jude Medical Center	R01CA193478	(4,974)	-
Cancer Detection and Prevention Research	93.394	St Jude Medical Center	R01CA264837	185,433	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	St Jude Medical Center	U24NS120854	82,786	-
Allergy and Infectious Diseases Research	93.855	Stanford University	U01A135950	26,795	-
Child Health and Human Development Extramural Research	93.865	Stanford University	R01HD099197	436,886	-
Alcohol Research Programs	93.273	SUNY Downstate Medical Center	U10AA008401	154,623	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	SUNY Downstate Medical Center	R01DK110456	(340)	-
Food Safety Grants	93.103	Temple University	U01FD0066978	31,630	-
Cardiovascular Diseases Research	93.837	Temple University	R01HL092910	36,682	-
Blood Diseases and Resources Research	93.839	Temple University	R01HL18526	41,651	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Temple University	R01DK121159	17,539	-
Pathology Studies	93.RD	The Emmes Corporation	HHSN26320170001	6,715	-
COVID-19 Multisystem Inflammatory Syndrome in Children (MIS-C) Pilot Project	93.RD	The Emmes Corporation	HHSN275201700002C	209,157	-
Cancer Detection and Diagnosis Research	93.394	The University of Texas	R01CA235756	22,806	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	Thomas Jefferson University	R21AR077332	22,834	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Thomas Jefferson University	R01DK118954	120,979	-
Allergy and Infectious Diseases Research	93.855	Thomas Jefferson University	R01A123538	4,679	-
Biomedical Research and Research Training	93.859	Thomas Jefferson University	T32GM0008562	251,498	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Transonic Systems, Inc.	R44HL136008	26,958	-
Lung Diseases Research	93.838	Trustees of Indiana University	R01HL148247	76,890	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	Tulane University	R01AR069055	36	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Tulane University	R01DK107566	64,178	-
Child Health and Human Development Extramural Research	93.865	Univ of Alabama at Birmingham	R01HD095248	6,226	-
Child Health and Human Development Extramural Research	93.865	Univ of Alabama at Birmingham	U54HD061222	53,076	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	Univ of Maryland, Baltimore	R01AR072713	28,281	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Univ of Virginia Health System	R01DK122586	260,364	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Univ of Virginia Health System	K23NS116225	12,392	-
Blood Diseases and Resources Research	93.839	Univ Texas Huston Hth Sci Ctr	R01HL139553	(1,666)	-
Child Health and Human Development Extramural Research	93.865	Univ Texas Huston Hth Sci Ctr	R21HD097347	(15,478)	-
Dietary Supplement Research Program	93.321	University of Arizona	R01HD104618	30,931	-
Lung Diseases Research	93.838	University of Arizona	UG3HL147016	119,885	-
Mental Health Research Grants	93.242	University of California	R01MH121462	113,239	-
Cancer Cause and Prevention Research	93.393	University of California	R01CA202261	139,322	-
Cardiovascular Diseases Research	93.837	University of California	R01HL146141	196,804	-
Cardiovascular Diseases Research	93.837	University of California	R34HL135214	(7)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of California	R01DK120886	124,478	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of California	R01DK131189	7,897	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of California	R01NS104322	1,699	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of California	U01NS092764	14,804	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of California	U54NS065705	54,994	-
Allergy and Infectious Diseases Research	93.855	University of California	U54A1082973	80,989	-
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	University of Colorado Denver	U01CA232486	207,537	-
Cardiovascular Diseases Research	93.837	University of Colorado Denver	R01HL141278	45,875	-
Lung Diseases Research	93.838	University of Colorado Denver	U01HL121518	(16,619)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Colorado Denver	U01NS114312	86,814	-
Allergy and Infectious Diseases Research	93.855	University of Colorado Denver	R21A1139839	(8,145)	-
Child Health and Human Development Extramural Research	93.865	University of Colorado Denver	R01HD105939	38,819	-
Child Health and Human Development Extramural Research	93.865	University of Colorado Denver	R03HD102773	2,504	-
Food Safety Grants	93.103	University of Florida	R01FD005407	(649)	-
Research on Healthcare Costs, Quality and Outcomes	93.226	University of Florida	U18HS025298	(13,173)	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	University of Florida	R01AR056973	8,127	-
Alcohol Research Programs	93.273	University of Iowa	R01AA024486	91,551	-
Blood Diseases and Resources Research	93.839	University of Iowa	UG3HL143204	99,816	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Iowa	U01NS055903	453,722	-
Child Health and Human Development Extramural Research	93.865	University of Kansas Medical Center	R01HD093933	41,256	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Kentucky	R01NS112693	12,898	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Kentucky	RF1NS088555	61,083	-
Cardiovascular Diseases Research	93.837	University of Maryland	U24HL134763	14,189	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	University of Maryland	R01AR056837	(24,956)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Massachusetts	R21NS107924	8	-
Research on Healthcare Costs, Quality and Outcomes	93.226	University of Michigan	R01HS024953	2,422	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	University of Michigan	R01EB023294	(5,538)	-
Nursing Research	93.361	University of Michigan	R21NR016802	6	-
Cardiovascular Diseases Research	93.837	University of Michigan	UG3HL159134	176,068	-
Lung Diseases Research	93.838	University of Michigan	R01HL147261	51,729	-
Lung Diseases Research	93.838	University of Michigan	R01HL149910	30,799	-
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	University of Michigan	R01AR074079	68,797	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Michigan	U54DK083912	24,461	-
Aging Research	93.866	University of Michigan	R25AG072705	47,425	-
Mental Health Research Grants	93.242	University of Minnesota	R01MH116961	27,419	-
Cardiovascular Diseases Research	93.837	University of North Carolina	OT3HL147154	31,083	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	R01HD055741	344,444	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	R01HD103895	72,200	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	R01HD103902	156,496	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	U19HD089881	441,412	-
Child Health and Human Development Extramural Research	93.865	University of North Carolina	U24HD089880	68,010	-
Child Health and Human Development Extramural Research	93.865	University of Oklahoma	R01HD074579	12,602	-
Oral Diseases and Disorders Research	93.121	University of Pennsylvania	R01DE024749	(4)	-
Human Genome Research	93.172	University of Pennsylvania	R01HG010067	(29,784)	-
Research on Healthcare Costs, Quality and Outcomes	93.226	University of Pennsylvania	R18HS026862	72,462	-
Mental Health Research Grants	93.242	University of Pennsylvania	P50MH113840	(8,009)	-
Mental Health Research Grants	93.242	University of Pennsylvania	P50MH127511	106,864	-
Mental Health Research Grants	93.242	University of Pennsylvania	R01MH098742	375,571	-
Mental Health Research Grants	93.242	University of Pennsylvania	R01MH117807	247,468	-
Mental Health Research Grants	93.242	University of Pennsylvania	R01MH118369	127,872	-
Mental Health Research Grants	93.242	University of Pennsylvania	R01MH119185	108,895	-
Mental Health Research Grants	93.242	University of Pennsylvania	R01MH119219	17,198	-
Mental Health Research Grants	93.242	University of Pennsylvania	R01MH126773	561,999	-
Mental Health Research Grants	93.242	University of Pennsylvania	U01MH107276	126,239	-
Drug Abuse and Addiction Research Program	93.279	University of Pennsylvania	R01DA049514	20,354	-
Drug Abuse and Addiction Research Program	93.279	University of Pennsylvania	R01DA052826	70,535	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	University of Pennsylvania	P41EB029460	12,327	-
Minority Health and Health Disparities Research	93.307	University of Pennsylvania	R01MD011679	(1,339)	-
Minority Health and Health Disparities Research	93.307	University of Pennsylvania	R01MD016029	95,044	-
Trans-NIH Research Support	93.310	University of Pennsylvania	U01DK127405	318,598	-
Trans-NIH Research Support	93.310	University of Pennsylvania	U01OD033246	5,655	-
National Center for Advancing Translational Sciences	93.350	University of Pennsylvania	KL2TR001879	39,825	-
National Center for Advancing Translational Sciences	93.350	University of Pennsylvania	UL1TR001878	2,689,379	-
Research Infrastructure Programs	93.351	University of Pennsylvania	P40OD010939	44,755	-
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	University of Pennsylvania	P01CA214278	285,907	-
Nursing Research	93.361	University of Pennsylvania	R01NR014784	24,729	-

