

Children's Hospital Medical Center and Affiliates

Office of Management and Budget
Circular A-133 Reports For The
Year Ended June 30, 2012

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 consolidated balance sheets of Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended. The consolidated 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, 2012 and 2011, and the consolidated results of their operations and their consolidated 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 consolidated 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 consolidated 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 2012 consolidated financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2012 consolidated financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2012 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 2012 audit.

Deloitte & Touche LLP

October 26, 2012, Except for Note 13, as to which the date is February 1, 2013

Children's Hospital Medical Center and Affiliates

Consolidated Balance Sheets June 30, 2012 and 2011 (dollars in thousands)

	<u>2012</u>	<u>2011</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 169,667	\$ 97,451
Marketable securities	258,903	227,642
Cash, cash equivalents and marketable securities	<u>428,570</u>	<u>325,093</u>
Patient receivables, net of allowances of \$59,795 in 2012 and \$39,687 in 2011	214,355	204,081
Other receivables, net	99,330	98,711
Inventories and prepaid expenses	27,269	23,811
Total current assets	<u>769,524</u>	<u>651,696</u>
ASSETS LIMITED AS TO USE - Funds in trust	3,678	4,620
PROPERTY AND EQUIPMENT, at cost, net of accumulated depreciation	840,978	851,701
DEFERRED BOND ISSUANCE COSTS AND OTHER INTEREST IN NET ASSETS OF SUPPORTING ORGANIZATIONS (Note 1(b))	81,324	74,261
Total assets	<u>\$2,632,831</u>	<u>\$2,468,440</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 227,089	\$ 188,643
Current portion of long-term debt and capital lease obligations	20,365	19,432
Total current liabilities	<u>247,454</u>	<u>208,075</u>
ACCRUED PENSION BENEFIT LIABILITY (Note 9)	399,690	201,760
SELF-INSURANCE RESERVES	31,521	30,545
LONG-TERM DEBT:		
Bonds payable	432,953	450,964
Note payable	28,905	27,155
Capital lease obligations	5,365	3,352
OTHER LONG-TERM LIABILITIES	10,608	12,734
Total liabilities	<u>1,156,496</u>	<u>934,585</u>
COMMITMENTS AND CONTINGENCIES (Notes 6 and 10)	-	-
NET ASSETS:		
Unrestricted	397,514	526,991
Temporarily restricted	156,702	135,943
Permanently restricted (Note 1(b))	922,119	870,921
Total net assets	<u>1,476,335</u>	<u>1,533,855</u>
Total liabilities and net assets	<u>\$2,632,831</u>	<u>\$2,468,440</u>

See accompanying notes to financial statements.

Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2012 and 2011 (dollars in thousands)

	<u>2012</u>	<u>2011</u>
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:		
Net hospital patient service revenue	\$1,286,492	\$1,144,142
Professional services revenue	252,401	229,749
Net assets released from restriction used for operations-		
Grant revenue	149,858	153,914
Other restricted net assets used to support operations	68,566	78,546
Investment income	17,823	13,814
Other revenue	76,598	73,243
Total unrestricted revenues, gains and other support	<u>1,851,738</u>	<u>1,693,408</u>
EXPENSES:		
Salaries	837,201	797,449
Employee benefits	235,321	236,374
Supplies, drugs and other	320,839	287,185
Purchased services	176,279	174,349
Depreciation	119,574	110,716
Utilities	16,720	17,858
Interest	15,926	16,104
Loss on early extinguishment of bonds payable (Note 8)	1,130	-
Total expenses	<u>1,722,990</u>	<u>1,640,035</u>
Excess of revenues over expenses	128,748	53,373
OTHER CHANGES IN UNRESTRICTED NET ASSETS:		
Receipts from supporting organizations (Notes 1(b) and 1(c))	6,032	5,595
Net assets released from restrictions used for purchase of property and equipment	3,543	5,559
Increase in unrestricted net assets before transfers to supporting organizations and pension and post retirement health liability adjustment	138,323	64,527
Transfers to supporting organizations (Note 1(c))	(9,100)	(15,575)
Pension and post retirement health liability adjustment (Note 9)	<u>(258,700)</u>	<u>67,279</u>
(Decrease) Increase in unrestricted net assets	<u>(129,477)</u>	<u>116,231</u>

(Continued on next page)

Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2012 and 2011 (dollars in thousands)

	<u>2012</u>	<u>2011</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions and investment income-		
Grant receipts	149,783	151,652
Industry support	-	1,937
Gifts, contributions and other income	<u>92,757</u>	<u>87,860</u>
	<u>242,540</u>	<u>241,449</u>
Net assets released from restriction-		
Grant expenditures	(149,858)	(153,914)
Transfer to The Children's Hospital	(86)	(795)
Transfer to The Children's Hospital Foundation, Cincinnati, Ohio	(102)	-
Restricted net assets used to support operations	(68,566)	(78,546)
Restricted net assets used for purchase of property and equipment	<u>(3,543)</u>	<u>(5,559)</u>
	<u>(222,155)</u>	<u>(238,814)</u>
Gain in interest in net assets of supporting organizations	<u>374</u>	<u>2,246</u>
Increase in temporarily restricted net assets	<u>20,759</u>	<u>4,881</u>
PERMANENTLY RESTRICTED NET ASSETS:		
Gain in interest in net assets of supporting organizations	<u>51,198</u>	<u>190,229</u>
Increase in permanently restricted net assets	<u>51,198</u>	<u>190,229</u>
(DECREASE) INCREASE IN NET ASSETS	(57,520)	311,341
NET ASSETS, beginning of year	<u>1,533,855</u>	<u>1,222,514</u>
NET ASSETS, end of year	<u><u>\$1,476,335</u></u>	<u><u>\$1,533,855</u></u>

See accompanying notes to financial statements

Children's Hospital Medical Center and Affiliates

Consolidated Statements of Cash Flows For the Years Ended June 30, 2012 and 2011 (dollars in thousands)

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Decrease) Increase in net assets	\$ (57,520)	\$ 311,341
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities-		
Depreciation and amortization	119,816	111,175
Loss on disposal of property and equipment	5,914	1,270
Loss on early extinguishment of bonds payable	1,130	-
Contributions to supporting organizations, net	3,068	9,980
Contributions restricted for purchase of property and equipment	(3,543)	(5,559)
Gain in interest in net assets of supporting organizations	(51,572)	(192,475)
Receipts from The Children's Hospital Foundation	406	415
Unrealized and realized gains on marketable securities, net	(4,231)	(2,969)
Increase in allowance for doubtful accounts	20,108	2,698
Increase in receivables	(31,001)	(376)
Increase in inventories and prepaid expenses and other assets	(11,245)	(11,269)
Increase (Decrease) in accounts payable and accrued expenses	33,543	(2,251)
Increase (Decrease) in accrued pension liability	197,930	(74,082)
(Decrease) Increase in self-insurance reserves and other long-term liabilities	(1,150)	8,275
Net cash provided by operating activities	<u>221,653</u>	<u>156,173</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property and equipment	(104,797)	(84,811)
Receipts from sale of fixed assets	59	711
Purchases of marketable securities	(820,434)	(680,350)
Sales and maturities of marketable securities	793,349	642,824
Cash withdrawn from funds in trust	89,420	60,079
Cash invested in funds in trust	(88,478)	(59,130)
Net cash used in investing activities	<u>(130,881)</u>	<u>(120,677)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of bonds and notes payable	62,135	30,000
Repayment of bonds and notes payable	(81,166)	(49,437)
Contributions restricted for purchase of property and equipment	3,543	5,559
Contributions to supporting organizations, net	(3,068)	(9,980)
Net cash used in financing activities	<u>(18,556)</u>	<u>(23,858)</u>
Net increase in cash and cash equivalents	72,216	11,638
CASH AND CASH EQUIVALENTS, beginning of year	<u>97,451</u>	<u>85,813</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$169,667</u>	<u>\$ 97,451</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:		
Capital expenditures in accrued expenses and accounts payable	\$14,501	\$9,598

See accompanying notes to financial statements.

Children's Hospital Medical Center and Affiliates

Consolidated Financial Statements

For the Years Ended June 30, 2012 and 2011, 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), Burnet Ave LLC (Burnet) and TSHCH LLC (TSHCH), which are under common management, are included in the accompanying consolidated 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 was 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. On July 28, 2011, CHC merged with and into Cincinnati Children's. Cincinnati Children's assumed all assets and liabilities of CHC and CHC ceased to exist as a separate entity. River City is a captive insurance company and a wholly-owned subsidiary of Cincinnati Children's. CHAS was a wholly-owned subsidiary of Cincinnati Children's whose purpose was 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 was a professional corporation whose purpose was to engage in the practice of medicine and render professional services and co-employed 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. 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 consolidated 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 Consolidated Statements of Operations and Changes in Net Assets. Upon utilization in operations, such funds are reflected in the Consolidated Statements of Operations and Changes in Net Assets as other-restricted net assets used to support operations.

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 Consolidated Statements of Operations and Changes in Net Assets.

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For the Years Ended June 30, 2012 and 2011, respectively (dollars in thousands)

The Medical Center records in its consolidated 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 Consolidated 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, 2012, TCH and CHCOA have outstanding revocable pledges of \$30,324 and \$4,000, 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 consolidated financial statements.

During fiscal 2012 and 2011, TCH transferred \$66,892 and \$68,329, respectively, of temporarily restricted net assets to the Medical Center which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets.

During fiscal 2012 and 2011, TCH transferred \$6,032 and \$5,595, respectively, of unrestricted net assets to the Medical Center, which are recorded as Receipts from Supporting Organizations in the Consolidated Statements of Operations and Changes in Net Assets.

During fiscal 2012 and 2011, the Medical Center transferred \$86 and \$795, respectively, of temporarily restricted net assets to TCH to fund named chairs designated to support divisional activities. During fiscal 2012 and fiscal 2011, respectively, the Medical Center transferred \$5,100 and \$9,325 of unrestricted net assets to TCH to fund named chairs to support divisional activities.

At June 30, 2012, the Medical Center has a receivable from TCH for \$14,826 related to fiscal 2012 unfunded irrevocable commitments. This amount was received in fiscal 2013.

At June 30, 2011 the Medical Center has a receivable from TCH for \$8,526 related to fiscal 2011 unfunded irrevocable commitments. This amount was 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 prior to June 30, 2011 for which the cash needed to be transferred to TCH. The amount was paid to TCH in fiscal 2012.

During fiscal 2012 and 2011, CHCOA transferred \$2,831 and \$2,721 respectively, of unrestricted net assets to the Medical Center which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets.

At June 30, 2012, the Medical Center has a receivable from CHCOA for \$225 related to fiscal 2012 unfunded commitments. This amount will be received in fiscal 2013.

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.

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For the Years Ended June 30, 2012 and 2011, respectively (dollars in thousands)

During fiscal 2012 and 2011, CHF transferred \$938 and \$550, respectively, of unrestricted restricted net assets to the Medical Center, which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets. During fiscal 2012 and 2011, CHF transferred \$465 and \$442 of temporarily restricted net assets to the Medical Center, which are recorded as Gifts, Contributions and Other income in the Consolidated Statements of Operations and Changes in Net Assets.

During fiscal 2012 and fiscal 2011, respectively, the Medical Center transferred \$4,000 and \$6,250 of unrestricted net assets to CHF and the income earned on the funds will be transferred back to the Divisions to support divisional activities.

During fiscal 2012, the Medical Center transferred \$102 of temporarily restricted 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, 2012 and 2011, which is recorded in other receivables in the accompanying Consolidated Balance Sheets.

- (d) Concentration of Patient Accounts Receivable and Revenue and Revenue Recognition--In both fiscal 2012 and 2011, 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, 2012 and 2011:

	2012		2011	
	Gross	Net	Gross	Net
Commercial insurers	1%	1%	1%	1%
Managed care	50%	70%	49%	68%
Government (HMO and third party)	43%	23%	44%	25%
Specialty contracts	5%	6%	5%	6%
Self pay	1%	- %	1%	- %

The following details the percentage of accounts receivable by payor category as of June 30, 2012 and 2011:

	2012	2011
Commercial insurers	1%	1%
Managed care	53%	56%
Government (HMO and third party)	30%	29%
Specialty contracts	14%	11%
Self pay	2%	3%

Specialty contracts are single case agreements or contracts for specialty services, such as transplants.

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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For the Years Ended June 30, 2012 and 2011, respectively (dollars in thousands)

Revenue from government (Medicaid and Medicare) programs accounted for approximately 23% and 25% of the Medical Center's net patient service revenue for the fiscal year ended June 30, 2012 and 2011, 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, 2012, the Medical Center has settled all Medicaid cost reports through 2007.

