

Children's Hospital Medical Center and Affiliates

Office of Management and Budget
Circular A-133 Reports For The
Year Ended June 30, 2011

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

We have audited the accompanying combined balance sheets of Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") as of June 30, 2011 and 2010, and the related combined statements of operations and changes in net assets and of cash flows for the years then ended. The combined financial statements include the accounts of Children's Hospital Medical Center and the affiliated entities as discussed in Note 1(a). These entities are under common ownership and management. These financial statements are the responsibility of Cincinnati Children's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cincinnati Children's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Cincinnati Children's as of June 30, 2011 and 2010, and the combined results of their operations and their combined cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Offices of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic combined financial statements. This schedule is the responsibility of the management of Cincinnati Children's. Such information has been subjected to the auditing procedures applied in our audit of the basic 2011 combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2011 combined financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2011 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our 2011 audit.

Deloitte & Touche LLP

October 25, 2011

Children's Hospital Medical Center and Affiliates

Combined Balance Sheets June 30, 2011 and 2010 (dollars in thousands)

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 97,451	\$ 85,813
Marketable securities	227,642	186,451
Cash, cash equivalents and marketable securities	<u>325,093</u>	<u>272,264</u>
Patient receivables, net of allowances of \$39,687 in 2011 and \$36,989 in 2010	204,081	216,901
Other receivables, net	98,711	88,213
Inventories and prepaid expenses	23,811	19,472
Total current assets	<u>651,696</u>	<u>596,850</u>
ASSETS LIMITED AS TO USE - Funds in trust	4,620	5,569
PROPERTY AND EQUIPMENT, at cost, net of accumulated depreciation	851,701	846,129
DEFERRED BOND ISSUANCE COSTS AND OTHER INTEREST IN NET ASSETS OF SUPPORTING ORGANIZATIONS (Note 1(b))	74,261	67,790
Total assets	<u>\$2,468,440</u>	<u>\$2,210,440</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 188,643	\$ 189,444
Current portion of long-term debt and capital lease obligations	19,432	15,716
Total current liabilities	<u>208,075</u>	<u>205,160</u>
ACCRUED PENSION BENEFIT LIABILITY (Note 9)	201,760	275,842
SELF-INSURANCE RESERVES	30,545	24,292
LONG-TERM DEBT:		
Bonds payable	450,964	471,526
Note payable	27,155	-
Capital lease obligations	3,352	2,294
OTHER LONG-TERM LIABILITIES	12,734	8,812
Total liabilities	<u>934,585</u>	<u>987,926</u>
COMMITMENTS AND CONTINGENCIES (Notes 6 and 10)	-	-
NET ASSETS:		
Unrestricted	526,991	410,760
Temporarily restricted	135,943	131,062
Permanently restricted (Note 1(b))	870,921	680,692
Total net assets	<u>1,533,855</u>	<u>1,222,514</u>
Total liabilities and net assets	<u>\$2,468,440</u>	<u>\$2,210,440</u>

See accompanying notes to financial statements.

Combined Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2011 and 2010 (dollars in thousands)

	<u>2011</u>	<u>2010</u>
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:		
Net hospital patient service revenue	\$1,144,142	\$1,093,617
Professional services revenue	229,749	214,307
Net assets released from restriction used for operations-		
Grant revenue	153,914	143,011
Other restricted net assets used to support operations	78,546	73,729
Investment income	13,814	16,374
Other revenue	73,243	62,829
Total unrestricted revenues, gains and other support	<u>1,693,408</u>	<u>1,603,867</u>
EXPENSES:		
Salaries	797,449	755,513
Employee benefits	236,374	207,744
Supplies, drugs and other	287,185	266,618
Purchased services	174,349	171,275
Depreciation	110,716	105,107
Utilities	17,858	17,452
Interest	16,104	15,729
Total expenses	<u>1,640,035</u>	<u>1,539,438</u>
Excess of revenues over expenses	53,373	64,429
OTHER CHANGES IN UNRESTRICTED NET ASSETS:		
Receipts from supporting organizations (Notes 1(b) and 1(c))	5,595	7,798
Net assets released from restrictions used for purchase of property and equipment	5,559	3,220
Increase in unrestricted net assets before transfers to supporting organizations and pension and post retirement health liability adjustment	64,527	75,447
Transfers to supporting organizations (Note 1(c))	(15,575)	(10,560)
Pension and post retirement health liability adjustment (Note 9)	67,279	(55,280)
Increase in unrestricted net assets	<u>116,231</u>	<u>9,607</u>

(Continued on next page)

Combined Statements of Operations and Changes in Net Assets
 For the Years Ended June 30, 2011 and 2010 (dollars in thousands)

	<u>2011</u>	<u>2010</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions and investment income-		
Grant receipts	151,652	132,486
Industry support	1,937	6,648
Gifts, contributions and other income	87,860	96,479
	<u>241,449</u>	<u>235,613</u>
Net assets released from restriction-		
Grant expenditures	(153,914)	(143,011)
Transfer to The Children's Hospital	(795)	(1,159)
Restricted net assets used to support operations	(78,546)	(73,729)
Restricted net assets used for purchase of property and equipment	(5,559)	(3,220)
	<u>(238,814)</u>	<u>(221,119)</u>
Gain in interest in net assets of supporting organizations	2,246	974
Increase in temporarily restricted net assets	<u>4,881</u>	<u>15,468</u>
PERMANENTLY RESTRICTED NET ASSETS:		
Gain in interest in net assets of supporting organizations	190,229	57,630
Increase in permanently restricted net assets	<u>190,229</u>	<u>57,630</u>
INCREASE IN NET ASSETS	311,341	82,705
NET ASSETS, beginning of year	1,222,514	1,139,809
NET ASSETS, end of year	<u>\$1,533,855</u>	<u>\$1,222,514</u>

See accompanying notes to financial statements.

Children's Hospital Medical Center and Affiliates

Combined Statements of Cash Flows

For the Years Ended June 30, 2011 and 2010 (dollars in thousands)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 311,341	\$ 82,705
Adjustments to reconcile increase in net assets to net cash provided by operating activities-		
Depreciation and amortization	111,175	105,398
Loss on disposal of property and equipment	1,270	161
Contributions to supporting organizations, net	9,980	2,762
Contributions restricted for purchase of property and equipment	(5,559)	(3,220)
Gain in interest in net assets of supporting organizations	(192,475)	(58,604)
Receipts from The Children's Hospital Foundation	415	183
Unrealized and realized gains on marketable securities, net	(2,969)	(10,788)
Increase in allowance for doubtful accounts	2,698	-
(Increase) Decrease in receivables	(376)	12,847
Increase in inventories and prepaid expenses and other assets	(11,269)	(11,318)
Decrease in accounts payable and accrued expenses	(2,251)	(23,362)
(Decrease) Increase in accrued pension liability	(74,082)	36,340
Increase (Decrease) in self-insurance reserves and other long-term liabilities	8,275	(2,009)
Net cash provided by operating activities	<u>156,173</u>	<u>131,095</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property and equipment	(84,811)	(102,953)
Receipts from sale of fixed assets	711	804
Purchases of marketable securities	(680,350)	(674,482)
Sales of marketable securities	642,824	630,821
Cash withdrawn from funds in trust	60,079	75,265
Cash invested in funds in trust	(59,130)	(59,795)
Net cash used in investing activities	<u>(120,677)</u>	<u>(130,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of bonds and notes payable	30,000	30,000
Repayment of bonds and notes payable	(49,437)	(45,162)
Contributions restricted for purchase of property and equipment	5,559	3,220
Contributions to supporting organizations, net	(9,980)	(2,762)
Net cash used in financing activities	<u>(23,858)</u>	<u>(14,704)</u>
Net increase (decrease) in cash and cash equivalents	11,638	(13,849)
CASH AND CASH EQUIVALENTS, beginning of year	<u>85,813</u>	<u>99,662</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 97,451</u>	<u>\$ 85,813</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:		
Capital expenditures in accrued expenses and accounts payable	\$9,598	\$8,148

See accompanying notes to financial statements.

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

(1) Accounting Policies-

- (a) Basis of Combination--Children's Hospital Medical Center (Cincinnati Children's), Convalescent Hospital for Children (CHC), River City Insurance Limited (River City), Children's Health Administrative Services LLC (CHAS), Children's Health Services Network (CHSN), Children's Medical Services, Inc. (CMSI), Northern Kentucky Children's Medical Services, LLC (NKCMS), Children's for Children LLC (CFC), Burnet Ave LLC (Burnet) and TSHCH LLC (TSHCH), which are under common management, are included in the accompanying combined financial statements and are collectively referred to as the Medical Center. 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. CHC is an Ohio not-for-profit corporation providing programmatic oversight, governance and fiscal management to chronic illness, mental health and traumatic and congenital brain injury programs at Cincinnati Children's. Cincinnati Children's and CHC are under common management. Subsequent to year-end, on July 28, 2011, CHC merged with and into Cincinnati Children's. Cincinnati Children's assumed all assets and liabilities of CHC and CHC ceases to exist as a separate entity. River City is a captive insurance company and a wholly-owned subsidiary of Cincinnati Children's. CHAS is a wholly-owned subsidiary of Cincinnati Children's whose purpose is to provide management services to members of the medical and dental staff. Effective March 31, 2011 CHAS was dissolved. CHSN is a wholly-owned subsidiary of Cincinnati Children's whose purpose is to manage primary care practices in a community setting. CMSI is a professional corporation whose purpose is to engage in the practice of medicine and render professional services and co-employs certain Cincinnati Children's physicians. Effective January 1, 2011 CMSI ceased operations. NKCMS is a limited liability corporation formed to enhance the scope and quality of pediatric care in Northern Kentucky. CFC was a wholly-owned subsidiary of Cincinnati Children's whose purpose was to operate child care programs. Effective January 1, 2010, CFC ceased operations. Burnet is a wholly-owned subsidiary of Cincinnati Children's, whose purpose is to hold land. TSHCH is a wholly-owned subsidiary of Cincinnati Children's whose purpose is to acquire, hold, develop, subdivide, sell, lease, mortgage, manage and otherwise deal in real property.

- (b) Supporting Organizations--The Children's Hospital (TCH), The Children's Hospital Foundation (CHF), Convalescent Hospital for Children and Orphan Asylum (CHCOA), Adolescent Health Center of Greater Cincinnati, Inc. (CAC), and Children's Dental Care Foundation (CDCF), all Ohio not-for-profit corporations which are not included in the accompanying combined financial statements, provide financial support to the Medical Center. Certain endowment funds of these supporting organizations are restricted by the donors for specific operating purposes of the Medical Center. 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 Combined Statements of Operations and Changes in Net Assets. Upon utilization in operations, such funds are reflected in the Combined Statements of Operations and Changes in Net Assets as donor-restricted revenue from supporting organizations.

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Other funds are contributed to the Medical Center as designated by the Boards of the supporting organizations to provide general support and are reflected as receipts from supporting organizations in the accompanying Combined Statements of Operations and Changes in Net Assets.

The Medical Center records in its combined financial statements the fair value of certain permanently and temporarily restricted net assets held by supporting organizations on the Medical Center's behalf. Changes in the fair value of such temporarily and permanently restricted net assets are recorded as gain in interest in net assets of supporting organizations in the accompanying Combined Statements of Operations and Changes in Net Assets.

(c) Support Received from Supporting Organizations--

In general, the supporting organizations provide annual support to the Medical Center 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 the Medical Center. As of June 30, 2011, TCH and CHCOA have outstanding revocable pledges of \$15,087 and \$5,000, respectively. All outstanding pledges of principal support are revocable at the discretion of TCH's and CHCOA's Board of Trustees. As a result, such revocable pledges are not recorded as receivables in the accompanying combined financial statements.

During fiscal 2011 and 2010, TCH transferred \$68,329 and \$70,746, respectively, of temporarily restricted net assets to the Medical Center which are recorded as Gifts, contributions and other income in the Combined Statements of Operations and Changes in Net Assets.

During fiscal 2011 and 2010, TCH transferred \$5,595 and \$7,798, respectively, of unrestricted net assets to the Medical Center, which are recorded as Receipts from Supporting Organizations in the Combined Statements of Operations and Changes in Net Assets.

During fiscal 2011 and 2010, the Medical Center transferred \$795 and \$1,159, respectively, of temporarily restricted net assets to TCH to fund named chairs designated to support divisional activities. During fiscal 2011 and fiscal 2010, respectively, the Medical Center transferred \$9,325 and \$8,550 of unrestricted net assets to TCH to fund named chairs to support divisional activities.

At June 30, 2011 the Medical Center has a receivable from TCH for \$8,526 related to fiscal 2011 unfunded irrevocable commitments. This amount will be received in fiscal 2012. Additionally, the Medical Center has a payable to TCH at June 30, 2011 of \$439 for contributions received at the Medical Center at year-end for which the cash needs to be transferred to TCH.