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
Nursing Research	93.361	University of Pennsylvania	R01NR015639	73,930	-
Nursing Research	93.361	University of Pennsylvania	R01NR018425	291,071	-
Cancer Cause and Prevention Research	93.393	University of Pennsylvania	R01CA215518	2,031	-
Cancer Cause and Prevention Research	93.393	University of Pennsylvania	UE5CA246744	33,839	-
Cancer Treatment Research	93.395	University of Pennsylvania	R01CA219006	187,973	-
Cancer Treatment Research	93.395	University of Pennsylvania	R01CA219871	111,535	-
Cancer Centers Support Grants	93.397	University of Pennsylvania	P30CA016520	678,062	-
Cancer Research Manpower	93.398	University of Pennsylvania	K12CA076931	393,089	-
Cancer Research Manpower	93.399	University of Pennsylvania	R01CA226888	(340)	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	R01HL073021	21,474	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	R01HL153224	149,188	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	R01HL15559	19,861	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	R01HL157160	130,522	-
Cardiovascular Diseases Research	93.837	University of Pennsylvania	R01HL157264	20,779	-
Lung Diseases Research	93.838	University of Pennsylvania	K23HL146970	33,816	-
Lung Diseases Research	93.838	University of Pennsylvania	R01HL143364	10,328	-
Lung Diseases Research	93.838	University of Pennsylvania	R01HL150147	444,157	-
Lung Diseases Research	93.838	University of Pennsylvania	R01HL157189	54,184	-
Lung Diseases Research	93.838	University of Pennsylvania	U01HL129998	6,988	-
Lung Diseases Research	93.838	University of Pennsylvania	UH3HL141736	35,236	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	P01HL146373	498,614	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	R01HL091724	13,460	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	R01HL142122	131,639	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	R01HL142976	(39,355)	-
Blood Diseases and Resources Research	93.839	University of Pennsylvania	R01HL159256	77,299	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.839	University of Pennsylvania	U24HD095254	101,137	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	P30AR069619	20,066	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	R01AR069662	6,957	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	R01AR070873	4,958	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	R01AR071975	13,431	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	R01AR075418	65,572	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Pennsylvania	R01AR076392	10,472	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R01DK070860	14,439	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R01DK106243	(49)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R01DK114054	(145,376)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R01DK17488	46,702	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R01DK18431	39,073	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R01DK123624	37,870	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R21DK117297	11,263	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	R21EY031877	39,072	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	U01DK100846	(739)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	U01DK103225	13,066	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	U01DK106892	11,109	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	U01DK112217	47,726	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	U24DK060990	1,126	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	UG3DK122644	188,543	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	UH3DK122644	38,987	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pennsylvania	UM1DK126194	404,029	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	K08NS114106	73,758	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	K08NS121464	51,972	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R01NS088322	32,183	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R01NS097549	214,324	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R01NS099348	(15,681)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R01NS102731	255,547	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R01NS117756	21,730	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R01NS119472	4,063	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R21NS116315	30,609	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R21NS118280	72,026	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	R25NS065745	(3,445)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	U01NS114143	243,131	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pennsylvania	U24NS107199	17,960	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	P30AI045008	544,734	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	R01AI139123	40,141	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	R01AI123539	14,907	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	R01AI130115	246,032	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	R01AI137062	69,719	-
Allergy and Infectious Diseases Research	93.855	University of Pennsylvania	R21AI138564	2,329	-
Biomedical Research and Research Training	93.859	University of Pennsylvania	K12GM081259	23,072	-
Biomedical Research and Research Training	93.859	University of Pennsylvania	R01GM123019	19,383	-
Biomedical Research and Research Training	93.859	University of Pennsylvania	R01GM124111	(47,451)	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	K12HD085848	1,351	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	R01HD089390	9,404	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	R01HD097686	245,183	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	R01HD098269	7,275	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	R21HD088941	(46,661)	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	K42HD077747	2,805	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	U01HD087180	1,429	-
Child Health and Human Development Extramural Research	93.865	University of Pennsylvania	U10HD068244	260,383	-
Aging Research	93.866	University of Pennsylvania	R01AG069401	15,449	-
Aging Research	93.866	University of Pennsylvania	R56AG062665	(75)	-
Aging Research	93.866	University of Pennsylvania	U01AG032984	16,849	-
Vision Research	93.867	University of Pennsylvania	R01EY023557	198,995	-
Vision Research	93.867	University of Pennsylvania	R21EY029776	18	-
Medical Library Assistance	93.879	University of Pennsylvania	R01LM013437	15,318	-
Medical Library Assistance	93.879	University of Pennsylvania	R01LM013519	32,415	-
Biomedical Advanced Research and Development Authority	93.RD	University of Pennsylvania	75A50120C00134	297,166	-
National Center on Sleep Disorders Research	93.233	University of Pennsylvania- Dept of	R01HL143790	231,441	-
Mental Health Research Grants	93.242	University of Pennsylvania- Dept of	P30MH097488	201,495	-
Mental Health Research Grants	93.242	University of Pittsburgh	P50MH115838	(2,953)	-
Mental Health Research Grants	93.242	University of Pittsburgh	R01MH100155	21,197	-
Cardiovascular Diseases Research	93.837	University of Pittsburgh	R01HL128818	(72)	-
Lung Diseases Research	93.838	University of Pittsburgh	R01HL122596	13,372	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pittsburgh	R01DK109365	30,274	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pittsburgh	R01DK122798	164,420	-
Biomedical Research and Research Training	93.859	University of Pittsburgh	R01GM1110424	(334)	-
Mental Health Research Grants	93.242	University of Richmond	R15MH117628	3,376	-
Research Infrastructure Programs	93.351	University of South Alabama	R01OD10944	(6,094)	-
Cancer Detection and Diagnosis Research	93.394	University of Southern California	R01CA197903	(97,780)	-
Biomedical Research and Research Training	93.859	University of Southern California	R01GM124532	7,545	-
Trans-NIH Research Support	93.310	University of Toledo	OT20D023859	(1,655)	-
Oral Diseases and Disorders Research	93.121	University of Utah, The	R01DE027493	32,783	-
Cardiovascular Diseases Research	93.837	University of Utah, The	U24HL135691	17,369	-
Child Health and Human Development Extramural Research	93.865	University of Washington	R01HD088125	296,229	-
Child Health and Human Development Extramural Research	93.865	University of Washington	R01HD101578	59,264	-
Lung Diseases Research	93.838	UPenn Cardiovascular Institute	U01HL148857	27,454	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	UroGenie LLC	R44DK127835	17,661	-
Cancer Cause and Prevention Research	93.393	Vanderbilt University	R01CA225005	36,565	-
Allergy and Infectious Diseases Research	93.855	Vanderbilt University	UM1AI148452	142,808	-
Biomedical Research and Research Training	93.859	Vanderbilt University	R01GM130791	3,491	-
Child Health and Human Development Extramural Research	93.865	Vanderbilt University	R21HD097992	18,074	-
International Research and Research Training	93.989	Vanderbilt University	R21TW011327	26	-
Blood Diseases and Resources Research	93.839	Villanova University	R15HL133880	36,610	-

