

Children's Hospital Medical Center and Affiliates

Office of Management and Budget
Circular A-133 Reports For The
Year Ended June 30, 2014

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Children's Hospital Medical Center and Affiliates ("Cincinnati Children's"), which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended, and the related notes to the consolidated financial statements. 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Children's Hospital Medical Center and Affiliates as of June 30, 2014 and 2013, and the consolidated results of their operations and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted 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 required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the accompanying schedule is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2014 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* in considering Children's Hospital Medical Center and Affiliates internal control over financial reporting and compliance.

Deloitte & Touche LLP

October 23, 2014, Except for Note 13, as to which the date is January 26, 2015

Children's Hospital Medical Center and Affiliates

Consolidated Balance Sheet June 30, 2014 and 2013 (dollars in thousands)

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 156,830	\$ 249,190
Marketable securities	389,139	259,916
Cash, cash equivalents and marketable securities	545,969	509,106
Patient receivables, net of allowances of \$54,259 in 2014 and \$53,256 in 2013	288,806	223,850
Other receivables, net	151,502	97,121
Inventories and prepaid expenses	32,936	35,134
Total current assets	<u>1,019,213</u>	<u>865,211</u>
ASSETS LIMITED AS TO USE - Funds in trust	38,097	62,803
PROPERTY AND EQUIPMENT, net of accumulated depreciation	998,397	908,535
DEFERRED BOND ISSUANCE COSTS AND OTHER INTEREST IN NET ASSETS OF SUPPORTING ORGANIZATIONS (Note 1(b))	61,128	65,873
Total assets	<u>\$3,415,523</u>	<u>\$3,014,072</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 299,667	\$ 239,891
Current portion of long-term debt and capital lease obligations	32,609	26,995
Total current liabilities	<u>332,276</u>	<u>266,886</u>
ACCRUED PENSION BENEFIT LIABILITY (Note 9)	144,357	246,760
SELF-INSURANCE RESERVES	46,696	24,467
LONG-TERM DEBT:		
Tax-exempt bonds payable	398,190	416,043
Notes payable	67,301	74,551
Capital lease obligations	2,051	3,680
OTHER LONG-TERM LIABILITIES	15,576	15,580
Total liabilities	<u>1,006,447</u>	<u>1,047,967</u>
COMMITMENTS AND CONTINGENCIES (Notes 6 and 10)	-	-
NET ASSETS:		
Unrestricted	975,039	710,714
Temporarily restricted	153,309	170,437
Permanently restricted (Note 1(b))	1,280,728	1,084,954
Total net assets	<u>2,409,076</u>	<u>1,966,105</u>
Total liabilities and net assets	<u>\$3,415,523</u>	<u>\$3,014,072</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2014 and 2013 (dollars in thousands)

	<u>2014</u>	<u>2013</u>
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:		
Net hospital patient service revenue	\$1,461,668	\$1,353,653
Provision for bad debt	(26,142)	(20,802)
Net hospital patient service revenue less provision for bad debts	<u>1,435,526</u>	<u>1,332,851</u>
Capitation revenue	35,032	-
Net professional services revenue	289,064	263,380
Net assets released from restriction used for operations-		
Grant revenue	163,071	157,693
Other restricted net assets used to support operations	89,640	80,532
Investment income	14,140	9,483
Other revenue	93,767	87,566
Total unrestricted revenues, gains and other support	<u>2,120,240</u>	<u>1,931,505</u>
EXPENSES:		
Salaries	985,876	891,286
Employee benefits	261,000	270,830
Supplies, drugs and other	335,372	280,584
Purchased services	212,427	195,849
Depreciation	109,214	110,378
Utilities	17,643	15,511
Interest	14,170	14,247
Impairment of land	8,101	-
Loss on early extinguishment of tax exempt bonds payable (Note 8)	4,037	-
Total expenses	<u>1,947,840</u>	<u>1,778,685</u>
Excess of revenues over expenses	172,400	152,820
OTHER CHANGES IN UNRESTRICTED NET ASSETS:		
Receipts from supporting organizations (Notes 1(b) and 1(c))	6,952	6,298
Net assets released from restrictions used for purchase of property and equipment	<u>2,320</u>	<u>1,076</u>
Increase in unrestricted net assets before transfers to supporting organizations and pension and post retirement health liability adjustment	181,672	160,194
Transfers to supporting organizations (Note 1(c))	(31,400)	(26,509)
Pension and post retirement health liability adjustment (Note 9)	<u>114,053</u>	<u>179,515</u>
Increase in unrestricted net assets	<u>264,325</u>	<u>313,200</u>

(Continued on next page)

Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2014 and 2013 (dollars in thousands)

	<u>2014</u>	<u>2013</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions and investment income-		
Grant receipts	162,799	158,018
Gifts, contributions and other income	83,855	84,306
	<u>246,654</u>	<u>242,324</u>
Net assets released from restriction-		
Grant expenditures	(163,071)	(157,693)
Transfer to The Children's Hospital	(16)	(776)
Restricted net assets used to support operations	(89,640)	(80,532)
Restricted net assets used for purchase of property and equipment	(2,320)	(1,076)
	<u>(255,047)</u>	<u>(240,077)</u>
(Loss) Gain in interest in net assets of supporting organizations	(8,735)	11,488
(Decrease) Increase in temporarily restricted net assets	<u>(17,128)</u>	<u>13,735</u>
PERMANENTLY RESTRICTED NET ASSETS:		
Gain in interest in net assets of supporting organizations	195,774	162,835
Increase in permanently restricted net assets	<u>195,774</u>	<u>162,835</u>
INCREASE IN NET ASSETS	442,971	489,770
NET ASSETS, beginning of year	1,966,105	1,476,335
NET ASSETS, end of year	<u><u>\$2,409,076</u></u>	<u><u>\$1,966,105</u></u>

See accompanying notes to consolidated financial statements.

Children's Hospital Medical Center and Affiliates

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2014 and 2013 (dollars in thousands)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 442,971	\$489,770
Adjustments to reconcile increase in net assets to net cash provided by operating activities-		
Depreciation and amortization	109,412	110,607
Loss on disposal of property and equipment	805	3,390
Impairment of land	8,101	-
Loss on early extinguishment of tax exempt bonds payable	4,037	-
Proceeds from sale of donated securities	2,291	-
Receipts from supporting organizations	(6,952)	(6,298)
Contributions to supporting organizations	31,400	26,509
Contributions restricted for purchase of property and equipment	(2,320)	(1,076)
Gain in interest in net assets of supporting organizations	(187,039)	(174,323)
Unrealized and realized (gains) losses on marketable securities, net	(3,146)	6,237
Increase (Decrease) allowances on receivables	883	(2,772)
Increase in receivables	(120,220)	(4,514)
Decrease (Increase) in inventories and prepaid expenses and other assets	3,459	(3,230)
Increase in accounts payable and accrued expenses	62,572	1,394
Decrease in accrued pension liability	(102,403)	(152,930)
Increase (Decrease) in self-insurance reserves and other long-term liabilities	22,225	(2,082)
Net cash provided by operating activities	<u>266,076</u>	<u>290,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property and equipment	(209,513)	(170,861)
Receipts from sale of fixed assets	1,263	944
Repayment of note receivable from CHF	-	10,587
Purchases of marketable securities	(1,099,956)	(1,075,720)
Sales and maturities of marketable securities	977,326	1,068,516
Cash withdrawn from funds in trust	184,903	23,450
Cash invested in funds in trust	(160,197)	(82,575)
Net cash used in investing activities	<u>(306,174)</u>	<u>(225,659)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of bonds and notes payable	173,235	60,000
Repayment of bonds and notes payable	(203,369)	(26,365)
Contributions restricted for purchase of property and equipment	2,320	1,076
Receipts from supporting organizations	6,952	6,298
Contributions to supporting organizations	(31,400)	(26,509)
Net cash (used in) provided by financing activities	<u>(52,262)</u>	<u>14,500</u>
Net (decrease) increase in cash and cash equivalents	(92,360)	79,523
CASH AND CASH EQUIVALENTS, beginning of year	<u>249,190</u>	<u>169,667</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 156,830</u>	<u>\$249,190</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:		
Capital expenditures in accounts payable and accrued expenses	\$ 23,113	\$ 25,909

See accompanying notes to consolidated financial statements.