The following table reconciles gross patient service revenue to net patient service revenue for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Charges at established rates	\$2,147,887	\$1,918,124
Deductions:		
Discounts on commercial contractals	(184,214)	(168,070)
Write-downs related to services to the poor: Including Medicaid and governmental contractuals, charity care and other uncollectible self pay write-offs	<u>(695,307)</u>	<u>(623,977)</u>
	1,268,366	1,126,077
Tax Levy Program	5,600	6,000
Care Assurance Program	<u>12,526</u>	<u>12,065</u>
	<u>\$1,286,492</u>	<u>\$1,144,142</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 --Cincinnati Children's receives Federal graduate medical education funding, which has resulted in other revenue of \$8,904 and \$9,578 recognized in the accompanying consolidated financial statements for the years ended June 30, 2012 and 2011, respectively.
- (g) Meaningful Use Funding --Cincinnati Children's is eligible for incentive payments for the hospital and physicians that implement and meaningfully use electronic health record (EHR) technology under The American Recovery and Reinvestment Act of 2009 (ARRA). In fiscal 2012, Cincinnati Children's applied for and received \$7,576 in funding under ARRA related to the hospital and eligible physician use of an EHR.
- (h) 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 and TSHCH are

Children's Hospital Medical Center and Affiliates

Consolidated Financial Statements

For the Years Ended June 30, 2012 and 2011, respectively (dollars in thousands)

limited liability corporations whose income is taxable to Cincinnati Children's. The income tax provisions recorded in the accompanying consolidated financial statements are immaterial for the years ended June 30, 2012 and 2011.

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 2012 and 2011.

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

Federal – 2009 to 2012

State – 2009 to 2012

- (i) Cash Equivalents--Cash equivalents consist primarily of money market investments (including money market mutual funds) and demand deposits. Cash is held primarily in one bank.
- (j) Inventories--Inventories consist of medical supplies and pharmaceuticals and are valued on an average cost method.
- (k) 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 Consolidated 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, 2012 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	\$116,793	\$ 979	\$ (270)	\$117,502
Municipal bonds and other	773	80	-	853
Corporate obligations	138,089	4,844	(2,385)	140,548
	<u>\$255,655</u>	<u>\$5,903</u>	<u>\$(2,655)</u>	<u>\$258,903</u>

The cost basis, approximate fair value and breakdown 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>

Children's Hospital Medical Center and Affiliates

Consolidated Financial Statements

For the Years Ended June 30, 2012 and 2011, respectively (dollars in thousands)

The following is the maturities for marketable securities at June 30, 2012:

	<u>Cost Basis</u>	<u>Fair Value</u>
One year or less	\$ 18,495	\$ 18,414
One to five years	113,249	114,504
After five years	123,911	125,985
	<u>\$255,655</u>	<u>\$258,903</u>

At June 30, 2012, the Medical Center's marketable securities included 24% in U.S. Treasury securities and 10% in FNMA securities. At June 30, 2011, the Medical Center's marketable securities included 26% in U.S. Treasury securities and 17% in FNMA securities.

- (l) 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 Consolidated 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, 2012 and 2011.
- (m) Investment Income--The following details the components of investment income on marketable securities and funds in trust for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Interest income	\$15,684	\$11,266
Unrealized and realized gains, net	2,139	2,548
Investment income	<u>\$17,823</u>	<u>\$13,814</u>

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

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

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

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

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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.

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, 2012.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable Securities:			
U.S. Government and Treasury Securities	\$ -	\$117,502	\$ -
Municipal Bonds	-	853	-
Corporate Obligations	-	140,548	-
	<u>-</u>	<u>258,903</u>	<u>-</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments in Limited Partnerships (included in Other Assets):			
Private Equity	-	-	12,592
High Yield Corporate Obligations	-	26,169	-
Deferred Compensation Plans (included in Other Assets and Accruals):			
Common Stock	2,260	-	-
Mutual Funds:			
Money Market	305	-	-
Domestic Equity	2,334	-	-
International Equity	724	-	-
Bond	208	-	-
Lifecycle	317	-	-
Real Estate	151	-	-
Variable Annuities:			
Bond	-	2,032	-
Equity	-	2,856	-
Money Market	-	101	-
Real Estate Pooled	-	486	-
Guaranteed Return Insurance	-	-	2,374
	<u>6,299</u>	<u>5,475</u>	<u>2,374</u>
Total	<u>\$6,299</u>	<u>\$290,547</u>	<u>\$14,966</u>

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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, 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>
Investments in Limited Partnerships (included in Other Assets)	<u>-</u>	<u>-</u>	<u>8,723</u>
Investment in Fort Washington High Yield LLC (included in Other Assets)	<u>-</u>	<u>21,680</u>	<u>-</u>
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	545	-	-
LifeCycle Mutual Funds	291	-	-
Real Estate Mutual	110	-	-

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Bond Variable Annuity	-	1,475	-
Equity Variable Annuity	-	2,933	-
Money Market Variable	-	99	-
Real Estate Pooled Separate Account	-	308	-
Guaranteed Insurance	-	-	1,694
	<u>7,613</u>	<u>4,815</u>	<u>1,694</u>
Total	<u>\$225,430</u>	<u>\$36,320</u>	<u>\$10,417</u>

The valuation methods described below may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

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 2 measures. If the market for a particular fixed income security is relatively inactive or illiquid, the measurement is a Level 3 measurement.

Investments in mutual funds, investment partnerships, and insurance contracts are valued by net asset value, as published and determined by the fund manager.

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 2012:

Balance at July 1, 2011	\$ 10,417
Purchases	3,688
Unrealized gains	2,151
Unrealized losses	(814)
Sales	(476)
Balance at June 30, 2012	<u>\$14,966</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, 2012

\$1,337

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

\$(68)

Cincinnati Children's policy is to recognize transfers in and out as of the actual date of the event or change in circumstances that caused the transfer. For the years ended June 30, 2012 and 2011, there were no significant transfers in or out of Levels 1, 2 or 3.

- (o) 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 2012 and 2011, the Medical Center did not record any impairment losses.

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- (p) 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. There was no net capitalized interest in fiscal 2012. Net capitalized interest during fiscal 2011 was approximately \$1,000. Total cash paid for interest was approximately \$16,202 and \$17,127 and in fiscal 2012 and 2011, respectively.

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

- (q) 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.

- (r) 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 Consolidated Balance Sheets as they are held by supporting organizations. As of June 30, 2012 and 2011, permanently restricted net assets consisted of the following amounts with expendable investment income restricted by donors to be used for the following purposes:

	<u>2012</u>	<u>2011</u>
Research activities	\$770,204	\$722,192
Clinical activities	151,915	148,729
	<u>\$922,119</u>	<u>\$870,921</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.

- (s) Excess of Revenues Over Expenses--The Consolidated 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).
- (t) 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.

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- (u) New Accounting Pronouncements--Effective July 1, 2011, the Medical Center adopted ASU 2010-23, "Health Care Entities (Topic 954): Measuring Charity Care for Disclosure," which prescribes a specific measurement basis of charity care for disclosure. Due to the lack of comparability that previously existed due to the use of either revenue or cost as the basis for disclosure of charity care, ASU 2010-23 standardizes cost as the basis for charity care disclosures and specifies the elements of cost to be used in charity care disclosures. The Medical Center adopted the new guidance effective July 1, 2011, which did not have a material impact on the consolidated financial statements and related disclosures.

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 adopted of the new guidance effective July 1, 2011, which did not have a material impact on the consolidated 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 consolidated 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 impact the presentation of the Consolidated Statements of Operations and Changes in Net Assets and require additional disclosures.

In December 2011, the FASB issued ASU 2011-11, "Balance Sheet (Topic 210) - Disclosures about Offsetting Assets and Liabilities," which requires companies to disclose information about financial instruments that have been offset and related arrangements to enable users of their financial statements to understand the effect of those arrangements on their financial position. Companies will be required to provide both net (offset amounts) and gross information in the notes to the financial statements for

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relevant assets and liabilities that are offset. ASU 2011-11 is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013. The Medical Center does not expect the adoption of ASU 2011-11 to have an impact on the consolidated financial statements and related 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, 2012 and 2011:

	2012		
	Hospital	Physician	Total
CHARGES			
Charges under Medicaid and other entitlement programs	\$ 946,061	\$248,440	\$1,194,501
Charity care not eligible for Medicaid assistance, at established charges	28,303	1,396	29,699
Other uncollectible self pay, at established charges	40,935	6,581	47,516
Total Medicaid, charity care and other uncollectible self pay charges	<u>\$1,015,299</u>	<u>\$256,417</u>	<u>\$1,271,716</u>
COSTS/LOSSES			
Estimated costs to provide uncompensated care	\$ 496,190	\$ 146,465	\$ 642,655
Reimbursement from Medicaid programs	(307,132)	(34,282)	(341,414)
Losses on the provision of uncompensated care	(189,058)	(112,183)	(301,241)
Funds received from HCAP and tax levy	18,126	-	18,126
Losses on provision of uncompensated care net of HCAP and tax levy	<u>\$ (170,932)</u>	<u>\$(112,183)</u>	<u>\$ (283,115)</u>

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	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	\$935,984	\$234,853	\$1,170,837
 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	\$(172,250)	\$(127,914)	\$(300,164)

The 2012 and 2011 cost amounts reflected in the tables above are calculated using cost to charge ratios calculated from prior year cost reports as the current year 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 2012 and 2011, the Medical Center recognized \$5,600 and \$6,000, respectively, of tax levy reimbursement in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

The current tax levy agreement covers the period of the approved three year tax levy renewal, January 1, 2012 through December 31, 2014, which is subject to renewal by the voters of Hamilton County, Ohio. In each of the years 2012-2014, the County is scheduled to distribute \$5,200 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.

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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,	
	2012	2011
Self-insurance funds-		
Professional liability	\$ 162	\$ 162
Employee health and workers' compensation	481	436
Bond principal and interest escrow funds	2,771	4,008
Tomorrow Fund	264	14
	<u>\$3,678</u>	<u>\$4,620</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,	
	2012	2011
Land	\$ 39,010	\$ 31,525
Land improvements	17,359	17,302
Buildings and building improvements	1,014,752	989,868
Equipment	555,098	538,178
Construction in progress	26,319	6,032
	<u>1,652,538</u>	<u>1,582,905</u>
Accumulated depreciation	(811,560)	(731,204)
Property and equipment, net	<u>\$ 840,978</u>	<u>\$ 851,701</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 Consolidated 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 \$26,377 and \$21,675 for 2012 and 2011, respectively, has been accrued in the accompanying Consolidated Balance Sheets. Accrued professional and general liability losses have been discounted at a rate of approximately 4% at June 30, 2012 and 2011, 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 Consolidated 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 \$14,198 and \$17,686 for fiscal 2012 and 2011, 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 consolidated financial position or results of operations.

(7) Capital Lease Obligations-

The Medical Center leases certain equipment under capital leases. During fiscal 2012, Cincinnati Children's entered into certain lease agreements for equipment with an asset value of approximately \$5,065. During fiscal 2011, Cincinnati Children's entered into certain lease agreements for equipment with an asset value of approximately \$4,898. The aggregate future minimum lease payments total \$7,380, with \$1,798 due in fiscal 2013.

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(8) Bonds Payable and Notes Payable-

Bonds payable and notes payable for the years ended June 30, 2012 and 2011 consist of the following:

	<u>2012</u>	<u>2011</u>
Bonds payable and notes payable:		
Series 1993, 5.0% due through 2013, net of unamortized discount of \$9 in 2012 and \$29 in 2011	\$ 1,886	\$ 3,671
Series 1997, variable interest (0.18% at June 30, 2012), due through 2017	31,170	32,485
Series 1998, 4.75% to 5.375% due through 2028, net of unamortized discount of \$2,218 in 2012 and \$2,984 in 2011	49,173	110,541
Series 2000, variable interest (0.19% at June 30, 2012), due through 2028	48,595	49,080
Series 2002, variable interest (0.18% at June 30, 2012), due Through 2028	21,645	22,625
Series 2004, 4.00% to 5.50% due through 2034, net of unamortized discount of \$122 in 2012 and \$62 in 2011	83,328	85,448
Series 2006K, 4.25% to 5.00%, due through 2032, net of unamortized premium of \$410 in 2012 and \$422 in 2011	63,485	63,497
Series 2007M, variable interest (0.16% due at June 30, 2012), due through 2037	30,615	30,615
Series 2008, variable interest (0.28% due at June 30, 2012), due through 2036	19,045	19,047
Series 2009, 4.20% due through 2019	21,000	24,000
Series 2010, 2.27% due through 2020	24,000	27,000
Series 2011, 2.207% due through 2019	57,735	-
Note Payable on Vernon Manor Property, interest at 4.045%	28,905	28,200
Total bonds payable and notes payable	<u>480,582</u>	<u>496,209</u>
Less- current portion	<u>(18,724)</u>	<u>(18,090)</u>
Bonds payable and notes payable - long-term	<u>\$461,858</u>	<u>\$478,119</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, 2010 and 2011 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, 2012 and 2011.

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 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.

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(b) Future Debt Maturities –

The following is a schedule of future debt maturities:

2013	\$ 18,724
2014	19,310
2015	19,890
2016	20,467
2017	21,090
Thereafter	383,038
	<u>\$482,519</u>

- (c) Line of Credit -- In August 2008, Cincinnati Children's secured a \$40,000 line of credit. In fiscal 2012, Cincinnati Children's reduced the line of credit to \$30,000. The line of credit expires in February 2013 and bears interest at the monthly LIBOR rate plus 100 basis points. There were no draws on the line of credit during fiscal 2012 or 2011.
- (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 \$30,100 using Cincinnati Children's estimated tax-exempt interest rate at the time of the agreement of 4.045%. 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.
- (e) Loss on Early Extinguishment of Bonds Payable – In October 2011, Cincinnati Children's refinanced \$62,135 of the outstanding 1998G bonds with tax-exempt direct placement obligations. The obligations bear interest at a fixed rate of interest of 2.207%. The obligations mature in fiscal 2019. As part of the refunding, Cincinnati Children's recorded as \$1,130 loss on early extinguishment of debt.