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
Minority Health and Health Disparities Research	93.307	Virginia Commonwealth University	R01MD009124	(1,687)	-
Blood Diseases and Resources Research	93.839	Virginia Commonwealth University	R61HL156158	103,169	-
Research Related to Deafness and Communication Disorders	93.173	Washington Univ in St. Louis	U01DC018942	37,957	-
Mental Health Research Grants	93.242	Washington Univ in St. Louis	R01MH118362	65,177	-
National Center for Advancing Translational Sciences	93.350	Washington Univ in St. Louis	U01TR002764	54,277	-
Cancer Detection and Prevention Research	93.394	Washington Univ in St. Louis	R01CA211711	21,094	-
Blood Diseases and Resources Research	93.839	Washington Univ in St. Louis	R01HL055337	26,910	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Washington Univ in St. Louis	R01DK124274	12,857	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Washington Univ in St. Louis	R21NS116574	25,116	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Washington Univ in St. Louis	R56NS117635	44,897	-
Allergy and Infectious Diseases Research	93.855	Washington Univ in St. Louis	R01AI118891	180,928	-
Allergy and Infectious Diseases Research	93.855	Washington Univ in St. Louis	R21AI154370	104,085	-
Child Health and Human Development Extramural Research	93.865	Wayne State University	U19HD089875	77,128	-
Cancer Cause and Prevention Research	93.393	Weill Medical College of Cornell	R01CA244500	67,740	-
Lung Diseases Research	93.838	Wistar Institute, The	R01HL147472	159,763	-
Minority Health and Health Disparities Research	93.307	Yale University	R01MD014853	80,296	-
Total National Institutes of Health - Pass Through				39,851,698	2,427,605
Total National Institutes of Health				\$ 184,544,177	\$ 39,005,019
Food and Drug Administration					
Direct Grants and Contracts:					
Food and Drug Administration-Research	93.103			\$ 1,334,452	\$ 575,918
Incidence and Outcomes of Human Adenovirus Infection	93.RD			123,307	-
Pediatric High-Risk Cancer Preclinical Model Resource	93.RD			124,321	-
Polyethylene Glycol Safety in Children	93.RD			7,371	-
Total Food and Drug Administration - Direct				1,589,451	575,918
Passthrough					
Active Risk Identification and Analysis	93.RD	Harvard Pilgrim Health Care	93.75F40119D10037	23,665	-
Total Food and Drug Administration -Passthrough				23,665	-
Total Food and Drug Administration				\$ 1,613,116	\$ 575,918
Health Resources and Services Administration					
Direct Grants and Contracts:					
Environmental Health	93.113			\$ 317,658	\$ -
Maternal and Child Health Federal Consolidated Programs	93.110			2,336,803	690,328
Autism Collaboration, Accountability, Research, Education and Support	93.877			206,751	51,086
Emergency Medical Services for Children	93.127			35,532	-
Total Health Resource and Services Administration - Direct				2,896,744	741,414
Pass Through:					
Maternal and Child Health Federal Consolidated Programs	93.110	American Academy of Pediatrics	U5DMC39344	49,596	-
Maternal and Child Health Federal Consolidated Programs	93.110	Assoc of Univ Centers on Disabilities, The	UA5MC11068	15,000	1,113
Environmental Health	93.113	Drexel University	R21ES032963	6,184	-
Environmental Health	93.113	Johns Hopkins University	R01ES026661	530	-
Sickle Cell Treatment Demonstration Program	93.365	Johns Hopkins University	U1EMC27864	14,144	-
Maternal and Child Health Federal Consolidated Programs	93.110	Ann & Robert Lurie Hosp Chicago	U1AMC41738	8,789	-
Maternal and Child Health Federal Consolidated Programs	93.110	Massachusetts General Hospital	UA3MC11054	(37,290)	-
Maternal and Child Health Federal Consolidated Programs	93.110	Regents of the UCLA	UA6MC32492	17,574	-
Environmental Health	93.113	University of North Carolina	R01ES031940	43,802	-
Environmental Health	93.113	University of Pennsylvania	R21ES031243	20,571	-
Environmental Health	93.113	University of Pennsylvania	P30ES013508	29,163	-
Sickle Cell Treatment Demonstration Program	93.365	University of Pittsburgh	R01HD095894	(10,416)	-
Medical Student Education	93.680	The University of Utah	6T99HP39203	45,660	-
Total Health Resource and Services Administration - Pass Through				203,307	1,113
Total Health Resources and Services Administration				\$ 3,100,051	\$ 742,527
Agency for Healthcare Research and Quality					
Direct Grants and Contracts:					
Research on Healthcare Costs, Quality, and Outcomes	93.226			\$ 2,009,208	\$ 441,124
Total Agency for Healthcare Research and Quality - Direct				2,009,208	441,124
Total Agency for Healthcare Research and Quality				\$ 2,009,208	\$ 441,124
Total U.S. Department of Health and Human Services				\$ 191,266,552	\$ 40,764,588
U.S. Department of Defense					
Department of Army, Army Research and Material Command					
Direct Grants and Contracts:					
Military Medical Research and Development	12.420			\$ 3,853,797	\$ 185,445
Total United States Department of Army - Direct				3,853,797	185,445
Pass Through:					
Military Medical Research and Development	12.420	Children's Hospital Boston	W81XWH-17-1-0532	62,473	-
Military Medical Research and Development	12.420	Children's Hospital Boston	W81XWH-21-1-0499	10,997	-
Military Medical Research and Development	12.420	Medical Technology Enterprise	W81XWH-15-9-0001	842,027	326,076
Military Medical Research and Development	12.420	Mind Research Network	W81XWH-17-2-005	2,117	-
Military Medical Research and Development	12.420	Moberg Research Inc	W81XWH1920013	(565)	-
Military Medical Research and Development	12.420	Oculogica	W81XWH21C0103	66,046	28,633
Basic Scientific Research	12.431	Trustee of Univ Pennsylvania	W911NF2010080	127,780	-
Military Medical Research and Development	12.420	Trustees of Indiana University	W81XWH-19-1-0575	5,465	-
Military Medical Research and Development	12.420	Univ of Alabama at Birmingham	W81XWH17-0037	108,328	-
Military Medical Research and Development	12.420	University of Michigan	W81XWHRAA141	14,184	-
Military Medical Research and Development	12.420	Wayne State University	W81XWH2110402	174,853	-
Total United States Department of Army - Pass Through				1,413,705	354,709
Total Department of Army, Army Research and Material Command				\$ 5,267,502	\$ 540,154
National Aeronautics and Space Administration					
Direct Grants and Contracts:					
Exploration	43.003			\$ 38,085	\$ -
Total National Aeronautics and Space Administration - Direct				38,085	-
Pass Through:					
Exploration	43.003	Baylor University	NNX16A069A	79,050	-
Total National Aeronautics and Space Administration - Pass Through				79,050	-
Total National Aeronautics and Space Administration				\$ 117,135	\$ -
Total U.S. Department of Defense				\$ 5,384,637	\$ 540,154
Environmental Protection Agency					
Office of Air and Radiation					
Direct Grants and Contracts:					
Srvys, Studis, Investgtns,Demos/Spec Purps Activ-Cln Air Act	66.034			\$ 2	\$ -
Total United States Department of Army - Direct				2	-
Total Environmental Protection Agency				\$ 2	\$ -