Children's Hospital Medical Center and Affiliates

Consolidated Financial Statements

For the Years Ended June 30, 2014 and 2013, respectively (dollars in thousands)

(1) Accounting Policies-

- (a) Basis of Consolidation--Children's Hospital Medical Center (Cincinnati Children's), River City Insurance Limited (River City), CHMC Community Health Services Network (CHSN), 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 Cincinnati Children's or 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. River City is a captive insurance company and a wholly-owned subsidiary of Cincinnati Children's. CHSN is a wholly-owned subsidiary of Cincinnati Children's whose purpose is to manage primary care practices in a community setting. 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 Cincinnati Children's. Effective, December 31, 2012, CHF merged with and into TCH. TCH assumed all assets and liabilities of CHF and CHF ceased to exist as a separate entity. Effective, December 31, 2012, CDCF merged with and into Cincinnati Children's. Cincinnati Children's assumed all assets and liabilities of CDCF and CDCF ceased to exist as a separate entity. Certain endowment funds of these supporting organizations are restricted by the donors for specific operating purposes of Cincinnati Children's and are recorded as Interest in Net Assets of Supporting Organizations in the accompanying Consolidated Balance Sheets. 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 Cincinnati Children's as designated by the Boards of the supporting organizations to provide general support and are reflected as receipts from supporting organizations in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

Cincinnati Children's records in its consolidated financial statements the fair value of certain permanently and temporarily restricted net assets held by supporting organizations on its behalf. Changes in the fair value of such temporarily and permanently restricted net assets are recorded as a Gain (Loss) in Interest in Net Assets of Supporting Organizations in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

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- (c) Support Received from Supporting Organizations-- In general, the supporting organizations provide annual support to Cincinnati Children's that includes the dividend and interest earnings of the respective investment portfolios (net of operational expenses and any donor required reinvestment of income). On occasion, the respective Boards of Trustees of these supporting organizations may also designate certain pledges of unrestricted principal in support of key projects at Cincinnati Children's. As of June 30, 2014, TCH and CHCOA have outstanding revocable pledges of \$29,900 and \$17,730, 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 2014 and 2013, TCH transferred \$42,907 and \$57,972, respectively, of temporarily restricted net assets to Cincinnati Children's which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets.

During fiscal 2014 and 2013, TCH transferred \$6,952 and \$6,298, respectively, of unrestricted net assets to Cincinnati Children's, which are recorded as Receipts from Supporting Organizations in the Consolidated Statements of Operations and Changes in Net Assets.

During fiscal 2014 and 2013, Cincinnati Children's transferred \$16 and \$776, respectively, of temporarily restricted net assets to TCH to fund named chairs designated to support divisional activities. During fiscal 2014 and fiscal 2013, respectively, Cincinnati Children's transferred \$31,400 and \$26,150 of unrestricted net assets to TCH to fund named chairs designated to support divisional activities.

At June 30, 2014 and 2013, Cincinnati Children's had a payable to TCH for \$1,083 and \$4,700, respectively, related to transfers received greater than funding commitments in fiscal 2014 and 2013. These amounts will be offset in future fiscal years against the current year commitment.

During fiscal 2014 and 2013, CHCOA transferred \$4,308 and \$2,920 respectively, of unrestricted net assets to Cincinnati Children's which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets.

At June 30, 2014 Cincinnati Children's has a receivable from CHCOA for \$29 related to fiscal 2014 funding. This amount will be paid in fiscal 2015. At June 30, 2013, Cincinnati Children's has a payable to CHCOA for \$90 related to fiscal 2013 funding to Cincinnati Children's in excess of commitments. This amount was offset in fiscal 2014 against 2014 commitments.

During fiscal 2013 (through December 31, 2012), CHF transferred \$2,144, of unrestricted net assets to Cincinnati Children's, which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets. During fiscal 2013 (through December 31, 2012), CHF transferred \$220 of temporarily restricted net assets to Cincinnati Children's, which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets. During fiscal 2013 (through December 31, 2012), CHF transferred \$51 of income generated off of permanently restricted net assets, to Cincinnati Children's, which are recorded as Gifts, contributions and other income in the Consolidated Statements of Operations and Changes in Net Assets.

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During fiscal 2013 (through December 31, 2012), Cincinnati Children's transferred \$359 of unrestricted net assets to CHF and the income earned on the funds will be transferred back to the Divisions to support divisional activities.

Cincinnati Children's had a note receivable from CHF for \$10,264 at June 30, 2012 which was recorded in other receivables. The note plus accrued interest totaling \$10,587 was repaid to Cincinnati Children's in fiscal 2013 by TCH subsequent to the merger of CHF into TCH. At June 30, 2014, Cincinnati Children's has a receivable from TCH of \$10,587 related to the expected payment from TCH upon maturity of a life insurance policy.

- (d) Concentration of Patient Accounts Receivable and Revenue and Revenue Recognition--In both fiscal 2014 and 2013, 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 payer category for the fiscal years ended June 30, 2014 and 2013:

	2014		2013	
	Gross	Net	Gross	Net
Commercial insurers	1%	1%	1%	1%
Managed care	47%	67%	47%	66%
Government (HMO and third party)	44%	24%	44%	25%
Specialty contracts	7%	7%	7%	7%
Self pay	1%	1%	1%	1%

The following details the percentage of accounts receivable by payer category as of June 30, 2014 and 2013:

	2014	2013
Commercial insurers	2%	2%
Managed care	48%	54%
Government (HMO and third party)	26%	29%
Specialty contracts	21%	13%
Self pay	3%	2%

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 payers 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.

Cincinnati Children's recognizes net patient services revenue associated with services provided to patients who have third-party payer coverage on the basis of estimated contractual rates for services rendered. For uninsured patients that do not qualify for charity care, Cincinnati Children's

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recognizes net patient services revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of Cincinnati Children's uninsured patients will be unable or unwilling to pay for the services provided. Thus, Cincinnati Children's records a provision for bad debts related to uninsured patients in the period the services are provided.

Revenue from government (Medicaid and Medicare) programs accounted for approximately 24% and 25% of the Cincinnati Children's net patient service revenue for the fiscal year ended June 30, 2014 and 2013, respectively. Laws and regulations governing the Medicaid and Medicare 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, 2014, Cincinnati Children's has settled all Medicaid cost reports through 2008 and all Medicare cost reports through 2012.

