

## **Children's Hospital Medical Center and Affiliates**

Title 2 U.S. Code of Federal Regulations Part  
200 (Uniform Guidance) Reports for the  
Year Ended June 30, 2019

# CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Children's Hospital Medical Center and Affiliates:  
Cincinnati, Ohio

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

We have audited the accompanying consolidated financial statements of Children's Hospital Medical Center and Affiliates ("Cincinnati Children's and Affiliates"), which comprise the consolidated balance sheets as of June 30, 2019 and 2018, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cincinnati Children's as of June 30, 2019 and 2018, and the consolidated results of their operations and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2019 on our consideration of Cincinnati Children's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on Cincinnati Children's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cincinnati Children's internal control over financial reporting and compliance.

Deloitte & Touche LLP

September 26, 2019

## Children's Hospital Medical Center and Affiliates

### Consolidated Balance Sheets June 30, 2019 and 2018 (dollars in thousands)

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 168,250	\$ 179,077
Marketable securities	951,245	879,659
Cash, cash equivalents and marketable securities	<u>1,119,495</u>	<u>1,058,736</u>
Patient receivables, net	442,478	364,042
Other receivables	131,959	119,457
Inventories and prepaid expenses	43,238	44,902
Total current assets	<u>1,737,170</u>	<u>1,587,137</u>
ASSETS LIMITED AS TO USE - Funds in trust	10,900	9,632
PROPERTY AND EQUIPMENT, net of accumulated depreciation	1,209,042	1,188,506
PENSION BENEFIT ASSET	20,999	36,275
OTHER LONG-TERM ASSETS	52,449	52,931
INTEREST IN NET ASSETS OF SUPPORTING ORGANIZATIONS	3,426,939	2,837,381
Total assets	<u>\$6,457,499</u>	<u>\$5,711,862</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 324,599	\$ 300,177
Current portion of long-term debt and capital lease obligations	30,628	23,858
Commercial paper	100,000	100,000
Bonds payable subject to remarketing, net	101,701	106,445
Total current liabilities	<u>556,928</u>	<u>530,480</u>
SELF-INSURANCE RESERVES	51,167	40,777
LONG-TERM DEBT:		
Tax-exempt bonds payable	177,064	194,687
Taxable bonds payable	396,998	396,816
Notes payable	65,217	77,340
Capital lease obligations	4,071	6,536
OTHER LONG-TERM LIABILITIES	15,991	19,947
Total liabilities	<u>1,267,436</u>	<u>1,266,583</u>
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS:		
Without donor restrictions	1,591,424	1,444,444
With donor restrictions	3,598,639	3,000,835
Total net assets	<u>5,190,063</u>	<u>4,445,279</u>
Total liabilities and net assets	<u>\$6,457,499</u>	<u>\$5,711,862</u>

See accompanying notes to consolidated financial statements.

## Children's Hospital Medical Center and Affiliates

### Consolidated Statements of Operations and Changes in Net Assets For the Years Ended June 30, 2019 and 2018 (dollars in thousands)

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES, GAINS AND OTHER SUPPORT:</b>		
Net patient service revenue	\$2,120,162	\$1,982,672
Net assets released from restriction used for operations-		
Grant revenue	180,895	170,657
Other restricted net assets used to support operations	96,456	84,824
Other revenue	174,330	152,716
Total operating revenues, gains and other support	<u>2,571,843</u>	<u>2,390,869</u>
<b>OPERATING EXPENSES:</b>		
Salaries	1,160,601	1,125,097
Employee benefits	329,821	296,983
Supplies, drugs and other	440,155	417,328
Purchased services	242,678	216,456
Depreciation	129,629	129,410
Utilities	20,929	18,986
Interest	27,106	27,510
Enabling expenses	2,044	20,329
Total operating expenses	<u>2,352,963</u>	<u>2,252,099</u>
Operating income	218,880	138,770
<b>NONOPERATING GAINS (LOSSES):</b>		
Net investment return	81,089	15,287
Net benefit cost other than service cost	(31,836)	(6,147)
Net nonoperating gains	<u>49,253</u>	<u>9,140</u>
Revenue and gains in excess of expenses and losses	268,133	147,910
<b>OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Receipts from supporting organizations	3,889	3,086
Net assets released from restrictions used for purchase of property and equipment	1,494	502
Transfers to supporting organizations	(130,000)	(101,000)
Pension and post-retirement health liability adjustment	3,464	122,012
Increase in net assets without donor restrictions	<u>\$ 146,980</u>	<u>\$ 172,510</u>

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## Children's Hospital Medical Center and Affiliates

### Consolidated Statements of Operations and Changes in Net Assets For the Years Ended June 30, 2019 and 2018 (dollars in thousands)

	<u>2019</u>	<u>2018</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions and investment income-		
Grant receipts	\$ 180,535	\$ 171,066
Gifts, contributions and other income	106,556	104,888
	<u>287,091</u>	<u>275,954</u>
Net assets released from restriction-		
Grant expenditures	(180,895)	(170,657)
Net assets with donor restrictions used to support operations	(96,456)	(84,824)
Net assets with donor restrictions used for purchase of property and equipment	(1,494)	(502)
	<u>(278,845)</u>	<u>(255,983)</u>
Gain in interest in net assets of supporting organizations	589,558	389,827
Increase in net assets with donor restrictions	<u>597,804</u>	<u>409,798</u>
INCREASE IN NET ASSETS	744,784	582,308
NET ASSETS, beginning of year	4,445,279	3,862,971
NET ASSETS, end of year	<u>\$5,190,063</u>	<u>\$4,445,279</u>

See accompanying notes to consolidated financial statements.

## Children's Hospital Medical Center and Affiliates

### Consolidated Statements of Cash Flows For the Years Ended June 30, 2019 and 2018 (dollars in thousands)

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 744,784	\$ 582,308
Adjustments to reconcile increase in net assets to net cash provided by operating activities-		
Depreciation and amortization	125,822	127,374
Loss on disposal of property and equipment	2,056	4,299
Impairment of land	1,446	244
Proceeds from sale of donated securities	1,042	3,953
Receipts from supporting organizations	(3,889)	(3,086)
Contributions to supporting organizations	130,000	101,000
Contributions restricted for purchase of property and equipment	(1,494)	(502)
Gain in interest in net assets of supporting organizations	(589,558)	(389,827)
Unrealized and realized (gains) losses on marketable securities, net	(48,169)	12,565
(Increase) decrease in receivables	(90,938)	3,018
Decrease in inventories and prepaid expenses and other assets	2,146	2,860
Decrease (increase) in pension benefit asset	15,276	(36,275)
Increase in accounts payable and accrued expenses	21,829	25,658
Decrease in accrued pension liability	-	(193,078)
Increase in self-insurance reserves and other long-term liabilities	6,434	201
Net cash provided by operating activities	<u>316,787</u>	<u>240,712</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Expenditures for property and equipment	(148,758)	(130,705)
Receipts from sale of fixed assets	156	41
Purchases of marketable securities	(1,767,495)	(3,133,045)
Sales and maturities of marketable securities	1,743,036	3,083,103
Cash withdrawn from funds in trust	1,145	908
Cash invested in funds in trust	(2,231)	(1,863)
Net cash used in investing activities	<u>(174,147)</u>	<u>(181,561)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issuance of bonds and notes payable	-	112,837
Issuance of commercial paper	-	100,000
Repayment of bonds and notes payable	(28,668)	(141,220)
Contributions restricted for purchase of property and equipment	1,494	502
Receipts from supporting organizations	3,889	3,086
Contributions to supporting organizations	(130,000)	(101,000)
Net cash used in financing activities	<u>(153,285)</u>	<u>(25,795)</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(10,645)	33,356
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>185,036</u>	<u>151,680</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u>\$ 174,391</u>	<u>\$ 185,036</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:</b>		
Capital expenditures in accounts payable and accrued expenses	\$ 36,056	\$ 33,463
Acquisition of property through capital leases	\$ -	\$ 4,451

See accompanying notes to consolidated financial statements.

(1) Accounting Policies –

- (a) Basis of Consolidation – Children’s Hospital Medical Center (Cincinnati Children’s), River City Insurance Limited (River City), CHMC Community Health Services Network (CHSN), Burnet Ave LLC (Burnet), TSHCH LLC (TSHCH), DTPM2 LLC, BACE, and Avondale Rentals, which are under common management, are included in the accompanying consolidated financial statements and are collectively referred to as Cincinnati Children’s. Intercompany transactions and balances have been eliminated.

Cincinnati Children’s is an Ohio not-for-profit corporation providing pediatric healthcare services, teaching, and related research. River City is a captive insurance company and a wholly-owned subsidiary of Cincinnati Children’s. CHSN is a wholly-owned subsidiary of Cincinnati Children’s whose purpose is to manage primary care practices in a community setting. Burnet, TSHCH, DTPM2 LLC, BACE and Avondale Rentals are wholly-owned subsidiaries of Cincinnati Children’s whose purpose is to hold land.

Supporting Organizations – The Children’s Hospital (TCH) and Convalescent Hospital for Children and Orphan Asylum (CHCOA) are both Ohio not-for-profit corporations that provide financial support to Cincinnati Children’s. Certain endowment funds of these supporting organizations are restricted by the donors for specific operating purposes of Cincinnati Children’s and are recorded as Interest in Net Assets of Supporting Organizations in the accompanying Consolidated Balance Sheets. The TCH purpose clause specifies its sole purpose is to support Cincinnati Children’s. As discussed below, effective March 27, 2019, CHCOA amended its purpose clause to specify the support of Cincinnati Children’s as its sole purpose. Net assets without restriction of both TCH and CHCOA are recorded in Cincinnati Children’s consolidated financial statements as an increase in Interest in Net Assets of Supporting Organizations and an increase in Net Assets With Donor Restrictions.

Receipts from such restricted endowment funds and certain other receipts that are designated by the Boards of Trustees of the supporting organizations for specific operating purposes are reflected as a component of restricted gifts and contributions in the accompanying Consolidated Statements of Operations and Changes in Net Assets. Upon utilization in operations, such funds are reflected in the Consolidated Statements of Operations and Changes in Net Assets as other-restricted net assets used to support operations. Changes in the fair value of Interest in Net Assets of Supporting Organizations are recorded as a Gain in Interest in Net Assets of Supporting Organizations in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

Other funds are contributed to Cincinnati Children’s as designated by the Boards of the supporting organizations to provide general support and are reflected as receipts from supporting organizations in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

Effective March 27, 2019, CHCOA’s Board of Trustees amended its Articles of Incorporation naming Cincinnati Children’s as its sole-beneficiary. As a result of this amendment, Net Assets Without Donor Restrictions of CHCOA are recorded in Cincinnati Children’s consolidated financial statements as an increase in Interest in Net Assets of Supporting Organizations and an increase in Net Assets With Donor Restrictions. The impact of this amendment to the purpose clause as of March 27, 2019, was to increase Interest in Net Assets of Supporting Organizations by and record a gain in Interest in Net Assets of Supporting Organizations of \$143,856.

- (b) Support Received from Supporting Organizations – In general, the supporting organizations provide annual support to Cincinnati Children’s that includes the dividend and interest earnings of the respective investment portfolios (net of operational expenses and any donor required reinvestment of income). On occasion, the respective Boards of Trustees of these supporting organizations may also designate certain pledges of unrestricted principal in support of key projects at Cincinnati Children’s. As of June 30, 2019, TCH had outstanding revocable pledges of \$250,000. All outstanding pledges of principal support are revocable and conditional at the discretion of TCH’s Board of Trustees. As a result, such revocable pledges are not recorded as receivables in the accompanying consolidated financial statements.

The following table details transfers between Cincinnati Children’s and Supporting Organizations in the Consolidated Statements of Operations and Changes in Net Assets:

	<u>2019</u>	<u>2018</u>
Transfers of net assets with donor restrictions included in Gifts, contributions and other income:		
Cincinnati Children's from TCH (1)	\$ 80,109	\$ 77,612
Cincinnati Children's from CHCOA	3,857	3,474
Total	<u>83,966</u>	<u>81,086</u>
Transfers of net assets without donor restrictions included in Receipts from (Transfers to) supporting organizations:		
Cincinnati Children's from TCH	3,889	3,086
Cincinnati Children's to TCH (2)	(130,000)	(101,000)
Total	<u>(126,111)</u>	<u>(97,914)</u>
Receivables at June 30		
Cincinnati Children's from TCH (3)	10,587	10,746
Total	<u>\$ 10,587</u>	<u>\$ 10,746</u>

- (1) In fiscal year 2019, \$1,001 of this transfer was made in support of Thrombotic Microangiopathy research, and \$1,320 of this transfer was made to support the construction of the bone marrow unit in Cincinnati Children’s Critical Care Building. In fiscal year 2018, \$10,000 of this transfer was made in support of surgical programs.
- (2) The purpose of this transfer was to establish funds designated to support divisional activities and strategic priorities.
- (3) \$10,587 of this receivable relates to an expected payment upon the maturity of a life insurance policy.

(c) Revenue Recognition –

In May 2014, the FASB issued ASU 2014-09 “Revenue from Contracts with Customers,” also referred to as Accounting Standards Codification No. 606 (“ASC 606”). The standard and subsequent amendments are intended to eliminate the transaction- and industry-specific revenue recognition guidance previously in place under generally accepted accounting principles and replace it with a principle-based approach for determining revenue recognition. Cincinnati Children’s adopted ASC 606 effective July 1, 2018, using the full retrospective method. The adoption of the new standard did not have an impact on recognition of net revenues for any periods prior to adoption. The most significant impact of adopting the new standard and related amendments is the presentation of the provision of doubtful accounts on the Statements of Operations and Changes in Net Assets. These implicit price concessions are now recorded as a direct reduction to revenues.

The following revenue streams are subject to the revenue recognition guidance in ASU 2014-09:

	<u>2019</u>	<u>2018</u>
Net patient service revenue	\$2,120,162	\$1,982,672
Other revenue	174,330	152,716
	<u>\$2,294,492</u>	<u>\$2,135,388</u>

**Net Patient Services Revenue**

Cincinnati Children’s net patient services revenue generally relates to contracts with patients in which the performance obligations are to provide health care services to patients. As patients simultaneously receive and consume the benefits of health care provided by Cincinnati Children’s, the performance obligations meet the criteria to be satisfied over time. Net patient service revenue is recorded as services are provided. Payment for such services is due fifteen days after the invoice date. Consideration for patient services revenue is variable. Agreements with payers typically provide for payments at amounts less than established charges.

Laws and regulations concerning government programs, including Medicaid and Medicare, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from related programs. There can be no assurance that regulatory authorities will not challenge Cincinnati Children’s compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon Cincinnati Children’s. In addition, the contracts Cincinnati Children’s has with third party payers also provide for retroactive audit and review of claims. At June 30, 2019, Cincinnati Children’s has settled all Medicaid cost reports through 2015 and all Medicare cost reports through 2017.

Settlements with third party payers for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of estimated transaction price for providing patient care. These settlements are based on the terms of the payment agreement with the payer, correspondence from the payer, and Cincinnati Children’s historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Estimated settlements are adjusted in future periods as adjustments become known based on new information or as years are settled and no longer subject to

such audits, reviews and investigations. Adjustments arising from a change in transaction price were not material in fiscal years 2019 and 2018.

Generally patients who are covered by third party payers are responsible for related deductibles and coinsurance, which vary in amount. Cincinnati Children’s also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. Cincinnati Children’s 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 established contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of change.

Consistent with Cincinnati Children’s mission, care is provided to patients regardless of their ability to pay. Therefore, Cincinnati Children’s has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances. The implicit price concessions included in estimating the transaction price represent the difference between the amounts billed to patients and the amounts Cincinnati Children’s expects to collect based on its collection history with those patients.

Patients who meet Cincinnati Children’s criteria for charity care are provided care without charge or at amounts less than established rates. Amounts determined to qualify as charity care are not reported as net patient service revenue.

Because the majority of its performance obligations relate to contracts with a duration of less than one year, Cincinnati Children’s has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the fiscal year. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the fiscal year. The performance obligations for these contracts are generally completed when patients are discharged, which generally occurs shortly after the end of the fiscal year.

In both fiscal years 2019 and 2018, substantially all of net patient service revenue is derived from third-party payment programs (Medicaid, insurance companies and various managed care agreements). Cincinnati Children’s classifies its patients by payer. The following table disaggregates Cincinnati Children’s net patient service revenue by payer categories for the fiscal year ended June 30, 2019 and 2018:

	<b>2019</b>		<b>2018</b>	
Commercial insurers	2%	\$ 33,565	1%	\$ 29,293
Managed care	65%	1,383,029	65%	1,291,078
Government (HMO and third party)	27%	565,035	27%	535,941
International	2%	45,285	3%	60,763
Specialty contracts <sup>1</sup>	3%	71,368	3%	49,669
Self-pay	1%	21,880	1%	15,928
		<u>\$2,120,162</u>		<u>\$1,982,672</u>

<sup>1</sup> Specialty contracts are single case agreements or contracts for specialty services, such as transplants.

The following details the percentage of accounts receivable by payer category as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Commercial insurers	1%	2%
Managed care	51%	49%
Government (HMO and third party)	23%	30%
International	16%	12%
Specialty contracts	5%	5%
Self-pay	4%	2%

### **Other Revenue**

Cincinnati Children’s other revenue generally relates to contracts with external organizations in which the performance obligations are to provide research services or other various fee-for-service arrangements outside the scope of healthcare services.

Revenue from industry contracts and certain government contracts is earned based on performance obligations to provide research services to the external organizations. License and royalty revenue relates to contracts with other organizations in which our performance obligations are to provide intellectual property to the organization. Revenue is also earned for various other contracted fee-for-service arrangements where services are performed for external organizations outside the scope of healthcare services for Cincinnati Children’s patients. Performance obligations for industry and government contracts, license and royalty contracts, and various other fee-for-service arrangements are satisfied over time. Consideration is fixed based on contracted price, and there is no significant variable consideration related to these agreements.

- (d) Graduate Medical Education – Cincinnati Children’s receives Federal graduate medical education funding, which has resulted in other revenue of \$10,882 and \$10,651 recognized in the accompanying consolidated financial statements for the years ended June 30, 2019 and 2018, respectively.
- (e) Tax Exempt Status – Cincinnati Children’s and CHSN are recognized by the Internal Revenue Service as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as charitable organizations qualifying under Section 501(c)(3). River City is a captive insurance company and has no income tax obligations. Burnet, TSHCH, DTPM2 LLC, BACE, and Avondale Rentals are limited liability corporations whose income is taxable to Cincinnati Children’s. The income tax provisions recorded in the accompanying consolidated financial statements are immaterial for the years ended June 30, 2019 and 2018.