At June 30, 2010, the Medical Center had a payable to TCH for \$2,464 for an advance of cash TCH made to the Medical Center. The amount was paid to TCH in fiscal 2011.

During fiscal 2011 and 2010, CHCOA transferred \$2,721 and \$2,639, respectively, of unrestricted net assets to the Medical Center which are recorded as Gifts, contributions and other income in the Combined Statements of Operations and Changes in Net Assets.

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

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At June 30, 2011, the Medical Center has a receivable from CHCOA for \$268 related to fiscal 2011 unfunded commitments. This amount will be received in fiscal 2012.

During fiscal 2011 and 2010, CHF transferred \$992 and \$647, respectively, of temporarily restricted net assets to the Medical Center, which are recorded as Gifts, contributions and other income in the Combined Statements of Operations and Changes in Net Assets.

During fiscal 2011 and fiscal 2010, respectively, the Medical Center transferred \$6,250 and \$2,000 of unrestricted net assets to CHF and the income earned on the funds will be transferred back to the Divisions to support divisional activities.

The Medical Center has a note receivable from CHF for \$10,264 at June 30, 2011 and 2010, which is recorded in other receivables in the accompanying Combined Balance Sheets.

- (d) Concentration of Patient Accounts Receivable and Revenue and Revenue Recognition--In both fiscal 2011 and 2010, respectively, substantially all of total net patient service revenue is derived from third-party payment programs (Medicaid, insurance companies and various managed care agreements).

The following details the percentage of net patient service revenue by payor category for the fiscal years ended June 30, 2011 and 2010:

	2011		2010	
	Gross	Net	Gross	Net
Commercial insurers	1%	1%	1%	1%
Managed care	49%	68%	49%	65%
Medicaid (HMO and third party)	44%	25%	43%	28%
Specialty payors	5%	6%	6%	6%
Self pay	1%	- %	1%	- %

The following details the percentage of accounts receivable by payor category as of June 30, 2011 and 2010:

	2011	2010
Commercial insurers	1%	1%
Managed care	56%	54%
Medicaid (HMO and third party)	29%	33%
Specialty payors	11%	9%
Self pay	3%	3%

Net patient service revenue is reported at estimated net realizable amounts from patients, third party payors and others for services rendered and includes estimated retroactive revenue adjustments due to future audits and reviews. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits and reviews.

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Revenue from Medicaid programs accounted for approximately 25% and 28% of the Medical Center's net patient service revenue for the fiscal year ended June 30, 2011 and 2010, respectively. Laws and regulations governing the Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change a material amount in the near term. At June 30, 2011, the Medical Center has settled all Medicaid cost reports through 2006.

The following table reconciles gross patient service revenue to net patient service revenue for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Charges at established rates	\$1,918,124	\$1,740,283
Deductions:		
Discounts on commercial contractals	(168,070)	(168,635)
Write-downs related to services to the poor: Including Medicaid and governmental contractuals, charity care and other uncollectible self pay write-offs	<u>(623,977)</u>	<u>(494,379)</u>
	1,126,077	1,077,269
Tax Levy Program	6,000	6,000
Care Assurance Program	12,065	10,348
	<u>\$1,144,142</u>	<u>\$1,093,617</u>

Physician professional fees, which have been assigned to the Medical Center and are required to be used in the respective physicians' department at the Medical Center, are recognized as revenue as billed. See footnote 10(c).

- (e) Grant Revenue and Other Revenue -- Grants and contributions restricted for a specific operating purpose are recorded as temporarily restricted net assets and reflected in unrestricted revenues, gains, and other support when the funds are expended in accordance with the specifications of the grantor or donor. Contributions for capital expenditures, recorded as temporarily restricted net assets when received, are recorded as net assets released from restrictions when expended. Unrestricted contributions and bequests are included in other revenue when received.
- (f) Graduate Medical Education --The Medical Center receives Federal graduate medical education funding, which has resulted in other revenue of \$9,578 and \$11,763 recognized in the accompanying combined financial statements for the years ended June 30, 2011 and 2010, respectively.
- (g) Tax Exempt Status--Cincinnati Children's, CHC, CHSN and CMSI 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. CHAS, NKMS, Burnet, TSHCH and CFC are limited liability corporations whose income is taxable to Cincinnati Children's. The income tax provisions recorded in the accompanying combined financial statements are immaterial for the years ended June 30, 2011 and 2010.

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For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

The Medical Center accounts for income taxes in accordance with Accounting Standards Codification Topic (ASC) 740 "Income Taxes". It is the Medical Center'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 penalties or interest accrued in fiscal 2011 and 2010.

Listed below are the tax years that remain subject to examination by major tax jurisdiction:

Federal – 2008 to 2011

State – 2008 to 2011

- (h) Cash Equivalents--Cash equivalents consist primarily of money market investments (including money market mutual funds), demand deposits and repurchase agreements. Cash is held primarily in one bank.
- (i) Inventories--Inventories consist of medical supplies and pharmaceuticals and are valued on an average cost method.
- (j) Marketable Securities--The Medical Center accounts for its investments under ASC 980 "Accounting for Certain Investments Held by Not-for-Profit Organizations". The Medical Center carries its marketable securities at fair value with unrealized gains and losses included in the Combined Statements of Operations and Changes in Net Assets. Fair value is determined by the trustee holding the assets based on published market prices.

The cost basis, approximate fair value and categorization by asset type at June 30, 2011 are as follows:

	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized (Losses)</u>	<u>Fair Value</u>
U.S. government and treasury obligations	\$115,800	\$1,072	\$ (345)	\$116,527
Municipal bonds and other	573	65	-	638
Variable rate demand notes	9,825	-	-	9,825
Corporate obligations	101,038	2,612	(2,998)	100,652
	<u>\$227,236</u>	<u>\$3,749</u>	<u>\$(3,343)</u>	<u>\$227,642</u>

The cost basis, approximate fair value and breakdown by asset type at June 30, 2010 are as follows:

	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized (Losses)</u>	<u>Fair Value</u>
U.S. government and treasury obligations	\$109,167	\$1,327	\$ (165)	\$110,329
Municipal bonds and other	573	35	-	608
Corporate obligations	77,148	3,040	(4,674)	75,514
	<u>\$186,888</u>	<u>\$4,402</u>	<u>\$(4,839)</u>	<u>\$186,451</u>

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

The following is the maturities for marketable securities at June 30, 2011:

	<u>Cost Basis</u>	<u>Fair Value</u>
One year or less	\$ 1,972	\$ 1,996
One to five years	85,911	86,429
After five years	139,353	139,217
	<u>\$227,236</u>	<u>\$227,642</u>

At June 30, 2011, the Medical Center's marketable securities included 26% in U.S. Treasury securities and 17% in FNMA securities. At June 30, 2010, the Medical Center's marketable securities included 30% in U.S. Treasury securities and 21% in FNMA securities.

- (k) Assets Limited As To Use--Assets limited as to use include funds in trust (Note 4). Assets limited as to use are carried at fair value with unrealized gains and losses included in investment income in the accompanying Combined Statements of Operations and Changes in Net Assets. Fair value is determined by the trustee holding the assets based on published market prices. All assets limited as to use were held in cash and cash equivalents at June 30, 2011 and 2010.
- (l) Investment Income--The following details the components of investment income on marketable securities and funds in trust for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Interest income	\$11,266	\$10,287
Unrealized and realized gains, net	2,548	6,087
Investment income	<u>\$13,814</u>	<u>\$16,374</u>

Unrealized gains and losses related to temporarily restricted funds are recorded as an addition/reduction, as appropriate, to temporarily restricted net assets.

- (m) Fair Value Measurements—The Medical Center accounts for its assets and liabilities under ASC 820 "Fair Value Measurements" (ASC 820).

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 that are accessible at the measurement date for assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

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 the Medical Center'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, the Medical Center 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.

In 2009, FASB Staff Position 157-4 "Disclosures Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions that are not orderly", was issued and later codified into ASC 820, which expanded disclosures and required that major category for debt and equity securities in the fair value hierarchy table be determined on the basis of the nature and the risks of the investments.

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, 2011.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable Securities:			
U.S. Government and treasury securities	\$116,527	\$ -	\$ -
Municipal bonds	638	-	-
Variable rate demand notes	-	9,825	-
Corporate obligations	<u>100,652</u>	<u>-</u>	<u>-</u>
	<u>217,817</u>	<u>9,825</u>	<u>-</u>

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	Level 1	Level 2	Level 3
Investments in Limited Partnerships (included in Other Assets)	-	-	8,723
Investment in Fort Washington High Yield LLC (included in Other Assets)	-	21,680	-
Deferred Compensation Plans: (included in Other Assets and Accruals)			
Money Market Funds	1,904	-	-
Common Stock	2,156	-	-
Equity Mutual Funds	1,715	-	-
International Equity Mutual funds	793	-	-
Bond Mutual Funds	99	-	-
Fixed Income Mutual Funds	545	-	-
LifeCycle Mutual Funds	291	-	-
Real Estate Mutual Funds	110	-	-
Bond Variable Annuity	-	1,475	-
Equity Variable Annuity	-	2,933	-
Money Market Variable	-	99	-
Real Estate Pooled Separate Account	-	308	-
Guaranteed Insurance	-	-	1,694
	7,613	4,815	1,694
Total	\$225,430	\$36,320	\$10,417

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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, 2010.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable Securities:			
U.S. Government and treasury securities	\$ 110,329	\$ -	\$ -
Municipal bonds	608	-	-
Corporate obligations	<u>75,514</u>	<u>-</u>	<u>-</u>
	<u>186,451</u>	<u>-</u>	<u>-</u>
Investments in Limited Partnerships (included in Other Assets)	<u>-</u>	<u>-</u>	<u>7,317</u>
Investment in Fort Washington High Yield LLC (included in Other Assets)	<u>-</u>	<u>18,813</u>	<u>-</u>
Deferred Compensation Plans: (included in Other Assets and Accruals)			
Money Market Funds	4,436	-	-
Common Stock	1,983	-	-
Equity Mutual Funds	1,135	-	-
International Equity Mutual funds	672	-	-
Bond Mutual Funds	53	-	-
Fixed Income Mutual	680	-	-
LifeCycle Mutual Funds	211	-	-
Real Estate Mutual Funds	77	-	-

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	Level 1	Level 2	Level 3
Bond Variable Annuity	-	1,286	-
Equity Variable Annuity	-	2,232	-
Money Market Variable Annuity	-	254	-
Real Estate Pooled	-	243	-
Guaranteed Insurance	-	-	1,485
	<u>9,247</u>	<u>4,015</u>	<u>1,485</u>
Total	<u>\$195,698</u>	<u>\$22,828</u>	<u>\$ 8,802</u>

The valuation methods as described above 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.

Investments in equity securities:

Investments in equity securities are typically valued at the closing price in the principal active market as of the last business day of the month. Principal active markets for equity prices include published exchanges such as NASDAQ, NYSE, NYMEX and Chicago Board of Trade, as well as pink sheets, which is an electronic quotation system that displays quotes for broker-dealers for many over-the-counter securities. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. The Medical Center does not adjust prices to reflect for after-hours market activity.

Investments in debt securities:

Many debt investments are valued 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 consider the counterparty credit rating. Most debt valuations are Level 1 measures. If the market for a particular fixed income security is relatively inactive or illiquid, the measurement is a Level 3 measurement. U.S. Treasury debt is typically a Level 1 measurement.

In February 2007, the FASB issued ASC 825, "The Fair Value Option". ASC 825 permits entities to choose to measure many financial instruments and certain other items at fair value. Entities that elect the fair value option will report unrealized gains and losses in earnings at each subsequent reporting date. The Medical Center elected to measure its marketable securities under the provisions of ASC 825. However, in the future, the Medical Center may elect to measure certain additional financial instruments at fair value in accordance with this standard.

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The following is a reconciliation of the rollforward of the fair value measurements using significant unobservable inputs for fiscal 2011:

Balance at July 1, 2010	\$ 8,802
Purchases	1,683
Unrealized gains	1,129
Unrealized losses	(1,197)
Balance at June 30, 2011	<u>\$10,417</u>

The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses related to assets still held at June 30, 2011	<u>\$(68)</u>
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The following is a reconciliation of the rollforward of the fair value measurements using significant unobservable inputs for fiscal 2010:

Balance at July 1, 2009	\$ 7,133
Purchases	1,859
Unrealized gains	644
Unrealized losses	(834)
Balance at June 30, 2010	<u>\$ 8,802</u>

The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses related to assets still held at June 30, 2010	<u>\$(190)</u>
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In January 2010, the FASB issues ASU No. 2010-06 "Fair Value Measurements and Disclosures (ASU No. 2010-06), which amends ASC 820 adding new disclosure requirements for Levels 1 and 2 and separate disclosures of purchases, sales, issuances and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010.

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- (n) 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	3-30 years

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

The Medical Center evaluates long-lived assets under the provisions of ASC 360 "Property Plant and Equipment". During fiscal 2011 and 2010, the Medical Center did not record any impairment losses.