The following table reconciles gross patient service revenue to net hospital patient service revenue for the years ended June 30, 2014 and 2013:

	2014	2013
Charges at established rates	\$2,510,971	\$2,323,171
Deductions:		
Discounts on commercial contractals	(257,951)	(229,297)
Write-downs related to services to the poor:		
Including Medicaid and governmental contractals, charity care and other uncollectible self pay write-offs	(820,993)	(759,538)
	<u>1,432,027</u>	<u>1,334,336</u>
Tax Levy Program	5,200	5,200
Care Assurance Program	24,441	14,117
Net Hospital Patient Service Revenue	<u>\$1,461,668</u>	<u>\$1,353,653</u>

Patient accounts receivable and related allowances for contractual adjustments and doubtful accounts are recorded on an accrual basis at estimated collection rates to report patient accounts receivable at net realizable value. Accounts receivable are reduced by an allowance for doubtful accounts and contractual allowances. In evaluating the collectability of accounts receivable, Cincinnati Children's performs a detail review of current accounts, analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and contractual allowances. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowances. For receivables associated with services provided to patients who have a third-party coverage, Cincinnati Children's analyzes contractually due amounts and provides an allowance for contractals (for example, for expected unrecoverable amounts based on contract provisions on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), Cincinnati Children's records a provision for bad debts in the period of

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service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Cincinnati Children's allowance for doubtful accounts for self-pay patients was 21% and 23% of self-pay accounts receivable at June 30, 2014 and 2013. In addition, Cincinnati Children's bad debt write-offs (before recoveries) totaled approximately \$40,833 and \$37,784 for the years ended June 30, 2014 and 2013, respectively. Cincinnati Children's modified its charity care and uninsured policy in fiscal 2014 in order to provide greater discounts to such patients. Cincinnati Children's did not change its charity care or uninsured discount policies during fiscal year 2013. Cincinnati Children's does not maintain a material allowance for doubtful accounts from third-party payers nor does it have significant write-offs from third-party payers. Cincinnati Children's does maintain an allowance for contractual write-offs for third party payers in order to appropriately reduce receivables to net realizable value.

A summary of activity in Cincinnati Children's provision for doubtful accounts for the year ended June 30, 2014 and 2013 related to patient receivables is as follows:

	Balance at Beginning of Year	Provision for doubtful Accounts	Accounts written off, Net of recoveries	Balance at End of Year
Year Ended June 30, 2014	\$16,618	\$23,774	\$(25,253)	\$15,139
Year Ended June 30, 2013	\$14,677	22,743	(20,802)	\$16,618

The Consolidated Balance Sheet also includes \$39,120 and \$36,638 of contractual reserves related to net patient receivables as of June 30, 2014 and 2013.

Accounts receivable related to professional services billings is included in Other Receivables in the accompanying Consolidated Balance Sheets.

- (e) Capitation Revenue – Cincinnati Children's has agreements with two Ohio Medicaid managed care companies, covering approximately 36,000 children, to provide for reimbursement under a variable capitation methodology for hospital services. Under these two contracts, all physician and home care services continue to be reimbursed based on provider fee schedules. The hospital services are reimbursed through a variable capitation payment which represents the amount remaining after payment has been made for (a) Cincinnati Children's physician services, (b) Cincinnati Children's home care services, and (c) services provided to members outside the Cincinnati Children's network. Under delegation agreements, Health Network by Cincinnati Children's receives fixed payments to perform the required medical management, care management and care coordination functions. Medicaid managed care organizations retain risk for payments to providers.

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- (f) 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 used for the purchase of property and equipment when expended. Unrestricted contributions and bequests are included in other revenue when received.
- (g) Graduate Medical Education -- Cincinnati Children's receives Federal graduate medical education funding, which has resulted in other revenue of \$9,166 and \$8,438 recognized in the accompanying consolidated financial statements for the years ended June 30, 2014 and 2013, respectively.
- (h) 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 2014 and 2013, Cincinnati Children's applied for and received \$4,351 and \$5,805, respectively, in funding under ARRA related to the hospital and eligible physician use of an EHR.
- (i) Tax Exempt Status -- Cincinnati Children's and CHSN are recognized by the Internal Revenue Service as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as charitable organizations qualifying under Section 501(c)(3). River City is a captive insurance company and has no income tax obligations. NKCMS, Burnet and TSHCH are limited liability corporations whose income is taxable to Cincinnati Children's. The income tax provisions recorded in the accompanying consolidated financial statements are immaterial for the years ended June 30, 2014 and 2013.

Cincinnati Children's accounts for income taxes in accordance with Accounting Standards Codification Topic (ASC) 740 "Income Taxes". It is Cincinnati Children's policy to classify the expense related to interest and penalties, if any, to be paid on underpayments of income taxes within other expenses. There were no material penalties or interest recognized in fiscal 2014 and 2013.

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

Federal – 2011 to 2014

State – 2011 to 2014

- (j) Cash Equivalents -- Cash equivalents consist primarily of money market investments (including money market mutual funds), certificates of deposit and demand deposits. Cash is held primarily in one bank.
- (k) Inventories -- Inventories consist of medical supplies and pharmaceuticals and are valued on an average cost method.
- (l) Marketable Securities -- Cincinnati Children's accounts for its investments under ASC 958-320 "Not-for-Profit Entities – Investments – Debt and Equity Securities". Cincinnati Children's carries its marketable securities at fair value with unrealized gains and losses included in the Consolidated Statements of Operations and Changes in Net Assets. At June 30, 2014, there were \$39,272 and

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\$37,361 of pending purchases and sales of marketable securities, respectively. At June 30, 2013, there were no such pending transactions.

At June 30, 2014, Cincinnati Children's marketable securities included 33% in U.S. Treasury securities and 12% in FNMA securities. At June 30, 2013, Cincinnati Children's marketable securities included 24% in U.S. Treasury securities and 10% in FNMA securities.

- (m) 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. At June 30, 2014 and 2013, assets limited as to use were invested as follows:

	<u>2014</u>	<u>2013</u>
Cash Equivalents	\$13,075	\$ 7,911
Corporate Bonds	24,022	51,888
U.S. Government Securities	1,000	3,004
	<u>\$38,097</u>	<u>\$62,803</u>

- (n) Investment Income--The following details the components of investment income on marketable securities and funds in trust for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Interest income	\$13,530	\$11,294
Unrealized and realized gains (losses), net	610	(1,811)
Investment income	<u>\$14,140</u>	<u>\$ 9,483</u>

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

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly. These include quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are a few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or

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among market makers, or in which little information is released publicly and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Determining where an asset or liability falls within the hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. In determining fair value, Cincinnati Children's utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in the assessment of fair value.