(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).

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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. Effective April 1, 2012, the Investment Policy for the portfolio changed to transition to a long-term target allocation through calendar 2013 as follows:

Long Duration Treasury Bonds	15.0%
Long Duration Corporate Bonds	15.0%
Treasury Inflation Protected Securities	4.0%
High Yield Fixed Income	4.0%
Emerging Markets Fixed Income	4.0%
Global Developed Markets Equity	36.0%
Emerging Markets Equity	9.0%
Private Equity	5.0%
Real Estate	5.0%
Commodities	3.0%

In order to maintain the portfolio's actual asset allocation in line with the target allocations specified above, the assets will be re-allocated or rebalanced regularly. Because of the illiquid nature of private equity and real estate, it is not anticipated that these asset classes will be rebalanced on a regular basis.

Prior to April 1, 2012 portfolio's target asset allocation was 60 percent equities, 35 percent fixed income and 5 percent Real Estate Investment Trusts 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, 2012 and 2011 by asset category is as follows:

	<u>2012</u>	<u>2011</u>
Equity common collective trust funds	-	49.1%
Bond mutual funds and common collective trust funds	-	34%
International equity common collective trust fund	-	12.2%
Real estate common collective trust fund	-	4.5%
Cash and cash equivalents	4.7%	0.2%
Bond mutual funds	18.2%	-
Common stock	5.1%	-
Corporate bonds	6.8%	-
Investment Partnerships	8.4%	-
Commodity Mutual Fund	2.5%	-
Government Bonds	0.2%	-
Private Commingled Fund of bond	22.1%	-
Private Commingled Fund of International equity	32.0%	-
	<u>100.0%</u>	<u>100.0%</u>

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At June 30, 2012, the fair value and its placement in the fair value hierarchy of the underlying assets of the Plan that are required to be measured at fair value are as follows (see Note 1(n) for further discussion on the fair value hierarchy and fair value principles):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 28,759	\$ -	\$ -
Bond mutual funds	111,569	-	-
Corporate Bonds	-	41,451	-
Common Stock	31,060	-	-
Investment Partnerships	-	51,552	-
Commodity Mutual Fund	15,253	-	-
Private Commingled fund of bond	-	135,615	-
Private Commingled fund of international equity	-	198,102	-
Government Bonds	-	1,382	-
	<u>\$186,641</u>	<u>\$428,102</u>	<u>\$ -</u>

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 (see Note 1(n) for further discussion on the fair value hierarchy and fair value principles):

	<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>

The fair values of Level 1 investments are based on quoted prices in active markets. Investment in partnerships – U.S. equities, commingled funds, and common collective trusts are valued using the net asset value reported by the managers of the funds and as supported by the unit prices of actual purchase and sale transactions.

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

	<u>2012</u>	<u>2011</u>
Discount rate used to determine actuarial present value of the projected benefit obligation	4.17%	5.76%
Assumed rate of increase in compensation levels	4.00%	4.00%

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The following table sets forth the funded status of the plan and amounts recognized in the accompanying Consolidated Balance Sheets as of June 30, 2012 and 2011, utilizing actuarial measurement dates as of June 30, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 678,763	\$607,864
Service cost	37,451	32,068
Interest cost	38,723	33,205
Other actuarial losses	268,083	12,201
Benefits paid	(8,587)	(6,575)
Projected benefit obligation at end of year	<u>1,014,433</u>	<u>678,763</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	477,003	332,022
Actual return on plan assets	25,627	82,156
Employer contributions	120,700	69,400
Benefits paid	(8,587)	(6,575)
Fair value of plan assets at end of year	<u>614,743</u>	<u>477,003</u>
Funded status	(399,690)	(201,760)
Net accrued pension liability in Consolidated Balance Sheets	<u>\$ (399,690)</u>	<u>\$(201,760)</u>

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

	<u>2012</u>	<u>2011</u>
Net actuarial loss	\$536,159	\$273,777
Net prior service cost	38	580
	<u>\$536,197</u>	<u>\$274,357</u>

The estimated actuarial loss and prior service cost that will be amortized from Unrestricted Net Assets into net pension cost in fiscal 2013 are \$32,775 and \$38, respectively.

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

	<u>2012</u>	<u>2011</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%
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.

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Net periodic pension cost for 2012 and 2011 related to the defined benefit plan consisted of the following components:

	<u>2012</u>	<u>2011</u>
Service cost	\$37,451	\$32,068
Interest cost	38,723	33,205
Return on plan assets	(38,399)	(30,607)
Amortization of prior service cost	543	543
Recognized net actuarial loss	18,473	27,122
Net periodic pension cost	<u>\$56,791</u>	<u>\$62,331</u>

Based on preliminary estimates, we expect fiscal 2013 contributions of approximately \$11,800 for the qualified defined benefit plan.

The accumulated benefit obligation for the pension plan was \$834,429 and \$566,222 at June 30, 2012 and 2011, 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:

2013	\$ 13,063
2014	16,054
2015	19,337
2016	23,050
2017	27,265
2018-2022	210,527

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 \$17,762 and \$16,749 in fiscal 2012 and 2011, 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 2012 and 2011 related to this plan was approximately \$3,308 and \$3,225, respectively. The Medical Center has notified employees that contributions to the Plan will cease effective January 1, 2013.

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 consolidated balance sheets were \$10,167 and \$9,384 at June 30, 2012 and 2011, respectively. The amount of deferred compensation expense recognized in fiscal 2012 and 2011 was \$623 and \$12, 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 Consolidated balance sheets were \$1,681 and \$4,738, respectively at June 30, 2012 and 2011.

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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. In June 2012, the Medical Center notified retirees that effective January 1, 2013, the retirees health benefits will be provided through a third party arrangement versus the Medical Center's self-insured plans.

The postretirement benefit obligations as of June 30, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$7,908	\$8,421
Interest cost	339	373
Plan participants contributions	637	631
Plan Amendment	(4,567)	-
Medicare Part D subsidy	206	135
Actuarial (gains) losses	1,448	(202)
Benefits paid	(1,496)	(1,450)
Benefit obligation at end of year (included in self- insurance reserves)	<u>\$4,475</u>	<u>\$7,908</u>

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

	<u>2012</u>	<u>2011</u>
Net actuarial loss	\$4,542	\$3,399
Net prior service cost	(5,450)	(1,168)
	<u>\$(908)</u>	<u>\$2,231</u>

The estimated actuarial loss and prior service cost that will be amortized from Unrestricted Net Assets into net postretirement cost in fiscal 2013 are \$503 and \$(846), respectively.

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

	<u>2012</u>	<u>2011</u>
Discount rate	2.79%	4.49%
Health care cost trend rate declining gradually to 5% through 2019 and beyond, respectively	8.00%	8.50%

Net periodic cost for 2012 and 2011 related to the medical and dental postretirement benefits consisted of the following components:

	<u>2012</u>	<u>2011</u>
Interest cost	\$339	\$373
Amortization of unrecognized net gain and prior service credit	20	64
	<u>\$359</u>	<u>\$437</u>

For fiscal 2012 and fiscal 2011, the discount rate used to determine the net periodic postretirement costs was 4.49% and 4.63%, respectively.

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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:

	1-Percentage- Point Increase	1-Percentage- Point Decrease
Effect on total of service and interest cost components	\$24	\$(22)
Effect on accumulated postretirement benefit obligation	23	(20)

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.

	Payments	Subsidies
2013	\$ 666	\$55
2014	515	-
2015	478	-
2016	442	-
2017	405	-
2018-2022	1,518	-

(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 \$34,000 in connection with current active projects as of June 30, 2012. The projects are expected to be completed in fiscal 2013.
- (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, 2012, 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 \$220,367 and \$199,125 as of June 30, 2012 and June 30, 2011, 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

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companies in the high-growth sectors of the economy, including life sciences, information technology and advanced manufacturing. As of June 30, 2012, Cincinnati Children's had funded \$10,306 of this commitment.

Cincinnati Children's has made a commitment to invest \$5,000 in a limited partnership that focuses 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, 2012 Cincinnati Children's had not funded any 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 2013	\$5,862
FY 2014	4,940
FY 2015	905
FY 2016	495
FY 2017	495
Thereafter	1,113

(11) Functional Expenses-

The functional expenses of the Medical Center are as follows:

	<u>2012</u>	<u>2011</u>
Patient services	\$1,206,866	\$1,062,097
Research and education	325,081	369,649
Support services	191,043	208,289
	<u>\$1,722,990</u>	<u>\$1,640,035</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 Consolidated Balance Sheets approximate fair value.

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

Marketable Securities and Assets Limited As To Use--The carrying amounts reported in the Consolidated Balance Sheets approximate fair value. 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, 2012 and 2011 was \$482,836 and \$485,357, respectively.

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(13) Subsequent Events-

Management reviewed subsequent events through October 26, 2012, the date the financial statements were issued, noting no changes were required to the financial statements or footnotes, except for the following, as to which the date is February 1, 2013. Subsequent to year-end, Cincinnati Children's entered into a \$60,000 taxable term note. The note bears interest at a fixed rate of interest of 2.20%. The note matures in fiscal 2022.

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES
 SUPPLEMENTARY SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012

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 Medical Research & Development	Development of Strategies to Treat and Prevent Norovirus Tuberous Sclerosis Complex Natural History Study Early Prediction of Lupus Nephritis Using Advanced Prote Therapeutic Targets for Peripheral Nerve Tumors Role of Foxm1 in the Pathogenesis of Prostate Cancer Modelling Brain Defects in NF1 Genetic Studies of Food Allergies Research Program Molecular Signatures of Cancer Metastasis PR0094002 - "Genome-Wide Association Study in African-Am Genetic & Epigenetic Diffence in Monozygotic Twins wit Identification and Study of Novel Genes Critical to Surv STAT3 in Neurofibroma Tumorigenesis and Therapy Gap Junction Interacellular Communication in Bone Marrow Non-Invasive MR-Guided HIFU Therapy of TSC-Associated Res Regulation and Function of TIFAB in Myelodysplastic Synd A Randomized Placebo-Controlled Study of Lovastatin in C Next Generation DNMT-1 Depletion Therapy for Leukemia Genetic Evaluation for the Scoliosis Gene(s) in Patients			W81XWH0410066	12.420	\$ -	\$ (56,619.38)	\$ (56,619.38)					
					W81XWH0610538	12.420	-	(22,116.35)	(22,116.35)					
					W81XWH0710322	12.420	-	46,428.78	46,428.78					
					W81XWH0910135	12.420	84,645.38	59,164.49	143,809.87					
					W81XWH0910389	12.420	-	112,378.02	112,378.02					
					W81XWH1010116	12.420	38,428.09	307,363.10	345,791.19					
					W81XWH1010167	12.420	-	361,624.43	361,624.43					
					W81XWH1010325	12.420	-	145,957.80	145,957.80					
					W81XWH1010675	12.420	-	191,986.67	191,986.67					
					W81XWH1010867	12.420	-	50,538.13	50,538.13					
					W81XWH1110144	12.420	-	59,118.21	59,118.21					
					W81XWH1110259	12.420	-	154,222.30	154,222.30					
					W81XWH1110296	12.420	-	98,481.95	98,481.95					
					W81XWH1110299	12.420	-	54,882.15	54,882.15					
					W81XWH1110468	12.420	-	259,958.65	259,958.65					
					W81XWH0510615	12.420	-	35,059.95	35,059.95					
					W81XWH0910671	12.420	-	202,099.05	202,099.05					
					W81XWH1010469	12.420	-	9,350.39	9,350.39					
							Military Medical Research and Development Total					123,073.47	2,069,878.34	2,192,951.81
							Department of Defense Total					123,073.47	2,069,878.34	2,192,951.81
Department of Education	Education Research, Development & Dissemination	Organizational Skills Interventions for Children with AD			R305A090305	84.305	-	9,579.78	9,579.78					
							-	9,579.78	9,579.78					
	National Institute on Disability and Rehabilitation Resea	Rehabilitation Research and training Center for Traumat				H133B090010	84.133	131,767.40	218,573.30	714,674.68				
								107,400.43						
								5,069.23						
								141,023.20						
			Web Therapy to Improve Outcomes after Traumatic Brain In			H133G060167	84.133	-	6,776.57	6,776.57				
			National Inst. on Disability & Rehabilitation Resch. Total					496,101.38	225,349.87	721,451.25				
	Special Education-Grants for Infants & Families	Child Find Hospital Based Regional Child Find				03130011HB0310	84.181	-	6,094.09	6,094.09				
						03130011HB0512	84.181	-	12,333.62	12,333.62				
		Special Education-Grants for Infants and Families Total					-	18,427.71	18,427.71					
Special Education Tech. & Media Svcs for Individuals	Influencing Outcomes for Children Who Are Deaf-Blind				H327A080045A	84.327	-	9,695.48	9,695.48					
							-	9,695.48	9,695.48					
		Special Education Tech. & Media Svcs for Individuals w/ Disabilities Total					-	9,695.48	9,695.48					
		Department of Education Total					496,101.38	263,052.84	759,154.22					
Department of Justice	Crime Victim Assistance	Victims Assistance Funds	Crime Victims Assistance Office		2010VADSCE483	16.575	-	5,406.06	5,406.06					
							-	5,406.06	5,406.06					
		Department of Justice Total					-	5,406.06	5,406.06					
Department of Transportation	State and Community Highway Safety	Occupant Protection Regional Coordinator Teen Resraint			DOH01-000015571	20.600	-	12,683.44	12,683.44					
					GG20113100000052	20.600	-	(242.46)	(242.46)					
							-	12,440.98	12,440.98					
		State and Community Highway Safety Total					-	12,440.98	12,440.98					
		Department of Transportation Total					-	12,440.98	12,440.98					
National Science Foundation	Biological Sciences	Probing the robustness of a developmental system Collaborative research: Ontology-enabled reasoning acros	University of South Dakota		IOS-0843424	47.074	3,000.00	225,682.15	228,682.15					
					DBI-1062542	47.074	-	33,871.44	33,871.44					
			Biological Sciences Total					3,000.00	259,553.59	262,553.59				
	Mathematical and Physical Sciences	Extension of Censored Quantile and Empirical Likelihood				NSF 1007666	47.049	-	40,090.32	40,090.32				
								-	40,090.32	40,090.32				
		Mathematical and Physical Sciences Total					-	40,090.32	40,090.32					
		National Science Foundation Total					3,000.00	299,643.91	302,643.91					
Department of Labor	Competitive Grants for Workers Training and Placemer Health Careers Collaborative of Greater Cincinnati				GCJ200701060A39	17.275	-	85,526.91	85,526.91					
							-	85,526.91	85,526.91					
							Competitive Grants for Workers Training & Plcmtnt in High Growth & Emerging Ind. Sects. Total				-	85,526.91	85,526.91	
		Department of Labor Total					-	85,526.91	85,526.91					
Department of Agriculture	Agriculture and Food Research Initiative (AFRI)	Inactivation of enteric foodborne viruses in high risk f Building Capacity to Control Viral Food-borne Disease: A	University of Delaware North Carolina State University		2011680033005	10.310	-	230,371.11	230,371.11					
					20116800330395	10.310	-	181,061.99	181,061.99					
			Agriculture and Food Research Initiative (AFRI) Total					-	411,433.10	411,433.10				
	Integrated Programs	An integrated approach to prevent and minimize foodborne	Ohio State University			20105111021080	10.303	-	76,562.50	76,562.50				
							-	76,562.50	76,562.50					
		Integrated Programs Total					-	76,562.50	76,562.50					
		Department of Agriculture Total					-	487,995.60	487,995.60					
Dept of Health & Human Serv	Affordable Care Act (ACA) Primary Care Residency Ex	Expansion of a Pediatric Primary Care Resident Training			HP20766	93.510	-	135,316.46	135,316.46					
							Affordable Care Act (ACA) Primary Care Residency Expansion Prog Total	-	135,316.46	135,316.46				
	Aging Research	Mechanisms of age-related inflammatory response in hemor Homeostasis and function of regulatory T cells in aging Lineage Determination and Tissue HomeOstasis in the Aged Premature Uterine Aging and Preterm Delivery			AG027990	93.866	-	335,475.02	335,475.02					
AG033057					93.866	-	75,750.72	75,750.72						
AG040118					93.866	-	286,209.67	286,209.67						
AG040858					93.866	-	35,074.00	35,074.00						