- (o) 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. Net capitalized interest during fiscal 2011 was approximately \$1,000. Net capitalized interest during fiscal 2010 was approximately \$15. Total cash paid for interest was approximately \$17,127 and \$15,706 and in fiscal 2011 and 2010, respectively.

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

- (p) Temporarily Restricted Net Assets--Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific purpose. Temporarily restricted net assets and net assets released from donor restrictions are primarily comprised of net assets restricted to support operations. Substantially all of these net assets are restricted by donors to support research, education and other advances in clinical care and prevention.

Temporarily restricted net assets related to assets held in endowments at supporting organizations on the Medical Center's behalf are either donor restricted to support research at the Medical Center's or deferred gift programs where the restriction is a time restriction tied to the life expectancy of the donor.

- (q) Permanently Restricted Net Assets--Permanently restricted net assets are restricted by the donor to be maintained in perpetuity and are recorded in Interest in Net Assets of Supporting Organizations in the accompanying Combined Balance Sheets as they are held by supporting organizations. As of June 30, 2011 and 2010, permanently restricted net assets consisted of the following amounts with expendable investment income restricted by donors to be used for the following purposes:

	<u>2011</u>	<u>2010</u>
Research activities	\$722,192	\$554,245
Clinical activities	148,729	126,447
	<u>\$870,921</u>	<u>\$680,692</u>

The assets underlying the Medical Center's permanently restricted net assets have been invested by supporting organizations in marketable securities, including a significant concentration in the common stock of a consumer products company.

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- (r) Excess of Revenues Over Expenses--The Combined Statements of Operations and Changes in Net Assets include "excess of revenues over expenses." Changes in unrestricted net assets which are excluded from excess of revenues over expenses include receipts from supporting organizations, transfers to supporting organizations, pension and post retirement health liability adjustment, and contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purpose of acquiring such assets).
- (s) 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.
- (t) New Accounting Pronouncements--

In August 2010, the FASB issued ASU 2010-24, "Health Care Entities (Topic 954): Presentation of Insurance Claims and Recoveries," which provides clarification to companies in the healthcare industry on the accounting for professional liability insurance. ASU 2010-24 states that insurance liabilities should not be presented net of insurance recoveries and that an insurance receivable should be recognized on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. ASU 2010-24 is effective for fiscal years beginning after December 15, 2010. The Medical Center does not expect the adoption of the new guidance to have a material impact on the combined financial statements and related disclosures.

In May 2011, the FASB issued ASU 2011-4, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," related to amendments to certain measurement principles and disclosures regarding fair value measurements. The amendments in this update improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards. For nonpublic entities, the amendments are effective for annual periods beginning after December 15, 2011. The Medical Center does not expect the adoption of the new guidance to have a material impact on the combined financial statements and related disclosures.

In July 2011, the FASB issued ASU 2011-7, "Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities." In accordance with ASU 2011-7, the Medical Center will be required to present its provision for doubtful accounts as a deduction from revenue, similar to contractual discounts. Accordingly, the Medical Center's revenue will be required to be reported net of both contractual discounts and its provision for doubtful accounts. Additionally, ASU 2011-7 will require the Medical Center to make certain additional disclosures designed to help users understand how contractual discounts and bad debts affect recorded revenue in both interim and annual financial statements. ASU 2011-7 is required to be applied retrospectively; for nonpublic entities, the amendments are effective for the first annual period ending after December 15, 2012, and interim and annual periods thereafter, with early adoption permitted. The adoption of ASU 2011-7 is not expected to impact the Medical Center's financial position, results of operations or cash flows although it will

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impact the presentation of the Combined Statements of Operations and Changes in Net Assets and require additional disclosures.

(2) Losses on the Provision of Uncompensated Care-

In accordance with its mission and purpose, the Medical Center maintains a policy of accepting all 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, the Medical Center accepts patients from outside the primary service area regardless of their ability to pay. The Medical Center defines indigent patient care as services rendered to patients whose families' annual income or net worth falls below certain minimum standards. As such, losses absorbed by the Medical Center 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 indigent patient care.

The following information summarizes uncompensated care provided during the years ended June 30, 2011 and 2010:

	2011		
CHARGES	Hospital	Physician	Total
Charges under Medicaid and other entitlement programs	\$856,494	\$227,182	\$ 1,083,676
Charity care not eligible for Medicaid assistance, at established charges	29,958	1,046	31,004
Other uncollectible self pay, at established charges	49,532	6,625	56,157
Total Medicaid, charity care and other uncollectible self pay charges	<u>\$935,984</u>	<u>\$234,853</u>	<u>\$1,170,837</u>
 COSTS/LOSSES			
Estimated costs to provide uncompensated care	\$474,986	\$161,343	\$636,329
Reimbursement from Medicaid programs	(284,671)	(33,429)	(318,100)
Losses on the provision of uncompensated care	(190,315)	(127,914)	(318,229)
Funds received from HCAP and tax levy	18,065	-	18,065
Losses on provision of uncompensated care net of HCAP and tax levy	<u>\$(172,250)</u>	<u>\$(127,914)</u>	<u>\$(300,164)</u>

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2010	Hospital	Physician	Total
CHARGES			
Charges under Medicaid and other entitlement programs	\$767,968	\$202,089	\$ 970,057
Charity care not eligible for Medicaid assistance, at established charges	26,225	3,304	29,529
Other uncollectible self pay, at established charges	42,796	8,690	51,486
Total Medicaid, charity care and other uncollectible self pay charges	<u>\$836,989</u>	<u>\$214,083</u>	<u>\$1,051,072</u>
COSTS/LOSSES			
Estimated costs to provide uncompensated care	\$411,720	\$114,963	\$526,683
Reimbursement from Medicaid programs	(287,500)	(29,649)	(317,149)
Losses on the provision of uncompensated care	(124,220)	(85,314)	(209,534)
Funds received from HCAP and tax levy	16,348	-	16,348
Losses on provision of uncompensated care net of HCAP and tax levy	<u>\$(107,872)</u>	<u>\$(85,314)</u>	<u>\$(193,186)</u>

The cost amounts reflected in the tables above are calculated using cost to charge ratios calculated from the 2010 and 2009, cost reports, respectively, as the 2011 cost report is not yet available. Management does not believe that the difference in the cost report year would have a material impact on the amounts calculated.

(3) Tax Levy Funds-

Under an agreement with Hamilton County, Ohio (the County), the Medical Center receives tax-supported funding from the County to reimburse the Medical Center for the provision of charity care to the County's indigent residents. During fiscal 2011 and 2010, the Medical Center recognized \$6,000, respectively, of tax levy reimbursement in the accompanying Combined Statements of Operations and Changes in Net Assets.

The current tax levy agreement covers the period of the approved five year tax levy renewal, January 1, 2007 through December 31, 2011, which is subject to renewal by the voters of Hamilton County, Ohio. In each of the years 2007-2011, the County is scheduled to distribute \$6,000 to the Medical Center, subject to appropriation by the Board of County Commissioners. The amount distributed by the County from the Tax Levy proceeds to the Medical Center during each year of the Term hereof is subject to an annual appropriation at the discretion of the Board of County Commissioners. On an annual basis, the Medical Center shall render hospital inpatient and outpatient health and hospitalization services to medically indigent Hamilton County residents who are "Eligible Individuals" that have a total cost of at least the amount of the annual payments distributed to the Hospital under this Agreement for that year.

The vote on the next tax levy five year renewal will be held in November 2011. The Hamilton County Commissioners are recommending that the Medical Center portion of the tax levy, if passed by voters, will approximately \$5,200 annually.

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(4) 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:

	June 30,	
	2011	2010
Self-insurance funds-		
Professional liability	\$ 162	\$ 973
Employee health and workers' compensation	436	468
Bond principal and interest escrow funds	4,008	3,991
Tomorrow Fund	14	97
Escrow Fund	-	40
	<u>\$4,620</u>	<u>\$5,569</u>

- (a) Self-Insurance Funds--Cincinnati Children's has established an irrevocable trust fund for the payment of professional liability claim settlements. See Note 6 for further discussion of professional liability self-insurance.

Cincinnati Children's has also established a trust fund for the payment of claims related to certain self-insured employee health care programs.

(5) Property and Equipment-

Property and equipment consists of the following:

	June 30,	
	2011	2010
Land	\$ 31,525	\$ 30,473
Land improvements	17,302	16,528
Buildings and building improvements	989,868	923,495
Equipment	538,178	573,273
Construction in progress	6,032	24,096
	<u>1,582,905</u>	<u>1,567,865</u>
Accumulated depreciation	(731,204)	(721,736)
Property and equipment, net	<u>\$ 851,701</u>	<u>\$ 846,129</u>

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(6) Professional Liability-

The Medical Center is self-insured for losses from professional and patient general liability.

The following details the amounts the Medical Center has purchased for excess coverage and the limits by period:

For claims made subsequent to:

June 1, 2008	\$10,000 (\$25,000 in aggregate)
October 1, 2004	\$10,000 (\$20,000 in aggregate)
October 1, 2002	\$4,000 (\$14,000 in aggregate)
October 1, 2001	\$3,000
October 1, 1991	\$2,000

Coverage under this insurance policy was limited to \$35,000 per occurrence and in the aggregate for each of the policy years ended September 30, 1997. This coverage was increased to \$50,000 for the policy years through September 30, 1998 and after. This coverage was increased to \$60,000 for the policy years ending May 31, 2008 and after. The Medical Center has also purchased excess liability coverage on a claims made basis in order to increase the annual aggregate coverage to an amount not to exceed \$75,000, when combined with the occurrence basis policy discussed above. Effective October 1, 2000, the Medical Center purchased coverage from River City for claims against employed physicians, which is subject to the same limits discussed above.

The actuarial present value of expected professional and patient general liability self-insurance costs (including incurred, but not reported claims) of \$21,675 and \$15,231 for 2011 and 2010, respectively, has been accrued in the accompanying Combined Balance Sheets. Accrued professional and general liability losses have been discounted at a rate of approximately 4% at June 30, 2011 and 2010, respectively. The costs of professional and patient general liability self-insurance, including premiums paid for stop-loss coverage, legal fees, settlements, judgments, and other administrative costs are included in Supplies, Drugs and Other in the accompanying Combined Statements of Operations and Changes in Net Assets. On an ongoing basis, management reviews the status of potential claims and incidents, as well as legal proceedings, and, based upon consultation with a professional actuary, adjusts the accrued losses and self-insurance funding levels to reflect its best estimate of the present value of expected professional and patient general liability self-insurance costs. Professional and patient general liability expense amounted to \$17,686 and \$11,748 for fiscal 2011 and 2010, respectively.

The Medical Center is the subject of or a party to various litigation, including professional and patient general liability, which involves routine matters incident to the course of business. Management does not believe any current proceedings will have a material adverse effect on its combined financial position or results of operations.

(7) Capital Lease Obligations-

The Medical Center leases certain equipment under capital leases. During fiscal 2011, Cincinnati Children's entered into certain lease agreements for equipment with an asset value of approximately \$4,898. During fiscal 2010, Cincinnati Children's entered into certain lease agreements for equipment with an asset value

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of approximately \$1,389. The aggregate future minimum lease payments total \$4,993, with \$1,342 due in fiscal 2012.

(8) Bonds Payable and Notes Payable-

Bonds payable and notes payable for the years ended June 30, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Bonds payable and notes payable:		
Series 1993, 5.0% due through 2013, net of unamortized discount of \$29 in 2011 and \$56 in 2010	\$ 3,671	\$ 5,364
Series 1997, variable interest (0.09% at June 30, 2011), due through 2017	32,485	33,760
Series 1998, 4.75% to 5.375% due through 2028, net of unamortized discount of \$2,984 in 2011 and \$3,123 in 2010	110,541	114,572
Series 2000, variable interest (0.09% at June 30, 2011), due through 2028	49,080	49,550
Series 2002, variable interest (0.09% at June 30, 2011), due Through 2028	22,625	23,570
Series 2004, 4.00% to 5.50% due through 2034, net of unamortized discount of \$62 in 2011 and \$2 in 2010	85,448	87,488
Series 2006K, 4.25% to 5.00%, due through 2032, net of unamortized premium of \$422 in 2011 and \$432 in 2010	63,497	63,507
Series 2007M, variable interest (0.07% due at June 30, 2011), due through 2037	30,615	30,615
Series 2007N, variable interest refinanced November 2010	-	30,615
Series 2008, variable interest (0.25% due at June 30, 2011), due through 2036	19,047	19,045
Series 2009, 4.20% due through 2019	24,000	27,000
Series 2010, 2.27% due through 2020	27,000	-
Note Payable on Vernon Manor Property, interest at 4.90%	28,200	-
IBM Credit LLC, 6.17% interest, paid in full November 2010	-	722
Total bonds payable and notes payable	<u>496,209</u>	<u>485,808</u>
Less- current portion	<u>(18,090)</u>	<u>(14,282)</u>
Bonds payable and notes payable - long-term	<u>\$478,119</u>	<u>\$471,526</u>

- (a) Bonds Payable—The Medical Center has pledged their gross revenues, as defined, to secure the payment of Series 1993, 1997, 1998, 2000, 2002, 2004, 2006, 2007, 2008, 2009 and 2010 bonds. The Medical Center is bound by certain financial covenants included in the bond indentures, letters of credit (fully securing the 1997, 2000, 2002, 2007 and 2008 issuances) and related agreements. Among other restrictions is a requirement to maintain a minimum Debt Service Coverage Ratio, as defined. The Medical Center is in compliance with its debt covenants as of June 30, 2011 and 2010.