The table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments at June 30, 2014.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable Securities:			
U.S. Government and treasury securities	\$ -	\$225,808	\$ -
Municipal bonds		2,383	-
Certificates of Deposit	-	251	-
Common Stock	163	-	-
Corporate obligations	-	160,534	-
	<u>163</u>	<u>388,976</u>	<u>-</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets Limited As To Use:			
Corporate bonds	-	24,022	-
Money market mutual funds	13,075	-	-
U.S. government securities	-	1,000	-
	<u>13,075</u>	<u>25,022</u>	<u>-</u>
Investments in Private Investment Funds (included in Other Assets):			
High Yield Corporate Obligations	-	34	-
	<u>-</u>	<u>34</u>	<u>-</u>
Deferred Compensation Plans (included in Other Assets):			
Common Stock	3,184	-	-
Mutual Funds:			
Money Market	242	-	-
Equity	2,513	-	-
International Equity	1,818	-	-
Bond	1,013	-	-
Lifecycle	2,548	-	-
Real Estate	139	-	-

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Variable Annuities:			
Bond	-	230	-
Equity	-	883	-
International Equity	-	180	-
Money Market	-	23	-
Real Estate Pooled	-	217	-
Guaranteed Insurance	-	-	5,251
	<u>11,457</u>	<u>1,533</u>	<u>5,251</u>
Total	<u>\$24,695</u>	<u>\$415,565</u>	<u>\$5,251</u>

The table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments at June 30, 2013.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable Securities:			
U.S. Government and treasury securities	\$ -	\$137,523	\$ -
Municipal bonds		2,443	-
Certificates of Deposit	-	1,506	-
Common Stock	156	-	-
Corporate obligations	-	118,288	-
	<u>156</u>	<u>259,760</u>	<u>-</u>
Assets Limited As To Use:			
Corporate bonds	-	51,888	-
Money market mutual funds	7,911	-	-

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. government securities	-	3,004	-
	<u>7,911</u>	<u>54,892</u>	<u>-</u>
Investments in Private Investment Funds (included in Other Assets):			
High Yield Corporate Obligations	-	17,276	-
	<u>-</u>	<u>17,276</u>	<u>-</u>
Deferred Compensation Plans (included in Other Assets):			
Common Stock	2,631	-	-
Mutual Funds:			
Money Market	589	-	-
Equity	2,536	-	-
Bond	598	-	-
Lifecycle	2,292	-	-
Variable Annuities:			
Bond	-	546	-
Equity	-	2,236	-
Money Market	-	23	-
Real Estate Pooled	-	432	-
Guaranteed Insurance	-	-	5,150
	<u>8,646</u>	<u>3,237</u>	<u>5,150</u>
Total	<u><u>\$16,713</u></u>	<u><u>\$335,165</u></u>	<u><u>\$5,150</u></u>

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

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

Cincinnati Children's primarily bases fair value for investments in fixed income securities, including US government securities, municipal bonds and corporate obligations on a calculation using interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and considers the counterparty credit rating. Such items are classified as Level 2 in the fair value hierarchy.

Investments in private investment funds are valued by net asset value, as published and determined by the fund manager.

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

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. Cincinnati Children's elected to measure its high yield corporate obligation investment fund under the provisions of ASC 825. In the future, Cincinnati Children's may elect to measure certain additional financial instruments at fair value in accordance with this standard.

The guaranteed insurance contract is recorded based on discounted cash flows, which is an approximation of fair value.

Cincinnati Children's Level 3 investments are primarily in investment partnerships and a guaranteed insurance contract. These investments are classified as Level 2 or Level 3 based on time restrictions for redemption. An investment in an investment partnership is classified as a Level 2 investment if it can be liquidated in 90 days or less; otherwise it is classified as a Level 3 investment.

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The following is a reconciliation of the roll forward of the fair value measurements using significant unobservable inputs for fiscal 2014:

Balance at July 1, 2013	\$5,150
Purchases	2,742
Unrealized gains	149
Sales	(2,790)
Balance at June 30, 2014	<u><u>\$5,251</u></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, 2014

\$149

The following is a reconciliation of the roll forward of the fair value measurements using significant unobservable inputs for fiscal 2013:

Balance at July 1, 2012	\$14,966
Purchases	3,351
Unrealized gains	78
Sales	(693)
Other reclassification	(12,552)
Balance at June 30, 2013	<u><u>\$ 5,150</u></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, 2014

\$78

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, 2014 and 2013, there were no significant transfers in or out of Levels 1, 2 or 3.

- (p) Property and Equipment--Property and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, ranging from three to forty years, as follows:

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

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

Cincinnati Children's evaluates long-lived assets under the provisions of ASC 360 "Property Plant and Equipment". During fiscal 2014, Cincinnati Children's recorded a non-recurring loss of \$8,101,

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related to impairment of land values based on a fair market value assessment of the estimated sales price Cincinnati Children's would expect to receive upon sale of this land. During fiscal 2013, Cincinnati Children's did not record any impairment losses.

- (q) Costs of Borrowing--Interest incurred on borrowed funds, net of interest earned on restricted bond funds, during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. In fiscal 2014 and fiscal 2013, Cincinnati Children's capitalized \$336 and \$1,323 of interest related to construction in progress. Total cash paid for interest was approximately \$14,629 and \$15,635 in fiscal 2014 and 2013, respectively.

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

- (r) Temporarily Restricted Net Assets--Temporarily restricted net assets are those whose use by Cincinnati Children's 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. The amount of temporarily restricted net assets whose use by Cincinnati Children's has been limited by donors for a specific purpose was \$135,348 and \$143,741 at June 30, 2014 and 2013, respectively.

Temporarily restricted net assets related to assets held in endowments at supporting organizations on Cincinnati Children's behalf are either donor restricted to support research at Cincinnati Children's or deferred gift programs where the restriction is a time restriction tied to the life expectancy of the donor. The amount of temporarily restricted net assets held at supporting organizations was \$17,961 and \$26,696 at June 30, 2014 and 2013, respectively.

- (s) 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, 2014 and 2013, permanently restricted net assets consisted of the following amounts with expendable investment income restricted by donors to be used for the following purposes:

	<u>2014</u>	<u>2013</u>
Research activities	\$1,080,199	\$ 904,417
Clinical activities	200,529	180,537
	<u>\$1,280,728</u>	<u>\$1,084,954</u>

The assets underlying Cincinnati Children's permanently restricted net assets have been invested by supporting organizations in primarily marketable securities.

- (t) 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).

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- (u) 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.
- (v) New Accounting Pronouncements-- 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. Cincinnati Children's adopted the new guidance, effective July 1, 2012, which did not 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 Cincinnati Children's is required to present its provision for doubtful accounts as a deduction from revenue, similar to contractual discounts. Accordingly, the Medical Center's revenue is required to be reported net of both contractual discounts and its provision for doubtful accounts. Additionally, ASU 2011-7 requires 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 impacted the presentation of the Consolidated Statements of Operations and Changes in Net Assets as it relates to the classification of bad debt expense and was adjusted retrospectively and additional disclosures. The adoption does not change net results or net assets.

In December 2012, 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 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. Cincinnati Children's adopted the new guidance effective July 1, 2013, which did not have a material impact on the consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 will eliminate the transaction- and industry-specific revenue recognition guidance currently in place under generally accepted accounting principles and will replace it with a principle-based approach for determining revenue recognition. ASU 2014-09 will be effective for annual and interim periods beginning after December 15, 2017, and early adoption is prohibited.

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Management has not yet evaluated the impact of ASU 2014-09 on the consolidated financial statements.