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		CALERIE Phase II	Duke University		AG022132	93.866	-	31,659.09	31,659.09
				Aging Research Total			-	764,168.50	764,168.50
Allergy, Immunology and Transplantation Research		Genetic Linkage in Lupus			AI024717	93.855	-	472,477.38	472,477.38
		Regulations of Gastrointestinal Eosinophils			AI045898	93.855	-	309,652.95	309,652.95
		Norovirus and their receptors		University of Cincinnati	AI055649	93.855	23,123.33	156,099.14	179,222.47
		CD40 Ligand Dysregulation and HIV Pathogenesis			AI056927	93.855	-	71.73	71.73
		Regulation of Apoptosis in Activated Primary T Cells		St Jude Children's Research Hospital	AI057753	93.855	15,856.00	398,617.02	414,473.02
		HLA/KIR Region Genetics in Pediatric Arthritis			AI067150	93.855	-	(0.22)	(0.22)
		Role of Regulatory T Cells in HIV Infection		University of Cincinnati	AI068524	93.855	4,308.78	194,797.38	199,106.16
		Epithelial Genes in Allergic Inflammation			AI070235	93.855	-	1,079,026.86	1,079,026.86
		CD8+ T Cell Homeostasis by IL-4			AI070300	93.855	-	12,612.00	12,612.00
		Interleukin-9 in Experimental Intestinal Anaphylaxis			AI073553	93.855	-	143,593.94	143,593.94
		Behavioral and Virologic Impact of HPV Immunization		Indiana University	AI073713	93.855	43,396.06	434,959.54	478,355.60
		Predicting Adverse Outcomes in Children With Community-A			AI073729	93.855	-	112,471.69	112,471.69
		Functional Analysis of NK cells and their potential to g			AI074743	93.855	-	414,981.65	414,981.65
		Control of Immune responses by lipoxins during tuberculo			AI075038	93.855	-	442,968.59	442,968.59
		Regulation of TLR Signaling and Innate Immunity by RP105			AI075159	93.855	-	206,022.96	206,022.96
		Role of Acidic Environment in Eosinophilic Inflammation			AI079251	93.855	-	(30,942.75)	(30,942.75)
		Functional Identification of Genes Mutated in FHLH			AI079759	93.855	-	254.75	254.75
		Investigations into XIAP-deficient X-linked Lymphoprolif			AI079797	93.855	-	1,713.89	1,713.89
		Neuronal Regulation of HSV Lytic and Latent Infection			AI081083	93.855	-	95,927.40	95,927.40
		Epithelial Regulation of Th2 Immune Responses in the Lun			AI083315	93.855	-	200,204.28	200,204.28
		IL-13 Associated Eosinophil Lung Responses			AI083450	93.855	-	365,998.26	365,998.26
		Biology of IL-13 Receptor Alpha-2 in Asthma			AI084414	93.855	-	(14,058.14)	(14,058.14)
		Explaining Racial Disparities in Child Asthma Morbidity		University of Cincinnati	AI088116	93.855	22,344.70	517,027.59	539,372.29
		Allergenicity resulting from functional mimicry of the T		University of Iowa	AI088372	93.855	74,845.69	287,033.59	361,879.28
		Role of Acidity and GPR65 in Food Allergy			AI088559	93.855	-	208,635.24	208,635.24
		Novel Vaccine Against Norovirus		Ligocyte Pharmaceutical, Inc.	AI089634	93.855	256,705.77	445,842.11	934,565.70
				Virginia Tech.			232,017.82		
		Regulation of TH2 memory/effector cells during allergic			AI090129	93.855	-	427,831.84	427,831.84
		Structure-Function Relationship of the Adenovirus Assemb			AI090309	93.855	-	110,228.26	110,228.26
		Norovirus P Particle, A Multifunctional Platform For Vac			AI092434	93.855	-	232,585.38	232,585.38
		Role of Spi-C in eosinophil development and functional r			AI093673	93.855	-	95,025.36	95,025.36
		Trefoil Factors Regulate Th2 Immunity			AI095289	93.855	-	55,167.67	55,167.67
		Analysis of Staphylococcus Aureus Host Interactions	Texas A & M		AI020624	93.855	-	104,841.28	104,841.28
		Long-Term Immunity Against Toxoplasmosis	George Washington University		AI033325	93.855	-	9,913.09	9,913.09
		Immunology/Allergy Fellowship Training Grant T32	University of Cincinnati		AI060515	93.855	-	143,711.11	143,711.11
		Reverse Genomics of Anti-Protective Antigen Response	Oklahoma Medical Research Foundation		AI062629	93.855	-	30,284.47	30,284.47
		Immunobiology of Paenut Allergy and its Treatment: A Pro	Mount Sinai Medical Center		AI067338	93.855	-	595,150.12	595,150.12
		Transforming Growth Factor beta in T-Cell Homeostasis an	University of Arizona		AI067903	93.855	-	26,345.36	26,345.36
		Regulation of Antibody-Mediated Disorders	University of Cincinnati		AI072040	93.855	-	115,130.73	115,130.73
		Novel Broad Spectrum Therapeutic Glycans Against Categor	Boston College		AI075563	93.855	-	125,637.25	125,637.25
		Activated Protein C for Treatment of Radiation Combined	Blood Center of Wisconsin, Inc.		AI080557	93.855	-	165,053.62	165,053.62
		Novel Immune-based therapy for Leishmaniasis and TB	NewLink Genetics Corporation		AI082812	93.855	-	93,808.54	93,808.54
		Genomics of Lupus	Oklahoma Medical Research Foundation		AI083194	93.855	-	156,099.53	156,099.53
		Gene Therapy for SCID-X1 Using Self-Inactivating Gammare	Children's Hospital Boston		AI087628	93.855	-	161,862.14	161,862.14
		Prospective Cohort Study of Severe Bronchiolitis and Ris	Massachusetts General Hospital		AI087881	93.855	-	38,624.13	38,624.13
		Receptor Mimics for Rapid Detection, Typing, and Suscept	University of Cincinnati		AI089450	93.855	-	21,949.27	21,949.27
		Infant Effects of Maternal Immunization	Emory Univ School of Public Health		AI091437	93.855	-	47,475.00	47,475.00
		KLF2, IL-4, and Histoplasmosis	University of Cincinnati		AI096823	93.855	-	8,011.26	8,011.26
				Allergy, Immunology and Transplantation Research Total			672,598.15	9,220,724.44	9,893,322.59
ARRA	ARRA Accelerating Adoption of Comparative Effectiver Bundling Effective Resident Handoff Practices to Improve		Children's Hospital Boston		AE00029	93.726	-	98,479.81	98,479.81
				ARRA Accelerating Adoption of Comparative Effectiveness Research (CER) Total			-	98,479.81	98,479.81
ARRA	ARRA - Emergency Medical Services for Children	Implementation of the PECARN Traumatic Brain Injury Pred			MC19289	93.418	-	74,343.66	74,343.66
				ARRA - Emergency Medical Services for Children Total			-	74,343.66	74,343.66
ARRA	ARRA - Health Information Technology - Beacon Comn CCHMC Strategic Focus on Population Health Improvement		Healthbridge		90BC0016	93.727	103,344.73	1,057,616.36	1,160,961.09
				ARRA - Health Info. Techn.-Beacon Communities Total			103,344.73	1,057,616.36	1,160,961.09
ARRA	ARRA - Prevention and Wellness - Leveraging Natona Evaluating National Efforts to Promote Community Tobacco		American Academy of Pediatrics		AAP 696800	93.731	19,834.00	9,179.85	29,013.85
				ARRA - Prevent. & Wellness-Leveraging Nat. Organizations Total			19,834.00	9,179.85	29,013.85
Arthritis, Musculoskeletal and Skin Diseases Research		Pediatric Rheumatology Training			AR007594	93.846	-	8,532.66	8,532.66
		HLA-B27 Misfolding an the UPB in Spondyloarthritis			AR046177	93.846	-	17,671.66	17,671.66
		Cincinnati Rheumatic Disease Core Center			AR047363	93.846	-	396,939.23	396,939.23
		Multidisciplinary Clinical Research Center		Arkansas Children's Hospital	AR047784	93.846	12,575.85	1,007,827.72	1,129,656.00
				Cleveland Clinic Educational Fndtn			19,946.45		
				Connecticut Childrens Medical Cntr			4,982.00		
				Emory University			3,000.00		
				Hackensack University Medical Cntr			20,103.11		
				Medical University South Carolina			1,340.00		
				North Shore L.I.J. Health System			20,509.29		
				Northwestern University			7,842.16		
				Phoenix Children's Hospital			5,375.00		
				Prometheus Laboratories, Inc			225.00		
				University of Chicago			6,360.00		
				University of Cincinnati			19,569.42		
		Gene Expression in Pediatric Arthritis			AR048929	93.846	-	609,937.66	609,937.66
		A Randomized Clinical Trial in Juvenile Fibromyalgia			AR050028	93.846	-	(177.16)	(177.16)
		Role of IL-13 Receptors in Atopic Dermatis			AR054490	93.846	-	528,290.52	528,290.52
		Longitudinal Determination of Outcomes of Adolescents wi		University of Cincinnati	AR054842	93.846	38,369.24	473,923.26	512,292.50
		Efficacy Measures for Pediatric Lupus Studies			AR055054	93.846	-	(10,786.19)	(10,786.19)
		Behavioral Interventions and Long Term Outcomes in Juven			AR056687	93.846	-	113,134.58	113,134.58
		Mechanisms linking the hemostatic protease thrombin to a			AR056990	93.846	-	337,314.37	337,314.37
		Sex differences in ACL injury risk factors emerge during		University of Cincinnati	AR057551	93.846	12,988.47	70,387.53	83,376.00
		Enhancing PROMIS in Pediatric Pain, Rheumatology, and Re		Emory University	AR057940	93.846	38,943.96	575,465.72	650,431.16
				University of Cincinnati			36,021.48		
		MUNC13-4 gene Polymorphisms in Macrophage Activation syn			AR059049	93.846	-	249,987.22	249,987.22
		Towards Measures of Lupus Nephritis Activity & Damage fo		Children's Memorial Hospital	AR059509	93.846	1,000.00	154,033.76	167,761.70