Payment of the principal of, and the interest on, the Series 1993, 1998, 2004 and 2006 bonds is insured by a policy of municipal bond insurance. The 1997, 2000, 2002, 2007 and 2008 bonds may be tendered to a remarketing agent by bondholders on business days for full payment of principal and accrued interest. The Medical Center has entered into standby letters of credit that commits major banks to make funds available to purchase the bonds that are not remarketed. The Medical Center is

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required to maintain these or similar agreements until the bonds have been paid or converted to fixed rate obligations.

The interest rates on the 1997, 2000, 2002, 2007 and 2008 variable rate bonds are reset weekly by a rate-setting agent.

(b) Future Debt Maturities --

The following is a schedule of future debt maturities:

2012	\$ 18,090
2013	18,563
2014	19,152
2015	19,735
2016	20,314
Thereafter	403,006
	<u>\$498,860</u>

(c) Line of Credit -- In August 2008, Cincinnati Children's secured a \$40,000 line of credit. The line of credit expires in February 2012 and bears interest at the monthly LIBOR rate plus 100 basis points. There were no draws on the line of credit during fiscal 2011 or 2010.

(d) Note Payable on Vernon Manor Property -- 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. The property is located near the main campus. Additionally, a parking garage was constructed on adjacent property in order 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. The present value of such fixed payments at June 30, 2011 is \$28,200 using Cincinnati Children's estimated tax-exempt interest rate at the time of the agreement of 4.90%. The agreement also calls for variable payments monthly to cover operating expenses for the office building and the parking garage. Cincinnati Children's took occupancy of the facility on June 27, 2011. Additionally, the agreement has a provision that Cincinnati Children's can purchase the facility at the end of the seven years for the then fair market value. As part of the transaction, Children's recorded non-cash transactions for the acquisition of the property of \$30,000 and assumption of notes payable and deferred costs of \$30,000.

(e) Subsequent Event -- Subsequent to year-end, Cincinnati Children's refinanced \$62,135 of the outstanding 1998G bonds with tax-exempt direct bank placement obligations. The obligations bear interest at a fixed rate of interest of 2.207%. The obligations mature in fiscal 2019.

(9) Employee Benefit Plans -

The Medical Center 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. The Medical Center's funding policy for its defined benefit plan meets the funding standards established by the Employee Retirement Income Security Act of 1974 (ERISA).

The Medical Center's investment strategy with respect to pension assets is designed to achieve a moderate level of overall portfolio risk in keeping with our desired risk objective, which is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. The portfolio's target asset allocation is 60 percent equities, 35 percent fixed income and 5 percent Real Estate Investment Trusts

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with specified allowable ranges around these targets, plus or minus 10 percent based on the manager's discretion. Within the equity market, the investments are broadly diversified among various industry sectors in the domestic market. Within the debt segment, the investments are diversified between U.S. government bonds, Government Agency bonds and Corporate bonds. Investment risk is measured and monitored on an ongoing basis through regular reports from the investment managers.

The Medical Center's defined benefit plan investment allocation at the actuarial measurement date of June 30, 2011 and 2010 by asset category is as follows:

	<u>2011</u>	<u>2010</u>
Equity common collective trust funds	49.1%	45.1%
Bond mutual funds and common collective trust funds	34%	39.8%
International equity common collective trust fund	12.2%	10.5%
Real estate common collective trust fund	4.5%	4.3%
Cash and cash equivalents	0.2%	0.3%

At June 30, 2011 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:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market mutual funds	\$ 688	\$ -	\$ -
Bond mutual funds	74,155	-	-
Bond common collective trust funds	-	88,091	-
Equity common collective trust funds	-	234,274	-
International equity common collective trust fund	-	58,283	-
Real estate common collective trust fund	-	21,512	-
	<u>\$74,843</u>	<u>\$402,160</u>	<u>\$ -</u>

At June 30, 2010 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:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market mutual funds	\$ 1,022	\$ -	\$ -
Bond mutual funds	54,208	-	-
Bond common collective trust funds	-	77,849	-
Equity common collective trust funds	-	149,814	-
International equity common collective trust fund	-	34,812	-
Real estate common collective trust fund	-	14,316	-
	<u>\$55,230</u>	<u>\$276,791</u>	<u>\$ -</u>

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

	<u>2011</u>	<u>2010</u>
Discount rate used to determine actuarial present value of the projected benefit obligation	5.76%	5.51%
Assumed rate of increase in compensation levels	4.00%	4.00%

The following table sets forth the funded status of the plan and amounts recognized in the accompanying Combined Balance Sheets as of June 30, 2011 and 2010, utilizing actuarial measurement dates as of June 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$607,864	\$471,598
Service cost	32,068	24,448
Interest cost	33,205	29,078
Other actuarial losses	12,201	88,192
Benefits paid	(6,575)	(5,452)
Projected benefit obligation at end of year	<u>678,763</u>	<u>607,864</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	332,022	232,096
Actual return on plan assets	82,156	40,548
Employer contributions	69,400	64,830
Benefits paid	(6,575)	(5,452)
Fair value of plan assets at end of year	<u>477,003</u>	<u>332,022</u>
Funded status	(201,760)	(275,842)
Net accrued pension liability in Combined Balance Sheets	<u><u>\$(201,760)</u></u>	<u><u>\$(275,842)</u></u>

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

	<u>2011</u>	<u>2010</u>
Net actuarial loss	\$273,777	\$340,248
Net prior service cost	580	1,123
	<u><u>\$274,357</u></u>	<u><u>\$341,371</u></u>

The estimated actuarial loss and prior service cost that will be amortized from Unrestricted Net Assets into net pension cost in fiscal 2012 are \$18,474 and \$543, respectively.

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

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

	<u>2011</u>	<u>2010</u>
Discount rate used to determine actuarial present value of the projected benefit obligation	5.51%	6.22%
Assumed rate of increase in compensation levels	4.00%	4.00%
Expected long-term rate of return on plan assets	8.00%	8.00%

The Medical Center'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 2011 and 2010 related to the defined benefit plan consisted of the following components:

	<u>2011</u>	<u>2010</u>
Service cost	\$32,068	\$24,449
Interest cost	33,205	29,078
Return on plan assets	(30,607)	(26,147)
Amortization of prior service cost	543	543
Recognized net actuarial loss	27,122	18,076
Net periodic pension cost	<u>\$62,331</u>	<u>\$45,999</u>

Based on preliminary estimates, we expect fiscal 2012 contributions of approximately \$72,900 for the qualified defined benefit plan.

The accumulated benefit obligation for the pension plan was \$566,222 and \$518,445 at June 30, 2011 and 2010, respectively.

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

2012	\$12,983
2013	16,081
2014	19,023
2015	22,228
2016	25,908
2017-2021	196,982

All other retirement plans maintained by the Medical Center are defined contribution plans. The Medical Center's contributions to these plans are generally based on ten percent of salaries up to established ERISA limits. Total expense related to these other plans was approximately \$16,749 and \$15,814 in fiscal 2011 and 2010, respectively. The Medical Center maintains a matching contribution related to non-faculty, non-senior management employees in which the Medical Center will contribute one dollar for every dollar an employee contributes to a 403(b) plan up to 1% of an employees salary subject to certain restrictions, including a three year vesting schedule and employee contributions made each pay period. The total amount expensed in fiscal 2011 and 2010 related to this plan was approximately \$3,225 and \$2,722, respectively.

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

The Medical Center has a nonqualified deferred compensation plan, which permits eligible officers, directors and key employees to defer a portion of their compensation. The deferred compensation amounts are in participant directed investments and are considered trading securities. The participants have the option of deferring the amounts for no less than two years, but no greater than retirement age. If a participant chooses to defer amounts to less than retirement age they have one option to extend the deferral term or to be paid out the fair value of the assets, net of taxes upon expiration. The amounts are at a substantial risk of forfeiture and will revert back to the Medical Center if the employee violates his non-compete agreement. The fair value of the assets and liability to participants included in the accompanying balance sheets were \$9,384 and \$8,081 at June 30, 2011 and 2010, respectively. The amount of deferred compensation expense recognized in fiscal 2011 and 2010 was \$12 and \$1,102, respectively. Additionally, the Medical Center provides for individual nonqualified deferred compensation benefits for retention of key employees with varying terms. The fair value of the assets and liability to participants related to these individual agreements in the accompanying combined balance sheets were \$4,738 and \$6,666, respectively at June 30, 2011 and 2010.

In addition to providing pension benefits, the Medical Center makes available medical and dental benefits for certain eligible employees upon retirement from the Medical Center at cost. Substantially all employees may become eligible for such benefits upon retiring from active employment of the Medical Center. Former employees who retired prior to March 1, 1997 are entitled to subsidized medical and dental benefits.

The postretirement benefit obligations as of June 30, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$8,421	\$8,262
Interest cost	373	471
Plan participants contributions	631	512
Medicare Part D subsidy	135	106
Actuarial (gains) losses	(202)	177
Benefits paid	(1,450)	(1,107)
Benefit obligation at end of year (included in self-insurance reserves)	<u>\$7,908</u>	<u>\$8,421</u>

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

	<u>2011</u>	<u>2010</u>
Net actuarial loss	\$3,399	\$ 3,949
Net prior service cost	(1,168)	(1,453)
	<u>\$2,231</u>	<u>\$2,496</u>

The estimated actuarial loss and prior service cost that will be amortized from Unrestricted Net Assets into net postretirement cost in fiscal 2012 are \$305 and \$(285), respectively.

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

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

	<u>2011</u>	<u>2010</u>
Discount rate	4.49%	4.63%
Health care cost trend rate declining gradually to 5% through 2019 and beyond, respectively	8.50%	9%

Net periodic cost for 2011 and 2010 related to the medical and dental postretirement benefits consisted of the following components:

	<u>2011</u>	<u>2010</u>
Interest cost	\$373	\$471
Amortization of unrecognized net gain and prior service credit	64	68
	<u>\$437</u>	<u>\$539</u>

For fiscal 2011 and fiscal 2010, the discount rate used to determine the net periodic postretirement costs was 4.63% and 5.97%, respectively.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

	<u>1-Percentage- Point Increase</u>	<u>1-Percentage- Point Decrease</u>
Effect on total of service and interest cost components	\$ 28	\$ (25)
Effect on accumulated postretirement benefit obligation	540	(488)

The Medical Center expects to make the future benefit payments, which reflect expected future service, as appropriate. The Medical Center expects to receive future subsidies under Medicare Part D. The following benefit payments and subsidies are expected to be paid (or received) over each of the next five years and thereafter.

	<u>Payments</u>	<u>Subsidies</u>
2012	\$ 718	\$116
2013	733	118
2014	741	119
2015	742	118
2016	734	116
2017-2021	3,297	517

Children’s Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

(10) Commitments and Contingencies-

- (a) Laws and Regulations--The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as license, accreditation, privacy, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Management believes that the Medical Center is in compliance with all fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.
- (b) Capital Commitments--The Medical Center has entered into agreements with general contractors for several renovation projects and information system technology projects. The Medical Center has committed to spend an additional approximately \$4,823 in connection with current active projects as of June 30, 2011. The projects are expected to be completed in fiscal 2012.
- (c) Funding Commitment -- During fiscal 2005, the Board of Trustees of Cincinnati Children’s approved a revocable commitment for up to \$15,000 non-recourse loan over seven 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, 2011, Cincinnati Children’s has provided \$12,867 of funding in relation to this commitment.

As part of fee assignment agreements with physician employees, the Medical Center has agreed to fund expenditures of \$199,125 and \$179,605 as of June 30, 2011 and June 30, 2010, respectively, in those physicians’ respective departments at the Medical Center as requested by those departments.