Cincinnati Children’s accounts for income taxes in accordance with Accounting Standards Codification Topic (ASC) 740 “Income Taxes”. It is Cincinnati Children’s policy to classify the expense related to interest and penalties, if any, to be paid on underpayments of income taxes within other expenses. There were no material penalties or interest recognized in fiscal years 2019 and 2018.

Fiscal years 2016 through 2019 are subject to examination by both the Federal and State tax jurisdictions.

- (f) Cash Equivalents – Cash equivalents consist primarily of money market investments (including money market mutual funds), certificates of deposit and demand deposits. Cash is held primarily in two financial institutions.

- (g) Inventories – Inventories consist primarily of medical supplies and pharmaceuticals and are valued on an average cost method.
- (h) Marketable Securities – Cincinnati Children’s accounts for its investments under ASC 958-320 “Not-for-Profit Entities – Investments – Debt and Equity Securities.” Cincinnati Children’s carries its marketable securities at fair value with unrealized gains and losses included in investment income in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

At June 30, 2019 and 2018, Cincinnati Children’s marketable securities included 27% and 26% in U.S. Treasury securities, respectively.

- (i) Assets Limited As To Use – Assets limited as to use include funds in trust (Note 6) and are carried at fair value with unrealized gains and losses included in investment income in the accompanying Consolidated Statements of Operations and Changes in Net Assets.
- (j) Property and Equipment – Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, ranging from three to forty years, as follows:

Land Improvements	3-25 years
Buildings and Building Improvements	5-40 years
Equipment	3-25 years

Amortization of assets leased under capital leases is included in depreciation.

Cincinnati Children’s evaluates long-lived assets under the provisions of ASC 360 “Property Plant and Equipment.” During fiscal years 2019 and 2018, Cincinnati Children’s recorded losses of \$1,446 and \$244, respectively, related to impairment of land values based on a fair market value assessment of the estimated sales price Cincinnati Children’s would expect to receive upon sale of this land.

- (k) Costs of Borrowing – Interest incurred on borrowed funds, net of interest earned on restricted bond funds, during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. In fiscal years 2019 and 2018, Cincinnati Children’s capitalized \$2,471 and \$1,138 of interest related to construction in progress, respectively. Total cash paid for interest was approximately \$29,523 and \$28,836 and in fiscal years 2019 and 2018, respectively.

Deferred bond issuance costs and original issue discounts are amortized using the effective interest method over the period the related obligation is outstanding.

- (l) Enabling Expenses – During fiscal year 2018, Cincinnati Children’s began construction of a 633,000 square foot clinical building. Enabling expenses are reimbursements to third parties for costs incurred, such as to move existing utilities and roadwork, to allow for construction of the building to commence. The costs do not qualify for capitalization.
- (m) Net Asset Classifications – Cincinnati Children’s reports its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization are classified as net assets without donor restrictions. These net assets may be used at the discretion of Cincinnati Children’s Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors or supporting organizations are classified as net assets with donor restrictions. Some restrictions are temporary in nature; those restrictions will be met by fulfilling a certain purpose or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the principal be maintained in perpetuity.

Net assets with donor restrictions are comprised of the following:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Clinical	\$ 32,207	\$ 33,176
Research	89,267	88,706
Education	14,990	15,389
General Administration	15,271	9,493
Fundraising	716	744
Property-specific	<u>3,903</u>	<u>1,686</u>
	156,354	149,194
Subject to expenditure for specified purpose, held at supporting organizations:		
Research	11,595	10,915
Education	856	806
General Administration	<u>3,445</u>	<u>3,243</u>
	15,896	14,964
Subject to expenditure based on Board discretion of the supporting organization, held at supporting organizations	<u>1,572,675</u>	<u>1,153,963</u>
	1,572,675	1,153,963
Investment in perpetuity, the income from which is expendable for specified purpose, held at Cincinnati Children's:		
Clinical	110	101
Research	3,250	2,513
General Administration	<u>1,399</u>	<u>1,059</u>
	4,759	3,673
Investment in perpetuity, the income from which is expendable for specified purpose, held at supporting organizations:		
Clinical	32,920	29,970
Research	1,663,928	1,511,101
Education	71,454	62,582
General Administration	<u>63,729</u>	<u>58,326</u>
	1,832,031	1,661,979

(Continued on next page)

Subject to appropriation and expenditure when a specified event occurs:

Upon death of insured party	16,924	17,062
	<u>16,924</u>	<u>17,062</u>
<b>Total net assets with donor restrictions</b>	<b><u>\$3,598,639</u></b>	<b><u>\$3,000,835</u></b>

- (n) Revenue and Gains in Excess of Expenses and Losses – The Consolidated Statements of Operations and Changes in Net Assets include "Revenue and gains in excess of expenses and losses." Changes in unrestricted net assets which are excluded from excess of Revenue and gains in excess of expenses and losses include receipts from supporting organizations, transfers to supporting organizations, pension and post-retirement health liability adjustments, and contributions of long-lived assets (including assets acquired using donor restricted funds).
- (o) 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 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.
- (p) New Accounting Pronouncements – In February 2016, the FASB issued ASU 2016-02 “Leases.” ASU 2016-02 introduces a new lessee model that brings substantially all lease obligations and assets onto the balance sheet. Most of the existing lessor principles are retained, but ASU 2016-02 aligns many of those principles with the FASB’s new revenue guidance. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2018 with modified retrospective transition, and early adoption is permitted. In July 2018, ASU 2016-02 was amended by ASU 2018-11. The amendment allows an optional transition method in which entities may recognize a cumulate-effect adjustment to the opening balance of retained earnings in the period of adoption and has the same effective date as ASU 2016-02. Management does not believe the impact of ASU 2016-02 and ASU 2018-11 will be material to the consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-14 “Presentation of Financial Statements for Not-for-Profit Entities.” The amendments focus on improving reporting in areas unique to not-for-profit financial statements. Temporarily restricted and permanently restricted net assets are combined into a single category called “net assets with donor restrictions.” Donor-restricted endowment funds that are underwater are reported in net assets with donor restrictions and require enhanced disclosures. Additional disclosures are required around liquidity of financial assets, internal transfers included in the operating subtotal, the nature of expenses, and cost allocation between program and support functions. Lastly, investment expenses netted with investment return are limited to external investment expenses and direct internal investment expenses. ASU 2016-14 is effective for fiscal year 2019 and was applied retrospectively. The most significant impacts of adopting ASU 2016-14 were related to presentation of net assets and expanded disclosures.

In November 2016, the FASB issued ASU 2016-18 “Statement of Cash Flows (Topic 230): Restricted Cash” to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. The ASU is effective for fiscal year 2019 and was applied retrospectively. The adoption of ASU 2016-18 was not significant to the consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07 “Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.” The amendment requires the service cost component of net benefit cost to be presented with other employee compensation costs in operating income. The other components of net benefit cost will be reported separately outside of operations in net benefit cost other than service cost. The ASU is effective for fiscal year 2019 and was applied retrospectively. The adoption of ASU 2017-07 was not significant to the consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08 “Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.” The amendment clarifies and enhances current guidance about whether a transfer of assets is a contribution or an exchange transaction. In addition, the amendment clarifies how an entity determines whether a resource provider is participating in an exchange transaction and improves the framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The ASU will be effective for fiscal years beginning after December 15, 2018 with modified prospective application for agreements not completed as of the effective date or entered into after the effective date, and early adoption is permitted. The impact of ASU 2018-08 is not significant to the consolidated financial statements, and management has elected to early adopt the ASU as of July 1, 2018.

In August 2018, the FASB issued ASU 2018-13 “Fair Value Measurement (Topic 820): Changes to the Disclosure Requirements for Fair Value Measurement.” The ASU improves the effectiveness of the notes to financial statements through changes to disclosure requirements for fair value measurement. The ASU is effective for fiscal years beginning after December 15, 2019 with retrospective application, and early adoption is permitted. The impact of ASU 2018-13 is not expected to have a significant impact to the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14 “Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans.” The amendment intends to improve the effectiveness of disclosures in the notes to the financial statements by modifying disclosure requirements for sponsors of defined benefit pension or other post retirement plans. The ASU is effective for fiscal years ending after December 15, 2021 with retrospective application, and early adoption is permitted. The impact of ASU 2018-14 is not significant to the consolidated financial statements, and management has elected to early adopt the ASU as of July 1, 2018.

- (q) Reclassifications – The following line items on Cincinnati Children’s Consolidated Balance Sheets for the fiscal year ended June 30, 2018, were reclassified to conform to current year presentation:
- Receivables related to professional services were reclassified from Other receivables to Patient receivables, net.
  - Temporarily restricted and Permanently restricted net assets are presented as Net assets with donor restrictions.

The following line items on Cincinnati Children’s Consolidated Statements of Operations and Changes in Net Assets for the fiscal year ended June 30, 2018, were reclassified to conform to current year presentation:

- Professional services revenue was reclassified to Net patient service revenue.
- Capitation revenue was reclassified to Other revenue.
- Revenue related to federal contracts was reclassified from Grant revenue to Other revenue. Grant receipts and Grant expenditures were adjusted for this change.
- Investment management expenses were reclassified from Purchased services to Net investment return.
- The components of net benefit cost other than service cost were reclassified from Employee benefits and presented as Net benefit cost other than service cost.
- Temporarily restricted: Gifts, contributions and other income and Permanently restricted: Investment income, Income transfers based on donor stipulations and Gifts and contributions are presented as Net assets with donor restrictions: Gifts, contributions and other income.
- Temporarily restricted: Gain in interest in net assets of supporting organizations and Permanently restricted: Gain in interest in net assets of supporting organizations are presented as Net assets with donor restrictions: Gain in interest in net assets of supporting organizations.

The following line items on Cincinnati Children’s Consolidated Statements of Cash Flows for the fiscal year ended June 30, 2018, were reclassified to conform to current year presentation:

- Change in allowances on receivables and Change in receivables is presented as Change in Receivables.
- Restricted cash is included in Cash, cash equivalents and restricted cash.

(2) Liquidity and Availability –

Financial assets available for general expenditure within one year of the balance sheet date consist of the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 168,250	\$ 179,077
Marketable securities	951,245	879,659
Patient receivables, net	442,478	364,042
Other receivables	131,959	119,457
	<u>\$1,693,932</u>	<u>\$1,542,235</u>

Cincinnati Children’s has cash and cash equivalents, marketable securities (more fully described in Note 4), patient receivables and certain other receivables which are liquid and available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above. Cincinnati Children’s has other assets limited to use for professional liability, self-insurance health care, debt service, and with donor restrictions which are restricted by the donors to be maintained by the Corporation in perpetuity. These assets limited to use, which are more fully described in Notes 4 and 6, are not available for general expenditure within the next year and are not reflected in the amounts above.

Cincinnati Children’s has \$202,350 in outstanding obligations for which liquid funds must be available for payment in the event of a failed remarketing. Cincinnati Children’s maintains certain balances in cash and investments and has access to a \$200,000 line of credit, as discussed in more detail in Note 10. As of June 30, 2019, \$200,000 remained available on Cincinnati Children’s line of credit.

Additionally, Cincinnati Children’s is required to maintain certain liquidity ratios as outlined in bond covenants. As of June 30, 2019 and 2018, Cincinnati Children’s was in compliance with all such covenants.

Cincinnati Children’s forecasts its future cash flows and monitors liquidity on a monthly basis.

(3) Reconciliation of Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Consolidated Statement of Cash Flows for the fiscal years ending June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$168,250	\$179,077
Restricted cash included in other long-term assets	6,141	5,959
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$174,391</u>	<u>\$185,036</u>

(4) Fair Value Measurements –

Cincinnati Children’s accounts for its assets and liabilities under ASC 820 “Fair Value Measurements.” As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels, which are described below:

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date for assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly. These include quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are a few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable inputs, developed using Cincinnati Children’s estimates and assumptions, which reflect those that the market participants would use. Such inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Determining where an asset or liability falls within the hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. In determining fair value, Cincinnati Children’s utilizes valuation techniques that maximize the use of observable inputs and minimize the use of

unobservable inputs to the extent possible and considers counterparty credit risk in the assessment of fair value.

The table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments at June 30, 2019.

	Level 1	Level 2	Level 3	Total
<b>Marketable Securities:</b>				
U.S. Government and agency securities	\$ -	\$ 392,417	\$ -	\$392,417
Foreign bonds	-	45,699	-	45,699
Municipal bonds	-	3,127	-	3,127
Common stock	130,315	-	-	130,315
Corporate obligations	-	336,504	-	336,504
	<u>130,315</u>	<u>777,747</u>	<u>-</u>	<u>908,062</u>
<b>Assets Limited As To Use:</b>				
Money market mutual funds	4,745	-	-	4,745
Common stock	6,155	-	-	6,155
	<u>10,900</u>	<u>-</u>	<u>-</u>	<u>10,900</u>
<b>Deferred Compensation Plans (included in Other Receivables and Other Long-term Assets):</b>				
Common stock	5,695	-	-	5,695
Mutual Funds:				
Money Market	43	-	-	43
Equity	1,053	-	-	1,053
International Equity	677	-	-	677
Bond	931	-	-	931
Lifecycle	4,288	-	-	4,288
Variable Annuities	-	100	-	100
Guaranteed Insurance Contract	-	-	2,339	2,339
	<u>12,687</u>	<u>100</u>	<u>2,339</u>	<u>15,126</u>
Total assets measured in the fair value hierarchy	153,902	777,847	2,339	934,088
<b>Investments measured at net asset value:</b>				
Full Discretion Fixed Income				43,006
High yield corporate obligations				177
Total assets at fair value	<u>\$153,902</u>	<u>\$777,847</u>	<u>\$2,339</u>	<u>\$977,271</u>

The table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments at June 30, 2018.

	Level 1	Level 2	Level 3	Total
<b>Marketable Securities:</b>				
U.S. Government and agency securities	\$ -	\$349,687	\$ -	\$349,687
Foreign bonds	-	44,321	-	44,321
Municipal bonds	-	3,133	-	3,133
Common stock	95,201	-	-	95,201
Corporate obligations	-	327,606	-	327,606
	<u>95,201</u>	<u>724,747</u>	<u>-</u>	<u>819,948</u>
<b>Assets Limited As To Use:</b>				
Money market mutual funds	3,576	-	-	3,576
Common stock	6,056	-	-	6,056
	<u>9,632</u>	<u>-</u>	<u>-</u>	<u>9,632</u>
<b>Deferred Compensation Plans (included in Other Receivables and Other Long-term Assets):</b>				
Common stock	5,063	-	-	5,063
Mutual Funds:				
Money Market	235	-	-	235
Equity	1,522	-	-	1,522
International Equity	829	-	-	829
Bond	848	-	-	848
Lifecycle	4,365	-	-	4,365
Real Estate	3	-	-	3
Variable Annuities	-	144	-	144
Guaranteed Insurance Contract	-	-	3,076	3,076
	<u>12,865</u>	<u>144</u>	<u>3,076</u>	<u>16,085</u>
Total assets measured in the fair value hierarchy	117,698	724,981	3,076	845,665
<b>Investments measured at net asset value:</b>				
Full Discretion Fixed Income				39,569
Fixed Income Investment Partnership				19,976
High yield corporate obligations				166
Total assets at fair value	<u>\$117,698</u>	<u>\$724,891</u>	<u>\$ 3,076</u>	<u>\$905,376</u>

The valuation methods described below may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management 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 different fair value measurement at the reporting date.

Cincinnati Children's uses quoted market prices in active markets to determine the fair value of common stock and mutual funds; such items are classified as Level 1 in the fair value hierarchy.

Cincinnati Children's primarily bases fair value for investments in fixed income securities, including U.S. government securities, municipal bonds and corporate obligations on a calculation using interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate).

Consideration is also given to the counterparty credit rating. Such items are classified as Level 2 in the fair value hierarchy.

Cincinnati Children’s investment in High Yield Corporate Obligations is an investment in a limited liability company whose investment objective is to achieve superior fixed income returns on invested funds through exposure to higher quality, less volatile, high yield debt securities. As set forth in the LLC agreement, the LLC will dissolve on March 29, 2040, but may dissolve earlier under certain conditions. Any Investing Member may elect to withdraw, in whole or in part from the LLC on the last business day of any month or at such other date, as determined by the manager. The High Yield Corporate Obligations is measured at fair value using the net asset value per share practical expedient.

Cincinnati Children’s investment in Full Discretion Fixed Income is an investment in a limited liability company whose investment objective is to invest in marketable and non-marketable securities with issue and industry diversification. As set forth in the LLC agreement, the LLC will dissolve on May 22, 2047, but may dissolve earlier under certain conditions. Any Investing Member may elect to withdraw, in whole or in part from the LLC if the Member notifies of intent to withdraw sixty calendar days in advance and if the Member withdraw will not adversely affect the Company. The Full Discretion Fixed Income is measured at fair value using the net asset value per share practical expedient.

In fiscal year 2018, Cincinnati Children’s was invested in a Fixed Income investment partnership measured at net asset value. The investment objective was to provide for a balance between preservation of assets and growth in principle. Cincinnati Children’s terminated the agreement in fiscal year 2019.

The guaranteed insurance contract is recorded based on discounted cash flows, which is an approximation of fair value, and is classified as Level 3 based on time restrictions for redemption.

The following is a reconciliation of the roll forward of the fair value measurements using significant unobservable inputs:

	<u>2019</u>	<u>2018</u>
Balance Beginning of Year	\$3,076	\$2,753
Purchases	422	905
Unrealized (losses) gains	(45)	49
Sales	(1,114)	(631)
Balance at June 30,	<u>\$2,339</u>	<u>\$3,076</u>
The amount of total (losses) gains for the period included in changes in net assets attributable to the change in unrealized losses or gains related to assets still held at June 30,	<u>(\$45)</u>	<u>\$49</u>

Cincinnati Children’s policy is to recognize transfers in and out as of the actual date of the event or change in circumstances that caused the transfer. For the years ended June 30, 2019 and 2018, there were no material transfers in or out of Levels 1, 2 or 3.

(5) Losses on the Provision of Uncompensated Care –

In accordance with its mission and purpose, Cincinnati Children’s maintains a policy of providing medically necessary services to pediatric patients within its primary service area regardless of ability to pay. This primary service area has been defined to include the four counties in Ohio, three counties in Kentucky and one county in Indiana that geographically surround Cincinnati. Under certain circumstances, Cincinnati Children’s accepts patients from outside the primary service area regardless of their ability to pay. Cincinnati Children’s defines uncompensated care as services rendered to patients whose families’ annual income or net worth falls below certain minimum standards. As such, losses absorbed by Cincinnati Children’s in rendering services to patients who are covered under governmental programs which are designed to aid low income families (primarily the Medicaid program) are considered uncompensated care.