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
				Emory University			2,000.00		
				Nationwide Childrens Hospital			560.00		
				Saint Louis University			1,000.00		
				University of British Columbia			1,000.00		
				University of Cincinnati			8,167.94		
		Program Project in the Genetics of SLEProject 2: Geno	University of Alabama-Birmingham		AR049084	93.846	-	122,470.29	122,470.29
		Early Agressive Therapy in JIA	Children's Hosp & Reg Med Ct-Seattle		AR049762	93.846	-	(429.73)	(429.73)
		Bracing in Adolescent Idiopathic Scoliosis	University of Iowa		AR052113	93.846	-	6,511.45	6,511.45
		Neuromuscular Intervention Targeted to Mechanisms of ACL	Ohio State University		AR055563	93.846	-	373,731.90	373,731.90
		Use of Thermal and 3D Surface Imaging to Quantify Arthri	Children's Hospital of Pittsburgh		AR056690	93.846	-	304.80	304.80
		A Developmentally-Based Tissue Engineering Approach to I	University of Cincinnati		AR056943	93.846	-	252,019.66	252,019.66
		Genetics of Juvenile Idiopathic Arthritis and Subtypes	Wake Forest University		AR057106	93.846	-	9,688.97	9,688.97
		Responsiveness of Pediatric PROMIS Item Banks in Childre	Boston University Medical Campus		AR057929	93.846	-	32,546.53	32,546.53
		Gli-1 and Osteoblast Suppression in Multiple Myeloma	University of Pittsburgh		AR059679	93.846	-	36,263.31	36,263.31
				Arthritis, Musculoskeletal and Skin Diseases Research Total			261,879.37	5,365,589.72	5,627,469.09
	Assistance Programs for Chronic Disease Prevention a SEARCH for Diabetes in Youth, Phase 3: Registry Study -				DP002709	93.945	-	687,139.31	687,139.31
				Assistance Programs for Chronic Dis. Prevent. & Control Total			-	687,139.31	687,139.31
	Biomedical Research and Research Training	Regulation of Wingless (Wg) Signaling and Morphogen			GM063891	93.859	-	17,095.75	17,095.75
		Regulation of Wingless (Wg) Signaling and Morphogen Grad			GM063891	93.859	-	26,898.46	26,898.46
		Genomic Analysis of Pediatric SIRS and Septic Shock			GM064619	93.859	-	(46,872.26)	(46,872.26)
		PPARgamma and PPARgamma agonists in septic shock		Medical University South Carolina	GM067202	93.859	85,989.10	269,169.13	355,158.23
		Mechanisms of Endoderm Specification Along the A-P Axis			GM072915	93.859	-	40,570.85	40,570.85
		Hox Regulation of Sensory Organ Development in Drosophi			GM079428	93.859	-	288,300.88	288,300.88
		Alternative Macrophage Activation Limits Immunopathology			GM083204	93.859	-	183,714.11	183,714.11
		Wnts interacting with Wnts: mechanism and biological sig			GM084951	93.859	-	112,387.17	112,387.17
		Interferon - Mediated Reprogramming of Toll-Like Recepto			GM085063	93.859	-	332,867.74	332,867.74
		Fundamental mechanisms of protein kinase activation loop			GM087374	93.859	-	267,138.99	267,138.99
		Roles of Retromer Complex in Development			GM087517	93.859	-	357,937.07	357,937.07
		PPAR gamma in pediatric sepsis and the inflammatory resp			GM093135	93.859	-	144,845.31	144,845.31
		MMP-8 as a novel therapeutic target in sepsis			GM096994	93.859	-	217,151.74	217,151.74
		DNA Damage Response Pathways in Meiotic Sex Chromosome			GM098605	93.859	-	207,707.58	207,707.58
		Novel Mechanisms of Regenerative Fetal Wound Repair by I			GM098631	93.859	-	101,863.43	101,863.43
		Role of Eicosanoids in Shock	Medical University of South Carolina		GM027673	93.859	-	38,834.36	38,834.36
		Optimization of Structures and Networks of Proteins	University of Texas at Austin		GM067823	93.859	-	20.49	20.49
				Biomedical Research and Research Training Total			85,989.10	2,559,630.80	2,645,619.90
	Blood Diseases and Resources Research	Comprehensive Sickle Cell Center		University of Cincinnati	HL070871	93.839	53,507.69	924,294.76	977,802.45
		Role of FA proteins in hematopoiesis			HL076712	93.839	-	312,646.63	312,646.63
		Molecular Mechanism of Severe Congenital Neutropenia			HL079574	93.839	-	9,796.67	9,796.67
		Role of Placenta Growth Factor in Sickle ACS			HL079916	93.839	-	(15,366.87)	(15,366.87)
		Function and Regulation of FANCM in Fanconi Anemia			HL084082	93.839	-	490,434.54	490,434.54
		Hemostatic Factors as Determinants of Bacterial Virulenc			HL085357	93.839	-	68,304.74	68,304.74
		Cell Type and Stimulus-Specific Signaling Role of CDC42			HL085362	93.839	-	184,647.78	184,647.78
		Mechanisms Linking Metastasis to Tumor Procoagulant and			HL085545	93.839	-	236,105.59	236,105.59
		FANCD2 Monoubiquitination in DNA Damage Responses			HL085587	93.839	-	381,357.04	381,357.04
		Rac GTPase Inhibition in Chronic Myelogenous Leukemia			HL087159	93.839	-	398,452.89	398,452.89
		Rac1 and Rac2 Guanosine Triphosphatases in Erythroid			HL088126	93.839	-	117,649.22	117,649.22
		An Animal Model of Hemophagocytic Lymphohistiocytosis			HL091769	93.839	-	373,769.45	373,769.45
		Training Program in Pediatric Hematologic and Oncologic			HL091805	93.839	-	214,625.51	214,625.51
		Thrombin-mediated proteolysis in neuroinflammatory			HL096126	93.839	-	413,201.38	413,201.38
		Mechanisms Linking Hemostatic Factors to Neuroinflammato			HL105672	93.839	-	114,007.98	114,007.98
		Histiocyte Society Annual Meeting to be Held in Boston			HL106925	93.839	-	10,000.00	10,000.00
		Fanconi Anemia as a Model for Susceptibility to Human Pa		University of Minnesota	HL108102	93.839	1,961.29	228,235.81	241,928.78
				Indiana University			11,731.68		
		Patient-Provider Interventions to Improve Transition to			HL108720	93.839	-	262,069.80	262,069.80
		Identification and characterization of genes in del(5q)			HL111103	93.839	-	231,105.62	231,105.62
		Hemostatic factors and sickle cell disease			HL112603	93.839	-	144,046.04	144,046.04
		TWITCH	Baylor College of Medicine		HL095647	93.839	-	41,047.01	41,047.01
			St Jude's Children's Hospital		HL095647	93.839	-	(523.69)	(523.69)
		Development of Safe and Efficient Gene Therapy Strategie	Fred Hutchinson Cancer Research Center		HL098489	93.839	-	62,922.47	62,922.47
		Improving Stem Cell Mobilization by the EGFR Inhibitor E	P2D Bioscience		HL108403	93.839	-	2,111.65	2,111.65
		PLGF-HIF1a-miR Axis in Sickle Pulmonary Hypertension	University of Southern California		HL111372	93.839	-	56,018.76	56,018.76
				Blood Diseases and Resources Research Total			67,200.66	5,260,960.78	5,328,161.44
	Cancer Biology Research	Ras, Cycling and Inhibition			CA115811	93.396	-	19,703.40	19,703.40
		Schwann Cells in Neurofibromatosis Type 2 (NF2)			CA118032	93.396	-	219,548.41	219,548.41
		The Role of CBFb-MYH11 in Acute Myeloid Leukemia			CA118319	93.396	-	165,396.37	165,396.37
		Rac GTPases as Targets in Lymphomagenesis			CA125658	93.396	-	138,739.33	138,739.33
		Activating robust immunity to tumor-associated antigens:			CA138617	93.396	-	327,035.51	327,035.51
		Rac GTPase-Specific Small Molecular Inhibitors		University of Cincinnati	CA141341	93.396	173,765.00	158,561.74	173,326.74
		Epigenetic manipulation of Leukemia			CA142601	93.396	-	9,067.46	9,067.46
		Role of Foxm1 in Lung Cancer Microenvironment			CA142724	93.396	-	262,145.26	262,145.26
		Targeting Cdc42 in Leukemia Stem Cells			CA150547	93.396	-	303,502.66	303,502.66
		MicroRNA in Acute Myeloid Leukemia			CA159845	93.396	-	232,404.69	232,404.69
		Hypoxia and Potassium Channel Activity in T Lymphocytes	University of Cincinnati		CA095286	93.396	-	30,270.36	30,270.36
		Antileukemic Effect of NK Cells in HCT for Pediatric AML	St Jude's Children's Hospital		CA120583	93.396	-	12,932.16	12,932.16
		Macrophages and Tumor Angiogenesis	Albert Einstein College of Medicine		CA131270	93.396	-	139,148.08	139,148.08
				Cancer Biology Research Total			13,765.00	2,018,455.43	2,032,220.43
	Cancer Cause and Prevention Research	Fanconi Anemia and HPV Transformation			CA102357	93.393	-	448,269.41	448,269.41
		A Molecular Basis for Neuroendocrine Carcinogenesis			CA112405	93.393	-	61,805.69	61,805.69
		Role and Regulation of the Human DEK Proto-Oncogene			CA116316	93.393	-	108,088.49	108,088.49
		Sphinx: a new cause of hepatic neoplasia			CA133649	93.393	-	(2,345.20)	(2,345.20)
		Empirical Bayes Analysis of Quantile Regression Model		University of Kentucky	CA133944	93.393	16,429.14	7,371.92	23,801.06
		Mahabee-Gitten's Reduce Youth Smoking R03			CA142099	93.393	-	4,412.32	4,412.32
		The role of ATOH1 as a tumor suppressor in colorectal can			CA142826	93.393	-	264,712.49	264,712.49
		Mechanisms of RET/PTC Rearrangement in Thyroid Cancer	University of Pittsburgh		CA088041	93.393	-	6,703.63	6,703.63
		Neurobehavioral Late Effects in Pediatric Brain Tumors	Baylor College of Medicine		CA112182	93.393	-	63,942.33	63,942.33
		Molecular Epidemiology of Pediatric Germ Cell Tumors	University of Minnesota		CA151284	93.393	-	16,914.68	16,914.68
				Cancer Cause and Prevention Research Total			16,429.14	979,875.76	996,304.90