- (d) Investment Commitment -- Cincinnati Children’s has made commitments to invest \$12,000 in two 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 and advanced manufacturing. As of June 30, 2011, Cincinnati Children’s had funded \$8,504 of this commitment.
- (e) Operating Leases – Cincinnati Children’s leases certain property for varying periods. Future minimum rental commitments under non-cancellable operating leases are as follows:

FY 2012	\$3,730
FY 2013	2,406
FY 2014	1,488
FY 2015	539
FY 2016	495
Thereafter	1,439

Children's Hospital Medical Center and Affiliates

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010, respectively (dollars in thousands)

(11) Functional Expenses-

The functional expenses of the Medical Center are as follows:

	<u>2011</u>	<u>2010</u>
Patient services	\$1,060,880	\$1,050,126
Research and education	369,698	296,228
Support services	208,187	193,084
	<u>\$1,638,765</u>	<u>\$1,539,438</u>

(12) Fair Value of Financial Instruments-

The following methods and assumptions were used by the Medical Center in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents--The carrying amounts reported in the Combined Balance Sheets approximate fair value.

Accounts Receivable and Accounts Payable and Accrued Expenses -- The carrying amounts reported in the Combined 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 Combined Balance Sheets approximate fair value. Fair value is determined by the trustee holding the assets based on published market prices.

Bonds Payable and Notes Payable--The fair values of the Medical Center's bonds payable and notes payable are estimated by the bond trustee based on current rates for debt with similar remaining maturities. The fair value of the bonds payable at June 30, 2011 and 2010 was \$485,357 and \$471,390, respectively.

(13) Subsequent Events

Management reviewed subsequent events through October 25, 2011, the date the financial statements were issued, noting no changes were required to the financial statements or footnotes, except in relation to footnotes 1(a) and 8(e) contained herein.

**CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
Department of Defense	Military Construction, National Guard	Epi Survey of Iowa Ammunition Plant Worker	University of Iowa		W911SR05C0055	12.400	\$	\$25,341.20	\$25,341.20
				Military Construction, National Guard Total			-	25,341.20	25,341.20
	Military Medical Research and Development	Development of Strategies to Treat and Prevent Norovirus Therapeutic Targets for Neurofibromatosis: Identical Neurofibromatosis Consortium (STOPN)	University of Alabama-Birmingham	Massachusetts General Hospital	W81XWH0410066	12.420		558,688.23	558,688.23
		Tuberous Sclerosis Complex Natural History Study			W81XWH0410273	12.420	(2,294.20)		(2,294.20)
		Early Prediction Of Lupus Nephritis Using Advanced Proteomic Therapeutic Targets for Peripheral Nerve Tumor			W81XWH0510615	12.420		151,058.31	151,058.31
					W81XWH0610538	12.420		105,696.29	105,696.29
				House Ear Institute	W81XWH0710322	12.420		(1,608.57)	(1,608.57)
				Massachusetts General Hospital	W81XWH0910135	12.420	42,376.06	99,546.65	172,881.33
		Role of Foxm1 in the Pathogenesis of Prostate Cancer	Cleveland Clinic		W81XWH0910389	12.420		121,820.77	121,820.77
		Next Generation DNMT-1 Depletion Therapy for Leukemia			W81XWH0910671	12.420		182,673.15	182,673.15
		Modelling Brain Defects in NF1			W81XWH1010116	12.420		282,672.48	282,672.48
		Genetic Studies of Food Allergies Research Program			W81XWH1010167	12.420		313,031.33	313,031.33
		Molecular Signatures of Cancer Metastasis			W81XWH1010325	12.420		154,050.22	154,050.22
		PR0094002 - "Genome-Wide Assoc. Study in African-American Genetic & Epigenetic Differences in Monozygotic Twins with Identification and Study of Novel Genes Critical to Sirtuin Gap Junction Intercellular Communication in Bone Marrow Regulation and Function of TIFAB in Myelodysplastic Syndrome			W81XWH1010675	12.420		390,589.06	390,589.06
					W81XWH1010867	12.420		67,435.38	67,435.38
					W81XWH1110144	12.420		5,063.06	5,063.06
					W81XWH1110296	12.420		31,539.39	31,539.39
					W81XWH1110468	12.420		1,247.20	1,247.20
				Military Medical Research and Development Total			71,040.48	2,463,502.95	2,534,543.43
				Department of Defense Total			71,040.48	2,488,844.15	2,559,884.63
Department of Education	Education Research, Development and Dissemination	Organizational Skills Interventions for Children with Autism			R305A090305	84.305		147,279.12	147,279.12
				Education Research, Development and Dissemination Total			-	147,279.12	147,279.12
	National Institute on Disability and Rehabilitation Research	Rehabilitation Research and Training Center for Traumatic Brain Injury		Case Western Reserve University, Nationwide Children's Hospital, The Children's Hospital Association, University of Oregon	H133B090010	84.133	55,516.55	428,096.81	731,636.19
					H133G050239	84.133		(5,659.60)	(5,659.60)
		Teen Online Problem Solving for Pediatric Brain Injury			H133G060167	84.133		(8,540.97)	(8,540.97)
		Web Therapy to Improve Outcomes after Traumatic Brain Injury							
				National Institute on Disability and Rehabilitation Research Total			303,539.38	413,896.24	717,435.62
	Special Education-Grants for Infants and Families	Child Find			03130011HB0310	84.181		45,461.39	45,461.39
				Special Education-Grants for Infants and Families Total			-	45,461.39	45,461.39
	Special Education Tech. & Media Svcs for Individuals w/ Disabilities	Influencing Outcomes for Children Who Are Deaf-Blind	The Teaching Resources Institute of W. Oregon Univ.		H327A080045A	84.327		49,048.99	49,048.99
				Special Education, Technology and Media Services for Individuals with Disabilities Total			-	49,048.99	49,048.99
				Department of Education Total			303,539.38	655,685.74	959,225.12
Department of Justice	Crime Victim Assistance	Victims Assistance Funds	Crime Victims Assistance Office		2010VADSCE483	16.575		52,383.45	52,383.45
				Crime Victim Assistance Total			-	52,383.45	52,383.45
	Missing Children's Assistance	Program Support Grant NCJ	National Children's Alliance		6-CINC-OH-SA10	16.543		9,906.00	9,906.00
				Missing Children's Assistance Total			-	9,906.00	9,906.00
				Department of Justice Total			-	62,289.45	62,289.45
Department of Transportation	State and Community Highway Safety	Occupant Protection Region Coordinator			DOH01-0000015571	20.600		40,337.74	40,337.74
		Teen Restraint			GG2011310000052000	20.600		6,728.91	6,728.91
				State and Community Highway Safety Total			-	47,066.65	47,066.65
				Department of Transportation Total			-	47,066.65	47,066.65
National Science Foundation	Biological Sciences	Probing the robustness of a developmental system			IOS-0843424	47.074		259,733.20	259,733.20
				Biological Sciences Total			-	259,733.20	259,733.20
	Mathematical and Physical Sciences	Extension of Censored Quantile and Empirical Likelihood			NSF 1007666	47.049		24,416.66	24,416.66
				Mathematical and Physical Sciences Total			-	24,416.66	24,416.66
				National Science Foundation Total			-	284,149.86	284,149.86
Department of Labor	Comp. Grants for Workers Training & Placement in High Growth Emerging Industry Sectors	Health Careers Collaborative of Greater Cincinnati			GCJ200701060A39	17.275		79,647.35	79,647.35
				Competitive Grants for Workers Training and Placement in High Growth and Emerging Industry Sectors Total			-	79,647.35	79,647.35
				Department of Labor Total			-	79,647.35	79,647.35
Dept of Health and Human Services	Aging Research	CALERIE Phase II	Duke University		AG022132	93.866		13,612.13	13,612.13
		Mechanisms of age-related inflammatory response in hemiparesis			AG027990	93.866		312,971.18	312,971.18
				Aging Research Total			-	326,583.31	326,583.31
	Allergy, Immunology and Transplantation Research	Analysis of Staphylococcus Aureus Host Interaction: Genetic Linkage in Lupus	Texas A & M		AI020624	93.855		37,422.44	37,422.44
		Long-Term Immunity Against Toxoplasmosis	George Washington University		AI024717	93.855		436,402.77	436,402.77
		Regulations of Gastrointestinal Eosinophil			AI033325	93.855		75,238.20	75,238.20
		Norovirus and their receptor	University of Cincinnati		AI045898	93.855		425,247.98	425,247.98
		CD40 Ligand Dysregulation and HIV Pathogenesis			AI055649	93.855	6,224.99	302,210.06	308,435.05
					AI056927	93.855		(19,210.02)	(19,210.02)

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Regulation of Apoptosis in Activated Primary T Cell		St Jude Children's Research Hospital	AI057753	93.855	11,864.27	198,848.38	210,712.65
		Molecular Regulation of Immune Complex Diseases			AI059305	93.855		21,423.14	21,423.14
		Immunology/Allergy Fellowship Training Grant T3	University of Cincinnati		AI060515	93.855		54,964.13	54,964.13
		Rapid Trichomonas Tests: A Teen STI Prevention Strateg			AI063182	93.855		(18,333.90)	(18,333.90)
		Immunobiology of Paenut Allergy and its Treatment: A Pi	Mount Sinai Medical Center		AI066738	93.855		152,247.21	152,247.21
		HLA/KIR Region Genetics in Pediatric Arthritis		Childrens Hosp Oakland BACPAC Resourcec	AI067150	93.855	28,056.00	76,490.22	104,546.22
		Transforming Growth Factor beta in T-Cell Homeostasis a	University of Arizona		AI067903	93.855		24,133.63	24,133.63
		Role of Regulatory T Cells in HIV Infection		University of Cincinnati	AI068524	93.855	19,183.68	201,021.22	220,204.90
		Epithelial Genes in Allergic Inflammatio			AI070235	93.855		916,767.65	916,767.65
		IGG Isotype Regulation of Antibody-Mediated Disorder	University of Cincinnati		AI072040	93.855		103,984.94	103,984.94
		Interleukin-9 in Experimental Intestinal Anaphylax			AI073553	93.855		443,472.16	443,472.16
		Behavioral and Virologic Impact of HPV Immunizatio		Indiana University	AI073713	93.855	74,950.87	448,073.05	533,625.80
				Columbia University			10,601.88		
		Functional Analysis of NK cells and their potential to			AI074743	93.855		346,962.96	346,962.96
		Control of Immune responses by lipoxins during tubercu			AI075038	93.855		313,971.75	313,971.75
		Regulation of TLR Signaling and Innate Immunity by RP10			AI075159	93.855		346,104.98	346,104.98
		Novel Broad Spectrum Therapeutic Glycans Against Categ	Boston College		AI075563	93.855		58,335.82	58,335.82
		HPV Vaccination, Attitudes and Suquential Behaviors In	Indiana University		AI079090	93.855		9,547.29	9,547.29
		Role of Acidic Environment in Eosinophilic Inflammatio			AI079251	93.855		207,789.19	207,789.19
		T cell memory to cell-associated antigens by a new D			AI079545	93.855		(14,034.63)	(14,034.63)
		Functional Identification of Genes Mutated in FHL1			AI079759	93.855		143,881.74	143,881.74
		Investigations into XIAP-deficient X-linked Lymphoprol			AI079797	93.855		69,318.87	69,318.87
		Activated Protein C for Treatment of Radiation Combine	Blood Center of Wisconsin, Inc		AI080556	93.855		93,060.17	93,060.17
		Neuronal Regulation of HSV Lytic and Latent Infectio			AI081083	93.855		135,171.45	135,171.45
		Novel Immune-based therapy for Leishmaniasis and T	NewLink Genetics Corporator		AI082812	93.855		96,325.28	96,325.28
		Epithelial Regulation of Th2 Immune Responses in the Lu			AI083315	93.855		346,859.61	346,859.61
		IL-13 Associated Eosinophil Lung Response:			AI083450	93.855		351,045.78	351,045.78
		Biology of IL-13 Receptor Alpha-2 in Asthma			AI084414	93.855		95,219.86	95,219.86
		Gene Therapy for SCID-X1 Using Self-Inactivating Gammar	Children's Hospital Boston		AI087628	93.855		98,633.11	98,633.11
		Explaining Racial Disparities in Child Asthma Morbidity			AI088116	93.855		693,817.39	693,817.39
		Allergenicity resulting from functional mimicry of the		University of Iowa	AI088372	93.855	184,843.42	299,183.19	484,026.61
		Role of Acidity and GPR65 in Food Allergy			AI088559	93.855		158,306.36	158,306.36
		Receptor Mimics for Rapid Detection, Typing, and Suscep	University of Cincinnati		AI089450	93.855		21,731.75	21,731.75
		Novel Vaccine Against Norovirus		Ligocyte Pharmaceutical, Inc	AI089634	93.855	215,771.75	325,598.92	807,424.67
				Virginia Tech			266,054.00		
		Regulation of Th2 memory/effector cells during allerg			AI090129	93.855		304,756.55	304,756.55
		Structure-Function Relationship of the Adenovirus Assem			AI090309	93.855		37,015.76	37,015.76
		Norovirus P Particle, A Multifunctional Platform For Va			AI092434	93.855		1,136.41	1,136.41
		Role of Spi-C in eosinophil development and functional			AI093673	93.855		26,013.35	26,013.35
				Allergy, Immunology and Transplantation Research Total			817,550.86	8,446,156.17	9,263,707.03
ARRA	ARRA Accelerating Adoption of Comparative Effectiveness Research (CER)	Bundling Effective Resident Handoff Practices to Improv	Children's Hospital Boston		AE00029	93.726		43,680.63	43,680.63
								43,680.63	43,680.63
ARRA	ARRA - Emergency Medical Services for Childrer	Implementation of the PECARN Traumatic Brain Injury Pre			MC19289	93.418		17,827.30	17,827.30
								17,827.30	17,827.30
ARRA	ARRA - Prevention and Wellness - Leveraging National Organization	Evaluating Nat'l Efforts to Promote Community Tobacc	American Academy of Pediatric		AAP 696800	93.731		25,974.15	25,974.15
								25,974.15	25,974.15
								25,974.15	25,974.15