(2) Losses on the Provision of Uncompensated Care-

In accordance with its mission and purpose, Cincinnati Children's maintains a policy of providing medically necessary services to pediatric patients within its primary service area regardless of ability to pay. This primary service area has been defined to include the four counties in Ohio, three counties in Kentucky and one county in Indiana that geographically surround Cincinnati. Under certain circumstances, Cincinnati Children's accepts patients from outside the primary service area regardless of their ability to pay. Cincinnati Children's defines 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, 2014 and 2013:

	2014		
CHARGES	Hospital	Physician	Total
Charges under Medicaid and other entitlement programs	\$1,013,866	\$253,415	\$1,267,281
Charity care not eligible for Medicaid assistance, at established charges	35,072	4,665	39,737
Other uncollectible self pay, at established charges	26,141	10,838	36,979
Total Medicaid, charity care and other uncollectible self pay charges	<u>\$1,075,079</u>	<u>\$268,918</u>	<u>\$1,343,997</u>
 COSTS/LOSSES			
Estimated costs to provide uncompensated care	\$ 470,086	\$ 131,502	\$601,588
Reimbursement from Medicaid programs	<u>(377,063)</u>	<u>(41,696)</u>	<u>(418,759)</u>
Losses on the provision of uncompensated care	(93,023)	(89,806)	(182,829)
Funds received from HCAP and tax levy	29,641	-	29,641
Losses on provision of uncompensated care net of HCAP and tax levy	<u>(\$63,382)</u>	<u>(\$89,806)</u>	<u>(\$153,188)</u>

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2013	Hospital	Physician	Total
CHARGES			
Charges under Medicaid and other entitlement programs	\$1,059,868	\$260,729	\$ 1,320,597
Charity care not eligible for Medicaid assistance, at established charges	49,065	1,940	51,005
Other uncollectible self pay, at established charges	20,802	10,531	31,333
Total Medicaid, charity care and other uncollectible self pay charges	\$1,129,735	\$273,200	\$1,402,602
COSTS/LOSSES			
Estimated costs to provide uncompensated care	\$ 518,477	\$ 142,064	\$660,541
Reimbursement from Medicaid programs	(322,847)	(36,184)	(359,031)
Losses on the provision of uncompensated care	(195,630)	(105,880)	(301,510)
Funds received from HCAP and tax levy	19,317	-	19,317
Losses on provision of uncompensated care net of HCAP and tax levy	(\$176,313)	(\$105,880)	(\$282,193)

The 2014 and 2013 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), Cincinnati Children's receives tax-supported funding from the County to reimburse Cincinnati Children's for the provision of charity care to the County's indigent residents. During fiscal 2014 and 2013, Cincinnati Children's recognized \$5,200 and \$5,200, 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. The amount distributed by the County from the Tax Levy proceeds to Cincinnati Children's 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, Cincinnati Children's shall render hospital inpatient and outpatient health and hospitalization services to medically indigent Hamilton County residents who are "Eligible Individuals" that have a total cost of at least the amount of the annual payments distributed to the Hospital under this Agreement for that year.

The vote on the next tax levy renewal will be held in November 2014. The Hamilton County Commissioners are recommending that Cincinnati Children's portion of the tax levy, if passed by voters, will be approximately \$4,900 annually over a three year period.

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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,	
	2014	2013
Self-insurance Funds-		
Professional liability (A)	\$ 161	\$ 162
Employee health and workers' compensation (B)	893	473
Health Network Escrow (C)	3,637	-
Bond interest escrow funds (D)	4,001	2,794
2012 Construction fund (E)	27,104	59,360
Performance Bid Bond (F)	2,301	-
Tomorrow fund	-	14
	<u>\$38,097</u>	<u>\$62,803</u>

(A) 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.

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

(C) Cincinnati Children's maintains an escrow fund with a bank as part of the arrangement with an Ohio Medicaid Managed Care Company under its division called Health Network to cover estimated incurred but not reported claims for Cincinnati Children's providers, home care and mental health services as well non-Cincinnati Children's providers.

(D) Cincinnati Children's maintains bond interest escrow funds as required under the terms of the related bond indentures to hold interest payments until the required payment dates to bondholders.

(E) Cincinnati Children's borrowed \$60,000 in December 2012 in the form of a taxable note, the proceeds of which are being used to fund a portion of the cost of building a new clinical sciences building. In fiscal 2014, Cincinnati Children's drew down \$32,256. The remaining draws from the trust are expected to occur in fiscal 2015.

(F) Cincinnati Children's executed a Performance Bid bond related to a submission of a proposal to perform consulting services. The bid bond expired in July 2014 and was repaid to Cincinnati Children's.

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(5) Property and Equipment-

Property and equipment consists of the following:

	June 30,	
	2014	2013
Land	\$ 41,614	\$ 47,809
Land improvements	18,724	18,352
Buildings and building improvements	1,123,604	1,091,017
Equipment	531,609	554,281
Construction in progress	139,763	46,988
	<u>1,855,314</u>	<u>1,758,447</u>
Accumulated depreciation	(856,917)	(849,912)
Property and equipment, net	<u>\$998,397</u>	<u>\$ 908,535</u>

(6) Professional Liability-

The Medical Center's insurance program includes a self-insured retention for losses arising out of healthcare professional liability claims. The self-insured retention for the claims that are currently asserted is as follows:

For claims made between:

October 1, 2004 and September 30, 2006 \$10,000 (\$20,000 in aggregate)

For claims made subsequent to:

October 1, 2006 \$10,000 (\$25,000 in aggregate)

During this same time period, the Medical Center annually purchased excess healthcare professional liability insurance on a claims made basis. The aggregate limit for that excess insurance was \$50,000 through the policy year ending May 31, 2008. That excess coverage was increased to \$60,000 for the policy year beginning June 1, 2008 and it remains at that limit in the current policy year.

The actuarial present value of expected costs (including incurred, but not reported claims) for the healthcare professional liability program of \$45,940 and \$23,781 for 2014 and 2013, respectively, has been accrued in the accompanying Consolidated Balance Sheets. Accrued healthcare professional liability losses have been discounted at a rate of approximately 4% at June 30, 2014 and 2013, respectively. The costs of the Medical Center's healthcare professional liability program, including premiums paid for excess re-insurance, legal fees, settlements, judgments, and other administrative costs are included in Supplies,

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Drugs and Other in the accompanying Consolidated Statements of Operations and Changes in Net Assets. On an ongoing basis, management reviews the status of all healthcare professional liability claims, as well as legal proceedings, and, based upon consultation with a professional actuary, adjusts the accrued losses and self-insured retention funding levels to reflect its best estimate of the present value of expected costs for the healthcare professional liability claims. Healthcare professional liability expense amounted to \$35,847 and \$4,701 for fiscal 2014 and 2013, respectively.

(7) Capital Lease Obligations-

The Medical Center leases certain equipment under capital leases. The aggregate future minimum lease payments total \$3,783, with \$1,709 due in fiscal 2015. There were no new capital leases entered into in fiscal 2014 and 2013.