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Child Health and Human Development Extramural Resi Pediatric Physician Scientist Program Award		Children's Hospital Boston	HD000850	93.865	252,256.45	(178,614.22)	2,033,363.34
				Childrens Hospital of Philadelphia			331,361.26		
				Duke University			153,196.05		
				Indiana University			68,360.87		
				University of Toronto			25,000.00		
				University of Texas Southwestern			11,070.27		
				University of California			480,777.55		
				University of Colorado			57,310.17		
				University of Michigan			22,470.70		
				University of Minnesota			83,744.92		
				University of Pittsburgh			97,368.61		
				University of Texas Southwestern			79,930.09		
				University of Washington			151,171.59		
				Washington University			242,528.98		
				Yale University			155,430.05		
		Genetic Influence on Cognitive and Behavioral Recovery a		University of Cincinnati	HD001097	93.865	-	113,342.88	113,342.88
		Training in Developmental And Perinatal Endocrinology			HD007463	93.865	22,874.40	66,531.35	89,405.75
		Aspects of Blastocyst Implantation			HD012304	93.865	-	68,513.23	68,513.23
		Neonatal Resuscitation and Preterm Lung Injury			HD012714	93.865	-	2,649.42	2,649.42
		The Role of Human Milk in Infant Nutrition and Health		Boston College	HD013021	93.865	414,905.84	553,372.26	1,146,122.65
				Inst Nac Ciencias Med Y Nutricion			163,592.45		
				University of Cincinnati			14,252.10		
		Eunice Kennedy Schriver NICHD cooperative Multicenter Ne			HD027853	93.865	-	305,093.55	305,093.55
		Pediatric Center for Gene Expression and Development			HD028827	93.865	-	238,184.26	238,184.26
		CHMC Clinical Pharmacology Research Unit			HD037249	93.865	-	(643.23)	(643.23)
		fMRI of Normal Language Development in Children			HD038578	93.865	-	57,647.38	57,647.38
		Long Term Functional Outcomes Following Early Childhood		Case Western Reserve University	HD042729	93.865	96,759.54	294,374.06	590,316.66
				Nationwide Childrens Hospital			199,183.06		
		Cadherin-based Actin Assembly in the Xenopus Embryo			HD044764	93.865	-	336,855.31	336,855.31
		Ectoderm Formation in the Early Xenopus Embryo			HD045737	93.865	-	316,074.91	316,074.91
		Training Program in Organogenesis			HD046387	93.865	-	1,175.51	1,175.51
		Towards Improved Clinical Trials in Cerebral Palsy			HD049552	93.865	-	19,896.55	19,896.55
		Optimizing MNF Therapy in Pediatric Transplant Patients			HD050387	93.865	-	1,346.52	1,346.52
		Contribution of the Extracellular Matrix to Muscle Contr			HD050827	93.865	-	7,318.89	7,318.89
		Improving STI results notification and partner services			HD051953	93.865	-	106,758.75	106,758.75
		Preventing Teen Pregnancy			HD052533	93.865	-	340,433.24	340,433.24
		Social Competence With Peers Following Early Childhood T			HD055218	93.865	-	(2,316.07)	(2,316.07)
		Novel Adherence Measurement and Intervention in Children			HD057333	93.865	-	131,907.94	131,907.94
		Mechanisms of Fetal Inflammatory Response Syndrome Induc		University of Western Australia	HD057869	93.865	95,862.99	207,097.32	302,960.31
		Novel genetic and salivary glycan biomarkers for risk of		Boston College	HD059140	93.865	233,685.10	504,365.18	771,011.46
				Miami University			13,056.28		
				University of Alabama at Birmingham			19,904.90		
		Aging in Adults With Down Syndrome		University of Wisconsin	HD059848	93.865	36,276.80	(4,870.41)	31,406.39
		20-year intergenerational longitudinal followup of femal			HD060604	93.865	-	53,174.21	53,174.21
		Parental Adherence to CF Homecare: Research Chaplaincy C			HD062642	93.865	-	118,820.48	118,820.48
		Xenbase: a Xenopus Model Organism Database		University of Calgary	HD064556	93.865	260,658.90	483,601.61	744,260.51
		Transcriptional Control of Human Placental Differentiati			HD065339	93.865	-	403,502.60	403,502.60
		Injury Prevention in a Home Visitation Population			HD066115	93.865	-	582,197.29	582,197.29
		Telehealth Enhancement of Adherence to Medication in Ped		Connecticut Childrens Med. Center	HD067174	93.865	18,848.93	300,082.99	345,675.86
				Nationwide Children's Hosp			17,601.52		
				University of Cincinnati			9,142.42		
		Using SNA to Examine the Long-Term Outcomes of Socially			HD068315	93.865	-	14,433.49	14,433.49
		Molecular signaling in uterine receptivity to implantati			HD068524	93.865	-	143,655.67	143,655.67
		Cincinnati Training Program in Pediatric Clinical and De			HD069054	93.865	-	101,706.92	101,706.92
		ATN Coordinating Center	University of Alabama-Birmingham		HD040533	93.865	-	88,300.83	88,300.83
		Understanding Social Status Impact on Adolescent Health	Massachusetts General Hospital		HD041527	93.865	-	113,798.84	113,798.84
		Novel Amniotic Fluid Biomarkers to Predict Fetal Lung Ma	University of Cincinnati		HD051953	93.865	-	83,608.66	83,608.66
		Genome Wide Association Study of Bone Mineral Accretion	Children's Hospital of Philadelphia		HD058886	93.865	-	20,773.63	20,773.63
		Reading ICARD: Interventions for Children with Attention	Univ of Texas Hlth Science Ctr-Houston		HD060617	93.865	-	475,414.19	475,414.19
		Clinical Decision Rules to Discriminate Bruising Caused	Children's Memorial Hospital		HD060997	93.865	-	93,412.90	93,412.90
		Hyaluronan Regulation of Microbial Host Defense...	Cleveland Clin Lerner Col of Med of CWRU		HD061918	93.865	-	41,568.13	41,568.13
		Sterol and Isoprenoid Diseases Rare Diseases Consortium	Oregon Health Sciences University		HD061939	93.865	-	23,870.09	23,870.09
		RNA Biosignatures in the Emergency Evaluation of Febrile	Wayne State University		HD062477	93.865	-	35,606.54	35,606.54
		Inborn Errors of Metabolism Collaborative: Defining the	Michigan Public Health Institute		HD069039	93.865	-	51,943.48	51,943.48
		Production, Validation and Distribution of the Xenopus O	University of Virginia		HD069352	93.865	-	64,832.51	64,832.51
				Child Health & Human Development Extramural Research Total			3,828,582.79	6,780,799.64	10,609,382.43
Developmental Disabilities Basic Support and Advocac		Project SEARCH			06-3/10	93.630	-	25,472.68	25,472.68
		Ohio Disability Impact Study	Ohio State University		60030603	93.630	-	9,017.25	9,017.25
				Dev. Disabilities Basic Support and Advocacy Grants Total			-	34,489.93	34,489.93
Diabetes, Digestive, and Kidney Diseases Extramural F		Research Training in Pediatric Nephrology			DK007695	93.847	-	137,909.12	137,909.12
		Pediatric Gastroenterology and Nutrition Training Grant			DK007727	93.847	-	443,294.01	443,294.01
		Studies of Gaucher Disease: A Prototype Lipidosis			DK036729	93.847	-	467,296.06	467,296.06
		Behavioral & Nutrition TX to Help CF Preschoolers Grow		Case Western Reserve University	DK054915	93.847	47,449.02	267,416.89	369,235.25
				Nationwide Childrens Hospital			48,606.84		
				University of Michigan			5,762.50		
		Behavioral Rx & Nutrition in Pediatric Chronic Disease			DK059492	93.847	-	49,001.28	49,001.28
		Behavioral Treatment for Dietary Adherence in Children			DK059973	93.847	-	100,215.82	100,215.82
		Development of the Metanephric Mesenchyme			DK061916	93.847	-	(132.45)	(132.45)
		Clinical Center for Cholestatic Liver Disease in		The Hospital for Sick Children	DK062497	93.847	143,559.21	538,046.36	681,605.57
		Research Training in Child Behavior and Nutrition			DK063929	93.847	-	209,256.86	209,256.86
		Immunologic Dysfunction in Biliary Atresia			DK064008	93.847	-	310,969.16	310,969.16
		Mechanistic Analysis of Eosinophilic Esophagitis.			DK067255	93.847	-	346,548.16	346,548.16
		Bacterial Survival in the Mammalian Urothelium			DK068359	93.847	-	1,521.40	1,521.40
		Intraluminal Effect on Cholesterol Absorption/ Synthesi		University of Cincinnati	DK068463	93.847	5,625.88	50,348.45	55,974.33
		Self-Management of Type 1 Diabetes During Adolescence		Nemours Children's Clinic	DK069486	93.847	89,993.20	282,235.35	534,122.68
				University of Miami			161,894.13		
		Implications of the Ask1/Jnk Pathway in Arf			DK069749	93.847	-	(985.76)	(985.76)
		Murine Atlas of Genitourinary Smooth Muscle Development		Vanderbilt University Medical Center	DK070219	93.847	24,142.71	(22,135.45)	2,007.26
		Beta Cell Function in Adolescents with Type II Diabetes			DK070775	93.847	-	13,967.21	13,967.21
		Molecular Basis of Liver Development			DK070858	93.847	-	233,061.62	233,061.62

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Teen Longitudinal Assessment of Bariatric Surgery (Teen-		Baylor College of Medicine.	DK072493	93.847	119,285.51	853,642.69	1,325,748.11
				Nationwide Childrens Hospital			53,025.62		260,967.95
				University of Alabama at Birmingham			84,496.86		
				University of Cincinnati			50,811.51		
				University of Pittsburgh			39,016.90		
				University of Washington			125,469.02		
		Depression in Children and Adolescents with Type 1 Diabe			DK073340	93.847	-	(191.61)	(191.61)
		Endothelial Progenitor Cell Biology in Type I Diabetes			DK074055	93.847	-	9,980.08	9,980.08
		IL-13 and Eosinophilic Esophagitis			DK076893	93.847	-	348,923.14	348,923.14
		Adiponectin and Cardiovascular Disease in the CKID Chil			DK076957	93.847	-	(1,052.86)	(1,052.86)
		Dissecting Dendritic Cell Function in Autoimmune Diabete			DK078179	93.847	-	260,928.25	260,928.25
		Digestive Health Center, Bench to Beside Research in Ped		University of Cincinnati	DK078392	93.847	146,859.59	988,096.49	1,134,956.08
		Biomarkers for Inflammatory Bowel Disease Behavior and T			DK078683	93.847	-	588,967.74	588,967.74
		Behavioral Treatment of Nonadherence in Pediatric Inflam			DK079037	93.847	-	113,777.36	113,777.36
		Adolescent Bariatrics: Controlled Longitudinal Study of		Baylor College	DK080020	93.847	51,675.67	488,422.87	661,709.72
				Nationwide Childrens Hospital			29,255.23		
				University of Alabama at Birmingham			4,836.84		
				University of Pennsylvania			27,394.61		
				University of Pittsburgh			60,124.50		
		Parenting & Control Among Young Children with T1 Diabete			DK080102	93.847	-	7,890.27	7,890.27
		Mammalian Foregut and Liver Development			DK080823	93.847	-	364,394.22	364,394.22
		Bio Determinants of Steatohepatitis after Adol Baria Sur			DK080888	93.847	-	192,324.51	192,324.51
		Control of Diabetes by Manipulation of Bc12 Family Membe			DK081175	93.847	-	363,498.61	363,498.61
		DNA Damage and Response in the Bladder Microenvironment.			DK081737	93.847	-	143,504.74	143,504.74
		CDC42GAP in Insulin Signaling in Hepatocytes			DK082108	93.847	-	13,697.99	13,697.99
		Mast Cell-Mediated Intestinal Permeability			DK082113	93.847	-	(61.91)	(61.91)
		Developmental Paradigms to Direct Human Endoderm			DK083202	93.847	-	(2,802.90)	(2,802.90)
		Mechanisms of Intestinal Stem Cell Expansion Following R		University of Michigan	DK083325	93.847	75,111.11	215,756.44	290,867.55
		Biological Basis of Phenotypes & Clinical Outcomes in Bi			DK083781	93.847	-	362,073.92	362,073.92
		Primary biliary cirrhosis: Molecular genetics and microb		University of Cincinnati	DK084054	93.847	6,765.30	288,591.11	295,356.41
		SPDEF in Intestinal Differentiation			DK084167	93.847	-	2,304.78	2,304.78
		Role of Ileum in Reducing Obesity Related Comorbidities			DK084310	93.847	-	149,383.44	149,383.44
		Promoting Treatment Adherence in Pediatric Inflammatory			DK087822	93.847	-	80,788.22	80,788.22
		Intracellular Signaling Pathways and Virus Induced Bilia			DK087974	93.847	-	77,426.95	77,426.95
		Efficacy of enteral glutamine in reducing bloodstream in			DK088027	93.847	-	15,168.66	15,168.66
		Cardiovascular Disease in Children with Chronic Kidney D			DK090070	93.847	-	137,918.08	137,918.08
		Eosinophil/M2 Macrophage CCL11 Axis in Experimental Coli			DK090119	93.847	-	32,985.94	32,985.94
		Predicting Response to Standardized Pediatric Colitis Th			DK090804	93.847	-	41,682.00	41,682.00
		Cincinnati Center for Excellence in Molecular Hematology			DK090971	93.847	-	879,258.52	879,258.52
		Dendritic Cells in the Breaking of Peripheral Tolerance			DK090978	93.847	-	244,396.05	244,396.05
		CNS NFKappaB Regulation of Glucose Homeostasis			DK091077	93.847	-	38,608.86	38,608.86
		Clinic and Home Family Based Behavioral Treatment for Ob			DK091251	93.847	-	315,851.65	315,851.65
		Mechanisms of intestine development			DK091415	93.847	-	59,660.45	59,660.45
		The Molecular Determinants of Virus Induced Biliary Atre			DK091566	93.847	-	436,949.64	436,949.64
		KLF5 regulation of intestinal development and stem cell			DK092306	93.847	-	335,736.30	335,736.30
		Social influence of family networks on T2D risk percepti			DK095473	93.847	-	47,915.35	47,915.35
		CRN in Non-Alcoholic Steatohepatitis (NASH CRN)	Case Western University		DK061732	93.847	-	109,625.45	109,625.45
		A Multi-Center Group to Study Acute Liver Failure in	Children's Mercy Hospital		DK066143	93.847	-	64,584.25	64,584.25
		Chronic Kidney Disease in Children	University of Pittsburgh		DK072146	93.847	-	171,297.18	171,297.18
		3D growth of human pancreatic tissue from PSCs	Vanderbilt University		DK072473	93.847	-	224,433.16	224,433.16
		Bone Health in Pediatric Crohn Disease: A Low Magnitude	Children's Hospital of Philadelphia		DK073946	93.847	-	(3,407.91)	(3,407.91)
		Randomized Intervention for Children with Vesico Uretera	University of Buffalo		DK074063	93.847	-	38,850.33	38,850.33
		SEARCH Nutrition Ancillary Study (SNAS), Ohio Subcontrac	University of North Carolina		DK077949	93.847	-	14,227.71	14,227.71
		Angiogenic peptide scaffolds to enhance diabetic wound h	University of Cincinnati		DK078814	93.847	-	5,000.00	5,000.00
		Dietary Intake & Beh in Adol Bariatric Surg Pts	University of Pennsylvania		DK080738	93.847	-	108,038.36	108,038.36
		Medication Adherence in Children Who Had Liver Transplan	Mount Sinai Medical Center		DK080740	93.847	-	99,211.51	99,211.51
		Progression of Acute Kidney Injury to Chronic Kidney Dis	Yale University		DK082185	93.847	-	69,927.70	69,927.70
		Defining Preadipocyte Signature Genes	Univ of Toledo Health Science Campus		DK083643	93.847	-	23,096.29	23,096.29
		Cell Phone Adherence Trial for Underserved T1DM Youth	Univ of North Carolina at Chapel Hill		DK085483	93.847	-	56,433.00	56,433.00
		Forecasters of future and progressive chronic kidney	Ohio State University		DK085673	93.847	-	88,503.72	88,503.72
		Gene Discoveries in Subjects with Crohn's Disease of Afr	Emory University		DK087694	93.847	-	24,229.93	24,229.93
		Resilience Promotion in Teens with Type 1 Diabetes: Prev	Children's Memorial Hospital		DK090030	93.847	-	114,481.91	114,481.91
		Teen Adherence in Kidney Transplant: Effectiveness of a	The Research Institute of McGill Univer		DK092977	93.847	-	58,993.32	58,993.32
		Generating molecular markers that selectively label urot	Columbia University Medical Center		DK094530	93.847	-	29,333.80	29,333.80
				Diabetes, Digestive, & Kidney Diseases Extramural Rsrch Total			1,401,161.76	13,221,089.84	14,622,251.60
Disabilities Prevention		Spina Bifida Registry Demo Project			DD000387	93.184	-	7,979.25	7,979.25
				Disabilities Prevention Total			-	7,979.25	7,979.25
Discovery and Applied Research for Technological Innc		POC-CENT	University of Cincinnati		EB007954	93.286	-	11,284.72	11,284.72
		Center for point-of-care technologies research for STDs	Johns Hopkins University		EB007958	93.286	-	47,851.40	47,851.40
				Discovery & Applied Res. for Tech. Innovations to Improve Human Health Total			-	59,136.12	59,136.12
Drug Abuse and Addiction Research Programs		Endocannabinoid Signaling During Early Pregnancy			DA006668	93.279	-	294,221.96	294,221.96
		Effects of Neonatal MDMA on Brain and Behavior			DA021394	93.279	-	5,341.14	5,341.14
		Follow-up of the Multimodal Treatment Study of Children	Duke University		HHSN271200800009C	93.279	-	198,141.28	198,141.28
				Drug Abuse and Addiction Research Programs Total			-	497,704.38	497,704.38
Drug-Free Communities Support Program Grants		DFC Support Program - POCWA			SP014669	93.276	-	124,951.04	124,951.04
				Drug-Free Communities Support Program Grants Total			-	124,951.04	124,951.04