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		HSCT-CHESS to Enhance Hematopoietic Transplant Recover	New England Medical Center Hospit		CA119196	93.395		16,639.19	16,639.19
		Adult Neurobehavioral Late Effects of Pediatric Low Gra	Baylor College of Medicine		CA132899	93.395		22,223.86	22,223.86
		Virotherapy for Neuroblastoma Stem Cell			CA133663	93.395		35,173.25	35,173.25
		SapC-DOPS Nanovesicles for Treating Glioblastoma Multif	Bexion Pharmaceuticals		CA136017	93.395		91,601.28	91,601.28
		Targeted Improvement in Stem Cell Therapy for Leukemia			CA157537	93.395		137,109.65	137,109.65
				Cancer Treatment Research Total			507,818.42	987,662.49	1,495,480.91
Cardiovascular Diseases Researct		Training in Cardiovascular Biolog	University of Cincinnati		HL007382	93.837		53,504.78	53,504.78
		Pediatric Cardiomyopathy Registr	University of Miami		HL053392	93.837		37,296.00	37,296.00
		Cardiac Myosin Binding Protein-C: Structure, Function,	University of Vermont		HL059408	93.837		734,334.76	734,334.76
		Molecular pathways controlling cardiac gene expressic			HL060562	93.837		413,828.01	413,828.01
		Cardiac hypertrophic intracellular signaling pathwa)			HL062927	93.837		519,047.21	519,047.21
		Genetic Mechanisms of Cardiac Disease in the Youn			HL069712	93.837		183,687.70	183,687.70
		Signaling processes underlying cardiovascular functio	University of Cincinnati		HL069779	93.837	129,946.36	1,752,969.92	1,882,916.28
		Molecular Mechanisms of Valve Development and Diseas			HL074728	93.837		(730.88)	(730.88)
		CV Disease in Adolescents with Type 2 Diabete			HL076269	93.837		(33,807.00)	(33,807.00)
		Genetic and Molecular Signaling in Heart Failur	University of Cincinnati		HL077101	93.837		112,099.02	112,099.02
		Calpain and Calpastatin Regulation of Reperfusion Injur			HL077653	93.837	7,152.02	7,192.41	14,344.43
		Mech of Vascular Dysfunction in Obesity & the Metaboli			HL080447	93.837		106,340.44	106,340.44
		Mitochondrial Regulated Cardiac Myocyte Deat			HL081104	93.837		(15,401.01)	(15,401.01)
		Tox20 Regulation of Heart Valve Developmer			HL082716	93.837		5,021.76	5,021.76
		Twist 1 regulation of valve progenitor			HL082716	93.837		411,027.30	411,027.30
		Preoperative Therapy for Prevention of Postoperative Lo			HL085057	93.837		316,950.12	316,950.12
		Genetic & Developmental Basis of Pediatric Aortic Valv			HL085122	93.837		180,850.23	180,850.23
		Pediatric Cardiomyopathy Specimen Repositor	New England Research Institutes Inc University of Miami		HL087000	93.837	3,192.52	888,616.86	942,082.83
							50,273.45	(1,184.87)	(1,184.87)
		Cardiomyocyte Toxicity and Heart Failure in Desmin Reli	Temple University		HL087862	93.837		372,745.71	372,745.71
		Calcium as a Molecular Signal in the Hea			HL089312	93.837		2,746.78	2,746.78
		Defining the Role of Necrotic Cell Death in the Prog.			HL092737	93.837		114,854.11	114,854.11
		The Influence of Child Care Center Envir on Physical Ac			HL088053	93.837		54,760.30	54,760.30
		Modifying Dietary Behavior in Adolescents with Elevate	University of Cincinnati		HL088567	93.837		261,636.82	261,636.82
		Role of the embryonic node for cardiac development and			HL088639	93.837		63,981.79	77,206.98
		Developing an In Vivo Adherence Interventio	Rand Corporator Texas A&M Research Foundator		HL089524	93.837	7,635.82	5,589.37	
		Elucidation of molecular networks required to limit ca			HL091126	93.837		231,815.49	231,815.49
		Effects Dietary Fat on Post-Prandial Vascular Functio			HL091174	93.837		180,231.47	180,231.47
		Mechanisms of Vasopressin-Mediated PVR after Fetal Bypa			HL093683	93.837		137,830.97	137,830.97
		Novel Model of Adult Epithelial Stem Cell Expansio			HL093706	93.837		193,175.30	193,175.30
		Therapeutic Hypothermia after Pediatric Cardiac Arre:	University of Michigan		HL094345	93.837		27,778.47	27,778.47
		The non-hypertrophic role of calcineurin in regulatin			HL095353	93.837		66,406.43	66,406.43
		Role of IP-3 Mediated Calcium Release in Cardiac Hyper			HL097186	93.837		215,317.98	215,317.98
		Regulation of Cardiac Gene Expression by the L-type Ca			HL097551	93.837		65,051.03	65,051.03
		Role of Rb/p16 Pathway in Pulmonary Progenitor Cell Reg	University of Cincinnati		HL097609	93.837	26,378.00	4,196.70	30,574.70
		Role of TAK1 Signaling Network in Cardiac Hypertroph			HL098076	93.837		86,787.77	86,787.77
		Understanding Mechanisms of Fontan Failure and Key Prex	Georgia Tech		HL098252	93.837		15,105.12	15,105.12
		Hypoplastic Left Heart Syndrome: Rheumatic Heart Diseas	University of Oklahoma		HL098634	93.837	59,305.04	207,447.72	266,752.76
		Cincinnati Cell Characterization Con	University of Maryland	University of Cincinnati	HL099997	93.837	12,546.91	180,149.64	192,696.55
		Cardiac Structure and Function in Early Familial Cardior			HL102244	93.837		158,558.74	158,558.74
		Myocardial Protection during Fetal Bypass: Role of Cali			HL103054	93.837		4,225.20	4,225.20
		Regulation of Foxp3 Expression by DNA Methylation in Mt			HL103087	93.837		27,404.58	27,404.58
		Admixture Mapping in African American Asthmatic Childre			HL103165	93.837		50,813.94	50,813.94
		The Molecular Basis for High Density Lipoprotein Hetero	University of Cincinnati		HL104136	93.837		55,910.55	55,910.55
		Regulation of Hematopoietic Stem Cell Self Renew			HL104458	93.837		145,667.22	145,667.22
		miR-21 in the Pathogenesis of Asthm:			HL104892	93.837		27,490.92	27,490.92
		Accelerated CV Aging in Youth Related to CV Risk Factc			HL105591	93.837		122,402.90	122,402.90
		Thrombospondin 4 regulates adaptive ER stress respons			HL105924	93.837		318,378.72	318,378.72
		Macrophage-based Human Gene Therapy for Hereditary PA			HL106134	93.837		86,596.83	86,596.83
		Molecular Mechanisms of Arterial-Venous Differentiatio			HL107369	93.837		36,502.32	36,502.32
				Cardiovascular Diseases Research Total			302,019.49	9,167,614.28	9,469,633.77
Centers for Disease Control & Prevention Investigations & Tech. Ass		The Effect of Improved Hosp Reimbursement for Rt-PA in OI	University of Cincinnati		CCU319276	93.283		9,886.13	9,886.13
		Hemophilia Prevention Networl	Hemophilia Foundation of Michiga		DD000203	93.283		20,522.84	20,522.84
		SEARCH for Diabetes in Youth2: Ohio Siti		University of Coloradc	DP000248	93.283	1,259.19	184,026.19	185,285.38
		Myositis Registry	The Myositis Association		DP001743	93.283		70,541.32	70,541.32
				Centers for Disease Control & Prevention Investigations & Tech. Asst. Total			1,259.19	284,976.48	286,235.67
Child Abuse and Neglect State Grant:		ODJFS "Beyond the Silence" "PSANE" training and Tech Su			G-1011-06-0589	93.669		85,000.39	85,000.39
				Child Abuse and Neglect State Grants Total			-	85,000.39	85,000.39
Child Health and Human Development Extramural Researc		Characterization of Rac Proteins in Myeloid Leukemogene	Yale University		HD000850	93.865		17,135.71	17,135.71
		Pediatric Physician Scientist Program Awar		Children's Hospital Bostor	HD000850	93.865	93,837.55	422,147.05	1,264,886.20
				Duke University			8,921.24		
				University of CA, San Diegc			50,255.18		
				University of CA, San Franciscc			174,087.78		

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
Drug Abuse and Addiction Research Program		Effects of Neonatal MDMA on Brain and Behavior Endocannabinoid Signaling During Early Pregnanc Innovative Modeling of Puberty and Substance Use Ris Clinical Trials Network, Ohio Valley Nod	University of Cincinnati	Pennsylvania State University	DA021394	93.279		142,988.54	142,988.54
					DA006668	93.279		390,959.10	390,959.10
					DA019965	93.279	1,690.62	18,004.60	19,695.22
					DA013732	93.279		25,525.99	25,525.99
Drug Abuse and Addiction Research Programs Total							1,690.62	577,478.23	579,168.85
Drug-Free Communities Support Program Grant		DFC Support Program - POCIWA			SP014669	93.276		128,986.55	128,986.55
					Drug-Free Communities Support Program Grants Total				
Emergency Medical Services for Childre		EMSC Network Development Demonstration Projec Defining Quality Performance Measures for Pediatric Car	University of California-Davis	Children's Hospital of Philadelphia Medical College of Wisconsin University of Utah	MC00001	93.127		97,334.52	97,334.52
					MC16597	93.127	6,386.92	59,803.67	78,475.45
								3,979.86	
								8,305.00	
Chesapeake Applied Research Network for EMS					MC00006	93.127		25,181.00	25,181.00
Emergency Medical Services for Children Total							18,671.78	182,319.19	200,990.97
Environmental Health		Center for Environmental Genetic: Training Grant in Teratolog Environmental Carcinogenesis and Mutagenesi Environmental Toxins and Uterine Gene Expressio Pooled Analysis of (OP) Metabolites & DDE & Birt Molecular Epidemiology in Children's Environmental He: Pathways to Mutagenesis in Vivo and in Stem Cell BCERC Data Management Supplemen A Comm.-Based Trial to Prevent Lead Poisoning & Injurie Role of Environmental Chemicals on Lactation Outcome Early Lead Exposure, ADHD and Persistent Criminality: R Functional Genomics of Chemical Induced Acute Lung Inj: Effects of Lead, Manganese and Stress During Developmer Mechanism of PM Induced Dendritic Cell Activatio Mechanisms of Pesticide-Induced Neurobehavioral Deficit Genomic and proteomic biomarkers of biologic response: Prenatal Low Level Tobacco Exposur Environmental Exposure: Susceptibility Alleles in a DN Exposure assessment of biomarkers of polyfluoroalkyl co Impact of peripubertal exposure to xenochemicals on fat Intervention to Reduce Body Burden of PCBs in Resident Continued studies of environmntl impact on puberty,GUF	University of Cincinnati		ES006096	93.113		20,904.51	20,904.51
					ES007051	93.113		276,182.17	276,182.17
					ES007250	93.113		102,812.07	102,812.07
					ES007814	93.113		281,402.00	281,402.00
					ES009005	93.113		5,281.15	5,281.15
					ES010957	93.113		88,822.75	88,822.75
					ES012695	93.113		(177.15)	(177.15)
					ES012770	93.113		(50,008.54)	(50,008.54)
					ES014575	93.113	8,899.96	429,955.31	438,855.27
					ES014691	93.113		152,892.89	152,892.89
					ES015559	93.113		154,639.45	154,639.45
					ES015675	93.113		29,766.14	29,766.14
					ES015689	93.113		312,895.46	312,895.46
					ES015903	93.113		382,158.62	382,158.62
					ES015991	93.113		31,892.57	31,892.57
					ES016003	93.113	2,719.63	53,548.41	56,268.04
					ES016304	93.113		20,705.07	20,705.07
					ES016625	93.113		3,542.00	3,542.00
					ES017176	93.113		397.12	397.12
					ES017315	93.113	7,346.42	123,821.29	131,167.71
					ES019206	93.113		64,099.67	64,099.67
					ES019453	93.113		136,543.83	405,745.27
					Environmental Health Total				
Extramural Research Programs in the Neurosciences an Neurological Disorders		Mitogenic Activities in Neurofibromatosis Hemorrhagic & Ischemic Stroke among blacks and white Genetic and Environmental Risk Factors for Hemrhagi Parkinson Disease Collaborative Study of Genetic Linkag Apoptosis and Renewal of Neural Progenitor Cell Familial Intracranial Aneurysm Study Silent Cerebral Infarct Multi-Center Clinical Tri: Roles of Gsh1 & Gsh2 in Telencephalic Neurogenesis Recanalization Therapies and markers of Outcomes in Act fMRI of Language Recovery Following Stroke in Adult	University of Cincinnati		NS028840	93.853		217,637.57	217,637.57
					NS030678	93.853		77,723.50	77,723.50
					NS036695	93.853		71,885.93	71,885.93
					NS037167	93.853		35,112.46	35,112.46
					NS038296	93.853		41,034.47	41,034.47
					NS039512	93.853		29,530.00	29,530.00
					NS042804	93.853		5,916.95	5,916.95
					NS044080	93.853		315,988.61	315,988.61
					NS044283	93.853		168,685.69	168,685.69
					NS048281	93.853		42,450.84	42,450.84