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
National Science Foundation					
Direct Grants and Contracts:					
Engineering Grants	47.041			\$ 191,924	\$ -
Computer and Information Science and Engineering	47.070			81,813	-
Total National Science Foundation - Direct				273,737	-
Pass Through:					
Computer and Information Science and Engineering	47.070	Drexel University	1741306	36,190	-
Engineering Grants	47.041	Drexel University	2047073	12,989	-
Social, Behavioral, and Economic Sciences	47.075	University of Pennsylvania	1917608	7,810	-
Total National Science Foundation - Pass Through				56,989	-
Total National Science Foundation				\$ 330,726	\$ -
United States Department of Education					
Direct Grants and Contracts:					
Education Research, Development and Dissemination	84.305			\$ 1,449,468	\$ 245,014
Total United States Department of Education-Direct				1,449,468	245,014
Total United States Department of Education				\$ 1,449,468	\$ 245,014
Total Federal Financial Assistance Research and Development Cluster					
				\$ 198,431,385	\$ 41,549,756
Head Start Cluster					
U.S. Department of Health and Human Services					
Administration for Children and Families					
Direct Grants and Contracts:					
Head Start	93.600			\$ 2,157,995	\$ 140,071
COVID-19 Head Start	93.600			119,518	-
Total Administration for Children and Families - Direct				2,277,513	140,071
Total Administration for Children and Families				\$ 2,277,513	\$ 140,071
Total U.S. Department of Health and Human Services				\$ 2,277,513	\$ 140,071
Total Federal Financial Assistance Head Start Cluster					
				\$ 2,277,513	\$ 140,071
Highway Safety Cluster					
U.S. Department of Transportation					
Pass Through:					
Highway Research and Development Program	20.600	Ohio Department of Public Safety	69A37519300004020O	\$ 417,506	\$ -
Total US Department of Transportation - Pass Through				417,506	-
Total US Department of Transportation				\$ 417,506	\$ -
Total Federal Financial Assistance Highway Safety Cluster					
				\$ 417,506	\$ -
477 Cluster					
U.S. Department of Health and Human Services					
National Institutes of Health					
Pass Through:					
Temporary Assistance for Needy Families	93.558	Philadelphia Works, Inc.	090-016-336-1	\$ (1,673)	\$ -
Temporary Assistance for Needy Families	93.558	Philadelphia Works, Inc.	090-19-336-1	2,016	-
Temporary Assistance for Needy Families	93.558	Philadelphia Works, Inc.	090-020-336-1	175,361	-
Total National Institute of Health-Pass Through				175,704	-
Total National Institutes of Health				\$ 175,704	\$ -
Total U.S. Department of Health and Human Services				\$ 175,704	\$ -
Total Federal Financial Assistance 477 Cluster					
				\$ 175,704	\$ -
Other Federal Awards					
U.S. Department of Health and Human Services					
Center for Disease Control and Prevention					
Direct Grants and Contracts:					
HIV Prevention Activities Non-Governmental Organization Based	93.939			\$ 48,504	\$ -
Total Center for Disease Control and Prevention				48,504	-
Pass Through:					
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	Regents of the University of Minnesota	NU50CK000495	62,013	-
Subtotal Assistance Listing 93.283				62,013	-
Emerging Infections Programs	93.317	Minnesota Refugee Health Pgm	NU50CK000563	124,542	-
Environmental Public Health and Emergency Response	93.070	PA Department of Health:Environmental	SAP #4100089494	24,344	-
Preventive Health and Health Services Block Grant	93.991	PA Department of Health:Preventive	SAP #4100089494	145,446	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	PA Department of Health:Preventive	SAP# 4100090799	2,721,946	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Philadelphia Department of Health-	2120653	1,343,976	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Philadelphia Department of Health-	1820333-03	10,431	-
Subtotal Assistance Listing 93.323				4,370,685	-
Total Center for Disease Control and Prevention - Pass Through				4,432,698	-
Total Center for Disease Control and Prevention				\$ 4,481,202	\$ -
Health Resource and Service Administration					
Direct Grants and Contracts:					
Poison Control Stabilization and Enhancement Grants	93.253			\$ 533,139	\$ -
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498			114,937,149	-
Total Health Resource and Services Administration - Direct				115,470,288	-
Circle of Care Ryan White Title IV	93.994		214403	52,221	-
Circle of Care Ryan White Title IV	93.994	AccessMatters	214403-01	92,503	-
Special Child Health and Early Intervention, Child Evaluation Centers 2021	93.994	NJ Department of Health	NJDHSS -	53,160	-
Subtotal Assistance Listing 93.994				197,884	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574 - RM1810	105,739	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RM2810	41,449	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574 - RW1650	100,416	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574 - RW1995	117,433	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574 - RM1809	187,976	-
HIV Emergency Relief Project Grants	93.914	City of Philadelphia	2120574-01 - RM2809	59,857	-
Subtotal Assistance Listing 93.914				612,870	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	1820411-04 - CP1012	52,803	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2220536 - CP2012	45,890	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	1820411-04 - CP1043	13,525	8,000
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2220536 - CP2043	5,805	-
HIV Prevention Activities Health Department Based	93.940	City of Philadelphia	2020149-02 - ST2481	77,853	-
Subtotal Assistance Listing 93.940				195,876	8,000