The following information summarizes uncompensated care provided during the years ended June 30, 2019 and 2018:

<b>CHARGES</b>	<b>2019</b>	<b>2018</b>
Charges under Medicaid and other entitlement programs	\$1,909,333	\$1,779,729
Charity care not eligible for Medicaid assistance, at established charges	27,270	29,441
Other uncollectible self-pay, at established charges	28,405	25,175
Total Medicaid, charity care and other uncollectible self-pay charges	<u>\$1,965,008</u>	<u>\$1,834,345</u>
<b>COSTS/LOSSES</b>		
Estimated costs to provide uncompensated care	\$ 777,848	\$ 778,025
Reimbursement from Medicaid programs	(506,161)	(477,616)
Losses on the provision of uncompensated care	(271,687)	(300,409)
Funds received from HCAP and tax levy	42,447	33,348
Losses on provision of uncompensated care net of HCAP and tax levy	<u>\$ (229,240)</u>	<u>\$ (267,061)</u>

The 2019 and 2018 cost amounts reflected in the tables above are calculated using cost to charge ratios calculated from preliminary cost reports because the current year cost report is not yet available. Management does not believe the difference in the cost report year would have a material impact on the amounts calculated above.

(6) Funds in Trust –

Cincinnati Children’s has certain funds, which are invested and held in trust for various specified purposes. The amounts of such funds, at carrying value, and the specified purposes for which such funds may be used, are set forth below:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Self-insurance Funds-		
Professional liability (A)	\$ 160	\$ 160
Employee health and workers’ compensation (B)	140	140
Bond interest escrow funds (C)	5,841	5,659
Endowment funds held at Cincinnati Children’s (D)	4,759	3,673
	<u>\$10,900</u>	<u>\$9,632</u>

- (A) Cincinnati Children’s has established an irrevocable trust fund for the payment of professional liability claim settlements. See Note 8 for further discussion of professional liability self-insurance.
- (B) Cincinnati Children’s has established a trust fund for the payment of claims related to certain self-insured employee health care and other programs.
- (C) Cincinnati Children’s maintains bond interest escrow funds as required under the terms of the related bond indentures to hold interest payments until the required payment dates to bondholders.
- (D) Cincinnati Children’s holds endowment funds related to permanently restricted assets gifted directly to Cincinnati Children’s. These funds are invested primarily in equity securities.

(7) Property and Equipment –

Property and equipment consists of the following:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Land	\$ 40,430	\$ 38,811
Land improvements	32,657	32,262
Buildings and building improvements	1,589,770	1,550,394
Equipment	699,717	693,030
Construction in progress	119,616	64,533
	<u>2,482,190</u>	<u>2,379,030</u>
Accumulated depreciation	(1,273,148)	(1,190,524)
Property and equipment, net	<u>\$1,209,042</u>	<u>\$1,188,506</u>

(8) Professional Liability –

Cincinnati Children’s insurance program includes a self-insured retention for losses arising out of healthcare professional liability claims. The self-insured retention for the claims that are currently asserted is \$10,000 (\$25,000 in aggregate). Cincinnati Children’s annually purchases excess healthcare professional liability insurance on a claim made basis at varying levels.

The actuarial present value of expected costs (including incurred, but not reported claims) for the healthcare professional liability program of \$51,441 and \$41,062 for 2019 and 2018, respectively, has been accrued in the accompanying Consolidated Balance Sheets. Accrued healthcare professional liability losses have been discounted at a rate of 4% at June 30, 2019 and 2018. The costs of Cincinnati Children’s healthcare professional liability program, including premiums paid for excess re-insurance, legal fees, settlements, judgments, and other administrative costs are included in Supplies, Drugs and Other in the accompanying Consolidated Statements of Operations and Changes in Net Assets. Accrued losses funding levels are actuarially determined based on management’s estimation of potential outstanding loss liabilities, payout patterns, and various other assumptions, and then adjusted to reflect its best estimate of the present value of expected costs for the healthcare professional liability claims. Healthcare professional liability expense was \$14,325 and \$23,747 for fiscal years 2019 and 2018, respectively.

(9) Capital Lease Obligations –

Cincinnati Children's leases certain equipment under capital leases. The aggregate future minimum lease payments total \$6,536, with \$2,465 due in fiscal year 2020. Cincinnati Children's did not enter into any new capital leases in fiscal year 2019. In fiscal year 2018, Cincinnati Children's entered into one new equipment capital lease.

(10) Debt –

Debt at June 30, 2019 and 2018 is summarized as follows:

	<u>2019</u>	<u>2018</u>
Series 2018BB commercial paper, variable interest (2.34% to 2.37% at June 30, 2019), taxable	\$100,000	\$100,000
Bonds payable:		
Series 2009, matured in 2019	-	2,992
Series 2010, 2.27% due through 2020	2,994	5,987
Series 2011, 2.18% due through 2022	24,245	31,570
Series 2014S, 3.0% to 5.0% due through 2034, net of unamortized premium of \$4,323 in 2019 and \$5,335 in 2018	104,448	110,439
Series 2014T, 4.268% due 2044, taxable	297,613	297,517
Series 2016X, 5.00%, due through 2032, net of unamortized premium of \$10,313 in 2019 and \$11,063 in 2018	61,416	62,124
Series 2016Y, 2.853% due 2026, taxable	99,385	99,299
Series 2018Z*, variable interest (1.86% at June 30, 2019), due through 2037	39,964	41,823
Series 2018AA*, variable interest (1.91% at June 30, 2019), due through 2037	61,737	64,622
Notes Payable:		
Term Note Payable, 2.20% due through 2022	21,000	21,000
Note Payable on Vernon Manor Property I, interest at 6.755%	21,884	22,707
Note Payable on Vernon Manor Property II, interest at 0.898%	34,457	36,678
Total	<u>869,143</u>	<u>896,758</u>
Less:		
Current portion of bonds and notes payable	(28,163)	(21,470)
Commercial paper notes	(100,000)	(100,000)
Bonds payable subject to remarketing, net	(101,701)	(106,445)
Bonds payable and notes payable - long-term	<u>\$639,279</u>	<u>\$668,843</u>

\*Denotes variable rate bonds subject to remarketing agreements

- (a) Bonds Payable – Cincinnati Children's has pledged their gross revenues, as defined, to secure the payment of 2010, 2011, 2014S, 2014T, 2016X, 2016Y, 2018Z, and 2018AA bonds. Cincinnati Children's is bound by certain financial covenants included in the bond indentures, direct placement agreements, and related agreements. Among other restrictions is a requirement to maintain a minimum Debt Service Coverage Ratio, as defined in the agreement.

In February 2018, Cincinnati Children's issued 2018Z and 2018AA tax-exempt bonds that mature in fiscal year 2037. The obligations are subject to mandatory tender purchase seven days after notice from bondholders and may be remarketed. If the bonds are not remarketed, Cincinnati Children's

must repay the bonds. The 2018Z and 2018AA bonds are classified as current liabilities in bonds payable subject to remarketing, net in the accompanying Consolidated Balance Sheets. The interest rates on the 2018Z and 2018AA variable rate bonds are reset weekly by a rate-setting agent.

- (b) Commercial Paper – In February 2018, Cincinnati Children’s issued Series 2018BB taxable commercial paper in the original aggregate principal amount of \$100,000 and outstanding at any one time in a principal amount not to exceed \$100,000. The Notes shall mature no later than May 15, 2048. The commercial paper notes have a maximum maturity period of 270 days and are resold at maturity. In the event the notes have not been resold, Cincinnati Children’s must repay the notes. The 2018BB commercial paper is classified as current liabilities in the accompanying Consolidated Balance Sheets. The interest rates on the 2018BB commercial paper are reset with each remarketing by a rate-setting agent.

Early Extinguishment of Bonds Payable – In February 2018, Cincinnati Children’s refinanced \$107,160 of the outstanding 2002, 2016U, 2016V and 2016W tax-exempt bonds with a \$42,160 tax-exempt bond offering (2018Z) and a \$65,000 tax-exempt bond offering (2018AA). The 2018Z and 2018AA obligations bear interest at a variable rate and mature in fiscal year 2037. As part of the refunding, Cincinnati Children’s recorded a \$97 loss on early extinguishment of tax-exempt bonds payable in fiscal year 2018.

- (c) Future Debt Maturities – The following is a schedule of future debt maturities, excluding discounts/premiums and deferred issuance costs:

2020	\$230,513
2021	22,904
2022	23,675
2023	12,696
2024	12,802
Thereafter	556,920
	<u>\$859,510</u>

- (d) Lines of Credit – In June 2016 Cincinnati Children’s entered into a 5-year agreement for a line of credit of \$200,000. The line of credit expires in June 2021 and bears interest at the greater of the prime rate, federal funds rate plus .50% or the sum of LIBOR plus 1.00%. There were no draws on the line of credit during fiscal years 2019 and 2018.
- (e) Note Payable on Vernon Manor Property I – Cincinnati Children’s entered into an agreement with a Developer to renovate and occupy the Vernon Manor property to be used primarily for administrative office space. Additionally, a parking garage was constructed on adjacent property to provide parking for the occupants of the building. As part of the agreement, Cincinnati Children’s agreed to make fixed monthly payments over the seventeen-year term of the agreement. In fiscal year 2017, Cincinnati Children’s agreed to a four-year extension of the agreement to expire in fiscal year 2032. In fiscal year 2018, the agreement was amended to extend the term of the lease to December 31, 2032. The present value of such fixed payments at June 30, 2019 and 2018 is \$21,884 and \$22,707, respectively, using Cincinnati Children’s estimated tax-exempt interest rate at the time of the amended agreement of 6.755%. The agreement also calls for variable payments monthly to cover operating expenses for the office building and the parking garage.
- (f) Note Payable on Vernon Manor Property II – In November 2015, Cincinnati Children’s entered into an agreement with a Developer to build and occupy property to be used primarily for parking and administrative office space. The property is adjacent to the existing Vernon Manor property. As part of the agreement, Cincinnati Children’s agreed to make fixed monthly payments over the fifteen year

term of the agreement at commencement of the lease in January 2018. Cincinnati Children's placed total assets in service of \$37,138 for the garage, office space and building improvements. Related notes payable were recorded for \$37,138. The agreement also calls for variable payments monthly to cover operating expenses for the office building and the parking garage.

(11) Employee Benefit Plans –

Cincinnati Children's maintains non-contributory retirement plans covering substantially all employees. Among these plans is a defined benefit plan where benefits are based on a formula which reflects years of service and salary levels. Cincinnati Children's funding policy for its defined benefit plan meets the funding standards established by the Employee Retirement Income Security Act of 1974 (ERISA).

Cincinnati Children's investment strategy with respect to pension assets is designed to achieve a moderate level of overall portfolio risk in keeping with desired risk objective, which is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. Cincinnati Children's adopted an Investment Policy that adjusts allocations between return-seeking assets and liability-hedging assets based on the funded status of the Plan and prevailing yields. As the funded ratio improves, allocations to liability-hedging assets increase accordingly.

Cincinnati Children's seeks to maintain diversified portfolios and has adopted allocation targets within the return-seeking and liability hedging portfolios as follows:

Return-Seeking Allocation:

Global Equity	60%-80%
Private Equity	5%-15%
Real Estate	5%-15%
Multi-Asset Credit	10%-20%

Liability-Hedging Allocation:

Long Credit	50%-100%
STRIPS (Long Duration Treasury Instruments)	0%-50%

In order to maintain the portfolio's actual asset allocation in line with the target allocations specified above, rebalancing will occur periodically. As of June 30, 2019, Cincinnati Children's made \$126,400 in funding commitments in eleven investment partnerships of which \$88,100 had been funded. Additionally, Cincinnati Children's made \$72,500 in funding commitments in nine real estate investment partnerships of which \$44,000 had been funded. It is anticipated that these commitments will be funded from liquid investments in the plan and any required funding contributions.

Cincinnati Children's defined benefit plan investment allocation at the actuarial measurement date of June 30, 2019 and 2018 by asset category is as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	3.5%	2.6%
Corporate bonds	15.2%	15.1%
Government bonds	1.3%	1.3%
Investment Partnerships:		
Equity	5.0%	4.7%
Bond	6.9%	7.9%
Real estate	3.2%	3.5%
Commingled Investment Funds		
Equity	32.0%	32.7%
Bond	19.2%	19.7%
Government	13.7%	12.5%
	<u>100.0%</u>	<u>100.0%</u>

At June 30, 2019, the fair value and its placement in the fair value hierarchy of the underlying assets of the Plan that are required to be measured at fair value are as follows (see Note 4 for further discussion on the fair value hierarchy and fair value principles):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$47,971	\$ -	\$ -	\$ 47,971
Corporate bonds	-	206,155	-	206,155
Government bonds	-	17,433	-	17,433
Total assets in the fair value hierarchy	<u>47,971</u>	<u>223,588</u>	<u>-</u>	<u>271,559</u>
Investments measured at net asset value <sup>1</sup> :				
Investment Partnerships:				
Equity				67,430
Bond				93,881
Real Estate				44,019
Commingled Investment Funds:				
Equity				435,248
Bond				261,441
Government				185,684
Total assets at fair value	<u>\$47,971</u>	<u>\$223,588</u>	<u>\$ -</u>	<u>\$1,359,262</u>

<sup>1</sup> Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheet.

At June 30, 2018, the fair value and its placement in the fair value hierarchy of the underlying assets of the Plan that are required to be measured at fair value are as follows (see Note 4 for further discussion on the fair value hierarchy and fair value principles):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$33,668	\$ -	\$ -	\$ 33,668
Bond mutual funds and ETFs	20	-	-	20
Corporate bonds	-	196,588	-	196,588
Common stock	365	-	-	365
Government bonds	-	17,070	-	17,070
Total assets in the fair value hierarchy	<u>34,053</u>	<u>213,658</u>	<u>-</u>	<u>247,711</u>
Investments measured at net asset value <sup>1</sup> :				
Investment Partnerships:				
Equity				60,260
Bond				102,123
Real Estate				45,720
Commingled Investment Funds:				
Equity				424,372
Bond				255,434
Government				162,715
Total assets at fair value	<u>\$34,053</u>	<u>\$213,658</u>	<u>\$ -</u>	<u>\$1,298,335</u>

The fair values of Level 1 investments are based on quoted prices in active markets. The fair value for investments in fixed income securities, including U.S. government securities and corporate obligations, is based on a calculation using interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and considers the counterparty credit rating. Such items are classified as Level 2 in the fair value hierarchy. Investments in partnerships – U.S. equities, real estate, and bonds – are valued using the net asset value reported by the managers of the funds and as supported by the unit prices of actual purchase and sale transactions. The investments in investment partnerships generally are associated with liquidation restrictions that may range from 91 days to the life of the fund (up to fifteen years) and may require redemption penalties. Commingled investment funds are private funds for institutional investors valued daily at net asset value. The funds primarily consist of actively traded equity mutual funds, bond mutual funds, and US Treasury STRIPS with daily liquidity and no lockup period.

There were no transfers between levels in fiscal year 2019 or fiscal year 2018.

<sup>1</sup> Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheet.

The following table reflects the weighted average assumptions utilized to determine benefit obligations:

	<u>2019</u>	<u>2018</u>
Discount rate used to determine actuarial present value of the projected benefit obligation	3.86%	4.25%
Assumed rate of increase in compensation levels	3.50%	3.50%
Long-term rate of return	6.00%	6.00%

The following table sets forth the funded status of the plan and amounts recognized in the accompanying Consolidated Balance Sheets as of June 30, 2019 and 2018, utilizing actuarial measurement dates as of June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$1,262,060	\$1,316,188
Service cost	52,373	56,404
Interest cost	52,303	49,611
Other actuarial loss (gain)	113,956	(87,380)
Benefits paid	(17,451)	(72,763)
Settlements	(124,978)	-
Projected benefit obligation at end of year	<u>\$1,338,263</u>	<u>\$1,262,060</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$1,298,335	\$1,123,110
Actual gain on plan assets	137,984	77,988
Employer contributions	65,372	170,000
Benefits paid	(17,451)	(72,763)
Settlements	(124,978)	-
Fair value of plan assets at end of year	<u>1,359,262</u>	<u>1,298,335</u>
Funded status	20,999	36,275
Net accrued pension benefit asset in Consolidated Balance Sheets	<u>\$ 20,999</u>	<u>\$ 36,275</u>

For the Retirement Plan, the overall actuarial loss in plan obligation of approximately \$114 million is primarily attributable to a decrease in the discount rate between June 30, 2018 and June 30, 2019. The discount rate decrease of 39 basis points results in an obligation loss of approximately \$104 million. These losses were partially offset by gains due to favorable asset performance during FY19 (over a 10% return), resulting in a gain of \$62 million.

Settlement accounting is required due to lump sum payments totaling approximately \$125 million between July 1, 2018 and June 30, 2019. Because settlement accounting is required, Cincinnati Children's recorded a one-time charge representing accelerated recognition of certain net losses as of June 30, 2019. The settlement cost of \$38 million is recorded in net benefit cost other than service cost.

In 2019 and 2018, the mortality tables utilized by actuaries to value the pension liability were updated based on current experience. The impact of the change in mortality assumptions is included in other actuarial gain in fiscal years 2019 and 2018.

Amounts included in Unrestricted Net Assets but not yet recognized in pension cost consist of:

	<u>2019</u>	<u>2018</u>
Net actuarial loss	\$409,151	\$424,735
Net prior service credit	(100,543)	(112,294)
	<u>\$308,608</u>	<u>\$312,441</u>

The table below reflects the following weighted average assumptions utilized to determine benefit costs were:

	<u>2019</u>	<u>2018</u>
Discount rate used to determine actuarial present value of the projected benefit obligation	4.25%	3.89%
Assumed rate of increase in compensation levels	3.50%	3.50%
Expected long-term rate of return on plan assets	6.00%	6.00%

The Cincinnati Children's expected long-term rate of return on plan assets is based on the expected average returns based on the portfolio mix of plan assets and is reassessed on an annual basis.

Net periodic pension cost for 2019 and 2018 related to the defined benefit plan consisted of the following components:

	<u>2019</u>	<u>2018</u>
Service cost	\$52,373	\$56,403
Interest cost	52,303	49,611
Return on plan assets	(75,509)	(65,104)
Amortization of prior service credit	(11,751)	(11,751)
Recognized net actuarial loss	28,856	33,619
Settlement loss	38,209	-
Net periodic pension cost	<u>\$84,481</u>	<u>\$62,778</u>

Based on preliminary estimates, we do not expect any required fiscal year 2020 contributions for the qualified defined benefit plan under the current funding regulations.

The accumulated benefit obligation for the pension plan was \$1,287,528 and \$1,224,376 at June 30, 2019 and 2018, respectively.