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Impact of Initial Therapy and Response on Long Term Outcomes		Arkansas Children's Hospital Baylor College of Medicine Case Western Reserve University Children's Healthcare of Atlanta Children's Hospital of Philadelphia Children's Hospital of Philadelphia Children's Hospital of Pittsburgh Children's Memorial Hospital Children's National Medical Center Children's Research Institute Cook Children's Health Care System Eastern Virginia Medical School Medical College of Wisconsin Miami Children's Hospital Research Institute Montefiore Medical Center Nationwide Children's Hospital Nemours Children's Clinic Oregon Health & Science University Seattle Children's Hospital St. Joseph's Hospital & Medical Center The Children's Hospital Association The Women & Children's Hospital of Buffalo University of Alabama-Birmingham University of California University of Pittsburgh University of Tennessee University of Utah Washington University Wayne State University Yale University	NS045911	93.853	22,656.79 9,988.89 7,053.54 7,779.36 38,297.75 12,779.10 14,178.35 664.79 110,514.68 82,970.14 13,692.00 8,274.11 5,916.72 22,469.90 128,046.00 29,007.53 23,526.52 6,820.83 9,350.61 19,972.00 17,644.00 3,906.84 3,973.81 39,123.13 5,017.42 1,470.00 14,280.13 18,096.00 5,826.22 7,345.71	1,269,342.19	1,959,995.06
		Genetic Mechanisms of Acute Necrotizing Encephalopathy	University of Utah		NS050331	93.853		1,609.97	1,609.97
		Spinal Abnormalities in Neurofibromatosis Type 1			NS050509	93.853		58,383.36	58,383.36
		Drug & Non-Drug Treatment of Pediatric Chronic Headache			NS050536	93.853		301,082.57	301,082.57
		Regulation and mechanisms of synaptic vesicle exocytosis	Yale University		NS054750	93.853		243,477.75	243,477.75
		The Role of SLITRK1 in Tourette and Related Disorders			NS056276	93.853		36,265.05	36,265.05
		Rac GTPases in the Mammalian Brain Development			NS056435	93.853		320,658.69	320,658.69
		Cincinnati Center for Neurofibromatosis Research	University of Cincinnati		NS057531	93.853	206,260.73	947,992.49	1,451,798.28
		CD 8 T cell mediated disruption of blood brain tight junctions	University of Cincinnati	University of Minnesota			297,545.06		
		Identification of Drug Targets for NF1	Dartmouth		NS060881	93.853		18,460.67	18,460.67
		Sodium Channel Gene Variation in the Treatment of Epilepsy			NS060940	93.853		43,569.30	43,569.30
		Contributions of Aberrant Granule Cells Integration to Epilepsy			NS062756	93.853		310,460.36	310,460.36
		Genetic Therapy for CNS Manifestations in MPS I via BBB			NS062806	93.853		319,967.30	319,967.30
		Selective disruption of hippocampal dentate granule cells			NS064330	93.853		316,662.77	316,662.77
		Regulation of Sensory-Motor Connectivity by Semaphorin 3A			NS065020	93.853		227,896.73	227,896.73
		LDN: Epidemiology and Natural History of Wolman and Cholesterol Esterase Deficiency	University of Minnesota		NS065048	93.853		327,637.73	327,637.73
		Endogenous CNTF Receptors and Adult, In Vivo Neurogenesis	University of Cincinnati		NS065768	93.853		97,275.06	97,275.06
		Pilot Trial of Bumetanide for Neonatal Seizure	Children's Hospital Boston		NS066051	93.853		17,370.72	17,370.72
		Longitudinal DTI study in Children Treated for Congenital Hypomyelination			NS066929	93.853	69,849.12	5,872.04	5,872.04
		Molecular control of neurogenesis in the adult		Washington Univ. of St. Louis	NS066932	93.853		222,254.19	222,113.31
		Motor cortex dysfunction in migraine			NS069893	93.853		416,174.56	416,174.56
					NS072817	93.853		101,122.48	101,122.48
		Extramural Research Programs in the Neurosciences and Neurological Disorders Total					1,264,307.78	6,609,512.00	7,873,819.78

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp	
Maternal and Child Health Federal Consolidated Program		Hemophilia Comprehensive Care University Affiliated Cincinnati Ctr for Developmental Disabilities Increasing Retention in Home Visitation Cincinnati Sickle Cell Newborn Screening Network Autism Intervention Research Network on Physical Health Serious Safety Events for Medicaid Children Impact of Cognition on Language in Pediatric Hearing Loss	Hemophilia Foundation of Michigan University of Cincinnati	Sickle Cell Affected Family Greater Cincinnati	MC00015	93.110		13,168.23	13,168.23	
					MC00032	93.110		912,287.53	912,287.53	
					MC06632	93.110		36,554.40	36,554.40	
					MC09233	93.110	6,344.71	176,537.30	182,882.01	
					MC11054	93.110		204,074.98	204,074.98	
					MC11279	93.110		(4,514.37)	(4,514.37)	
					MC21513	93.110		63,678.34	63,678.34	
								6,344.71	1,401,786.41	1,408,131.12
Maternal and Child Health Services Block Grant to the State		ODH Division of Family Services Regional Outreach Education			03130011PN	93.994		19,007.51	19,007.51	
Medicaid Transformation Grant:		CMS Neonatal Outcomes Grant	University of Cincinnati		MS030227	93.793	31,200.00	1,088.18	32,288.18	
Medical Assistance Program		Research to Evaluate the Ohio Medicaid Expansion Perinatal Quality Improvement Project and Data Infrastructure	University of Cincinnati Ohio State University	Washington University	A89070357 Medtapp	93.778 93.778	53,088.38 -	895,092.11 496,270.51	948,180.49 496,270.51	
							53,088.38	1,391,362.62	1,444,451.00	
Medical Library Assistance		Increasing Clinical Trial Enrollment: A Semi-Automated Shared Task 2010 Analysis of Suicide Notes for Subject			LM010227 LM010743	93.879 93.879	148,809.84 6,257.33	148,809.84 6,257.33	148,809.84 6,257.33	
								155,067.17	155,067.17	
Mental Health Research Career/Scientist Development Award		Med Response in Children with Prone to Inattentive Type ADHD			MH083881	93.281		188,921.81	188,921.81	
								188,921.81	188,921.81	
Mental Health Research Grants		Examining the Biological Basis of ADHD Regional Control of Telencephalic Neuronal Diversity Improving Mental Health Outcomes of Child Brain Injury			MH064478 MH069643 MH073764	93.242 93.242 93.242		154,904.61 (3,363.54) 305,503.76	154,904.61 (3,363.54) 706,889.61	
		Longitudinal Assessment of Manic Symptom LAAMS			MH073816 MH073816	93.242 93.242		(28,564.13) 580,971.16	(28,564.13) 580,971.16	
		Family-Focused Treatment for Bipolar Adolescent Response Variability in Children with ADHD		University of Cincinnati	MH074033 MH074770	93.242 93.242	9,067.22	122,620.77 (4,335.54)	131,687.99 (4,335.54)	
		Bipolar Disorder Imaging & Treatment Research Center Neurofunctional & Neurochemical Markers of Treatment Response Anomalous Motor Physiology in ADHD	University of Cincinnati		MH077138 MH078043 MH078160	93.242 93.242 93.242		160,520.47 (6,313.50) 82,459.51	160,520.47 (6,313.50) 82,459.51	
		Estimating Intracellular Lithium in Brain in vivo by 7T Cortical Excitability, Phenotype and Biomarker in ADHD Disseminating a Model Intervention to Promote Improved 2/2 Multisite Study of School Based Treatment Approaches Medication Continuity in Children Treated for ADHD Evaluation of an Intervention for Improving Community-Based	University of Cincinnati		MH081000 MH081054 MH082714 MH082865 MH083027 MH083665	93.242 93.242 93.242 93.242 93.242 93.242		36,053.55 172,783.32 56,828.04 404,903.74 163,193.00 374,974.70	36,053.55 172,783.32 56,828.04 404,903.74 163,193.00 374,974.70	
		Development of a Multifaceted Cognitive Training Program Treatment of Maternal Depression in Home Visitation Molecular Mechanisms Controlling Formation of Basal Ganglia The Effects of Estradiol on genetic Risk for Disorders	Michigan State University		MH085842 MH087499 MH090740 MH092377	93.242 93.242 93.242 93.242		256,386.83 422,267.80 331,948.32 4,400.74	256,386.83 422,267.80 331,948.32 4,400.74	
							442,669.42	3,588,143.61	4,030,813.03	
National Bioterrorism Hospital Preparedness Program		Ohio Bio-Terrorism Preparedness		Nationwide Childrens Hospital University Hospitals of Cleveland	03130012PP0110	93.889	29,352.26 33,979.71	78,365.30	141,697.27	
							63,331.97	78,365.30	141,697.27	

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp				
National Center for Research Resources	University of Cincinnati	Clinical Research Curriculum	University of Cincinnati	Tulane University	RR022273	93.389		(430.15)	(430.15)				
					RR024871	93.389		11,752.20	11,752.20				
					RR025780	93.389		26,436.01	26,436.01				
					RR026314	93.389		4,207,397.57	4,207,397.57				
					RR026315	93.389		114,919.97	114,919.97				
					RR027014	93.389		388,205.00	388,205.00				
					RR031721	93.389		149,320.99	149,320.99				
					National Center for Research Resources Total						-	4,897,601.59	4,897,601.59
					National Center on Sleep Disorders Research	Pediatric Sleep Research Program	Vascular Functions in Children w/ Sleep Disorder Breatht	University of Cincinnati	HL078989	93.233		92,945.60	92,945.60
									HL080670	93.233	41,306.11	419,296.02	460,602.13
HL092149	93.233		348,933.49	348,933.49									
HL105206	93.233		336,718.89	336,718.89									
National Center on Sleep Disorders Research Total										160,736.23	1,197,894.00	1,358,630.23	
National Research Service Award in Primary Care Medicine	Institutional Research Training Grant			PE010027	93.186		343,468.47	343,468.47					
National Research Service Award in Primary Care Medicine Total						-	343,468.47	343,468.47					
Nursing Research	Cortical Reorganization in Children with Unilateral:	Assessing Measurement Bias Impact	University of North Florida	DC008110	93.361		122,204.20	122,204.20					
				NR010631	93.361		63,632.59	63,632.59					
				NR010857	93.361		32,724.81	32,724.81					
Nursing Research Total						-	218,561.60	218,561.60					
Oral Diseases and Disorders Research	The role of primary cilia in craniofacial developme	Global Gene Expression Atlas of Craniofacial Developme	Stowers Institute for Medical Research	DE019853	93.121		115,070.05	115,070.05					
				DE020049	93.121		1,214.17	382,631.50	383,845.67				
Oral Diseases and Disorders Research Total						1,214.17	497,701.55	498,915.72					
Poison Center Support and Enhancement Grant Program	Poison Control Stabilization and Enhancement Progr	Poison Control Support and Enhancement Grant Program	University of Cincinnati	HS15468	93.253		386,298.09	386,298.09					
				HS19190	93.253		61,499.80	61,499.80					
Poison Center Support and Enhancement Grant Program Total						-	447,797.89	447,797.89					
ARRA Recovery Act / Comparative Effectiveness Research - AHRQ	Building Modular Pediatric Chronic Disease Registries f			Nationwide Children's Hosp	HS020024	93.715	12,446.98	1,869,460.05	1,939,495.45				
				Univ of Pennsylvania			22,869.28		63,632.59				
				University of Vermont Stat			34,719.14		32,724.81				
ARRA Recovery Act / Comparative Effectiveness Research - AHRQ Total							70,035.40	1,869,460.05	1,939,495.45				
Research and Training in Complementary and Alternative Medicin	Soy Isoflavone Metabolite Equol- It's Formation And Fai				AT002190	93.213		11,593.98	11,593.98				
Research and Training in Complementary and Alternative Medicine Total							-	11,593.98	11,593.98				
Research on Healthcare Costs, Quality and Outcome	Pursing Perfection in Pediatric Therapeutic	Step Tools: Developing Web Services for Safe Pediatri	University of Cincinnati	HS016957	93.226		65,190.51	918,617.60	1,000,696.23				
				HS017216	93.226		16,888.12	7,618.67	7,618.67				
				HS019037	93.226	1,536.86	42,023.03	43,559.89					
				HS019862	93.226		81,438.87	81,438.87					
				HS020455	93.226		16,401.38	16,401.38					
Research on Healthcare Costs, Quality and Outcomes Total						83,615.49	1,066,099.55	1,149,715.04					
Research Related to Deafness and Communication Disorder	FMRI Genes and Outcome for Cochlear Implants in Infant	Efficacy of Laryngeal High-Speed Videendoscop	University of Cincinnati	DC007186	93.173		73,210.02	73,210.02					
				DC007640	93.173		8,795.64	8,795.64					
				DC007696	93.173		333,140.11	333,140.11					
				DC008651	93.173		345,314.54	345,314.54					
				DC009057	93.173		37,343.16	37,343.16					
				DC009287	93.173		188,113.58	188,113.58					
				DC010202	93.173	33,518.94	229,857.59	263,376.53					
				DC011062	93.173		37,801.06	37,801.06					
				Research Related to Deafness and Communication Disorders Total						33,518.94	1,253,575.70	1,287,094.64	
				Sickle Cell Treatment Demonstration Program	Sickle Cell Treatment Demonstration Program			MC07655	93.365		58,377.36	58,377.36	
Sickle Cell Treatment Demonstration Program Total						-	58,377.36	58,377.36					
Substance Abuse and Mental Health Services_Projects c Regional and National Significance	A Continuum of Trauma Care: Adapting Evidence-Based Pra	Project LAUNCH	Ohio Department of Health	SM059286	93.243		53,859.89	550,319.32	604,179.21				
				SM059345	93.243		-	25,550.00	25,550.00				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance Total							53,859.89	575,869.32	629,729.21				
Training and Clinical Skills Improvement Project	Enhanced Surveillance for New Vaccine Preventable Disea			Seattle Children's Hospita	IP000147	93.185	23,250.24	485,586.95	521,397.19				
				University of Cincinnati			12,560.00		12,560.00				
Training and Clinical Skills Improvement Projects Total							35,810.24	485,586.95	521,397.19				