Grantor Agency and Department	Assistance Listing Number	Pass-Through Entity	Pass-Through ID Numbers	Total Expenditures (\$)	Amount Provided To Subrecipients (\$)
Emergency Medical Services for Children	93.127	University of California	U03MC0001	139,028	-
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	City of Philadelphia	2220626 - EH2012	11,223	-
HIV Care Formula Grants	93.917	City of Philadelphia	22203555	65,000	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	City of Philadelphia	1820007-03	42,776	-
Special Projects of National Significance	93.928	Philadelphia Fight	H97HA288940100	(21,238)	-
Total Health Resources and Services Administration-Pass-Through				1,243,419	8,000
Total Health Resource and Services Administration				\$ 116,713,707	\$ 8,000
Office of Population Affairs					
Pass Through:					
Family Planning Services	93.217	AccessMatters	214401-01	\$ 174,124	\$ -
Family Planning Services	93.217	Access Matters	213001-01	30,370	-
Total Office of Population Affairs - Pass Through				204,494	-
Total Office of Population Affairs				\$ 204,494	\$ -
Total U.S. Department of Health and Human Services				\$ 121,399,403	\$ 8,000
U.S. Department of Agriculture					
Direct Grants and Contracts:					
Agricultural Research Basic and Applied Research	10.001			\$ 185,311	\$ -
Total US Department of Agriculture - Direct				185,311	-
Pass Through:					
Agriculture and Food Research Initiative (AFRI)	10.310	Curators of the University of Missouri	2018-67015-27598	9,144	-
Total US Department of Agriculture - Pass Through				9,144	-
Total US Department of Agriculture				\$ 194,455	\$ -
U.S. Department of Justice					
Direct Grants and Contracts:					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			\$ 300,010	\$ -
Total US Department of Justice - Direct				300,010	-
Pass Through:					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Trustee of Univ Pennsylvania	2014-CK-BX-0008	(5,117)	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Trustee of Univ Pennsylvania	2017-CK-BX-0016	9,496	-
Subtotal Assistance Listing 15,560				4,379	-
Crime Victim Assistance	16.575	PA Commission on Crime and	2018-VF-05-29001	5,956	-
Crime Victim Assistance	16.575	PA Commission on Crime and	2019-SS-02-31382	103,793	-
Crime Victim Assistance	16.575	PA Commission on Crime and	2018/2019/2020-VF-	146,872	-
Subtotal Assistance Listing 16,575				256,621	-
Total US Department of Justice - Pass Through				261,000	-
Total US Department of Justice				\$ 561,010	\$ -
U.S. Department of Transportation					
Pass Through:					
Highway Research and Development Program	20.200	University of Pennsylvania	693JJ31750012	\$ 1,254	\$ -
Total US Department of Transportation - Pass Through				1,254	-
Total US Department of Transportation				\$ 1,254	\$ -
U.S. Department of Treasury					
Pass Through:					
COVID 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	PA Commission on Crime and	2022-SF-VI-36801	\$ 22,894	\$ -
Total US Department of Treasury - Pass Through				22,894	-
Total US Department of Treasury				\$ 22,894	\$ -
Total Expenditures of Federal Awards				\$ 323,481,124	\$ 41,697,827