Cincinnati Children's estimated benefit payments in each of the next five fiscal years and in aggregate for the five fiscal years thereafter are as follows:

2020	\$63,818
2021	63,950
2022	66,365
2023	68,020
2024	69,896
2025-2029	378,437

All other retirement plans maintained by Cincinnati Children's are defined contribution plans. Cincinnati Children's contributions to these plans are generally based on ten percent of salaries up to established ERISA limits. Total expense, net of forfeitures, related to these other plans was approximately \$24,957 and \$20,600 in fiscal years 2019 and 2018, respectively.

Cincinnati Children's has a nonqualified deferred compensation plan in which contributions are made to participant-directed investment accounts and deferred for a two year period. The amounts are at a substantial risk of forfeiture and revert back to the Cincinnati Children's if the employee is not actively employed at the vesting date. Additionally, Cincinnati Children's provides individual nonqualified deferred compensation benefits to key employees with varying terms. The amount of deferred compensation income and expense recognized in fiscal years 2019 and 2018 was \$369 and \$451, respectively. The following table displays the nonqualified deferred compensation plans assets and liabilities as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Current portion of nonqualified deferred compensation plans:		
Plan with two year deferral period	\$ 2,205	\$ 2,108
Plans with varying terms	6	-
Total current (included in other receivables and accounts payable and accrued expenses)	<u>2,211</u>	<u>2,108</u>
Long-term portion of nonqualified deferred compensation plans:		
Plan with two year deferral period	3,893	6,520
Plans with varying terms	<u>9,022</u>	<u>7,458</u>
Total long-term (included in other long-term assets and other long-term liabilities)	12,915	13,978
Total assets and liabilities	<u>\$15,126</u>	<u>\$16,086</u>

The postretirement benefit obligations, included within other long-term liabilities, as of June 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$1,960	\$2,388
Interest cost	69	65
Actuarial loss (gain)	28	(184)
Benefits paid	<u>(301)</u>	<u>(309)</u>
Benefit obligation at end of year	<u>\$1,756</u>	<u>\$1,960</u>

Amounts included in Unrestricted Net Assets but not yet recognized in postretirement cost consist of:

	<u>2019</u>	<u>2018</u>
Net actuarial loss	\$1,659	\$1,867
Net prior service cost	<u>(722)</u>	<u>(1,299)</u>
	<u>\$ 937</u>	<u>\$ 568</u>

The above table reflects the following weighted average assumptions to determine postretirement obligations:

	<u>2019</u>	<u>2018</u>
Discount rate	2.98%	3.82%

Net periodic cost for 2019 and 2018 related to the medical and dental postretirement benefits consisted of the following components:

	<u>2019</u>	<u>2018</u>
Interest cost	\$ 69	\$ 65
Amortization of unrecognized net gain and prior service credit	(342)	(294)
	<u>\$(273)</u>	<u>\$(229)</u>

For fiscal years 2019 and 2018, the discount rate used to determine the net periodic postretirement costs was 3.82% and 2.94%, respectively.

Cincinnati Children’s expects to make the future benefit payments, which reflect expected future service, as appropriate. The following benefit payments are expected to be paid over each of the next five years and five fiscal years thereafter:

	<u>Payments</u>
2020	\$264
2021	240
2022	217
2023	195
2024	173
2025-2029	589

(12) Commitments and Contingencies –

- (a) Litigation – Cincinnati Children’s is engaged from time to time in a variety of litigation and regulatory compliance matters in addition to professional and general liability matters. Management assesses the probable outcome of unresolved litigation and records estimated reserves consistent with ASC No. 450, “Contingencies.” After consultation with legal counsel, management believes that all such currently existing matters will be resolved without material adverse impact to the consolidated financial position or results of operations of Cincinnati Children’s.
- (b) Laws and Regulations – The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, is complex and subject to future governmental interpretation as well as significant regulatory action including fines, penalties, demands for repayment of previously billed and collected revenue from patient services, and exclusion from those programs. Management believes that Cincinnati Children’s is in compliance, in all material respects, with fraud and abuse as well as other applicable government laws and regulations. Cincinnati Children’s has recorded reserves for routine regulatory compliance issues and believes these reserves are adequate to cover any potential repayment of previously billed and collected revenue from patient services.
- (c) Capital Commitments – In fiscal year 2018, Cincinnati Children’s entered into agreements to build and equip a 633,000 square foot clinical building and renovate 146,000 square feet of existing space. Cincinnati Children’s has spent approximately \$173,000 through June 30, 2019 and expects to spend an additional \$434,000 in conjunction with the construction project. Construction commenced in fiscal year 2018. The new building is projected to be completed in fiscal year 2022, and the renovation will be complete in fiscal year 2023.

Cincinnati Children’s has entered into agreements with general contractors for several new construction projects, renovation projects, equipment, and information system technology projects. Cincinnati Children’s additionally has committed to spend approximately \$27,000 in connection with current active projects as of June 30, 2019. The projects are expected to be completed primarily in fiscal year 2020.

- (d) Funding Commitments – During fiscal year 2005, the Board of Trustees of Cincinnati Children’s approved a revocable commitment for up to a \$15,000 non-recourse loan over seven years to Uptown Consortium Inc. Cincinnati Children’s has provided \$12,867 of funding in relation to this commitment through June 30, 2018, and management does not anticipate any additional funding. These funds were used to invest in commercial and residential projects in the uptown area. During fiscal year 2019, none of the loans were repaid. Cincinnati Children’s expects to receive an additional \$5,000 related to the loan.

During fiscal year 2016, the Board of Trustees of Cincinnati Children’s approved a revocable commitment for up to a \$5,000 non-recourse loan over ten years to Uptown Consortium Inc. These funds are to be used to invest in commercial and residential projects in the uptown area. As of June 30, 2019, Cincinnati Children’s has provided \$5,000 of funding in relation to this commitment.

- (e) Investment Commitments – Cincinnati Children’s has made commitments to invest \$25,000 in five limited partnerships that focus on investing in venture capital funds or provide venture capital for companies in the high-growth sectors of the economy, including life sciences, information technology, advanced manufacturing, and healthcare. Cincinnati Children’s has made commitments to invest \$10,100 in seven limited liability companies that focus on investing in early stage venture capital funds regionally and nationally with the goals of making the Cincinnati region the place for entrepreneurs and investors to launch new ideas and driving capital into scalable technology companies in southwest Ohio. Investment values are included in Other Assets in the Consolidated Balance Sheets. Cincinnati Children’s occasionally receives distributions from these investments which reduce investment values.

The following displays the amounts funded and investment values at June 30, 2019 and 2018:

	<b>2019</b>	<b>Funded</b>	<b>Value</b>
Investment in Limited Partnerships		\$18,206	\$ 9,712
Investments in Limited Liability Corporations		7,009	8,404
Total		<u>\$25,215</u>	<u>\$18,116</u>
	<b>2018</b>	<b>Funded</b>	<b>Value</b>
Investment in Limited Partnerships		\$17,039	\$11,001
Investments in Limited Liability Corporations		5,793	6,109
Total		<u>\$22,832</u>	<u>\$17,110</u>

- (f) Operating Leases – Cincinnati Children’s leases certain property for varying periods. Rent expense related to such leases was approximately \$3,811 and \$5,623 in fiscal years 2019 and 2018, respectively. Future minimum rental commitments under non-cancellable operating leases are as follows:

2020	\$3,339
2021	2,355
2022	1,886
2023	1,774
2024	221
Thereafter	2,337

- (13) Functional Expenses – The cost of providing Cincinnati Children’s services are summarized on a functional basis in the following tables. Accordingly, certain costs have been allocated among functions. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<b>Expense</b>	<b>Method of Allocation</b>
Employee benefits	Full Time Equivalent
Depreciation	Square footage
Utilities	Square footage

The following presents expenses by both their nature and function for the year ended June 30, 2019:

	<u>Clinical</u>	<u>Research</u>	<u>Education</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>TOTAL</u>
Salaries	\$ 741,948	\$174,270	\$51,905	\$3,923	\$188,555	\$1,160,601
Employee benefits	193,671	47,560	14,842	1,187	72,561	329,821
Supplies, drugs and other	326,905	42,019	2,914	625	67,692	440,155
Purchased services	74,431	46,736	2,754	1,262	117,495	242,678
Depreciation	73,953	31,500	130	194	23,852	129,629
Utilities	11,940	5,086	21	31	3,851	20,929
Interest	-	-	-	-	27,106	27,106
Enabling expenses	-	-	-	-	2,044	2,044
	<u>\$1,422,848</u>	<u>\$347,171</u>	<u>\$72,566</u>	<u>\$7,222</u>	<u>\$503,156</u>	<u>\$2,352,963</u>

The following presents expenses by both their nature and function for the year ended June 30, 2018:

	<u>Clinical</u>	<u>Research</u>	<u>Education</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>TOTAL</u>
Salaries	\$ 716,071	\$169,724	\$49,683	\$3,738	\$185,881	\$1,125,097
Employee benefits	171,003	43,538	13,067	1,069	68,306	296,983
Supplies, drugs and other	301,461	39,324	3,094	586	72,863	417,328
Purchased services	66,035	44,979	2,345	734	102,363	216,456
Depreciation	62,091	32,870	78	207	34,164	129,410
Utilities	9,111	4,822	11	30	5,012	18,986
Interest	-	-	-	-	27,510	27,510
Enabling expenses	-	-	-	-	20,329	20,329
	<u>\$1,325,772</u>	<u>\$335,257</u>	<u>\$68,278</u>	<u>\$6,364</u>	<u>\$516,428</u>	<u>\$2,252,099</u>

(14) Fair Value of Financial Instruments –

The following methods and assumptions were used by Cincinnati Children's in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents – The carrying amounts reported in the Consolidated Balance Sheets approximate fair value.

Accounts Receivable and Accounts Payable – The carrying amounts reported in the Consolidated Balance Sheets approximate fair value because of the relative short maturity of these items.

Marketable Securities and Assets Limited As To Use – The carrying amounts reported in the Consolidated Balance Sheets approximate fair value. Management, with the assistance from the trustee holding the asset, determined the fair value based on published market prices.

(15) Subsequent Events –

In August 2019, Cincinnati Children's entered into a 10 year interest rate swap agreement whereby Cincinnati Children's pays a fixed rate of 1.38% on its \$102,350,000 variable rate 2018AA and 2018Z demand notes.

Management reviewed subsequent events through September 26, 2019, the date the consolidated financial statements were issued, noting no changes are required to the consolidated financial statements or footnotes.

Children's Hospital Medical Center and Affiliates  
 Supplementary Schedule of Expenditure of Federal Awards  
 For the Year Ended June 30, 2019

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Identifying Number	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp	
Department of Defense	Military Medical Research and Development	Investigating the Mechanisms of Leukemia Initiation in Mechanisms of nonalcoholic steatohepatitis				W81XWH1510344	12.420	\$ -	(22,000)	(22,000)	
						W81XWH1510370	12.420	-	335,266	335,266	
		IL-9-Producing Mast Cell Precursors and Food Allergy				University of Cincinnati	W81XWH1510517	12.420	4,558	69,465	251,268
							University of Michigan			177,244	
		Modelling and Targeting of Oncogenic Liability in Drug-R Identification of Novel Signaling Pathways in NF2					W81XWH1610028	12.420	-	164,842	164,842
							W81XWH1710152	12.420	-	76,528	76,528
		Schwann cell interactions with the neurofibroma microenv				University of Cincinnati	W81XWH1710289	12.420	-	410,099	410,099
							W81XWH1710666	12.420	18,451	408,071	426,523
		Therapeutic Benefit of Hsp90 Inhibition in Pulmonary Fib				Ohio State University	W81XWH1810269	12.420	28,199	136,823	165,021
							W81XWH1810615	12.420	-	45,440	45,440
		A Novel and Rapid System to CI					W81XWH1810677	12.420	-	140,893	140,893
							W81XWH1210155	12.420	-	14,892	14,892
		Novel Neuroimaging Assessments					W81XWH1210155	12.420	-	14,892	14,892
							W81XWH1210487	12.420	-	5,012	5,012
		Surviving and Thriving in the					W81XWH1710601	12.420	-	17,581	17,581
							W81XWH1720037	12.420	-	95,402	95,402
		A study of INFUSE Bone Graft in the treatment of Tibial A Phase II Trial on the Effect of Low-Dose versus High-D	University of Alabama-Birmingham			W81XWH-12-1-0155	W81XWH1210155	12.420	-	14,892	14,892
							W81XWH1210487	12.420	-	5,012	5,012
		Stathmin phosphorylation as a	University of Utah				W81XWH1710601	12.420	-	17,581	17,581
							W81XWH1710378	12.420	-	161,961	161,961
DoD Neurofibromatosis Clinical Consortium Award	University of Cincinnati			011138-002	W81XWH1710601	12.420	-	17,581	17,581		
					W81XWH1720037	12.420	-	95,402	95,402		
Ionic Mechanisms of Resistance to Immunotherapy in Head	University of Alabama-Birmingham			000516840-004-T001	W81XWH1710378	12.420	-	161,961	161,961		
<b>Military Medical Research and Development Total</b>								<b>228,452</b>	<b>2,060,277</b>	<b>2,288,729</b>	
Basic Scientific Research - Combating Weapons of Mass Destruction	BSVE Food System Surveillance		University of Minnesota	P006563901		HDTRA117C0076	12.351	-	8,738	8,738	
<b>Basic Scientific Research - Combating Weapons of Mass Destruction Total</b>								<b>8,738</b>	<b>8,738</b>	<b>8,738</b>	
<b>Department of Defense Total</b>								<b>228,452</b>	<b>2,069,015</b>	<b>2,297,467</b>	
Department of Education	Education Research, Development and Dissemination	Longitudinal Evaluation of the Impact of Sleep Problems	Virginia Commonwealth University	FP00000519_SAU		R305A160126	84.305	-	165,431	165,431	
<b>Education Research, Development and Dissemination Total</b>								<b>-</b>	<b>165,431</b>	<b>165,431</b>	
Research in Special Education	Sluggish Cognitive Tempo: Examining its Impact on Educat Teaching Academic Success Skill					R305A160064	84.324	-	316,408	316,408	
						R324A180053	84.324	-	211,150	211,150	
<b>Research in Special Education Total</b>								<b>-</b>	<b>527,558</b>	<b>527,558</b>	
<b>Department of Education Total</b>								<b>-</b>	<b>692,989</b>	<b>692,989</b>	
Department of Justice	Crime Victim Assistance	VOCA 2018 VOCA-Mayerson 2019 VOCA-Joining Forces for Childr VOCA-Forensic Nursing Program	Crime Victims Assistance Office Crime Victims Assistance Office Crime Victims Assistance Office Crime Victims Assistance Office	2018-VOCA-109309504 2019-VOCA-132135848 2019-VOCA-132135856 2019-VOCA-132136440		2018-VOCA-109309504	16.575	-	79,635	79,635	
						2019-VOCA-132135848	16.575	-	213,464	213,464	
<b>Crime Victim Assistance Total</b>								<b>-</b>	<b>777,946</b>	<b>777,946</b>	
National Institute of Justice Research, Evaluation, and Development Project Grants	Identifying and Embedding Brokers into a Multi-tiered System		Campbell County Schools	5NIJC		2016-CK-BX-0009	16.560	-	149,134	149,134	
<b>National Institute of Justice Research, Evaluation, and Development Project Grants Total</b>								<b>-</b>	<b>149,134</b>	<b>149,134</b>	
Office on Violence Against Women (OVW)	Project CARE		YWCA Greater Cincinnati	2017-UD-AX-0005-200		2017-UD-AX-0005-200	16.889	-	4,138	4,138	
<b>Office on Violence Against Women (OVW) Total</b>								<b>-</b>	<b>4,138</b>	<b>4,138</b>	
<b>Department of Justice Total</b>								<b>-</b>	<b>931,218</b>	<b>931,218</b>	
Department of Transportation	National Priority Safety Programs	Occupant Protection Regional Coordination for the OBB				03130014BB0118	20.616	-	487	487	
<b>National Priority Safety Programs Total</b>								<b>-</b>	<b>487</b>	<b>487</b>	
<b>Department of Transportation Total</b>								<b>-</b>	<b>487</b>	<b>487</b>	
National Science Foundation	Biological Sciences	NSF/MCB-BSF: Quantitative analysis and modeling of Not			University of Cincinnati	1715822	47.074	22,011	222,214	244,226	
<b>Biological Sciences Total</b>								<b>22,011</b>	<b>222,214</b>	<b>244,226</b>	
<b>National Science Foundation Total</b>								<b>22,011</b>	<b>222,214</b>	<b>244,226</b>	
Department of Energy	Artificial Intelligence Research	Artificial Intelligence/High Performance Computing	UT-Battelle, LLC	4000161117		DE-AC05-00OR22725	81.RD	-	25,562	25,562	
<b>Department of Energy Total</b>								<b>-</b>	<b>25,562</b>	<b>25,562</b>	
Department of Agriculture	Agriculture and Food Research Initiative (AFRI)	Universal Flu Vaccine by a Norovirus P Particle Platform	Ohio State University	60033189		20136701520479	10.310	-	15,840	15,840	
<b>Agriculture and Food Research Initiative (AFRI) Total</b>								<b>-</b>	<b>15,840</b>	<b>15,840</b>	
<b>Department of Agriculture Total</b>								<b>-</b>	<b>15,840</b>	<b>15,840</b>	
Dept of Health and Human Serv	Aging Research	Homeostasis and function of regulatory T cells in aging Metabolic alterations in age-associated dendritic cell d Role of skeletal muscle stem c			University of Cincinnati	R01AG033057	93.866	-	93,421	93,421	
						R01AG053498	93.866	28,308	545,961	574,269	
<b>Aging Research Total</b>								<b>40,116</b>	<b>1,152,971</b>	<b>1,193,087</b>	
Allergy, Immunology and Transplantation Research	Immunological identity redefined by genetically foreign A follicular regulatory subset of natural killer cells Metabolomics Evaluation of the Etiology of Pneumonia ORMDL3 Regulation of Dendritic Cells in Asthma Inpatient Asthma Care for Children: Adding a Place-Based Biomarkers and Risk Stratification in Pediatric Communit Genetic Linkage in Lupus Novel Vaccine Against Norovirus HSV latency and reactivation and the novel neuronal regu Epidemiologic Impact of HPV Vaccination Exploiting the DNA damage response to selectively sculpt Mucosal Protection Against HIV Generated by PIV5 Priming				University of Cincinnati	DP1AI131080	93.855	-	573,810	573,810	
						F31AI118179	93.855	-	(797)	(797)	
<b>Allergy, Immunology and Transplantation Research Total</b>								<b>232,320</b>	<b>1,393</b>	<b>1,393</b>	
Food Allergy and Goblet Cell Antigen Passages	Role of BCAP in Regulating Inflammation and Adaptive Immunity	L-citrulline and anti-tuberculosis host defense				R01AI112626	93.855	-	(1,393)	(1,393)	
						R01AI113125	93.855	-	341,098	341,098	
Maternal Regulatory T cell antigen-specificity	Innate Mechanisms of Regulation of Memory TH17 Cell	Genetic and Immunological Dissection of Eosinophilic Eso				R01AI116668	93.855	-	475,077	475,077	
						R01AI120202	93.855	-	267,999	267,999	
Functional immune tolerance to non-inherited maternal an	Role and Regulation of TSLP in Childhood Allergic Disease	Role of Aiolos in eosinophilic asthma				R01AI123176	93.855	-	316,488	316,488	
						R01AI124355	93.855	-	588,677	588,677	
The role of Tet1 in childhood asthma	Impact of prenatal HDM exposure in severely asthmatic mo	Human monoclonal antibodies against norovirus.				R01AI124657	93.855	-	440,183	440,183	
						R01AI127392	93.855	-	726,093	726,093	
Systemic immune modulation by enteric commensal fungi.	Direct interactions with HDL promote regulatory T cells	Characterization of a novel hematopoietic site				R01AI130033	93.855	-	432,494	432,494	
						R21AI119236	93.855	-	(19,120)	(19,120)	
Commensal fungi positively calibrate asthma susceptibili	Prevalence of P[6] and P[11] rotaviruses in developing c	Role of Gimap5 in T cell differentiation and asthma dev				R21AI119385	93.855	-	147,434	147,434	
						R21AI122132	93.855	-	37,460	37,460	
Mechanisms of LRBA-mediated control of CTLA4*	The molecular analysis of Gab3	Transition states in lineage specification				R21AI123089	93.855	-	(6,935)	(6,935)	
						R21AI128218	93.855	30,100	180,803	210,903	
Single cell analysis of transp	Targeted manipulation of the D	Therapeutic target discovery i				R21AI128445	93.855	-	160,152	160,152	
						R21AI128932	93.855	-	285,554	285,554	
Regulation of Gastrointestinal Eosinophils	Receptors of rotaviruses	Pathogenesis and therapeutic targeting of immune disorder				R21AI130631	93.855	42,026	106,058	148,084	
						R21AI131050	93.855	-	114,031	114,031	
Gene Reg as a Foundation for Autoimmune						R21AI132822	93.855	-	165,400	165,400	
						R21AI135380	93.855	-	164,845	164,845	
Gene Reg as a Foundation for Autoimmune						R21AI135595	93.855	-	95,883	95,883	
						R21AI142264	93.855	-	80,860	80,860	
Gene Reg as a Foundation for Autoimmune						R21AI142266	93.855	-	25,436	25,436	
						R21AI142704	93.855	-	114,555	114,555	
Gene Reg as a Foundation for Autoimmune						R37AI045898	93.855	-	469,952	469,952	
						R56AI114831	93.855	-	(23)	(23)	
Gene Reg as a Foundation for Autoimmune						T32AI118697	93.855	-	127,042	127,042	
						U01AI130830	93.855	173,682	1,435,261	2,057,444	
<b>Stanford University..</b>								<b>198,865</b>	<b>198,865</b>	<b>198,865</b>	
<b>The Scripps Research Inst</b>								<b>14,559</b>	<b>14,559</b>	<b>14,559</b>	
<b>University of Cincinnati</b>								<b>-</b>	<b>-</b>	<b>-</b>	



Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Identifying Number	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
					Children's Hosp Med Center of Akron			4,000		
					Children's Hospital of Philadelphia			4,000		
					CHOC Children's Hospital			3,000		
					Indiana University			500		
					Pennsylvania State University			1,000		
					University of Michigan			1,000		
					Vanderbilt University Medical Center			28,757		
					McMaster University			170		
		Endocytic Trafficking and Cell Signaling in Models of ARC Syndrome	University of Texas Southwestern	GMO180805		R01GM120196		93.859	-	197,613
		Growing Community Change Resea	University of Cincinnati	011577-004		R25GM129234		93.859	-	13,532
		Structure-Function Investigation of DAN-mediated BMP Ant	University of Cincinnati	009661-005		R01GM114640		93.859	-	8,786
		Duplex miR-223 and Exosomes in Sepsis	University of Cincinnati	009567-007		R01GM112930		93.859	-	10,883
		Growing Community Change Researchers in STEM	University of Cincinnati	011145-003		R25OD023763		93.859	-	1,736
		Mouse and Guinea Pig Models for Cytomegalovirus and Herp				HHSN27200003		93.RD	109,173	572,022
					Pennington Biomedical Research Center					661,195
										<b>6,638,223</b>
										<b>254,302</b>
										<b>6,383,922</b>
										<b>6,638,223</b>
	Blood Diseases and Resources Research	Scribble in hematopoietic stem cell activity				F31HL132468		93.839	-	37,531
		Identification of a novel population of hematopoietic pr				F31HL135986		93.839	-	4,607
		Impact of abnormal bone marrow endothelial niche on hem				F31HL136229		93.839	-	36,211
		Role of FA Proteins in Hematopoiesis				R01HL076712		93.839	-	434,918
		Fanconi Anemia as a Model for Susceptibility to Human Pa				R01HL108102		93.839	-	(3,154)
		The Role of MEIS1 in Hematopoiesis and Hematopoietic Tra				R01HL111192		93.839	-	(42,479)
		Mechanisms of granulocyte homeostasis				R01HL122661		93.839	-	301,781
		Blood stem cell aging and biomarker studies				R01HL134617		93.839	-	488,331
		Cellular crosstalk in the hematopoietic microenvironment				R01HL136529		93.839	37,716	349,014
		Normal and Pathological Hematopoietic Stem Cells in Obesity				R01HL141418		93.839	-	300,747
		Small molecules targeting RhoA				R01HL147536		93.839	-	63,372
		Decoding innate immune signaling in normal and myelodysp				R35HL135787		93.839	-	923,943
		Cincinnati Center of Excellence in Hemoglobinopathies Re				R01HL117709		93.839	2,229	224,695
		Realizing Effectiveness Across Continents with Hydroxyur				U01HL133883		93.839	16,914	951,894
										1,188,577
										54,618
										20,005
										54,591
										53,239
										18,531
										18,784
		Targeting the Plasminogen Acti				U01HL143403		93.839	63,981	204,289
										78,033
										115,957
		Endothelialized microfluidics for sickle cell disease	Emory University	T223869		R01HL121264		93.839	-	8,125
		DISPLACE: Dissemination and Implementation of Stroke Prev	Medical University of South Carolina	MUSC17-068-8C868		R01HL133896		93.839	-	42,598
		Darbepoetin for Increased Red Cell Mass and Neuroprotection	University of New Mexico	8C868		U01HL136318		93.839	-	18,329
		Improving outcomes in CF patie	Dartmouth College	R1069		R56HL139846		93.839	-	8,067
		Chronic thrombus ablation with	University of Chicago	FP066598-A		R01HL133334		93.839	-	24,900
										<b>4,872,372</b>
										<b>534,599</b>
										<b>4,337,773</b>
										<b>4,872,372</b>
	Cancer Biology Research	Exploiting proteotoxic stress in therapy-refractory HER2				R01CA193549		93.396	-	398,562
		Hemostatic Factors Drive Prostate Cancer Pathogenesis				R01CA193678		93.396	-	358,638
		A rapid spontaneous murine model of CN-AML				R01CA196658		93.396	60,461	411,977
										80,428
										75,668
		Coagulation factors as modifiers of the colon cancer mic				R01CA204058		93.396	-	337,977
		Leukemia stem cell polarity and differentiation therapy				R01CA204895		93.396	-	455,326
		Thrombin-dependent mechanisms of pancreatic ductal adeno				R01CA211098		93.396	156,156	177,043
		Mechanisms coupling DEK to oncogenesis				R01CA218072		93.396	-	338,867
		FA pathway activities in norma				R01CA223790		93.396	-	388,551
		The role of transcription elon				R01CA234038		93.396	-	19,695
		Pathogenic Role of Foxl1 Hepa				R37CA225807		93.396	-	126,243
		Therapeutic insights through patient derived leukemia xe				R50CA211404		93.396	-	183,183
		Hypoxia and Potassium Channel Activity in T Lymphocytes	University of Cincinnati	009794-004		R01CA095286		93.396	-	(768)
		Molecular and Cellular Mechanisms of Chronic Myelomonocy	University of Wisconsin-Madison	731K430		R01CA152108		93.396	-	16,511
										<b>3,584,520</b>
										<b>372,714</b>
										<b>3,211,806</b>
										<b>3,584,520</b>
	Cancer Cause and Prevention Research	Role and Regulation of the Human DEK Proto-Oncogene				R01CA116316		93.393	-	(11,915)
		Unbiased identification of spl				R01CA228802		93.393	2,342	414,186
		Strengthening epidermal defense				R01CA228113		93.393	-	157,127
		ELSI issues in unregulated health research using mobile devices	University of Louisville	ULRF16-1486-01		R01CA207538		93.393	-	45,605
		Instructive role of MLL fusion proteins in lineage deter	University of Chicago	FP064422-01		R01CA215504		93.393	-	458,618
		Research Into Visual Endpoints	Vanderbilt University	VUMV67585		R01CA225005		93.393	-	21,041
										<b>1,084,663</b>
										<b>2,342</b>
										<b>1,087,005</b>
	Cancer Research Manpower	Patient Preferences and Adherence in Adolescents and You				K07CA200668		93.398	310	144,286
		Novel mechanisms and therapeutic strategies of refractor				F31CA217140		93.398	-	63,049
		Unrestricted A20 activity in a				F32CA232402		93.398	-	24,277
		Training programs in cancer therapeutics	University of Cincinnati	1014415		T32CA117846		93.398	-	145,172
										<b>377,095</b>
										<b>310</b>
										<b>376,784</b>
										<b>377,095</b>
	Cancer Treatment Research	Improved therapeutic approaches for hematological disord				R01CA155091		93.395	-	77
		Nonadherence: Undermining health outcomes in pediatric H				R01CA157460		93.395	-	109,328
		Assessing the Therapeutic Window for Future Anti-Notch D				R01CA163653		93.395	-	11,703
		Targeting Cdc42 for bone marrow transplant therapies				R01CA193350		93.395	-	289,443
		Linked regulation of tumor angiogenesis and chemo-resist				R01CA207068		93.395	-	315,759
		Mechanism of non-oncogene addiction				R01CA211594		93.395	-	265,740
		Automated Activities of Daily Living (ADL) Adherence System				R21CA223503		93.395	-	138,523
		Targeted Inhibition in Triple				R21CA229930		93.395	-	92,097
		Scientific Leadership NCTN grant	Children's Hospital of Philadelphia	9500080217-XX		U10CA180886		93.395	-	(49,053)
		Targeting TET1 signaling to treat acute myeloid leukemia	City of Hope	60677.2004668.669301		R01CA211614		93.395	-	61,350
		Transporters and hematopoietic toxicity	St. Jude's Children's Hospital	112128020-7768611		R01CA194206		93.395	-	26,193
		Childhood Cancer Survivor Study	St. Jude's Children's Hospital	111287240-7798423		U24CA055727		93.395	-	210,868
		Pediatric Brain Tumor Consortium (PBTC)	St. Jude's Children's Hospital	110068200-7815628		UM1CA081457		93.395	-	69,714
		Innovative Pain and Symptom Ma	University of California	2018-3581		R01CA222012		93.395	-	15,669
										<b>1,557,412</b>
										<b>1,557,412</b>
	Cardiovascular Diseases Research	Cardiovascular Impact of Gata4 Loss in the c-Kit Lineage				F30HL137239		93.837	-	26,088
		Aberrant Ubiquitin Editing in the Pathogenesis of Myeloi				F31HL132420		93.837	-	13,750
										<b>26,088</b>
										<b>13,750</b>
		Nr2f1a suppresses bulbous arte				F31HL147399		93.837	-	3,532
		Defining the mechanisms MEK1/2 and ERK1/2 signal				F32HL138747		93.837	-	58,433
		Pathogenesis of Inherited Myel				F32HL143993		93.837	-	69,748
		Cela1 Mediates Stretch-regulated Elastin Remodeling Duri				K08HL131261		93.837	-	139,537
		The Role of PPARa in Cardiac Dysfunction in Sepsis				K08HL133377		93.837	-	194,534
		A genetic and molecular approa				K08HL143177		93.837	-	17,888
		Omics of Lung Diseases				K12HL119896		93.837	-	79,678
		Understanding the Role of HDL Subspecies in Adolescents				K23HL118132		93.837	-	131,575
		Therapeutic Response Evaluation and Adherence Trial: A P				K23HL128885		93.837	-	160,895
		Preventing rapid decline in CF: statistical research car				K25HL125954		93.837	-	175,578
		The role of palmitoylation in cardiac signal transduction				K99HL136695		93.837	-	125,684
		Signaling Processes Underlying Cardiovascular Function				P01HL069779		93.837	45,675	112,684
		Time-Resolved 129Xe Ventilation-Perfusion MRI in Models				R00HL111217		93.837	-	151,633
		Molecular pathways controlling				R01HL060562		93.837	-	377,351
		Pathogenesis-Based Diagnostics and Pharmacotherapeutics				R01HL085453		93.837	-	444,389
		Thrombospondin 4 regulates adaptive ER stress response				R01HL105924		93.837	-	301,306
		A Network-based Approach to Associate HDL Subspeciation				R01HL111829		93.837	-	(19,265)
		Coupling dependent mechanisms of ventricular and hemangio				R01HL112893		93.837	-	161,570
		Genetics, Mechanisms and Clinical Phenotypes of Arrhythm				R01HL116906		93.837	39,791	63,766
										240
										1,040
										5,800
										130,861