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp	
Emergency Medical Services for Children		Defining Quality Performance Measures for Pediatric Care EMSC Network Development Demonstration Project - Hospita		Medical College of Wisconsin Washington University	MC16597	93.127	-	7.60	7.60	
					MC22684	93.127	81,603.34	302,894.94	436,967.78	
		EMSC Network Development Demonstration Project Progesterone for Traumatic Brain Injury in Children: Pla	University of California-Davis University of Michigan	MC00001	93.127	-	26,291.61	26,291.61		
				MC19353	93.127	-	12,127.12	12,127.12		
Emergency Medical Services for Children Total							134,072.84	341,321.27	475,394.11	
Environmental Health		Valproic Acid-Induced Obesity Training Grant in Teratology Environmental Toxins and Uterine Gene Expression A Comm.-Based Trial to Prevent Lead Poisoning & Injuries Role of Environmental Chemicals on Lactation Outcomes Effects of Lead, Manganese and Stress During Development Impact of peripubertal exposure to xenohormones on fat d Continued studies of environmntl impact on puberty:GUF2 Center for Environmental Genetics New Investigator Schol Environmental Carcinogenesis and Mutagenesis Pooled Analysis of (OP) Metabolites & DDe & Birth Molecular Epidemiology in Children's Environmental Health Early Lead Exposure, ADHD and Persistent Criminality: Ro Functional Genomics of Chemical Induced Acute Lung Injur Mechanism of PM Induced Dendritic Cell Activation Mechanisms of Pesticide-Induced Neurobehavioral Deficits Genomic and proteomic biomarkers of biologic responses t Prenatal Low Level Tobacco Exposure Environmental Exposure: Susceptibility Alleles in a DNA Intervention to Reduce Body Burden of PCBs in Residents Epigenetics of Lead Toxicity in Mouse Brain Longitudinal study of exposure to PBDEs and PFCs and chi Field Validation of a Personal Sensor for Ultrafine PM 1		University of Cincinnati University of Cincinnati	ES006096	93.113	-	(187.36)	(187.36)	
					ES007051	93.113	-	310,569.35	310,569.35	
					ES007814	93.113	-	410,813.27	410,813.27	
					ES014575	93.113	23,931.29	423,755.53	447,686.82	
					ES014691	93.113	-	4,665.96	4,665.96	
					ES015689	93.113	-	6,993.56	6,993.56	
					ES017315	93.113	7,416.71	111,183.26	118,599.97	
					ES019453	93.113	304,408.00	647,677.28	952,085.28	
					ES006096	93.113	-	21,709.71	21,709.71	
					ES007250	93.113	-	61,529.80	61,529.80	
					ES009605	93.113	-	56,621.50	56,621.50	
					ES010957	93.113	-	119,297.37	119,297.37	
					ES015559	93.113	-	108,113.06	108,113.06	
					ES015675	93.113	-	(3,020.26)	(3,020.26)	
					ES015903	93.113	-	267,439.13	267,439.13	
					ES015991	93.113	-	100,286.03	100,286.03	
					ES016003	93.113	5,437.88	(4,331.55)	1,106.33	
					ES016304	93.113	-	31,007.98	31,007.98	
					ES016625	93.113	-	3,542.00	3,542.00	
					ES019206	93.113	-	91,366.60	91,366.60	
ES020048	93.113	-	108,516.88	108,516.88						
ES020349	93.113	-	104,382.39	104,382.39						
ES020387	93.113	-	16,846.15	16,846.15						
Environmental Health Total							341,193.88	2,998,777.64	3,339,971.52	
Extramural Research Programs in the Neurosciences		Mitogenic Activities in Neurofibromatosis Roles of Gsh1 & Gsh2 in Telencephalic Neurogenesis Impact of Initial Therapy and Response on Long Term Outc		Arkansas Children's Hospital Research In Baylor College Case Western Reserve University Children's Healthcare of Atlanta Children's Hospital Association Children's Hospital of Alabama Children's Hospital of Philadelphia Children's National Medical Center. Columbia University Cook Children's Health Care System Eastern Virginia Medical School Medical College of Wisconsin Miami Children's Hospital Research Inst Montefiore Medical Center Nationwide Childrens Hospital Nemours Children's Clinic New York University School of Medicine NorthShore University HealthSystem Oregon Health & Science University. Phoenix Children's Hospital Seattle Children's Hospital St Joseph's Hospital & Medical Center University of Alabama at Birmingham University of California University of California University of Pittsburgh University of Tennessee University of Utah Washington University Wayne State University Women&Childrens Hospital of Buffalo Yale University	NS028840	93.853	-	297,793.73	297,793.73	
					NS044080	93.853	-	272,013.96	272,013.96	
							61,509.53	2,017,084.13	3,287,048.39	
							43,554.57			
							24,421.20			
							15,834.60			
							50,369.18			
							3,404.80			
							95,280.52			
							164,291.25			
							16,124.03			
							22,364.27			
							32,051.86			
							4,924.45			
							24,076.50			
							203,595.00			
							60,488.00			
							47,321.41			
							3,953.25			
							9,704.53			
							6,366.80			
							6,602.00			
							10,779.52			
							11,997.00			
							21,866.04			
							17,502.10			
							135,413.60			
							38,679.83			
							9,857.30			
							23,379.17			
							55,787.99			
							29,986.82			
							8,035.90			
							10,421.22			
							93.853	3,748.14	(3,748.14)	
							93.853	-	359,000.22	359,000.22
							93.853	-	352,487.34	352,487.34
							93.853	266,317.95	862,737.77	1,408,511.77
							93.853	279,456.05		
							93.853	48,328.27	48,328.27	48,328.27
							93.853	-	235,017.88	235,017.88
							93.853	-	314,367.27	314,367.27
							93.853	-	430,318.75	430,318.75
							93.853	-	332,629.98	332,629.98
							93.853	-	388,204.75	388,204.75
							93.853	20,217.89	337,478.15	357,696.04
							93.853	78,259.63	244,170.42	322,430.05
							93.853	-	445,027.89	445,027.89
							93.853	-	228,481.73	228,481.73
							93.853	-	185,116.04	185,116.04
							93.853	-	228,572.29	228,572.29
							93.853	-	631,781.92	631,781.92
							93.853	-	92,163.92	92,163.92
							93.853	-	59,082.75	59,082.75
							93.853	-	46,082.35	46,082.35
							93.853	-	26,542.04	26,542.04
							93.853	-	5,031.45	5,031.45
							93.853	-	170,093.71	170,093.71
							93.853	-	28,189.58	28,189.58
							93.853	-	12,134.10	12,134.10