**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, 2022 (Unaudited)**

State Grantor/Program and Program Reference Number	Funding #	Grant Award Period	FY 6-30-22 Grant Expenditures	Total Grant Expenditures to Date
Department of Health and Senior Services				
Direct Awards				
Newborn Screening and Genetic Services 2022 NJ: DFHS22NWB009	46.42208026328	7/1/2021 to 6/30/2022	\$53,550	\$54,207
Hemophilia Services 2022 NJ: DFHS22HEM003	46.42208026403	7/1/2021 to 6/30/2022	\$127,716	\$129,373
Newborn Screening and Genetic Services 2022 NJ: DFHS22NWB002	46.42208026318	7/1/2021 to 6/30/2022	\$197,876	\$200,162
Special Child Health & Early Intervention, Child Evaluation Centers 2022 NJ: DFHS22EVL001 and 93.994	46.42208026351 46.42208026352 46.42208026353	7/1/2021 to 6/30/2022	\$210,835	\$212,638
Expenditures of New Jersey State Financial Assistance			\$589,977	\$596,380

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, 2022

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.

3. Department of Health and Human Services Provider Relief Funds

The Enterprise was the recipient of funding under Assistance Listing 93.498, Department of Health and Human Services (HHS) Coronavirus Aid Relief and Economic Security (CARES) Act Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution (PRF). The grant activity presented in the Schedule of Expenditures of Federal awards associated with this Assistance Listing includes all Period 2 and Period 3 funding received between July 1, 2020 and June 30, 2021 as reported to HRSA via the PRF Reporting Portal and includes lost revenues and direct expenditures. The Schedule of Expenditures of Federal Awards includes \$114,972,688 of Provider Relief Funds received that have been covered by \$23,098 of direct expenditures and \$114,949,590 of lost revenues.

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Schedules of Expenditures of Federal Awards
Year Ended June 30, 2022

Business Name	EIN	Payments plus interest Received	Lost Revenues	Direct Expenditures
Children's Hospital of Philadelphia	23-1352166	\$105,204,807	\$105,181,709	\$23,098*
Children's Health Care Associates of NJ, PC	23-3036699	\$4,714,033	\$4,714,033	\$0
Children's Radiology Associates of New Jersey, P.C.	81-1626790	\$44,830	\$44,830	\$0
Children's Surgical Associates, Ltd.	23-2589322	\$190,500	\$190,500	\$0
Children's Anesthesiology Assoc Ltd	23-2592835	\$3,975,414	\$3,975,414	\$0
Children's Anesthesiology Assoc of NJ	22-3405673	\$266,992	\$266,992	\$0
Radiology Associates of Children's Hospital, Inc.	23-2665855	\$576,112	\$576,112	\$0
Totals		\$114,972,688	\$114,949,590	\$23,098

* Total expenses actually reported in the Period 2 reporting portal submission were \$2,355,345.
See finding 2022-001.