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Identifying Number	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
					University of Arizona			98,125		
					University of Pennsylvania			11,850		
					Tufts Medical Center			6,120		
					University of Rochester			334,938		
					University of Tennessee			122,126		
		Venous Malformations (VM): A Murine Model to Identify Childhood CV Risk and Adult CVD Outcomes: an Internation				R01HL117952	93.837	-	115,943	115,943
						R01HL121230	93.837	402,675	836,383	2,466,319
					University of Minnesota			474,798		
					University of Cincinnati			52,700		
					University of Iowa			522,691		
					University of Tasmania			93,760		
					University of Turku			83,312		
		Small molecule targeting of MLK3 for heart failure				R01HL129772	93.837	-	(817,421)	(817,421)
		Role of GPR116 in Alveolar Homeostasis			University of Cincinnati			22,912	408,185	431,097
		Hippo Signaling in Heart Development and Repair				R01HL132211	93.837	-	306,329	306,329
		Unraveling ancestry and environmental exposure interact			University of Cincinnati			26,564	418,647	445,211
		Targeting Gβγ-GRK2 signaling in fibrotic remodeling				R01HL132344	93.837	-	158,395	158,395
		Molecular examination of mitochondrial calcium control			University of California			371,686	461,089	832,775
		Targeting Foxm1 in pulmonary fibrosis				R01HL132831	93.837	-	379,254	379,254
		Targeting pathologic G-protein signaling in cardiac and				R01HL132849	93.837	-	307,552	307,552
		Deficiency of Phospholipid Transfer Protein, a driver of				R01HL134186	93.837	-	504,232	504,232
		Targeting fibronectin in cardiac remodeling and fibrosis				R01HL134312	93.837	-	220,170	220,170
		The role of Collagen COL22A1 in intracranial aneurysms a			Indiana University			3,280	453,088	464,054
					University of Cincinnati			7,685		
		Regulatory mechanisms of adult cardiomyocyte proliferati				R01HL135848	93.837	-	331,916	331,916
		Molecular mechanisms of atrial development and regenerat				R01HL137766	93.837	-	386,233	386,233
		Retinoic acid-dependent epigenetic and transcriptional mech				R01HL141186	93.837	-	439,050	439,050
		Cela1 in Lung Development and Disease				R01HL141229	93.837	-	499,633	499,633
		Predictive Molecular Markers o				R01HL142210	93.837	-	2,650	2,650
		Cardiac fibroblasts in postnat				R01HL142217	93.837	-	754,961	754,961
		Mechanisms of Congenital Heart Valve Disease				R01HL143881	93.837	-	451,617	451,617
		MRI Phenotyping of Early BPD a				R01HL146689	93.837	-	47,146	47,146
		Molecular basis of dorsal-ventral patterning of the cond				R03HL133420	93.837	-	13,383	13,383
		Ancestry-Environmental Exposure Interactions and Asthma				R03HL133713	93.837	-	52,221	52,221
		A Novel Mouse Model of Eosinophilic Vasculitis with Card				R21HL135507	93.837	-	140,464	140,464
		National Biological Sample and Data Repository for PAH				R24HL105333	93.837	-	313,957	313,957
		Molecular pathways controlling cardiac gene expression				R37HL060562	93.837	-	4,287	4,287
		Understanding Cardiovascular Disease Mechanisms				T32HL125204	93.837	-	263,681	263,681
		Cincinnati Children's Summer Medical Student Respiratory				T35HL113229	93.837	-	64,081	64,081
		Administrative Coordinating Center: Cardiovascular Devel			Children's Hospital Boston			126,756	5,779,382	7,378,276
					Children's Hospital of Philadelphia			189,325		
					Columbia University			94,694		
					Harvard College			68,906		
					J David Gladstone Institutes			95,197		
					Mount Sinai School of Medicine			65,244		
					University of California			536,457		
					University of Utah			305,840		
					Yale University			116,476		
		RLDC: Molecular Pathway-Driven Diagnostics & Therapeutic			Columbia University			18,529	332,449	685,745
					University of California			36,506		
					University of Cincinnati			130,049		
					University of South Florida			39,541		
					Vanderbilt University			128,671		
					Indiana University			157,091		
		Pediatric Heart Network PrairieLand Consortium				UG1HL135678	93.837	-	216,587	373,678
		Molecular mechanisms underlying				R01HL044774	93.837	-	77,805	77,805
		Autophagy and mTORC1 signaling	University of Cincinnati	011762-002		R01HL073394	93.837	-	31,102	31,102
		Novel Biomarkers in Cardiac Surgery to Detect Acute Kidn	Yale University	M17A1246 (A11073)		R01HL085757	93.837	-	5,771	5,771
		Cardiac Biomarkers in Pediatric Cardiomyopathy	Wayne State University	WSU14110-A1		R01HL109090	93.837	-	438	438
		Genotype-Phenotype Associations in Pediatric Cardiomyopa	Wayne State University	WSU15066-A1		R01HL111459	93.837	-	(2,630)	(2,630)
		Mechanisms of Refractory Hypertension	University of Alabama-Birmingham	000502641-001		R01HL113004	93.837	-	(6,755)	(6,755)
		Understanding Quality & Costs in Congenital Heart Surgery	University of Michigan	3003050899		R01HL122261	93.837	-	20,119	20,119
		Identifying Therapeutic Targets for RNA Splicing-Related	The J. David Gladstone Institute	R2248-A		R01HL130533	93.837	-	79,712	79,712
		Functional Impact of Col18a1/Endostatin Variants in PAH	Johns Hopkins School of Med	2003336003		R01HL132153	93.837	-	32,612	32,612
		Paracrine hypothesis underlying cardiac stem cell therap	Temple University	258578		R01HL132391	93.837	-	390,241	390,241
		Clinical and mechanistic role of HDGF in pulmonary hyper	Johns Hopkins School of Med	2003274979		R01HL135114	93.837	-	34,614	34,614
		Autologous Cardiomyocytes from Masseter Muscles	University of Cincinnati	010790-003		R01HL136025	93.837	-	16,880	16,880
		Circadian Rhythms and Interna	University of Massachusetts	19-010568 A00		R01HL138551	93.837	-	119,704	119,704
		Characterizing the formation a	University of Texas Southwestern	GMO 190108		R01HL144793	93.837	-	10,764	10,764
		Combined flow pulsations and	Cleveland Clinic Lerner Coll of Med	1114-SUB		U54HL119810	93.837	-	46,089	46,089
		Multicenter Interventional Lymphangiomeiomyomatosis Earl	University of Cincinnati	010575-005		U01HL131755	93.837	-	84,464	84,464
		Online Single Cell Visualizati	University of Maryland (Baltimore)	1701192		U24HL134763	93.837	-	12,216	12,216
		Liver stiffness in Patients wi	New England Research Institutes	0001315		U24HL135691	93.837	-	203,464	203,464
		GMP Vector Production for Gene	Cleveland Clinic Lerner Coll of Med	987-SUB		U54HL119810	93.837	-	209,672	209,672
		Data Coordination and Integration Center for LINCS-BD2K	Icahn School of Medicine @ Mt Sinai	0255-7885-4609		U54HL127624	93.837	-	27,544	27,544
		Repurposing Barasertib for the	Cleveland Clinic Lerner Coll of Med	1087-SUB		U54HL119810	93.837	-	144,546	144,546
						<b>Cardiovascular Diseases Research Total</b>		<b>4,967,912</b>	<b>18,174,263</b>	<b>23,142,175</b>
Child Health and Human Development Extramural Research		Online Family Based Problem Solving after Pediatric Trau				F32HD088011	93.865	-	27,143	27,143
		Role of commensal bacteria in regulating neutrophil-medi				K08HD084686	93.865	-	140,072	140,072
		Pediatric Scientist Development Program (K12) 2017-2022			Children's Hospital Boston			212,893	126,530	1,315,078
					Children's Hospital of Philadelphia			132,613		
					Columbia University			95,580		
					Duke University			89,037		
					Indiana University			98,488		
					Stanford University			15,183		
					University of California			412,913		
					University of Colorado			99,274		
					Washington University			32,567		
		Child Health Res Career Dev Award (CHRCDA) Prog (K12)				K12HD028827	93.865	-	546,453	546,453
		Surviving and Thriving in the				K23HD094855	93.865	-	83,945	83,945
		Physician Attitudes toward New Biomedical HIV Prevention				K23HD072807	93.865	-	63,765	63,765
		Decreasing teen STI prevalence through universal emergen				K23HD075751	93.865	-	19,393	19,393
		Morphine Pharmacogenomics to Predict Risk of Respiratory				K23HD082762	93.865	-	116,803	116,803
		Developmental Mechanisms of Trachea-Esophageal Birth			Columbia University			196,747	1,033,312	1,230,059
		Xenbase: The Xenopus model organism database			University of Calgary			763,017	993,933	1,756,950
		Molecular signaling in uterine receptivity to implantati				R01HD064556	93.865	-	404,652	404,652
		Engaging Fathers in Home Visitation: Incorporation of a				R01HD068524	93.865	-	2,236	42,318
		Initiation and Progression of Preterm Lung Injury			Pennsylvania State University			40,081	(4,158)	(4,158)
		Supporting Treatment Adherence Regimens in Pediatric Epi			Saint Louis University			-	162,918	162,918
		Abused and non-abused females' high-risk online behavior				R01HD073115	93.865	-	(9,417)	(9,417)
		Bone Mineral Accretion in Young Children				R01HD073130	93.865	-	294,459	397,944
					Children's Hospital of Philadelphia			91,849		
					University of California			5,957		
					University of Hawaii			5,679		
		Maternal temperament, stress, and inflammation in preter				R01HD078127	93.865	-	30,041	30,041
		Roles of STAT5b in IGF-1 Production and Human Growth				R01HD078592	93.865	-	226,199	226,199
		An Intervention to Reduce SHS Exposure among Pediatric			San Diego St. University			11,931	657,171	710,350
					University of Arizona			41,248		
		Improving ADHD Teen Driving by Targeting Visual Inattent			Saint Louis University			12,962	531,116	582,962
					University of Massachusetts Boston			38,884		
		The role of executive functions in reading and reading			Washington University			53,763	297,719	454,630
					Technion Research & Development Found.			103,148		
		Harnessing "omics": A Systems Biology approach to discov			Institute for Systems Biology			262,079	112,156	374,235
		Impact of Emergency Department				R01HD071915	93.865	-	123,486	123,486
		Identifying Pharmacogenomic Predictors of Methotrexate R			Children's Mercy Hospital			109,909	365,887	482,125
					Wake Forest Univ School of Med			6,330		
		FA DDR Pathway in Germine Integrity				R01HD089932	93.865	-	394,804	394,804
		Placental-specific therapy for fetal growth restriction				R01HD090657	93.865	-	418,536	418,536
		Exploration of the genetic bas				R01HD092989	93.865	-	267,519	267,519
		Cognitive Outcome Measures in			Colorado State University			43,230	215,503	258,733

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Identifying Number	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Exploring vascular-mesenchymal Dosing and Pilot Efficacy of 2			Connecticut Childrens Medical Ctr	R01HD094698	93.865	-	129,474	129,474
					University of Cincinnati..	R01HD094862	93.865	29,792	217,840	279,713
		Role of Cholesterol Biosynthesis			University of Cincinnati..	R03HD094882	93.865	29,157	49,995	79,151
		The effects of Methylphenidate				R03HD097689	93.865	-	18,520	18,520
		Treatment of sleep disturbances in school-age children w				R21HD082307	93.865	-	2,882	2,882
		Web-based Intervention to Improve Executive Functioning				R21HD083335	93.865	-	60,525	60,525
		1SCThrive: Improving Self-Management in Adolescents				R21HD084810	93.865	-	(4,655)	(4,655)
		Novel eMedicine Self-Management Program for Youth			University of Cincinnati	R21HD087844	93.865	57,514	163,410	220,924
		Pediatric TBI Treatments: Optimal Timing, Targets,			Case Western Reserve University	R21HD089076	93.865	2,406	68,429	79,417
					Ohio State University			8,582		
		Deletion of CRH Expression in Rhesus Placenta			University of California	R21HD090196	93.865	141,738	45,067	186,806
		Teaching Academic Success Skills to Middle School studen				R21HD090334	93.865	-	204,371	204,371
		Novel therapeutic target for intrauterine inflammation			University of California	R21HD090856	93.865	52,396	125,753	178,149
		ADAMTS6 in Craniofacial and Skeletal Development				R21HD091263	93.865	-	189,963	189,963
		PCSK9 and Pediatric Sepsis-Rel				R21HD092896	93.865	-	161,400	161,400
		Mechanism-targeted treatment			Dartmouth College	R21HD093033	93.865	20,582	216,225	236,807
		Early Prediction of Cognitive D				R21HD094085	93.865	-	181,270	181,270
		Human-animal interaction to pr				R21HD095132	93.865	-	125,530	125,530
		Neonatal PBPK-PD Modeling of				R21HD095418	93.865	-	200,337	200,337
		Driving Skills of Adolescents				R21HD096014	93.865	-	20,022	20,022
		Prediction of Fetal Maturity a				R21HD096256	93.865	-	21,131	21,131
		Pluripotent Stem Cell-derived				R21HD098417	93.865	-	23,975	23,975
		Enhancing Pediatric Treat Adh and Health Outco				T32HD068223	93.865	-	260,348	260,348
		Cincinnati Pediatric Clinical Pharmacology Postdoctoral				T32HD069054	93.865	-	308,634	308,634
		NICHD Coop Multicenter Neonatal Research Network				UG1HD027853	93.865	-	321,144	321,144
		Deciphering the gene reg network controlling vert	University of California	2013-2975		R01HD073179	93.865	-	(125)	(125)
		Long-Term Outcomes of Interven	Oklahoma State University	1-571918-CHMC		R01HD074579	93.865	-	22,315	22,315
		RNA Biosignatures: Mgmt of Young Febrile Infants	University of Michigan	3004685883		R01HD085233	93.865	-	61,929	61,929
		Decision-Making for Patients Born with differences	University of Michigan	304425008		R01HD086583	93.865	-	109,543	109,543
		PED Screen: Pediatric Sepsis EHR Registry, Clinical	Northwestern University	60046347 CCHMC		R01HD087363	93.865	-	58,063	58,063
		Pharmacogenetics of Oxycodone,	Indiana University Health	IN4682013CCH		R01HD089458	93.865	-	29,197	29,197
		VIRTUUS Children's Study: Injury to the Renal Transp	Children's Hospital of Philadelphia	3200880522		R01HD091185	93.865	-	19,754	19,754
		Development and Testing of a P	Nationwide Children's Hospital	700171-0719-09		R01HD091347	93.865	-	17,784	17,784
		Disorders/Differences of Sex D	University of Michigan	SUBK00008039		R01HD093450	93.865	-	25,635	25,635
		CES1 Genetic Variation Influen	University of Florida	SUB00001726		R01HD093612	93.865	-	35,151	35,151
		A multicenter collaborative cl	Children's National Medical Center	30004927-01		R01HD093622	93.865	-	21,169	21,169
		Early Childhood Communication	University of California-Davis	A19-0460-S002		R01HD093654	93.865	-	138,783	138,783
		High-Intensity Interval Traini	University of Cincinnati	011445-02		R01HD093694	93.865	-	35,193	35,193
		Improving the Detection of ST	Children's National Medical Center	30004942-05		R01HD094213	93.865	-	98,671	98,671
		Pharmacological targeting Cdc4	University of Cincinnati	011742-002		R03HD094236	93.865	-	26,069	26,069
		Pre-conception obesity "programs" placenta function	University of Cincinnati	010399-003		R21HD087536	93.865	-	2,828	2,828
		Pediatric Injury: Modules to M	University of Utah	1046978		R24HD096350	93.865	-	77,666	77,666
		A novel RF coil and incubator	NeoView Inc	NeoView - Dumoulin,C		R41HD097879	93.865	-	60,802	60,802
		Multimedia Prog for Families Impacted by the Challeng	Assistech Systems, LLC	R44HD059255		R44HD059255	93.865	-	35,000	35,000
		Pediatric HIV/AIDS Cohort Study (PHACS 3)	Tulane University	TUL-HSC-555755-17		U01HD052104	93.865	-	18,903	18,903
		Sterol and Isoprenoid Diseases Rare Dis Consortium	University of Nebraska	34-5321-2003-010		U54HD061939	93.865	-	15,605	15,605
		Mech of Neocortical and Sensory Hyperexcitability	University of Cincinnati	010212-006		U54HD082008	93.865	-	440,099	440,099
		NBS1RN: Newborn Screening Transl Res Network	Amer College of Med Genetics F-dn	HHSN275201300011C		HHSN275201300011C	93.865	-	170,760	170,760
								<b>3,349,609</b>	<b>12,274,561</b>	<b>15,624,170</b>
	Developmental Disabilities Basic Support and Advocacy Grants	Healthy Lifestyles for People with Disabilities			Ohio State University	1801OHBSD	93.630	52,500	51,830	159,330
					University of Illinois at Chicago			40,000		
					University of Iowa			15,000		
		Opioid Training	University of Wyoming	1004181-NCA		HHSP233201600066C	93.RD	-	16,620	16,620
								<b>107,500</b>	<b>68,450</b>	<b>175,950</b>
	Diabetes, Digestive, and Kidney Diseases Extramural Research	Role of nuclear IL-33 in mucosal inflammation				F30DK109573	93.847	-	(1,008)	(1,008)
		Development and Disease of the				F31DK118823	93.847	-	34,399	34,399
		The role of retinoic acid sign				F31DK120164	93.847	-	24,615	24,615
		Wnt/PCP Signaling in the Intestinal Epithelium				K01DK101618	93.847	-	(398)	(398)
		Basis of Epithelial Defects in Crohn's Disease Patients				K01DK109081	93.847	-	131,910	131,910
		Th2 Cytokines and Signaling in Pediatric Inflammatory Bo				K23DK094832	93.847	-	(172)	(172)
		Therapeutic Monitoring and Targeting of Neutrophil Actv				K23DK105229	93.847	-	152,171	152,171
		Predicting Severity and Improv				K23DK118190	93.847	-	184,877	184,877
		*Human in vivo model to study the role of a functional				K99DK110414	93.847	-	33,006	33,006
		Digestive Health Center: Bench to Bedside Research				P30DK078392	93.847	-	1,259,231	1,259,231
		Personalized Cystic Fibrosis T			University of Cincinnati..	P30DK117467	93.847	17,421	938,984	956,406
		Critical Translational Studies in Pediatric Nephrology			University of Alabama at Birmingham	P50DK096418	93.847	27,730	638,906	666,636
		Immunologic Dysfunction in Bil				R01DK064008	93.847	-	586,345	586,345
		Self-Management of Type 1 Diabetes During Adolescence			Nemours Children's Clinic	R01DK069486	93.847	32,085	187,455	252,712
					Stanford University			12,352		
					University of Miami			20,820		
		Molecular basis of digestive system develop in Xenop				R01DK070858	93.847	-	31,065	31,065
		Adolescent Bariatric Surgery: Weight and Psychosocial			Sanford Research North	R01DK080020	93.847	26,025	473,152	499,177
		Inhibition of an Apical cAMP/c				R01DK080834	93.847	-	377,442	377,442
		Biological Basis of Phenotypes and Clinical Outcomes in				R01DK083781	93.847	-	441,173	441,173
		Clinic and Home Family Based Behavioral Treatment				R01DK091251	93.847	-	(12,528)	(12,528)
		Genetic basis of virus induced				R01DK091566	93.847	-	55,833	55,833
		Human Endocrine Cell Development				R01DK092456	93.847	-	(12,475)	(12,475)
		LPA2 receptor-containing complexes in regulating secreto				R01DK093045	93.847	-	451,106	451,106
		The Role of Regulatory T Cells in Biliary Atresia				R01DK095001	93.847	-	(2,497)	(2,497)
		Single Cell/RNA-Seq dissection of Human iPS cell develop				R01DK098350	93.847	-	(5,072)	(5,072)
		Immunopathogenesis of Non-alcoholic Fatty Liver Disease				R01DK099222	93.847	-	279,101	279,101
		Recombining based analysis of Hox function in kidney				R01DK099995	93.847	-	20,595	20,595
		Cell Fate Regulation of Nephron Progenitors				R01DK100315	93.847	-	150,881	150,881
		Outcome of NASH in Adolescents after Bariatric Surgery				R01DK100429	93.847	-	424,462	424,462
		NAFLD: Mechanisms and Treatments				R01DK102597	93.847	-	160,638	160,638
		Molecular Pathogenesis of MDS				R01DK102759	93.847	-	17,362	17,362
		Regulation of hematopoietic stem cell self-renewal by GT			Indiana University	R01DK102890	93.847	17,309	402,259	419,568
		Cdc42, hematopoietic stem cell polarity, and cell fate				R01DK104814	93.847	-	625,008	625,008
		Role of the Hypoxia-Inducible Factor-1alpha in Myelodysp				R01DK105014	93.847	-	367,233	367,233
		The Mechanism Regulating Renal Progenitor Aging				R01DK106225	93.847	-	455,519	455,519
		Mechanisms of genetic risk at 2p23 in Eosinophilic Esoph				R01DK107502	93.847	-	362,350	362,350
		Role of Hepatic RNA Silencing in Insulin Resistance and				R01DK107530	93.847	-	306,908	306,908
		Building a functional biliary system from hepatocytes			University of California	R01DK107553	93.847	69,492	247,616	317,108
		Level and timing of diabetic hyperglycemia in utero: the			Case Western Reserve University	R01DK109956	93.847	1,629	677,111	684,948
					MedStar Health Res Institute, Inc			6,208		
		Fibrin(ogen) control of metabo				R01DK112778	93.847	-	26,029	26,029
		Targeting IRAK1/4 in Myelodysplastic Syndromes				R01DK113639	93.847	-	671,381	671,381
		Epigenomic control of antimicrobial immunity in the intestine			University of Cincinnati..	R01DK114123	93.847	14,639	280,544	295,183
		Host integration of commensal				R01DK116868	93.847	-	302,466	302,466
		Type 2 cytokines and innate ly				R01DK117119	93.847	-	431,413	431,413
		Molecular targets in cholestas				R01DK117266	93.847	-	215,731	215,731
		Manipulating DNA Damage-respon				R01DK117632	93.847	-	207,666	207,666
		Retinoic acid gene regulatory				R01DK120847	93.847	-	70,205	70,205
		Impact of ST2 signaling and IBD risk variants on the int				R03DK110487	93.847	-	2,218	2,218
		Pharmacokinetic Evaluation to				R03DK118314	93.847	-	60,204	60,204
		Early MRI Prediction of Respon				R21DK114657	93.847	-	155,068	155,068
		Enhancing effectiveness of exi			Spectrum Health Hospitals	R34DK118510	93.847	40,415	130,383	180,510
					University of Minnesota			9,712		
		Human Enteroids, Colonoids, and iPSC derived HIO's to st				R56DK112321	93.847	-	45,043	45,043
		Research Training in Pediatric Nephrology				T32DK007695	93.847	-	144,744	144,744
		Pediatric Gastroenterology and Nutrition Training Grant				T32DK007727	93.847	-	393,374	393,374
		Research Training in Child Beh				T32DK063929				