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Nuclear modifier genes for maternally inherited deafness			DC007696	93.173	-	7,877.84	7,877.84
		A Preclinical Trial of Intratympanic Antivirals for CMV			DC008651	93.173	-	171,873.22	171,873.22
		Molecular Genetics of Usher Syndrome Type I			DC009287	93.173	-	275,286.38	275,286.38
		Functional MR Imaging Study of Speech Production in Chl			DC010188	93.173	-	169,298.80	169,298.80
		Functional Analyses of Tricellular Tight Junctions in He			DC011748	93.173	-	401,848.70	401,848.70
		Identifying Genes for Non-syndromic Recessive Deafness-			DC011803	93.173	-	11,248.46	11,248.46
		Inspiratory Muscle Strength Training in Patients with Up	Miami University		DC009057	93.173	-	28,140.09	28,140.09
		Wideband Clinical Diagnosis and Monitoring of Middle-Ear	Boys Town National Res. Hospital	Good Samaritan Hospital	DC010202	93.173	34,284.18	341,195.51	375,479.69
		Improved Method of Drug Delivery to the Inner Ear	University of Cincinnati		DC011062	93.173	-	37,253.55	37,253.55
							160,934.61	1,700,982.05	1,861,916.66
	Sickle Cell Treatment Demonstration Program	Sickle Cell treatment Demonstration Program	University of Cincinnati		EMC07655	93.365	-	65,482.68	65,482.68
								65,482.68	65,482.68
	Substance Abuse and Mental Health Services_Projects	A Continuum of Trauma Care: Adapting Evidence-Based Prac		Toledo Children's Hospital	SM059286	93.243	65,445.38	534,319.60	599,764.98
		Learning Collaborative to Disseminate Trauma and Grief	University of California		SM054284	93.243	-	13,998.84	13,998.84
		Project Launch-PCIT Training at Ohio University	Ohio University		SM059345	93.243	-	33,000.00	33,000.00
							65,445.38	581,318.44	646,763.82
	Training and Clinical Skills Improvement Projects	Enhanced Surveillance for New Vaccine Preventable Diseases		Seattle Children's Hospital	1IP000147	93.185	3,701.22	98,133.47	101,834.69
		Enhanced Surveillance for New Vaccine Preventable Diseases			1IP000458	93.185	-	242,121.39	242,121.39
							3,701.22	340,254.86	343,956.08
	ARRA Trans-NIH Recovery Act Research Support	Homeostasis and function of regulatory T cells in aging		University of Cincinnati	AG033057	93.701	12,110.42	71,424.88	83,535.30
		Genetic Linkage in Lupus		Oklahoma Medical Research Foundation	AI024717	93.701	74,004.26	-	74,004.26
		Characterization of Human Caliciviruses		Purdue University	AI037093	93.701	30,482.01	109,645.82	140,127.83
		Regulation of Apoptosis in Activated Primary T Cells			AI057753	93.701	-	7,090.15	7,090.15
		HLA/KIR Region Genetics in Pediatric Arthritis		University of Cincinnati	AI067150	93.701	4,722.40	1,078.58	5,800.98
		Epithelial Genes in Allergic Inflammation			AI070235	93.701	-	14,197.40	14,197.40
		Identification of Genes Involved in FHLH			AI076746	93.701	-	35,172.03	35,172.03
		Innate Immune Responses During Toxoplasmosis			AI078969	93.701	-	170,918.22	170,918.22
		Role of IL-15 in the pathogenesis of EE		University of Cincinnati	AI080581	93.701	3,352.42	(3,125.95)	226.47
		Neuronal Regulation of HSV Lytic and Latent Infection			AI081083	93.701	-	16,873.96	16,873.96
		RELM Peptides Alter Lung Defense			AI083599	93.701	-	56,412.82	56,412.82
		Unbiased Forward Genetic Analysis of Virus/Host Interact		University of Cincinnati	AI087336	93.701	34,865.60	164,234.40	199,100.00
		A Multi-center Clinical Trial of 1760 MCG of Daily Swall		Childrens Hospital of Philadelphia	AI088806	93.701	20,000.00	227,285.88	347,946.70
				The Children's Hospital Association			19,484.74		
				University of Utah			81,176.08		
		Cincinnati Rheumatic Diseases Center			AR047363	93.701	-	16,959.69	16,959.69
		Defining the complex genetics of Juvenile Idiopathic Art			AR058587	93.701	-	165,749.56	165,749.56
		Role and Regulation of the Human DEK Proto-Oncogene			CA116316	93.701	-	16,645.15	16,645.15
		Rac GTPases as Targets in Lymphomagenesis		University of Cincinnati	CA125658	93.701	5,877.11	192,218.52	198,095.63
		Prediction Model for Radiation Sensitivity in Children w		Emory University	CA139275	93.701	13,949.10	16,371.98	32,264.90
				MD Anderson Cancer Ctr			(9,040.92)		
				University of Cincinnati			10,057.27		
				Vanderbilt University Medical Center			927.47		
		The Role of MLL-AF9 in Acute Myeloid Leukemia			CA140518	93.701	-	174,919.00	174,919.00
		Cincinnati Neuro-Oncology Research Core			CA149239	93.701	-	724,350.83	724,350.83
		Administrative Supplement-A Preclinical Trial			DC008651	93.701	-	23,357.19	23,357.19
		Wideband Clinical Diagnosis and Monitoring of Middle-Ear			DC010202	93.701	-	(3,587.53)	(3,587.53)
		Genetic Basis of Cleft Lip and Palate		Washington University	DE015207	93.701	26,745.60	3,552.40	30,298.00
		Molecular Patterning of Mammalian Dentition			DE018401	93.701	-	11,801.00	11,801.00
		Expression and Function of the Guanylin Ligand Family			DK047318	93.701	-	94,810.40	94,810.40
		Behavioral & Nutrition TX to Help CF Preschoolers Grow		University of Arizona	DK0549151	93.701	24,411.88	(4,026.61)	20,385.27
		Intraluminal Effects in Cholesterol Absorption			DK068463	93.701	-	13,248.92	13,248.92
		Self-Management of Type 1 Diabetes During Adolescence			DK069486	93.701	-	5,158.77	5,158.77
		Adolescent Bariatrics: Assessing Health Benefits & Risk		Baylor College of Medicine.	DK072493	93.701	1,329.24	229,598.13	340,594.86
				University of Pittsburgh			40,216.95		
				University of Washington			69,450.54		
		Comparative Effectiveness of Pediatric Eosinophilic Esop			DK076893	93.701	-	421,955.30	421,955.30
		Dig Health Ctr: Bench to Bedside Res in Ped Dig Disease			DK078392	93.701	-	(5,244.41)	(5,244.41)
		Mammalian Foregut and Liver Development			DK080823	93.701	-	351.88	351.88
		Glomerulosclerosis in Human FSGS and Animal Models			DK081489	93.701	-	148,417.18	148,417.18
		Nextgen Dissection of the Genomic Basis of Kidney Develo			DK090891	93.701	-	626,661.94	626,661.94
		Neurobehavioral Effects of Insecticide Exposure in Pregna		University of Cincinnati	ES015517	93.701	54,813.57	439,362.98	494,176.55
		Exposure-induced Systemic Oxidative Stress in Children w		Miami University.	ES016830	93.701	6,500.00	92,087.02	99,999.83
				University of Cincinnati			1,412.81		
		CRIM1-b-Catenin-Cadherin Interactions in Eye Development			EY019377	93.701	-	7,451.13	7,451.13
		Genomic Analysis of Pediatric SIRS and Septic Shock		University of Cincinnati	GM064619	93.701	32,429.70	(32,470.25)	(40.55)
		Aspects of Blastocysts			HD012304	93.701	-	54,900.74	54,900.74
		Recovery Act Administrative Supple-Language			HD036578	93.701	-	32,536.83	32,536.83
		Molecular Signaling in Decidualization			HD056044	93.701	-	160,317.17	160,317.17
		Novel genetic and salivary glycan biomarkers for risk of		University of Alabama at Birmingham	HD059140	93.701	5,282.25	8,905.68	14,187.93
		The Roles of Steel Factor in Germ Cell Behavior in the			HD060578	93.701	-	46,442.73	46,442.73
		Mediating Factors in the Relationship between Obesity an		University of California	HD063275	93.701	82,361.08	65,576.40	147,937.48
		Develop of Phone and Quest Scrn Protocol for Res in ASD			HD065277	93.701	-	78,040.69	78,040.69
		Molecular Mechanism of Severe Congenital Neutropenia			HL079574	93.701	-	106,605.48	106,605.48
		Mechanisms Linking Metastasis to Tumor Procoagulant and			HL085545	93.701	-	602.10	602.10
		Administrative Supplement Providing Summer Research			HL086598	93.701	-	13,753.27	13,753.27
		Rac GTPase Inhibition in Chronic Myelogenous Leukemia			HL087159	93.701	-	8,041.10	8,041.10
		Role of the embryonic node in cardiac development and co			HL088639	93.701	-	694.33	694.33
		An Animal Model of Hemophagocytic Lymphohistiocytosis			HL091769	93.701	-	47,189.60	47,189.60
		Mechanism of Vasopressin-Mediated Placental Vascular Res			HL093683	93.701	-	209.76	209.76
		Notch signaling in heart valve development and disease			HL094319	93.701	-	(5,056.60)	(5,056.60)
		Effects of IL-4 and IL-13 on Pulmonary Smooth Muscle in			HL097360	93.701	-	128,421.49	128,421.49
		Unbiased genome-wide screen to identify genes regulating			HL100315	93.701	-	71,079.23	71,079.23
		Pediatric Sepsis Biomarker Risk Model		Children's Hospital Med Cntr of Akron	HL100474	93.701	4,800.00	139,439.13	146,639.13
				Children's Mercy Hospital			1,200.00		
				Columbia University			300.00		
				Nationwide Childrens Hospital			600.00		
				Pennsylvania State University			300.00		
		Development of an Asthma Research Core Center			HL101333	93.701	-	251,111.03	251,111.03

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant Number	CFDA	Sub Exp	Fed Exp	Total Exp
		Cincinnati Center for Neurofibromatosis Research		University of Cincinnati	NS057531	93.701	48,128.87	(6,338.95)	41,789.92
		Short and long-term impact of neonatal seizures on hippo			NS064378	93.701	-	(5,222.73)	(5,222.73)
		Illumina iScan System for the OMRP Microarray Research F			RR027190	93.701	-	1,490.40	1,490.40
		Rare Diseases Clinical Consortia for the Rare Diseases	University of California		A1082973	93.701	-	89,166.85	89,166.85
		Early Aggressive Therapy in Juvenile Idiopathic Arthriti	Children's Hosp & Reg Med Ct-Seattle		AR049762	93.701	-	(458.90)	(458.90)
		Development and Validation of a Disease-Specific Severe	Indiana Univ - Purdue Univ @ Inpls		AR058767	93.701	-	1,000.00	1,000.00
		CARRA: Accelerating Toward an Evidence Based Culture in	Duke University		AR058934	93.701	-	42,353.67	42,353.67
		Children's Oncology Group Phase 1	National Childhood Cancer Foundation		CA097452	93.701	-	9,234.77	9,234.77
		Children's Oncology Chair Award #19383	National Childhood Cancer Foundation		CA098543	93.701	-	(134.75)	(134.75)
		Expanding the Ohio Immunization Registry to Include BMI	Hamilton County Public Health		CPPW Ham Co - ARRA	93.701	-	471,535.83	471,535.83
		Chronic Kidney Disease in Children (CKID)	Children's Mercy Hospital		DK066143	93.701	-	4,810.34	4,810.34
		A Multi-Center Group to Study Acute Liver Failure in Ch	Children's Hospital of Pittsburgh		DK072146	93.701	-	1,566.89	1,566.89
		SubClinical Cardiovascular disease in Youth (CVD)	University of Colorado		DK078542	93.701	-	71,354.79	71,354.79
		Immunosuppression Withdrawal for Stable Pediatric Liver	University of California, San Francisco		DK083031	93.701	-	27,884.18	27,884.18
		Calcineurine Inhibitor Minimization and FOXP3+ Tregs	Children's Hospital of Philadelphia		DK087270	93.701	-	12,355.04	12,355.04
		Model systems for hematologic disorders caused by riboso	University of Cincinnati		DK087680	93.701	-	2,283.85	2,283.85
		Diesel, Allergens and Gene Interactions and Child Atopy	University of Cincinnati		ES011170	93.701	-	16,060.10	16,060.10
		BPA Go Grant	University of Rochester		ES018736	93.701	-	(0.03)	(0.03)
		Evolution of Canalizing Mechanisms in Gene Expression	University of Chicago		GM78381	93.701	-	1,784.71	1,784.71
		Pulmonary Progenitor Cells	Oregon Health Sciences University		HL100371	93.701	-	33,867.20	33,867.20
		Develop of a Brief Screener for Research Diagnoses ASD	University of Michigan		MH089721	93.701	-	47,032.91	47,032.91
		Epilepsy Phenome/Genome Project	University of California, San Francisco		NS053998	93.701	-	23,277.04	23,277.04
		The Ohio State University Center for Clinical and Transl	Ohio State University		RR025755	93.701	-	11,871.85	11,871.85
		Cincinnati Center for Clinical and Translational Science	University of Cincinnati		RR026314	93.701	-	117,459.04	117,459.04
				Trans-NIH Recovery Act Research Support Total			702,250.45	6,433,952.62	7,136,203.07
Trans-NIH Research Support		Open Source Science: Transforming Chronic Illness Care		University of Chicago	DK085719	93.310	127,814.71	1,301,027.54	1,506,395.83
				University of California			6,193.89		
				University of Southern California			4,236.55		
				University of Vermont State			67,123.14		
		RAMPART Hamilton Schwartz	University of Cincinnati		NS056975	93.310	-	(1,556.19)	(1,556.19)
				Trans-NIH Research Support Total			205,368.29	1,299,471.35	1,504,839.64
University Centers for Excellence in Developmental Dis UCDD Program			University of Cincinnati		90 DD063804	93.632	-	417,264.40	417,264.40
				University Centers for Excellence in Developmental Disabilities Education, Research, and Service Total			-	417,264.40	417,264.40
Vision Research		Investigation of Mammalian Retinal Neuron Development			EY013612	93.867	-	172,497.55	172,497.55
		Molecular Mechanisms of Retinal Determination Proteins			EY014648	93.867	-	436,328.00	436,328.00
		Wnt Pathway Regulation of Lens Polarity			EY016241	93.867	-	425,317.37	425,317.37
		RhoGTPases in Early Eye Development			EY017848	93.867	-	255,873.10	255,873.10
		Pros/Prox1 and Lens Development in Drosophila			EY017907	93.867	-	360,498.34	360,498.34
		Cell-Cell Signaling During Mammalian Early Eye Formation			EY018097	93.867	-	200,595.12	200,595.12
		Eyes Absent Phosphatase Inhibitors In Eye Disease			EY019125	93.867	-	113,063.09	113,063.09
		Retinal Microglia and Angiogenesis			EY021636	93.867	-	57,760.84	57,760.84
		Ocular HSV Infection-Latency and Pathogenesis	University of Cincinnati		EY013168	93.867	-	123,457.29	123,457.29
		Roles of CC Chemokine Activity in Mast Cell Responses an	University of Cincinnati		EY019630	93.867	-	294,132.83	294,132.83
				Vision Research Total			-	2,439,523.53	2,439,523.53
Cooperative Agreements to Support State-Based Safe State-Based Perinatal Quality Collaborative			Ohio Department of Health		DP003787	93.946	-	96,058.53	96,058.53
				Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs Total			-	96,058.53	96,058.53
Human Immunodeficiency Virus (HIV)/Acquired Immuni CFHS Consortium Obesity Prevention			Ham Cnty Family & Children First Council		CHFS Obesity Prevent	93.944	-	84,075.93	84,075.93
				Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance Total			-	84,075.93	84,075.93
Human Genome Research		Better Outcomes for Children: GWAS & PheWAS in eMERGEII.			HG006828	93.172	-	2,217.97	2,217.97
				Human Genome Research Total			-	2,217.97	2,217.97
Prevention and Public Health Fund (Affordable Care Ac Enhanced Surveillance for New Vaccine Preventable Diseases					IP000458	93.533	-	198,085.74	198,085.74
				Prevention and Public Health Fund (Affordable Care Act) Enhanced Surveillance for New Vaccine Preven Total			-	198,085.74	198,085.74
				Dept of Health and Human Serv Total			12,990,946.84	115,253,519.20	128,244,466.04
		Alcohol and Drug Services					93.959	299,338.17	299,338.17
		Mental Health						257,630.45	257,630.45
		Maternal Depression Screening					93.243	9,945.44	9,945.44
				Grand Total			\$ 13,613,121.69	\$ 119,044,377.90	\$ 132,657,499.59

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2012

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 consolidated financial statements.

Net Asset Balances — Negative amounts represent grants with deficit balances which were closed during fiscal 2012.

* * * * *

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 consolidated financial statements of Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") as of and for the year ended June 30, 2012, and have issued our report thereon dated October 26, 2012, 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 26, 2012, Except for Note 13, as to which the date is February 1, 2013

**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, 2012. 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, 2012.

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 26, 2012, Except for Note 13, as to which the date is February 1, 2013

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards:

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u> </u> Yes	<u> X </u> 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, 2012 AND 2011

PART II. FINANCIAL STATEMENT FINDINGS SECTION

2012 Findings

No findings are reportable for fiscal year 2012.

2011 Findings

No findings are reportable for fiscal year 2011.

PART III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

2012 Findings

No findings are reportable for fiscal year 2012.

2011 Findings

No findings are reportable for fiscal year 2011.