City of Philadelphia Requirements

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
AIDS Activity Coordination Office Award #RM1809; Assistant Listing #93.914
Statement of Program Expenditures and Program Revenues
Year Ended June 30, 2022
Grant Period 03/01/2021 to 02/28/2022
Award Amount: \$187,983
Contract Number: 2120574 - RM1809
Activity Description: Care Services Case Management MAI**

Expenditures

Personnel:		
Salaries	\$	148,479
Fringe Benefits		39,497
Total Personnel Expenditures		<u>187,976</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		<u>187,976</u>
Administration		-
Total Expenditures		<u>187,976</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>187,976</u>

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
AIDS Activity Coordination Office Award #RM1810; Assistant Listing #93.914
Statement of Program Expenditures and Program Revenues
Year Ended June 30, 2022
Grant Period 03/01/2021 to 02/28/2022
Award Amount: \$154,400
Contract Number: 2120574 - RM1810
Activity Description: Outpatient Ambulatory Medical Care MAI**

Expenditures

Personnel:		
Salaries	\$	85,107
Fringe Benefits		20,632
Total Personnel Expenditures		105,739
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		-
Total Direct Expenditures		105,739
Administration		-
Total Expenditures		105,739
Program Revenue		-
Net AACO Funded Expenditures	\$	105,739

**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, 2022
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**

Expenditures

Personnel:		
Salaries	\$	47,244
Fringe Benefits		12,613
Total Personnel Expenditures		<u>59,857</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		59,857
Administration		-
Total Expenditures		<u>59,857</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>59,857</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, 2022
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	\$	33,540
Fringe Benefits		7,909
Total Personnel Expenditures		<u>41,449</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		41,449
Administration		-
Total Expenditures		<u>41,449</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>41,449</u>

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
AIDS Activity Coordination Office Award #RW1650; Assistant Listing #93.914
Statement of Program Expenditures and Program Revenues
Year Ended June 30, 2022
Grant Period 03/01/2021 to 02/28/2022
Award Amount: \$130,543
Contract Number: 2120574 - RW1650
Activity Description: Outpatient/Ambulatory Medical Care**

Expenditures

Personnel:		
Salaries	\$	79,285
Fringe Benefits		21,131
Total Personnel Expenditures		<u>100,416</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		100,416
Administration		-
Total Expenditures		<u>100,416</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>100,416</u>

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
AIDS Activity Coordination Office Award #RW1995; Assistant Listing #93.914
Statement of Program Expenditures and Program Revenues
Year Ended June 30, 2022
Grant Period 03/01/2021 to 02/28/2022
Award Amount: \$171,038
Contract Number: 2120574 - RM1995
Activity Description: Care Services Case Management

Expenditures

Personnel:		
Salaries	\$	92,698
Fringe Benefits		24,735
Total Personnel Expenditures		<u>117,433</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		117,433
Administration		-
Total Expenditures		<u>117,433</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>117,433</u>

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
AIDS Activity Coordination Office Award #CP1012; Assistant Listing #93.940
Statement of Program Expenditures and Program Revenues
Year Ended June 30, 2022
Grant Period 01/01/2021 to 12/31/2021
Award Amount: \$128,000
Contract Number: 1820411-04 - CP1012
Activity Description: TAHC - Testing in Adolescent Healthcare Setting**

Expenditures

Personnel:		
Salaries	\$	41,680
Fringe Benefits		11,123
Total Personnel Expenditures		<u>52,803</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		52,803
Administration		-
Total Expenditures		<u>-</u>
Program Revenue		-
Net AACO Funded Expenditures	\$	<u>52,803</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, 2022
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	\$	4,361
Fringe Benefits		1,164
Total Personnel Expenditures		<u>5,525</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		8,000
Other		-
Total Operating Expenditures		<u>8,000</u>
Total Direct Expenditures		13,525
Administration		-
Total Expenditures		<u>13,525</u>
Program Revenue		-
Net AACO Funded Expenditures	\$	<u>13,525</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, 2022
Grant Period 01/01/2022 to 12/31/2022
Award Amount: \$128,000
Contract Number: 2220536 - CP2012
Activity Description: Testing in Adolescent Healthcare Setting

Expenditures

Personnel:		
Salaries	\$	36,219
Fringe Benefits		9,671
Total Personnel Expenditures		<u>45,890</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		45,890
Administration		-
Total Expenditures		<u>45,890</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>45,890</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, 2022
Grant Period 01/01/2022 to 12/31/2022
Award Amount: \$20,000
Contract Number: 1820411-03 - CP2043
Activity Description: Comprehensive HIV Prevention and Surveillance Project**

Expenditures

Personnel:		
Salaries	\$	4,582
Fringe Benefits		1,223
Total Personnel Expenditures		<u>5,805</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		5,805
Administration		-
Total Expenditures		<u>5,805</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>5,805</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, 2022
Grant Period 03/01/2022 to 2/28/2023
Award Amount: \$87,622
Contract Number: 2220626-02 - EH2012
Activity Description: EtHE Services

Expenditures

Personnel:		
Salaries	\$	8,022
Fringe Benefits		2,142
Total Personnel Expenditures		<u>10,164</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		1,059
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		11,223
Administration		-
Total Expenditures		<u>11,223</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>11,223</u>

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
AIDS Activity Coordination Office Award #ST2481; Assistant Listing #93.940
Statement of Program Expenditures and Program Revenues
Year Ended June 30, 2022
Grant Period 07/01/2021 to 6/30/2022
Award Amount: \$77,913
Contract Number: 2020149-02 - ST2481
Activity Description: HIV Navigation Services**

Expenditures

Personnel:		
Salaries	\$	61,445
Fringe Benefits		16,408
Total Personnel Expenditures		<u>77,853</u>
Operating:		
Travel		-
Equipment		-
Supplies		-
Printing		-
Subcontract		-
Other		-
Total Operating Expenditures		<u>-</u>
Total Direct Expenditures		<u>77,853</u>
Administration		-
Total Expenditures		<u>77,853</u>
Program Revenue		<u>-</u>
Net AACO Funded Expenditures	\$	<u>77,853</u>

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Health Resource and Service Administration Award #2220355; Assistant Listing
#93.917**