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Identifying Number	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Search Nutrition Ancillary Study 2	University of Cincinnati	009206-008	University of Illinois at Chicago	R01DK077949	93.847	1,468	325	325
		The role of Hedgehog Signaling in gastric tissue repair	University of Cincinnati	010446-009		R01DK083402	93.847	-	38,154	38,154
		Causes and Consequences of Neutrophil Dysfunction in Ear	Emory University	T660056		R01DK098231	93.847	-	171,760	171,760
		NAFLD Improvement after Bariatric Surgery: The role	Children's Hospital Los Angeles	RGF010633-A		R01DK100314	93.847	-	49,563	49,563
		Recombinant Erythropoietin Protects Against Kidney disease	Children's Hosp & Reg Med Ct-Seattle	11111SUB		R01DK103608	93.847	-	27,400	27,400
		Mechanistic and therapeutic role of the CD137-CD137L axis	University of Cincinnati	010459-003		R01DK107541	93.847	-	14,635	14,635
		Nonlinear Ultrasound: an Imaging Biomarker of Intestinal	University of Michigan	3004067897		R01DK109032	93.847	-	210,125	210,125
		Advancing Treatment for Pancreatitis: A Prospective Obse	University of Minnesota	N005115002		R01DK109124	93.847	-	158	158
		Negative regulation of Jagged1 by glycosylation: towards	Baylor College of Medicine	700000253		R01DK109982	93.847	-	74,936	74,936
		Roles of circadian rhythms in	University of Cincinnati	011798-002		R01DK117005	93.847	-	7,084	7,084
		TODAY2 Phase 2 (T2P2): Long-Term Post-Intervention Follo	George Washington University	14-D05		U01DK061230	93.847	-	54,475	54,475
		Clinical Research Network in NASH	Cleveland Clin Lerner Col of Med	No U01DK061732		U01DK061732	93.847	-	223,487	223,487
		CKID IV (patient care and sala	Children's Mercy Hospital	18-0007		U01DK066143	93.847	-	49,890	49,890
		A Multi-Center Group to Study Acute Liver Failure in	University of Pittsburgh	0019927 (124826-11)		U01DK072146	93.847	-	13,675	13,675
		Progression of Acute Kidney Injury to Chronic Kidney Dis	Yale University	GR101308 (CON-80000977)		U01DK082185	93.847	-	1,248	1,248
		Predicting Response to Standardized Pediatric Colitis Th	Connecticut Children's Med Center	18-179296-01		U01DK095745	93.847	-	(1,353)	(1,353)
		Using cold active proteases for single cell dissociation	University of Southern California	84057268		U01DK107350	93.847	-	16,044	16,044
		Generating an atlas of the developing human urinary outflow	Columbia University	1(GG011863-03)		U01DK110803	93.847	-	31,636	31,636
		Auto and neuromodulatory lineages in the dev lower urinary	Vanderbilt University	VUMC80016		U01DK110804	93.847	-	93,538	93,538
		iMALT - Intervention to Improve Medication Adherence aft	Icahn School of Medicine at Mt Sinai	0255-2172-4609		U34DK112681	93.847	-	2,732	2,732
		FL3X: An Adaptive Intervention to Improve Outcomes	University of North Carolina	5-33709		UC4DK101132	93.847	-	14,317	14,317
		Limited Competition for the Continuation of the SEARCH f	Wake Forest University	WFUHS114580		UC4DK108175	93.847	-	562,877	562,877
		Teen Longitudinal Assessment of Bariatric Surgery (Teen-LAB)	University of Colorado	FV 18.896.002		UM1DK072493	93.847	-	481,983	481,983
		Teen Longitudinal Assessment of Bariatric Surgery (Teen-	University of Cincinnati	UM1DK095710		UM1DK095710	93.847	-	717,587	717,587
					<b>Diabetes, Digestive, and Kidney Diseases Extramural Research Total</b>			<b>406,915</b>	<b>17,980,670</b>	<b>18,387,585</b>
Disabilities Prevention		Improving the Health of Ohioans with Mobility Limitation	Ohio State University	60065803		NU27DD000015	93.184	-	68,873	68,873
					<b>Disabilities Prevention Total</b>			<b>-</b>	<b>68,873</b>	<b>68,873</b>
Discovery and Applied Research for Tech Innovations to Improve Human Health		Targeting Vector Interactome to Enhance CFTR Delivery	Children's National Medical Center	30004680-03		R21EB023800	93.286	-	172,028	172,028
		MRI Compatible Robot for Impro	Johns Hopkins University	2004018575		R01EB025179	93.286	-	93,952	93,952
		Center for Point-of-care Technologies Research for Sexua				U54EB007958	93.286	-	50,287	50,287
					<b>Discovery and Applied Research for Technological Innovations to Improve Human Health Total</b>			<b>-</b>	<b>316,267</b>	<b>316,267</b>
Drug Abuse and Addiction Research Programs		A revolutionary approach to an efficacious HIV vaccine				DP1DA038017	93.279	-	406,948	406,948
		Using Administrative and Clinical Data to Detect Drug Us				K01DA041620	93.279	-	185,380	185,380
		Endocannabinoid Signaling during Early Pregnancy			Indiana University	R01DA006668	93.279	27,857	408,771	436,628
		Tracking Adolescents After Bariatric Surgery; Substance,				R01DA033415	93.279	-	(17,027)	(17,027)
		Reducing Secondhand Smoke exp Among Pediatric Patients	University of Cincinnati	011088-002		K01DA044313	93.279	-	14,561	14,561
		Ohio Valley Node-Network (OVNN)	University of Cincinnati	009942-023		UG1DA013732	93.279	-	19,804	19,804
					<b>Drug Abuse and Addiction Research Programs Total</b>			<b>27,857</b>	<b>1,018,436</b>	<b>1,046,293</b>
Emergency Medical Services for Children		EMS for Children: Pediatric Emergency Care Applied Resea			Medical College of Wisconsin	15U03MC22684	93.127	49,222	358,899	528,139
					Washington University			120,018		
					<b>Emergency Medical Services for Children Total</b>			<b>169,240</b>	<b>358,899</b>	<b>528,139</b>
Environmental Health		Neurobehavioral and Neuroimaging Effects of Traffic Expo				R01ES019890	93.113	-	20,567	20,567
		Internalizing Behaviors and Neuroimaging Outcomes: Impa			University of Cincinnati	R01ES027224	93.113	23,013	325,980	348,993
		Contribution of Thirdhand Smoke to Overall Tobacco Smoke			San Diego State University	R01ES027815	93.113	168,933	419,997	588,930
		Histone Lysine Crotonylation in Paternal Epigenetic Inhe				R21ES027117	93.113	-	48,059	48,059
		Assessing Personal Exposure to Ultrafine PM Number				R33ES024713	93.113	-	391,411	391,411
		Teratology Training Grant				T32ES007051	93.113	-	59,753	59,753
		Prenatal inflammatory exposures and neonatal immune deve			University of California	U01ES029234	93.113	57,006	436,002	493,008
		Center for Environmental Genet	University of Cincinnati	011429-005		P30ES006096	93.113	-	31,700	31,700
		Environmental Contributors to Autism Spectrum Disorders	Drexel University	800119		R01 ES026903	93.113	-	17,287	17,287
		Novel anti-fibrotic mechanisms in chemical-induced liver	Michigan State University	RC105176CHMC		R01ES017537	93.113	-	20,174	20,174
		Exp and dev of poor bone health among African Am women	University of Cincinnati	009211-005		R01ES024074	93.113	-	11,090	11,090
		Endocrine Disrupting Chemicals, Thyroid Hormones,	Brown University	00000782		R01ES024381	93.113	-	78,901	78,901
		Early life perfluoroalk substance exposure and obesity:	Brown University	00000906		R01ES025214	93.113	-	287,631	287,631
		Developmental Effects of Manganese Exposure in Rural Ado	University of Cincinnati	010539-007		R01ES026446	93.113	-	49,936	49,936
		Development neurotoxicity of organophosphate	University of Cincinnati	011150-002		R01ES028277	93.113	-	229,924	229,924
		Longitudinal Study of Endocrin	University of Cincinnati	011720-002		R01ES029133	93.113	-	32,162	32,162
		Traffic-related air pollutants and respiratory tract mic	University of Cincinnati	009958-003		R21ES024807	93.113	-	10,214	10,214
		Administrative supplement to p	Columbia University	1(GG013117-06)		R33ES024734	93.113	-	7,030	7,030
		Validation of Cross-Species Bi	Litron Laboratories	R44ES028163		R44ES028163	93.113	-	23,818	23,818
		Environmental Carcinogenesis and Mutagenesis	University of Cincinnati	1014229		T32ES007250	93.113	-	121,768	121,768
		Environmental Health T32-Schwa	University of Cincinnati	1014259 /1013572		T32ES010957	93.113	-	140,944	140,944
		Mammary Carcinogenesis: pubertal and adult effects of hi	Michigan State University	RC105513CCHMC		U01ES026119	93.113	-	144,054	144,054
					<b>Environmental Health Total</b>			<b>248,952</b>	<b>2,908,402</b>	<b>3,157,354</b>
Extramural Research Programs in the Neurosciences and Neurological Disorders		Mitogenic Activities in Neurofibromatosis				R01NS028440	93.853	-	511,391	511,391
		Roles of Gsx factors in telencephalic neurogenesis				R01NS044080	93.853	-	312,900	312,900
		Molecular, cellular and physio mech of the mammalian circadian			University of Florida	R01NS054794	93.853	213,212	184,577	397,789
		mTOR regulation of aberrant neuronal integration and epi			Washington University	R01NS062806	93.853	78,839	195,017	273,855
		Identification and reversal of primary and secondary epi				R01NS065020	93.853	-	333,622	333,622
		Molecular control of neurogenesis in the adult subventri				R01NS069893	93.853	-	461,244	461,244
		Molecular Mechanisms of Oligodendrocyte Differentiation				R01NS072427	93.853	-	310,079	310,079
		Chromatin remodeling control of myelination and remyelin				R01NS075243	93.853	-	337,327	337,327
		A Novel Model of Medulloblastoma to Define Cancer Pathwa				R01NS078092	93.853	-	(3,813)	(3,813)
		Forward Genetic Analysis of Congenital Defects in Cortic				R01NS085023	93.853	-	409,108	409,108
		Brain Mechanisms Supporting Individual Differences in Pa			Virginia Tech	R01NS085391	93.853	29,782	473,418	503,199
		Gaucher disease: Treatment of neurodegenerative disease				R01NS086134	93.853	-	132,297	132,297
		Signaling pathways regulating oligodendrocyte developmen				R01NS088529	93.853	-	243,376	243,376
		Brain Dysfunction in Neurofibromatosis			Technion Res & Dev Found.	R01NS091037	93.853	73,360	199,903	273,263
		MicroRNA-mediated silencing of the Kv4.2 complex in epil				R01NS092705	93.853	-	405,137	405,137
		Synapse elimination in the central nervous system			Res Foundation of City Univ of NY	R01NS093002	93.853	2,190	75,202	77,393
		A New Model to Identify Preterm Neonates at High-Risk fo				R01NS094200	93.853	-	699,531	699,531
		Early Prediction of Cerebral Palsy in Premature Infants				R01NS096037	93.853	-	646,214	646,214
		Genetic and environmental influences on recovery of seve			Childrens Hospital Colorado	R01NS096053	93.853	5,004	499,040	585,620
					Research Inst. at Nationwide Hos			800		
					University of Alabama at Birmingham			7,566		
					University of California			5,950		
					University of Exeter			10,396		
					University of Pittsburgh			43,434		
					University of Tennessee			1,300		
					University of Utah			4,850		
					University of Wisconsin System			2,000		
					Vall d'Hebron Institute de Recerca			1,055		
					Virginia Commonwealth University			125		
					Washington University			1,000		
								3,100		
		miR-155 and RUNX function in neurofibroma tumorigenesis				R01NS097233	93.853	-	365,578	365,578
		Binding of Epstein Barr Virus EBNA2 unifies multiple scl			Stanford University	R01NS099068	93.853	10,080	419,010	429,090
		Biguanide Sensitivity of Glioma Stem Cells			University of Cincinnati	R01NS099162	93.853	6,143	345,027	351,170
		A novel combinatorial approach to restore motor function				R01NS100772	93.853	5,770	54,197	59,967
		Mech of Cognitive Beh Therapy Eff in Youth with Migraine			University of Cincinnati	R01NS101321	93.853	-	522,647	522,647
		Mechanisms linking hemostatic				R01NS107258	93.853	-	85,797	85,797
		Spinal circuitry for ventilato				R01NS112255	93.853	-	1,950	1,950
		MigraineManager: A Self-Management Health Care Res				R21NS094476	93.853	-	23,883	23,883
		Neuromagnetic High Frequency O				R21NS104459	93.853	-	127,089	127,089
		MEG Connectivity-Based Mapping				R21NS106631	93.853	-	183,188	183,188
		HIV-1 Particle Capture and VCC				R21NS107031	93.853	-	267,069	267,069
		Ras Proteins in Nerve Tumorige				R37NS083580	93.853	-	369,827	369,827
		Molecular and signaling mechanisms of peripheral nerve s				R37NS096359	93.853	-	564,281	564,281
		Sensitization of developing sensory neurons during infla				R56NS103179	93.853	-	9,801	9,801
		Comp of Hemorrhagic & Ischemic Stroke Among Blacks	University of Cincinnati	009554-013		R01NS030678	93.853	-	280,889	280,889
		Study of Activity-Dependent Sympathetic Sprouting	University of Cincinnati	010133-007		R				



Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Identifying Number	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Developing New Techno to Improve ADHD Medication C				R34MH101155	93.242	-	1,057	1,057
		Improving Medica Continuity among Adolescents with ADHD				R34MH112648	93.242	-	230,068	230,068
		Emotion coaching skills as an				R34MH115897	93.242	-	7,657	7,657
		Neuroimaging study of risk factors for adolescent bipola	University of Cincinnati	009821-005		R01MH097818	93.242	-	7,879	7,879
		Risk and resilience factors for frontolimbic connectivity	University of Cincinnati	010227-005		R01MH107378	93.242	-	6,889	6,889
		Neuroinflammation, asthma and	University of Cincinnati	012047-002		R21MH117483	93.242	-	7,837	7,837
		Validation of a salivary miRNA	Quadrant Biosciences	1293481860000		R42MH111347	93.242	-	55,421	55,421
		(ED-STARs) Emergency Dept Screen for Teens at Risk	University of Michigan	3003298263		U01MH104311	93.242	-	24,970	24,970
		Multimodal analysis of high-risk psychosis mutations in	Stanford University	60825821-113376		U19MH104172	93.242	-	185,791	185,791
		Collab on preclinical autism cellular assays, biosignatures	University of California	91110427		U19MH107367	93.242	-	260,249	260,249
						<b>Mental Health Research Grants Total</b>		<b>113,263</b>	<b>2,492,325</b>	<b>2,605,589</b>
National Center on Sleep Disorders Research		Sleep Restriction and the Adolescent Diet: Impact				R01HL120879	93.233	-	223,223	223,223
		Upper Airway Structure and Fun	Albert Einstein College of Medicine	311427		R01HL130468	93.233	-	44,272	44,272
		Multi-Center Trial of Limiting PGY 2&3 Resident Work	Brigham & Women's Hospital	113170		U01HL111478	93.233	-	(22,460)	(22,460)
		PATS study - Down syndrome sup	Children's Hospital of Philadelphia	3210920619-S		U01HL125295	93.233	-	9,221	9,221
						<b>National Center on Sleep Disorders Research Total</b>		<b>-</b>	<b>254,255</b>	<b>254,255</b>
National Research Service Award in Primary Care Medicine		National Research Service Award				T32HP10027	93.186	-	299,184	299,184
						<b>National Research Service Award in Primary Care Medicine Total</b>		<b>-</b>	<b>299,184</b>	<b>299,184</b>
Nursing Research		Influence of Parent-Nurse Comm				K23NR017396	93.361	-	121,263	121,263
		A Clinic-Based Interdisciplinary Intervention for Parent			State of Oklahoma	R01NR014248	93.361	141,717	364,958	506,675
		Fostering medication adherence			CHOC Children's Hospital	R01NR017794	93.361	235	355,018	478,687
					Medical University South Carolina			51,771		
					Nationwide Childrens Hospital			26,365		
					North Carolina State University			24,206		
					University of Cincinnati			21,092		
		Improving Drug Adherence Using			Nationwide Childrens Hospital	R21NR017633	93.361	27,000	125,161	163,625
					University of Cincinnati			11,464		
		Self-Mgmt in Young Adults with Spina Bifida	Loyola University Chicago	517240-CCHMC		R01NR016235	93.361	-	44,484	44,484
		Peer Mentoring to Improve Self	Nationwide Children's Hospital	700160-0219-00		R01NR017533	93.361	-	171,572	171,572
		Caregiver Self-Management Need	University of Cincinnati	011682-002		R21NR016992	93.361	-	12,664	12,664
						<b>Nursing Research Total</b>		<b>303,850</b>	<b>1,195,120</b>	<b>1,498,970</b>
Oral Diseases and Disorders Research		Investigating the role of Gli				F31DE027872	93.121	-	21,439	21,439
		Psycho and physio correlates of endrogenou				R00DE022368	93.121	-	176,969	176,969
		Barske R00				R00DE026239	93.121	-	102,016	102,016
		Molecular Patterning of Mammalian Dentition				R01DE018401	93.121	-	276,581	276,581
		Mandible Development				R01DE027046	93.121	-	540,563	540,563
		Harnessing the therapeutic potential of neural crest cel			The Jackson Laboratory	R35DE027557	93.121	47,926	876,596	924,522
		Transcriptome Atlases of the Craniofacial Sutures	Icahn School of Medicine at Mount Sinai	0255-7195-4609		U01DE024448	93.121	-	11,332	11,332
		Development of Salisphere-derived systems	University of Cincinnati	011098-002		R21DE026267	93.121	-	10,619	10,619
		Statistical Analysis of Differential Network Behaviors	University of Florida	R03DE025625		R03DE025625	93.121	-	4,255	4,255
		Developing Topical Fluoride He	University of Washington	UWSC10797		R01DE026741	93.121	-	47,383	47,383
						<b>Oral Diseases and Disorders Research Total</b>		<b>47,926</b>	<b>2,067,755</b>	<b>2,115,681</b>
Poison Center Support and Enhancement Grant Program		Poison Ctr Support and Enhancement				H4BHS15468	93.253	-	290,385	290,385
						<b>Poison Center Support and Enhancement Grant Program Total</b>		<b>-</b>	<b>290,385</b>	<b>290,385</b>
Research on Healthcare Costs, Quality and Outcomes		Family-Clinician Partnerships to Improve Child Safety in				K08HS023827	93.226	-	140,440	140,440
		Predicting Pediatric Readmission: Development of a Valid				K08HS024735	93.226	-	151,357	151,357
		Hospital Management of Acute Respiratory Illness in Chil				K08HS025138	93.226	-	150,502	150,502
		Human and system factors contributing to pediatric medic			Emory University	R01HS024390	93.226	112,396	167,162	329,332
					Research Inst. at Nationwide Hos			49,774		
		Pediatric Hospital Medicine Fe				R13HS026356	93.226	-	45,684	45,684
		Reduction of Nephrotoxic Medication-Associated Acute Kid				R18HS023763	93.226	-	84	84
		Improving ADHD Behav Care Quality in Community-Base				R18HS024690	93.226	-	303,287	303,287
		Ambulatory Pediatric Safety Le			University of Wisconsin	R18HS026644	93.226	17,241	252,552	252,552
		Optimal Methods for Notifying Clinicians about Epilepsy				R21HS024977	93.226	-	34,546	34,546
		Using the electronic health record to identify children				R21HS024983	93.226	-	57,255	57,255
		Pursuing Perfection in Pediatric Therapeutics				U19HS021114	93.226	-	(102)	(102)
		Missed Oppor for Improving Diagn in Pediatric Emergency	University of Michigan	3004658567		R01HS024953	93.226	-	8,623	8,623
		Effects of Virtual Realty Simulation on Worker Emerg	Wright State University	P0036104		R18HS023149	93.226	-	(224)	(224)
		Pediatric Hospital Care Improvement Project	Children's Hosp & Reg Med Ct-Seattle	11886SUB		U18HS025291	93.226	-	41,217	41,217
						<b>Research on Healthcare Costs, Quality and Outcomes Total</b>		<b>179,411</b>	<b>1,335,143</b>	<b>1,514,554</b>
Research Related to Deafness and Communication Disorders		Idiopathic auditory dysfunction in children: nature and				R01DC014078	93.173	-	629,543	629,543
		Smartphone based detection and intervention for hearing			University of Pretoria	R21DC016241	93.173	36,431	138,073	174,504
		Multimodal Neuroimaging Distin				R21DC017393	93.173	-	27,575	27,575
		Cortical process of frequency chgs in cochlear implant	University of Cincinnati	011045-002		R15DC016463	93.173	-	21,179	21,179
		A Preliminary Study of the Neu	University of Cincinnati	011760-003		R15DC017280	93.173	-	22,711	22,711
						<b>Research Related to Deafness and Communication Disorders Total</b>		<b>36,431</b>	<b>839,081</b>	<b>875,512</b>
Sickle Cell Treatment Demonstration Program		Sickle Treatment and Outcomes Res in the Midwest				U1EMC27863	93.365	30,526	327,988	569,791
					Children's Hosp & Clinics of Minnesota			40,000		
					Indiana Hemophilia & Thrombosis Ctr, Inc			61,619		
					Medical College of Wisconsin			2,947		
					Sanford Research			47,685		
					Sickle Cell Disease Assoc of America			59,026		
					University of Illinois at Chicago					
						<b>Sickle Cell Treatment Demonstration Program Total</b>		<b>241,803</b>	<b>327,988</b>	<b>569,791</b>
Training and Clinical Skills Improvement Projects		Enhanced Surveillance for New Vaccine Preventable Dis				U01IP001059	93.185	162,568	2,234,145	2,396,713
		Usability and Impact Evaluatio	Academic Pediatric Association	APA_Real		H23IP000950	93.185	-	2,335	2,335
						<b>Training and Clinical Skills Improvement Projects Total</b>		<b>162,568</b>	<b>2,236,480</b>	<b>2,399,049</b>
Trans-NIH Research Support		Direct Epigenetic Reprogramming of T Cells				DP2GM119134	93.310	-	641,381	641,381
		Aurora Analytical Cytometer				S10OD025045	93.310	-	276,542	276,542
		Establishment of in vitro and in vivo models of human ga				U18EB021780	93.310	-	(13,102)	(13,102)
		ENSMAP: Molecular and Functional Mapping of the Enteric	Vanderbilt University	OT2OD023850		OT2OD023850	93.310	-	88,994	88,994
		Mapping of the Neural Circuits that Control Intrinsic Lung	University of California	85487594		OT2OD023857	93.310	-	58,194	58,194
		Developmental Impact of NICU Exposures (DINE)	Albert Einstein College of Medicine	311196		UG3OD023320	93.310	-	9,280	9,280
		Airway microbiome and age 6y a	Massachusetts General Hospital	233284		UG3OD023253	93.310	-	18,879	18,879
		NYU Pediatric Obesity, Metabolism and Kidney Cohort Cent	NYU Sponsored Programs	16-AO-00-006256-01		UG3OD023305	93.310	-	7,603	7,603
		Developmental Impact of NICU E	Albert Einstein College of Medicine	311397		UH3OD023320	93.310	-	50,505	50,505
		Children's Respiratory Research and Environment Work	University of Wisconsin-Madison	843K721		UH3OD023282	93.310	-	1,128,050	1,128,050
		Facilitation of IRB Review for Multi-Site Clinical Research	Rochester Institute of Technology	417196G/UR FAO GR510715		UL1TR002001	93.310	-	12,653	12,653
						<b>Trans-NIH Research Support Total</b>		<b>-</b>	<b>2,278,979</b>	<b>2,278,979</b>
University Centers for Excellence in Developmental Disabilities Education, Res, and Service		Diversity Supplement Ayers 201				90DDT10035	93.632	-	19,368	19,368
		University of Cincinnati University Centers for Excellen	University of Cincinnati	90DDUC0013-01-00		90DDUC0013-01-00	93.632	-	580,889	580,889
						<b>University Centers for Excellence in Developmental Disabilities Education, Research, and Service Total</b>		<b>-</b>	<b>600,257</b>	<b>600,257</b>
Vision Research		Outcomes of children with juvenile idiopathic arthritis-				K23EY021760	93.867	-	(2,681)	(2,681)
		Mechanism of action of Retinal Determination proteins				R01EY014648	93.867	-	213,654	213,654
		RhoGTPases in Early Eye Development				R01EY017848	93.867	-	(1,635)	(1,635)
		EYA in Retinal Angiogenesis				R01EY022917	93.867	-	11,455	11,455
		SLC25A46 mutations cause optic atrophy, axonal neuropath				R01EY026609	93.867	-	(801)	(801)
		Regulation of vascular development in the eye by an opsi			Cleveland Clinic Foundation	R01EY027077	93.867	368,570	389,016	757,585
		Molecular Mechanism of Biallel				R01EY028958	93.867	-	29,106	29,106
		Regulation of eye development by an Opsin 5-dopamine	Emory University	T750388		R01EY027711	93.867	-	260,668	260,668
						<b>Vision Research Total</b>		<b>368,570</b>	<b>898,782</b>	<b>1,267,352</b>
Coop Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		State-based Perinatal Quality Collaboratives				NU38DP005361	93.946	-	5,334	5,334
						<b>Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs Total</b>		<b>-</b>	<b>5,334</b>	<b>5,334</b>
Human Genome Research		Effect of disease-associated genetic variants on viral p				R21HG008186	93.172	-	50,693	50,693
		Better Outcomes for Children: Promoting Excellence in He				U01HG008666	93.172	-	962,672	962,672
		Overcoming bias and unwanted variability in next generat	Dana Farber Cancer Institute	1228008		R01HG005220	93.172	-	74,169	74,169

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Identifying Number	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Health care provider responses ISP: Intelligent, Integrated,	Children's Hospital Boston Vanderbilt University	GENFD0001484307 VUMC65785		R01HG010004 U01HG007253	93.172 22.433	- -	82,519 22,433	82,519 22,433
						<b>Human Genome Research Total</b>			<b>1,192,485</b>	<b>1,192,485</b>
	Prev and Public Health Fund (Affordable Care Act) Enhanced Surv for New Vaccine Preven	Enhanced Surveil for New Vaccine Preventable Diseases				U01IP001059	93.533	-	(2,128)	(2,128)
						<b>Prevention and Public Health Fund (Affordable Care Act) Enhanced Surveillance for New Vaccine Preven Total</b>			<b>(2,128)</b>	<b>(2,128)</b>
	Alcohol Research Programs	Regulation of hepatic stellate cells in development and				R00AA020514	93.273	-	(7,635)	(7,635)
						<b>Alcohol Research Programs Total</b>			<b>(7,635)</b>	<b>(7,635)</b>
	National Center for Advancing Translational Sciences	Preclinical characterization o Cincinnati Center for Clinical and Translational Science Disseminating Curative Biological Therapies for Rare Ped Precision Medicine in the Diag Cincinnati Center for Clinical and Transl Sciences University of Pittsburgh Clinical and Translational Scie	University of Cincinnati Children's Hospital Boston Tufts University University of Cincinnati University of Pittsburgh	009905-009 GENFD0001506981 5016131-SERV 009904-014 0055353 (130910-5)		UG3TR002612 KL2TR001426 U01TR001814 U01TR002271 UL1TR001425 UL1TR001857	93.350 93.350 93.350 93.350 93.350 93.350	- - - - - -	163,185 179,801 147,705 39,476 1,715,027 33,852	163,185 179,801 147,705 39,476 1,715,027 33,852
						<b>National Center for Advancing Translational Sciences Total</b>			<b>2,279,046</b>	<b>2,279,046</b>
	Occupational Safety and Health Program	Education and Research Center (ERC Cincinnati)	University of Cincinnati	010412-021		T42OH008432	93.262	-	20,407	20,407
						<b>Occupational Safety and Health Program Total</b>			<b>20,407</b>	<b>20,407</b>
	Research and Training in Complementary and Alternative Medicine	Using fMRI to understand response to an integrative Dissecting Neural Mechanisms S				K23AT009458 R01AT010171	93.213 93.213	- -	127,885 50,544	127,885 50,544
						<b>Research and Training in Complementary and Alternative Medicine Total</b>			<b>178,429</b>	<b>178,429</b>
	HIV Prevention Activities_Health Department Based	HIV Testing in Ohio Emergency Departments				03130012HT0314	93.940	-	(1,920)	(1,920)
						<b>HIV Prevention Activities_Health Department Based Total</b>			<b>(1,920)</b>	<b>(1,920)</b>
	Health Program for Toxic Substances and Disease Registry	Pediatric Environmental Health Specialty Unit - Great	Univ of Illinois @ Chicago	7769		NU61TS000237	93.161	-	20,623	20,623
						<b>Health Program for Toxic Substances and Disease Registry Total</b>			<b>20,623</b>	<b>20,623</b>
	Microbiology and Infectious Diseases Research	HBGA receptors in host cell entry and infection of norov FORWARD Study-Food Allergy Outcomes Related	Purdue University Northwestern University	4102-65270 60046645 CCHMC		R01AI111095 R01AI130348	93.856 93.856	- -	315,197 139,929	315,197 139,929
						<b>Microbiology and Infectious Diseases Research Total</b>			<b>455,125</b>	<b>455,125</b>
	Healthy Start Initiative	Healthy Start Cincinnati			University of Cincinnati	H49MC27823	93.926	21,676	572,196	593,872
						<b>Healthy Start Initiative Total</b>		<b>21,676</b>	<b>572,196</b>	<b>593,872</b>
	Affordable Care Act (ACA) Family to Family Health Information Centers	Ohio Family to Family Health Information Centers				H84MC28443	93.504	-	116,208	116,208
						<b>Affordable Care Act (ACA) Family to Family Health Information Centers Total</b>			<b>116,208</b>	<b>116,208</b>
	Community Programs to Improve Minority Health Grant Program	Communities Addressing Childhood Trauma (ACT)				1CPIMP161128-01-00	93.137	30,000 200 7,400 30,000 10,000 10,000 19,995 760	211,826	320,181
						<b>Community Programs to Improve Minority Health Grant Program Total</b>		<b>108,355</b>	<b>211,826</b>	<b>320,181</b>
	Rare Disorders: Research, Surveillance, Health Promotion, and Education	Natural History of Fragile X Syndrome (FXS) to Improve				U01DD001185	93.315	-	93,616	93,616
						<b>Rare Disorders: Research, Surveillance, Health Promotion, and Education Total</b>			<b>93,616</b>	<b>93,616</b>
	Blood Disorder Program: Prevention, Surveillance and Research	Community Counts: Public Health Surveillance for Bleedin	Hemophilia Foundation of Michigan	U27DD001155		U27DD001155	93.080	-	30,346	30,346
						<b>Blood Disorder Program: Prevention, Surveillance and Research Total</b>			<b>30,346</b>	<b>30,346</b>
	21st Century Cures Act - Beau Biden Cancer Moonshot	A rapid spontaneous murine model of CN-AML			St Jude Children's Research Hospital	R01CA196658	93.353	69,811	202,221	272,032
						<b>21st Century Cures Act - Beau Biden Cancer Moonshot Total</b>		<b>69,811</b>	<b>202,221</b>	<b>272,032</b>
	Minority Health and Health Disparities Research	Understanding Disparities and Patterns of Healthcare Linking pre- and post-natal ps				R03MD011419 R56MD013006	93.307 93.307	- -	88,733 209,775	88,733 209,775
						<b>Minority Health and Health Disparities Research Total</b>			<b>298,508</b>	<b>298,508</b>
	Research, Monitoring and Outcomes Definitions for Vaccine Safety	Safety Research of Currently Recommended Immun			Vaccine Grid	4 VSRNV000005-01-02	93.344	185,144	19,549	204,693
						<b>Research, Monitoring and Outcomes Definitions for Vaccine Safety Total</b>		<b>185,144</b>	<b>19,549</b>	<b>204,693</b>
	Block Grants for Prevention and Treatment of Substance Abuse	Community Oriented Trauma Syst	Ohio Dept. of Mental Health & Addiction	1900071		1900071	93.959	-	49,735	49,735
						<b>Block Grants for Prevention and Treatment of Substance Abuse Total</b>			<b>49,735</b>	<b>49,735</b>
	Birth Defects and Developmental Disabilities - Prevention and Surveillance	Evaluating EHDH Benchmarks: Is	University of South Carolina	19-3776		U19DD001218-02-00	93.073	-	148,814	148,814
						<b>Birth Defects and Developmental Disabilities - Prevention and Surveillance Total</b>			<b>148,814</b>	<b>148,814</b>
	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	Improving outcomes using aided augmentative and alternat Gaining Real-life skills Over the Web (GROW): Developing Enhancing Parenting Skills: Ap	University of Oregon	239530A		90IF0122-03-00 90IFD0003-02-00 90DPHF003-01-00	93.433 93.433 93.433	- - -	223,879 196,143 37,395	223,879 196,143 37,395
						<b>ACL National Institute on Disability, Independent Living, and Rehabilitation Research Total</b>			<b>457,418</b>	<b>457,418</b>
	Research Infrastructure Programs	Expanding the Xenopus ORFeome to genome-scale	University of Virginia	R24OD023697		R24OD023697	93.351	-	77,803	77,803
						<b>Research Infrastructure Programs Total</b>			<b>77,803</b>	<b>77,803</b>
						<b>Dept of Health and Human Serv Total</b>		<b>16,982,468</b>	<b>138,582,242</b>	<b>155,564,711</b>
Dept of Housing and Urban Dev	Healthy Homes Technical Studies Grants	Role of measured and observed	University of Cincinnati	011199		OHHHU0037-17	14.906	-	18,524	18,524
						<b>Healthy Homes Technical Studies Grants Total</b>			<b>18,524</b>	<b>18,524</b>
						<b>Dept of Housing and Urban Dev Total</b>			<b>18,524</b>	<b>18,524</b>
Office of Personnel Management	Intergovernmental Personnel Act (IPA) Mobility Program	Mechanisms of liver failure Mechanisms of Liver Injury Lewkowich IPA VA IPA - Yongbo Huang VA IPA - Charles Perkins IPA Chepelev for Kaufman VA Me Richards VA Merit Kaufman				IPA Kumar IPA Rani IPA Lewkowich IPA Huang IPA Perkins, Charles IPA_Chepelev IPA_Richards	27.011 27.011 27.011 27.011 27.011 27.011 27.011	- - - - - - -	65,748 59,778 4,571 23,620 29,261 15,634 20,843	65,748 59,778 4,571 23,620 29,261 15,634 20,843
						<b>Intergovernmental Personnel Act (IPA) Mobility Program Total</b>			<b>219,455</b>	<b>219,455</b>
						<b>Office of Personnel Management Total</b>			<b>219,455</b>	<b>219,455</b>
Natl Aeronautics & Space Admin	Exploration	Acute and long term outcomes of simulated deep space rad				NNX13A047G	43.003	-	(11,766)	(11,766)
						<b>Exploration Total</b>			<b>(11,766)</b>	<b>(11,766)</b>
						<b>Natl Aeronautics &amp; Space Admin Total</b>			<b>(11,766)</b>	<b>(11,766)</b>
		Drug and Poison Control					93.959	-	229,346	229,346
						<b>Grand Total</b>		<b>\$ 17,232,932</b>	<b>\$ 142,995,127</b>	<b>\$ 160,228,059</b>

# CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

## NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

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### 1. SCOPE OF AUDIT

All federal grant operations of Cincinnati Children's are included in the scope of Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Single audits under the Uniform Guidance are performed in accordance with the provisions of the Office of Management and Budget (OMB)'s Compliance Supplement for Single Audits of Higher Learning Institutions and other Non-Profit Institutions (the "Compliance Supplement"). The Department of Health and Human Services has been designated as Cincinnati Children's cognizant agency for the Single audit.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** — The accompanying Supplemental Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Cincinnati Children's under programs of the federal government for the year ended June 30, 2019, and is presented on the accrual basis of accounting. This is consistent with the basis of accounting used in the preparation of the basic consolidated financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance*. Because the Schedule presents only a selected portion of the operations of Cincinnati Children's, it is not intended to and does not present the financial position, changes in net assets or cash flows of Cincinnati Children's. Cincinnati Children's did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Net Asset Balances** — Negative amounts represent grants with deficit balances which were closed during fiscal 2019.

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
Children's Hospital Medical Center and Affiliates  
Cincinnati, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated balance sheets as of June 30, 2019, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended, and the related notes to the consolidated financial statements which collectively comprise Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") consolidated financial statements and have issued our report thereon dated September 26, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Cincinnati Children's internal control over financial reporting (internal control) to determine the 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 Cincinnati Children's internal control. Accordingly, we do not express an opinion on the effectiveness of Cincinnati Children'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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cincinnati Children'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 determination of financial statement amounts. 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 Cincinnati Children's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cincinnati Children's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

September 26, 2019

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Children's Hospital Medical Center and Affiliates  
Cincinnati, Ohio

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

We have audited Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cincinnati Children's major federal programs for the year ended June 30, 2019. Cincinnati Children's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Cincinnati Children's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cincinnati Children's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cincinnati Children's compliance.

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

In our opinion, Cincinnati Children's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

Management of Cincinnati Children's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cincinnati Children's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal

program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cincinnati Children's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the consolidated financial statements of Cincinnati Children's as of and for the year ended June 30, 2019, and have issued our report thereon dated September 26, 2019, which contained an unmodified opinion on those consolidated financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

December 17, 2019

# CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

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### PART I. SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements:

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

#### Federal Awards:

Internal control over major programs:		
Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>      </u> Yes	<u>  X  </u> No

#### Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development*

\* Cincinnati Children's has determined that its entire research and development program inclusive of all research and development grant activity should be considered clustered and as such, constitutes one major program.

Dollar threshold used to distinguish between Type A and Type B programs?	\$ 3,000,000
Research and Development program tested as a single Type A program	

Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
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**CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**PART II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

None

**PART III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None