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(8) Tax Exempt Bonds Payable and Notes Payable-

Bonds payable and notes payable for the years ended June 30, 2014 and 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Bonds payable and notes payable:		
Series 1997, variable interest (0.06% at June 30, 2014), due through 2017	\$ 26,420	\$29,810
Series 1998, 4.75% to 5.00% due through 2028, net of unamortized discount of \$2,106 in 2013	-	49,283
Series 2000, variable interest (0.06% at June 30, 2014), due through 2028	47,540	48,075
Series 2002, variable interest (0.06% at June 30, 2014), due Through 2028	19,575	20,630
Series 2004, 4.50% to 5.50% due through 2034, net of unamortized discount of \$185 in 2013	-	81,120
Series 2006, 4.25% to 5.00%, due through 2032, net of unamortized premium of \$386 in 2014 and \$399 in 2013	63,461	63,474
Series 2007, variable interest (0.05% due at June 30, 2014), due through 2037	30,615	30,615
Series 2008, variable interest (0.15% due at June 30, 2014), due through 2036	19,045	19,045
Series 2009, 4.20% due through 2019	15,000	18,000
Series 2010, 2.27% due through 2020	18,000	21,000
Series 2011, (2.18% in 2014 and 2.207% in 2013) due through 2022	48,205	53,100
Series 2014, 3.0% to 5.0% due through 2034, net of unamortized premium of \$10,463 in 2014	133,979	-
Term Note Payable, 2.20% due through 2022	48,000	54,000
Note Payable on Vernon Manor Property, interest at 4.045%	26,551	27,752
Total bonds payable and notes payable	<u>496,391</u>	<u>515,904</u>
Less- current portion	<u>(30,900)</u>	<u>(25,310)</u>
Tax exempt bonds payable and notes payable - long-term	<u>\$465,491</u>	<u>\$490,594</u>

- (a) Tax Exempt Bonds Payable—Cincinnati Children's has pledged their gross revenues, as defined, to secure the payment of Series 1997, 1998, 2000, 2002, 2004, 2006, 2007, 2008, 2009, 2010, 2011 and 2014 bonds. Cincinnati Children's 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.

Payment of the principal of, and the interest on, the Series 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. Cincinnati Children's has entered into standby letters of credit totaling \$143,195 which commits major banks to make funds available to purchase the bonds that are not remarketed.

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Cincinnati Children's 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.

(b) Future Debt Maturities --

The following is a schedule of future debt maturities, excluding discounts/premiums:

2015	\$ 30,900
2016	31,587
2017	32,220
2018	32,002
2019	24,903
Thereafter	333,929
	<u>\$485,541</u>

- (c) Lines 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 expired in February 2013 and bore interest at the monthly LIBOR rate plus 100 basis points. There were no draws on the line of credit during fiscal 2013.

In March 2014, Cincinnati Children's secured a \$150,000 line of credit. The line of credit expires in March 2017 and bears interest at LIBOR plus 65 basis points. There were no draws on the line of credit during fiscal 2014.

- (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, 2014 and 2013 is \$26,551 and \$27,752, respectively, 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. Additionally, the agreement has a provision that Cincinnati Children's can purchase the facility at the end of seven years (2019) for the then fair market value.
- (e) Loss on Early Extinguishment of Tax Exempt Bonds Payable -- In January 2014, Cincinnati Children's refinanced \$49,283 of the outstanding 1998 tax exempt bonds and \$81,120 of outstanding 2004 tax exempt bonds with a \$123,515 tax exempt bond offering, with a premium recorded of \$11,179. The obligations bear interest at a fixed rate ranging from 3% to 5%. As part of the refunding, Cincinnati Children's recorded a \$3,967 loss on early extinguishment of tax exempt bonds payable in fiscal 2014.

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Additionally in June 2014, Cincinnati Children's refinanced \$48,205 of series 2011 bonds in order to extend the maturity date to 2022 from 2019. As part of the refinancing, Cincinnati Children's recorded a \$70 loss on refinancing.

(9) Employee Benefit Plans-

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

The Cincinnati Children's investment strategy with respect to pension assets is designed to achieve a moderate level of overall portfolio risk in keeping with desired risk objective, which is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. The Investment Policy for the portfolio contains a long-term target allocation as follows:

Long Duration Treasury Bonds	10.0%
Long Duration Corporate Bonds	10.0%
High Yield Fixed Income	5.0%
Emerging Markets Fixed Income	5.0%
Global Developed Markets Equity	44.0%
Emerging Markets Equity	11.0%
Private Equity	6.0%
Real Estate	6.0%
Commodities	3.0%

In order to maintain the portfolio's actual asset allocation in line with the target allocations specified above, the assets are re-allocated or rebalanced regularly within each asset class to the above minimum and maximum allocations. 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. As of June 30, 2014, the Cincinnati Children's made \$43,000 in funding commitments in four investment partnerships of which \$15,800 had been funded. Additionally, the Cincinnati Children's had made \$25,000 in funding commitments in three real estate investment partnerships of which \$14,100 had been funded. It is anticipated that these commitments will be funded from liquid investments in the plan and any required funding contributions.

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The Cincinnati Children's defined benefit plan investment allocation at the actuarial measurement date of June 30, 2014 and 2013 by asset category is as follows:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	1.7%	6.9%
Bond mutual funds	9.9%	17.3%
Common stock	6.4%	5.2%
Corporate bonds	5.6%	5.9%
Government bonds	-	0.1%
Investment Partnerships:		
Equity	1.8%	12.1%
Commodities	-	2.6%
Bond	16.6%	15.4%
International equity	56.4%	34.0%
Real estate	1.6%	0.5%
	<u>100.0%</u>	<u>100.0%</u>

At June 30, 2014, 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(o) 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	\$ 14,316	\$ -	\$ -
Bond mutual funds	84,937	-	-
Corporate bonds	-	48,205	-
Common stock	54,889	-	-
Government bonds	-	851	-
Investment Partnerships:			
Equity	-		15,217
Bond	-	111,172	30,711
International equity	-	481,390	-
Real Estate	-	-	13,523
	<u>\$154,142</u>	<u>\$641,618</u>	<u>\$59,451</u>

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At June 30, 2013, 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(o) 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	\$ 49,303	\$ -	\$ -
Bond mutual funds	123,861	-	-
Corporate bonds	-	41,970	-
Common stock	37,330	-	-
Government bonds	-	1,152	-
Investment Partnerships:			
Equity	-	78,774	8,140
Commodities	-	18,416	-
Bond	-	110,351	-
International equity	-	244,043	-
Real Estate	-	-	3,680
	<u>\$210,494</u>	<u>\$494,706</u>	<u>\$11,820</u>

The fair values of Level 1 investments are based on quoted prices in active markets. The Level 2 and Level 3 investments in private investment funds 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 Level 3 investments in investment partnerships generally are associated with liquidation restrictions that may range from 91 days to the life of the fund (up to fifteen years) and may require redemption penalties.

Balance at July 1, 2013	\$ 11,820
Purchases	47,673
Unrealized gains	1,987
Sales	(2,029)
Balance at June 30, 2014	<u>\$ 59,451</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, 2014

\$1,987

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Balance at July 1, 2012	\$ -
Purchases	12,217
Unrealized gains	438
Sales	(835)
Balance at June 30, 2013	<u>\$ 11,820</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, 2013

\$438

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

	<u>2014</u>	<u>2013</u>
Discount rate used to determine actuarial present value of the projected benefit obligation	4.31%	4.84%
Assumed rate of increase in compensation levels	4.00%	4.00%
Long-term rate of return	7.50%	7.50%

The following table sets forth the funded status of the plan and amounts recognized in the accompanying Consolidated Balance Sheets as of June 30, 2014 and 2013, utilizing actuarial measurement dates as of June 30, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 963,780	\$1,014,433
Service cost	50,089	56,176
Interest cost	46,312	42,029
Plan amendments	(159,299)	-
Other actuarial (gains) losses	112,182	(138,247)
Benefits paid	(13,496)	(10,611)
Projected benefit obligation at end of year	<u>999,568</u>	<u>963,780</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	717,020	614,743
Actual return on plan assets	101,587	53,888
Employer contributions	50,100	59,000
Benefits paid	(13,496)	(10,611)
Fair value of plan assets at end of year	<u>855,211</u>	<u>717,020</u>
Funded status	(144,357)	(246,760)
Net accrued pension liability in Consolidated Balance Sheets	<u><u>\$(144,357)</u></u>	<u><u>\$ (246,760)</u></u>

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In June 2014, management announced that effective January 1, 2015, the Plan would be amended to eliminate future benefit accruals under the Traditional Plan formula (as defined in the Plan document) as of December 31, 2014. All future benefit accruals after December 31, 2014 will be determined under the Stable Value Plan formula (as defined in the Plan document). Additionally, the Plan amendment allows for lump sum payments to be made on all future benefit payments. The changes are being accounted for as negative plan amendments as of June 30, 2014.