Statement of Program Expenditures and Program Revenues

Year Ended June 30, 2022

Grant Period 07/01/2021 to 06/30/2022

Award Amount: \$65,000

Contract Number: UAC-DCBPS

Activity Description: Adolescent Initiative Prevention Program PJJSC

Expenditures

Personnel:

Salaries	\$	51,302
Fringe Benefits		13,698
Total Personnel Expenditures		65,000

Operating:

Travel	-
Equipment	-
Supplies	-
Printing	-
Subcontract	-
Other	-
Total Operating Expenditures	-

Total Direct Expenditures	65,000
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Administration	-
Total Expenditures	65,000

Program Revenue	-
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Net AACO Funded Expenditures	\$ 65,000
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**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Health Resource and Service Administration Award #1820007-03; Assistant
Listing #93.918**

Statement of Program Expenditures and Program Revenues

Year Ended June 30, 2022

Grant Period 07/1/2021 to 06/30/2022

Award Amount: \$75,000

Contract Number: 1820007-03

Activity Description: HIV Early Intervention Program - Title 3

Expenditures

Personnel:

Salaries	\$	33,746
Fringe Benefits		9,031
Total Personnel Expenditures		<u>42,776</u>

Operating:

Travel	-
Equipment	-
Supplies	-
Printing	-
Subcontract	-
Other	-
Total Operating Expenditures	<u>-</u>

Total Direct Expenditures	<u>42,776</u>
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Administration	<u>-</u>
Total Expenditures	<u>42,776</u>

Program Revenue	<u>-</u>
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Net AACO Funded Expenditures	<u>\$ 42,776</u>
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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, 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"), and have issued our report thereon dated September 30, 2022.

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.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
September 30, 2022



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, 2022. 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, 2022.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

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



Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 20, 2022

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, 2022

Section I – Summary of Auditor's Results

Consolidated Financial Statements	<u>Unmodified</u>	
(i) Type of auditor's report issued		
(ii) Internal control over financial reporting : Material weakness(es) identified? Significant deficiency(ies) identified not considered to be material weaknesses?	☐ yes ☐ yes	☒ no ☒ none reported
(iii) Noncompliance material to consolidated financial statements noted?	☐ yes	☒ no
Federal Awards		
(iv) Internal control over major programs : Material weakness(es) identified? Significant deficiency(ies) identified not considered to be material weaknesses?	☐ yes ☐ yes	☒ no ☒ 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	☐ none reported
(vii) Identification of major programs:		
Name of Federal Program or Cluster	Assistance Listing Number	
Research & Development Cluster	Various	
COVID-19 Provider Relief Fund and American Rescue Plan (ARP)	93.498	
Rural Distribution		
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	
(viii) Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$3,000,000</u>	
(ix) Auditee qualified as low-risk auditee	☒ yes	☐ no
City Awards		
(iv) Internal control over major programs : Material weakness(es) identified? Significant deficiency(ies) identified not considered to be material weaknesses?	☐ yes ☐ yes	☒ no ☒ 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	☒ none reported
(vii) Identification of major programs:		
Name of City Program	Assistance Listing Number	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	
(i) Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>	
(ii) Auditee qualified as low-risk auditee	☒ yes	☐ no

The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2022

Section II – Financial Statement Findings

None noted.

Section III – Federal and City Award Findings and Questioned Costs

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

Criteria

Step Four of the Steps on Reporting on Use of Funds section of the June 11, 2021 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution (PRF) General and Targeted Distribution Post-Payment Notice of Reporting Requirements requires recipients to report on expenses paid for which payments were received through the General and Targeted Distribution payments. Reporting Entities that received \$500,000 or more in aggregated PRF payments during each Payment Received Period are required to report on the use of the General and Other Targeted PRF payments in detailed categories of General and Administrative Expenses and Health Care-Related Expenses, by indicating the quarterly expenses reimbursed with the PRF payments.

Condition

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.

Cause

The Company did not interpret the HRSA PRF Reporting instructions correctly, thereby duplicating the reporting of the Other PRF Expenses of \$2,355,345 in both the Period 1 and Period 2 PRF Reporting Portal Submissions.

Effect

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.

Questioned Costs

None noted as the Company had sufficient lost revenue to apply against the provider relief funding received.

Recommendation

We recommend the Company contact the Health Resources and Services Administration to determine any required corrective actions related to the incorrect reporting.

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2022**

Management's Views and Corrective Action Plan

Management's views and corrective action plan is included at the end of this report after the summary schedule of prior audit findings and status.

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2022**

There are no findings from prior years that require an update in this report.

**The Children's Hospital of Philadelphia Foundation and Controlled Affiliates
Management's Views and Corrective Action Plan
Fiscal Year Ended June 30, 2022**



2022-001 – Reporting of PRF Expenses

Federal Granting Agency: Health Resources and Services Administration

Award Name: COVID-19 Provider Relief Fund

Assistance Listing #: 93.498

Assistance Listing Title: COVID-19 - Provider Relief Fund

Distribution –Period 1 and Period 2

Award Year: July 1, 2021 – June 30, 2022

Pass-through: Not applicable

Management's Views and Corrective Action Plan

Management agrees with the finding that CHOP reported duplicate expenses in the period 2 reporting submission. The amount of lost revenue was also underreported by the amount of the duplicate expenses in that same submission. The Total Use of Funds for the period does not change.

Once the finding was discovered, CHOP opened a ticket with Health Resources and Services Administration to determine if a correction is needed and has been informed that no updates are required at this time. CHOP will continue to maintain all documentation supporting the proper Use of Funds for the PRF. In addition, CHOP will ensure a more detailed review of guidance for reporting requirements will occur in the future, and inquiries sent when the guidance is unclear. James Avington, AVP – Finance at CHOP, will have responsibility for this corrective action plan.

Signed by:

James Avington

James Avington
AVP Finance