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
	ARRA Trans-NIH Recovery Act Research Support	Homeostasis and function of regulatory T cells in agin		University of Cincinnati	AG033057	93.701	39,861.70	468,958.57	507,920.27
		Genetic Linkage in Lupus		Oklahoma Medical Research Frnd	AI024717	93.701	79,895.74	79,895.74	79,895.74
		Characterization of Human Calicivirus		Purdue University	AI037093	93.701	63,447.43	421,174.85	484,622.28
		HLA/KIR Region Genetics in Pediatric Arthritis		Childrens Hosp Oaklanc	AI067150	93.701	33,347.00	449,183.34	494,943.53
		Regulation of Apoptosis in Activated Primary T Cell		University of Cincinnati	AI057753	93.701	12,413.19	95,220.85	95,220.85
		Epithelial Genes in Allergic Inflammatio			AI070235	93.701		110,265.48	110,265.48
		Behavioral and Virologic Impact of HPV Summer Suppleme			AI073713	93.701		3,470.16	3,470.16
		Identification of Genes Involved in FHL1			AI076746	93.701		252,171.86	252,171.86
		Innate Immune Responses During Toxoplasmosi			AI078969	93.701		399,381.49	399,381.49
		Role of IL-15 in the pathogenesis of EE		University of Cincinnati	AI080581	93.701	7,775.22	388,159.26	395,934.48
		Neuronal Regulation of HSV Lytic and Latent Infectio			AI081083	93.701		61,189.63	61,189.63
		Rare Diseases Clinical Consortia for the Rare Disease	University of California		AI082973	93.701		129,431.49	129,431.49
		RELIM Peptides Alter Lung Defenses			AI083599	93.701		214,868.28	214,868.28
		Unbiased Forward Genetic Analysis of Virus/Host Interac		University of Cincinnati	AI087336	93.701	151,409.60	166,194.21	317,603.81
		A Multi-center Clinical Trial of 1760 MCG of Daily Swa		Children's Hospital of Philadelphia	AI088806	93.701	16,900.00	313,484.15	397,609.79
				The Children's Hospital Associator			23,200.00		
				University of Utah			44,025.64		
		Cincinnati Rheumatic Diseases Cente			AR047363	93.701		369,425.31	369,425.31
		Early Aggressive Therapy in Juvenile Idiopathic Arthri	Children's Hosp & Reg Med Ct-Seattl		AR049762	93.701		85,901.90	85,901.90
		Efficacy Measures in Pediatric Lupus (Supplement			AR055054	93.701		46,453.49	46,453.49
		Defining the complex genetics of Juvenile Idiopathic A			AR058587	93.701		471,078.64	471,078.64
		Development and Validation of a Disease-Specific Seve	Indiana Univ - Purdue Univ @ Inpt		AR058767	93.701		1,000.00	1,000.00
		CARRA: Accelerating Toward an Evidence Based Culture i	Duke University		AR058934	93.701		456,160.21	456,160.21
		Children's Oncology Group Phase	Children's Oncology Group		CA097452	93.701		103,001.53	103,001.53
		Children's Oncology Group Chair's Gran	Children's Oncology Group		CA098543	93.701		46,559.86	46,559.86
		Role and Regulation of the Human DEK Proto-Oncogen			CA116316	93.701		88,160.47	88,160.47
		Improving Parent/Adolescent Communication about Tobacc			CA117964	93.701		18,860.15	18,860.15
		Rac GTPases as Targets in Lymphomagenesi		University of Cincinnati	CA125658	93.701	20,994.21	144,743.10	165,737.31
		Prediction Model for Radiation Sensitivity in Children		Emory University	CA139275	93.701	3,361.80	136,639.93	180,285.20
				Univ of Texas M D Anderson Cancer Cnt			23,478.37		
				University of Cincinnati			5,477.63		
				Vanderbilt University			11,327.47		
		The Role of MLL-AF9 in Acute Myeloid Leukemi			CA140518	93.701		181,471.03	181,471.03
		Cincinnati Neuro-Oncology Research Cen			CA149239	93.701		459,500.21	459,500.21
		Expanding the Ohio Immunization Registry to Include Bt	Hamilton County Public Health		CPWV Ham Co - ARRA	93.701		164,559.76	164,559.76
		Metabolic Consequences of Substance Use in Adolescent C			DA025312	93.701		174,483.35	174,483.35
		Nuclear modifier genes for maternally inherited deafnes			DC007696	93.701		7,943.16	7,943.16
		Administrative Supplement-A Preclinical Trii			DC008651	93.701		82,355.14	82,355.14
		Wideband Clinical Diagnosis and Monitoring of Middle-Ea			DC010202	93.701		111,926.48	111,926.48
		Studies of Gaucher Disease: A Prototype Lipidosi			DK036729	93.701		100,622.03	100,622.03
		Expression and Function of the Guanylin Ligand Famil			DK047318	93.701		286,439.60	286,439.60
		Behavioral & Nutrition TX to Help CP Preschoolers Gron		University of Arizona	DK054915	93.701	24,462.12	12,842.61	37,304.73
		Behavioral Rx & Nutrition in Pediatric Chronic Disease			DK059492	93.701		22,465.17	22,465.17
		Clinical Center for Cholestatic Liv Disease in Childre			DK062497	93.701		91,181.35	91,181.35
		Chronic Kidney Disease in Children (CKID	Children's Mercy Hospita		DK066143	93.701		30,189.66	30,189.66
		Mechanistic Analysis of Eosinophilic Esophagiti			DK067255	93.701		14,013.22	14,013.22
		Intralumenal Effects in Cholesterol Absorptio			DK068463	93.701		45,176.62	45,176.62
		Self-Management of Type 1 Diabetes During Adolescen			DK069486	93.701		12,630.53	12,630.53
		Adolescent Bariatrics: Assessing Health Benefits & Ris		Baylor College of Medicine	DK072493	93.701	4,278.70	280,318.61	284,597.31
		RIVUR Supplement			DK072493	93.701		60,971.78	60,971.78
		Comparative Effectiveness of Pediatric Eosinophilic Eso	University of Buffal		DK074063	93.701		(1,295.15)	(1,295.15)
		Dig Health Ctr: Bench to Bedside Res in Ped Dig Diseas			DK076893	93.701		656,641.93	656,641.93
		SubClinical Cardiovascular disease in Youth (CVC	University of Colorad		DK078392	93.701		132,451.23	132,451.23
		Adolescent Bariatrics: Controlled Longitudinal Study r			DK078542	93.701		350,549.20	350,549.20
		Mammalian Foregut and Liver Developme			DK080020	93.701		73,605.69	73,605.69
		Glomerulosclerosis in Human FSGS and Animal Model			DK080823	93.701		52,840.16	52,840.16
		Immunosuppression Withdrawal for Stable Pediatric Liv	The Univ of California, San Francis		DK081489	93.701		354,970.63	354,970.63
		Calcineurine Inhibitor Minimization and FOXP3+ Treg	Children's Hospital of Philadelphi		DK083031	93.701		42,713.85	42,713.85
		Model systems for hematologic disorders caused by ribot	University of Cincinnati		DK087270	93.701		127,506.77	127,506.77
		Nextgen Dissection of the Genomic Basis of Kidney Devel			DK078680	93.701		10,721.77	10,721.77
		Diesel, Allergens and Gene Interactions and Child Atopt	University of Cincinnati		DK090891	93.701		263,738.39	263,738.39
		Neurobehavioral Effects of Insecticide Exposure in Pregn			ES011170	93.701		159,649.65	159,649.65
		Exposure-induced Systemic Oxidative Stress in Children	University of Cincinnati		ES015517	93.701	23,992.14	657,818.32	681,810.46
		BPA Go Grant	University of Rocheste		ES016830	93.701	22,699.65	113,346.71	136,046.36
		CRIM1-b-Catenin-Cadherin Interactions in Eye Developme			ES018736	93.701		18,459.09	18,459.09
		Genomic Analysis of Pediatric SIRS and Septic Shoc			EY019377	93.701		332,298.38	332,298.38
		Evolution of Canalizing Mechanisms in Gene Expressio	The University of Chicag		GM064619	93.701	122,059.60	56,948.36	179,007.96
		Aspects of Blastocysts			GM078381	93.701		62,756.94	62,756.94
		COHMC Pediatric Pharmacology Research Uni			HD012304	93.701		39,437.88	39,437.88
		Recovery Act Administrative Supple-Languag			HD037249	93.701		(5,009.29)	(5,009.29)
		Preventing Teen Pregnancy: Prepregnancy Psychosocial Me			HD038578	93.701		77,081.39	77,081.39
		Molecular Signaling in Decidualizatio			HD052533	93.701		7,605.00	7,605.00
					HD056044	93.701		440,164.86	440,164.86

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011

1. SCOPE OF AUDIT

All Federal grant operations of Children's Hospital Medical Center ("the Medical Center"), are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the "single audit"). Single audits are performed in accordance with the provisions of the 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 the Medical Center's cognizant Medical Center for the single audit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying Supplementary Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Medical Center and is presented on the accrual basis of accounting. This is consistent with the basis of accounting used in the preparation of the basic combined financial statements.

Net Asset Balances — Negative amounts represent grants with deficit balances which were closed during fiscal 2011.

* * * * *

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

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

We have audited the combined financial statements of Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") as of and for the year ended June 30, 2011, and have issued our report thereon dated October 25, 2011, which report expressed an unqualified opinion. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cincinnati Children's' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cincinnati Children's' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cincinnati Children's' internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cincinnati Children's' financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Trustees, management, others within the entity, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

October 25, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Cincinnati Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") with the types of compliance requirements described in the *OMB Circular A-133 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, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cincinnati Children's management. Our responsibility is to express an opinion on Cincinnati Children's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of Cincinnati Children's compliance with those requirements.

In our opinion, Cincinnati Children's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Cincinnati Children's is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cincinnati Children's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management, others within the entity federal awarding agencies, and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

October 25, 2011

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

PART I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes X No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
Various	Research and Development*

* Children's Hospital Medical Center 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? X Yes No

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

PART II. FINANCIAL STATEMENT FINDINGS SECTION

2011 Findings

No findings are reportable for fiscal year 2011.

2010 Findings

No findings are reportable for fiscal year 2010.

PART III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

2011 Findings

No findings are reportable for fiscal year 2011.

2010 Findings

No findings are reportable for fiscal year 2010.