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

	<u>2014</u>	<u>2013</u>
Net actuarial loss	\$ 401,039	\$356,572
Net prior service credit	(159,299)	-
	<u>\$ 241,740</u>	<u>\$356,572</u>

The estimated actuarial loss and prior service credit that will be amortized from Unrestricted Net Assets into net pension cost in fiscal 2015 are \$24,789 and \$(11,571), respectively.

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

	<u>2014</u>	<u>2013</u>
Discount rate used to determine actuarial present value of the projected benefit obligation	4.84%	4.17%
Assumed rate of increase in compensation levels	4.00%	4.00%
Expected long-term rate of return on plan assets	7.50%	7.50%

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

Net periodic pension cost for 2014 and 2013 related to the defined benefit plan consisted of the following components:

	<u>2014</u>	<u>2013</u>
Service cost	\$50,089	\$56,176
Interest cost	46,312	42,029
Return on plan assets	(53,260)	(45,324)
Amortization of prior service cost	-	38
Recognized net actuarial loss	19,297	32,775
Net periodic pension cost	<u>\$62,438</u>	<u>\$85,694</u>

Based on preliminary estimates, we do not expect any required fiscal 2015 contributions for the qualified defined benefit plan under the current funding regulations.

The accumulated benefit obligation for the pension plan was \$978,477 and \$809,752 at June 30, 2014 and 2013, respectively.

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

2015	\$ 24,183
2016	37,653
2017	47,189
2018	56,086
2019	64,397
2020-2024	396,409

All other retirement plans maintained by Cincinnati Children's are defined contribution plans. Cincinnati Children's contributions to these plans are generally based on ten percent of salaries up to established ERISA limits. Total expense related to these other plans was approximately \$20,420 and \$19,063 in fiscal 2014 and 2013, respectively. Through December 31, 2012, Cincinnati Children's maintained a matching contribution related to non-faculty, non-senior management employees in which the Cincinnati Children's contributed one dollar for every dollar an employee contributes to a 403(b) plan up to 1% of an employee's salary subject to certain restrictions, including a three year vesting schedule and employee contributions made each pay period. The total amount expensed in fiscal 2013 related to this plan was approximately \$1,904.

Cincinnati Children's 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 Cincinnati Children's if the employee is not actively employed at the vesting date. The fair value of the assets and liability to participants included in the accompanying Consolidated Balance Sheets were \$11,981 and \$11,688 at June 30, 2014 and 2013, respectively. The amount of deferred compensation expense recognized in fiscal 2014 and 2013 was \$1,682 and \$1,160, respectively. Additionally, Cincinnati Children's 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 \$6,260 and \$5,345, respectively at June 30, 2014 and 2013.

In addition to providing pension benefits, Cincinnati Children's makes available medical and dental benefits for certain eligible employees upon retirement from the Cincinnati Children's 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, Cincinnati Children's notified retirees that effective January 1, 2013, the retiree's health benefits will be provided through a third party arrangement versus Cincinnati Children's self-insured plans.

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The postretirement benefit obligations, included within other long-term liabilities, as of June 30, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$3,691	\$4,475
Interest cost	112	116
Plan participants contributions	159	336
Medicare Part D subsidy	7	191
Actuarial (gains) losses	379	(233)
Benefits paid	(579)	(1,194)
Benefit obligation at end of year	<u>\$3,769</u>	<u>\$3,691</u>

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

	<u>2014</u>	<u>2013</u>
Net actuarial loss	\$ 3,739	\$3,806
Net prior service cost	(3,758)	(4,604)
	<u>\$ (19)</u>	<u>\$ (798)</u>

The estimated actuarial loss and prior service cost which will be amortized from Unrestricted Net Assets into net postretirement cost in fiscal 2015 are \$435 and \$(754) respectively.

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

	<u>2014</u>	<u>2013</u>
Discount rate	3.00%	3.26%
Health care cost trend rate	5.00%	5.00%

Net periodic cost for 2014 and 2013 related to the medical and dental postretirement benefits consisted of the following components:

	<u>2014</u>	<u>2013</u>
Interest cost	\$ 112	\$ 116
Amortization of unrecognized net gain and prior service credit	(399)	(343)
	<u>\$(287)</u>	<u>\$(227)</u>

For fiscal 2014 and fiscal 2013, the discount rate used to determine the net periodic postretirement costs was 3.26% and 2.79%, 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 <u>Increase</u>	1-Percentage- Point <u>Decrease</u>
Effect on total of service and interest cost components	\$ 715	\$ (649)
Effect on accumulated postretirement benefit obligation	21,151	(19,229)

Cincinnati Children's expects to make the future benefit payments, which reflect expected future service, as appropriate. The following benefit payments are expected to be paid (or received) over each of the next five years and thereafter.

	<u>Payments</u>
2015	\$ 506
2016	468
2017	430
2018	394
2019	358
2020-2024	1,300

(10) Commitments and Contingencies-

- (a) Litigation-- Cincinnati Children's is engaged from time to time in a variety of litigation and regulatory compliance matters in addition to professional and general liability matters. Management assesses the probable outcome of unresolved litigation and records estimated reserves consistent with ASC No. 450, "Contingencies". After consultation with legal counsel, management believes that all such currently existing matters will be resolved without material adverse impact to the consolidated financial position or results of operations of Cincinnati Children's.
- (b) Laws and Regulations--The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to review and interpretation, as well as regulatory actions unknown or unasserted at this time. Federal and State government activity continues with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayment of previously billed and collected revenue from patient services. Management believes that the Cincinnati Children's is in compliance, in all material respects, with fraud and abuse as well as other applicable government laws and regulations. Cincinnati Children's has recorded reserves for routine regulatory compliance issues and believes these reserves are adequate to cover any potential repayment of previously billed and collected revenue from patient services.
- (c) Capital Commitments—Cincinnati Children's has entered into agreements with general contractors for several new construction projects, renovation projects, equipment and information system

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technology projects. The Medical Center has committed to spend an additional approximately \$169,000 in connection with current active projects as of June 30, 2014. The projects are expected to be completed in fiscal 2015 and fiscal 2016.

- (d) Funding Commitments -- During fiscal 2005, the Board of Trustees of Cincinnati Children's approved a revocable commitment for up to a \$15,000 non-recourse loan over seven years to Uptown Consortium Inc. These funds are to be used to invest in commercial and residential projects in the uptown area. As of June 30, 2014, Cincinnati Children's has provided \$12,867 of funding in relation to this commitment.
- (e) Investment Commitments – Cincinnati Children's has made commitments to invest \$12,000 in two limited partnerships that focus on investing in venture capital funds or provide venture capital for companies in the high-growth sectors of the economy, including life sciences, information technology and advanced manufacturing. As of June 30, 2014 and 2013, Cincinnati Children's had funded \$9,722 of this commitment. At June 30, 2014 and 2013, respectively, the value of the investment recorded in Other Assets in the Consolidated Balance Sheets is \$11,079 and \$10,241. Distributions from the limited partnership are made at the discretion of the General Partner, primarily based on distributions from investee partnerships and sales of securities less partnership expenses and amounts retained for working capital, as provided for in the limited partnership agreement. Redemptions of partnership interests prior to termination of the partnership defined in the limited partnership agreement are not anticipated.

Cincinnati Children's has made a commitment to invest \$5,000 in a limited partnership that focuses on investing in venture capital funds or provides ventures capital for companies in the high growth sectors of the economy, including life sciences, information technology and advanced manufacturing. As of June 30, 2014 and 2013, Cincinnati Children's has funded \$2,200 and \$1,200 of this commitment. At June 30, 2014 and 2013, the value of the investment recorded in Other Assets in the Consolidated Balance Sheets is \$2,220 and \$1,078, respectively. Distributions from the limited partnership are made at the discretion of the General Partner, primarily based on distributions from investee partnerships and sales of securities less partnership expenses and amounts retained for working capital, as provided for in the limited partnership agreement. Redemptions of partnership interests prior to termination of the partnership defined in the limited partnership agreement are not anticipated.

Cincinnati Children's has made a commitment to invest \$5,000 in a limited liability corporation (LLC) that focuses on investing in early stage venture capital funds regionally and nationally. The goal is to make the Cincinnati region the place for entrepreneurs and investors to launch new ideas. As of June 30, 2014 and 2013, Cincinnati Children's had funded \$375 and \$140, respectively, of the commitment. At June 30, 2014 and 2013 the value of the investment recorded in Other Assets in the Consolidated Balance Sheets is \$318 and \$140, respectively. Unless the LLC is dissolved earlier in accordance with defined termination provisions, the term of the LLC shall end on the 12th anniversary of the date of the last sale of membership interests, subject to extension in the three one-year increments with written notice. In general, no member shall have the right to withdraw from the LLC.

Cincinnati Children's has made a commitment to invest \$3,000 in a limited partnership that invests primarily in high growth Information Technology and healthcare companies that leverage technology

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to make their customers' business or products/services better, faster or less expensive. As of June 30, 2014 and 2013, Cincinnati Children's has funded \$600 and \$300, respectively, of this commitment. At June 30, 2014 and 2013, the value of the investment recorded in Other Assets in the Consolidated Balance Sheets is \$532 and \$256, respectively. Distributions from the limited partnership are made at the discretion of the General Partner, primarily based on distributions from investee partnerships and sales of securities less partnership expenses and amounts retained for working capital, as provided by in the limited partnership agreement. Redemptions of partnership interests prior to termination of the partnership defined in the limited partnership agreement are not anticipated.

Cincinnati Children's has made a commitment to invest \$600 in four limited liability corporations (LLC's) whose purpose is private-public seed-stage investor whose mission is to strengthen the regional economy by driving talent and capital into scalable technology companies in southwest Ohio. Cincinnati Children's has satisfied the commitment. At June 30, 2014 and 2013, Cincinnati Children's has funded \$560 and \$400, respectively, of this commitment. At June 30, 2014 and 2013, respectively, the value of the investment recorded in Other Assets in the Consolidated Balance Sheets is \$878 and \$743, respectively. Unless the LLC is dissolved earlier in accordance with defined termination provisions, the term of the LLC shall end on the 12th anniversary of the date of the last sale of membership interests, subject to extension in the three one-year increments with written notice. In general, no member shall have the right to withdraw from the LLC.

- (f) Operating Leases – Cincinnati Children's leases certain property for varying periods. Rent expense related to such leases was approximately \$6,300 and \$6,200 in fiscal 2014 and 2013, respectively. Future minimum rental commitments under non-cancellable operating leases are as follows:

FY 2015	\$6,041
FY 2016	6,056
FY 2017	3,137
FY 2018	2,948
FY 2019	2,122
Thereafter	2,333

(11) Functional Expenses-

The functional expenses of Cincinnati Children's are as follows:

	<u>2014</u>	<u>2013</u>
Patient services	\$1,259,748	\$1,159,666
Research and education	424,055	380,764
Support services	264,037	238,255
	<u>\$1,947,840</u>	<u>\$1,778,685</u>

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(12) Fair Value of Financial Instruments-

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

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

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

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

Bonds Payable and Notes Payable--The fair values of Cincinnati Children's 's bonds payable and notes payable are estimated by management, with assistance from a third party, based on current rates for debt with similar remaining maturities. The fair value of the bonds payable at June 30, 2014 and 2013 was \$504,974 and \$517,542, respectively. These would be classified as Level 2 investments in the fair value hierarchy.

(13) Subsequent Events-

Management reviewed subsequent events through October 23, 2014, 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 January 26, 2015. Subsequent to year-end, on November 1, 2014, Cincinnati Children's issued the Series 2014T taxable bonds in the amount of \$300,000. The bonds bear interest at a fixed rate of 4.268% and the bonds will mature in fiscal 2044.

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES
SUPPLEMENTARY SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp				
Department of Defense	Military Medical Research and Development	Role of Foxm1 in the Pathogenesis of Prostate Cancer			W81XWH0910389	12.420	\$ -	\$ 40.76	\$ 40.76				
		Modelling Brain Defects in NF1		Massachusetts General Hospital	W81XWH1010116	12.420	10,769.68	(5,524.46)	5,245.22				
		Molecular Signatures of Cancer Metastasis			W81XWH1010325	12.420	-	867.92	867.92				
		PR0094002 - "Genome-Wide Association Study in African-Am			W81XWH1010675	12.420	-	230,478.84	230,478.84				
		Identification and Study of Novel Genes Critical to Surv			W81XWH1110144	12.420	-	(1,516.86)	(1,516.86)				
		STAT3 in Neurofibroma Tumorigenesis and Therapy			W81XWH1110259	12.420	-	176,304.97	176,304.97				
		Non-Invasive MR-Guided HIFU Therapy of TSC-Associated Re			W81XWH1110299	12.420	-	45,110.77	45,110.77				
		Regulation and Function of TIFAB in Myelodysplastic Synd			W81XWH1110468	12.420	-	192,232.25	192,232.25				
		Identification of molecular and cellular contributors to			W81XWH1210133	12.420	-	377,502.77	377,502.77				
		Targeting the Ron-DEK Signaling Axis in Breast Cancer		Nationwide Childrens Hospital	W81XWH1210194	12.420	7,468.18	204,089.34	211,557.52				
		Regulation of Intracellular Trafficking in NF2			W81XWH1310136	12.420	-	203,356.30	203,356.30				
		Prenatal Antidepressants and Autism Spectrum Disorder			W81XWH1310306	12.420	-	31,275.74	31,275.74				
		Development of Somatic Cell Therapy for Infection-induce			W81XWH1310437	12.420	-	79,517.99	79,517.99				
		NF Consortium Development Operaton PK Ctr STOPN	University of Alabama-Birmingham		W81XWH0510615	12.420	-	33,363.19	33,363.19				
		A Randomized, Placebo-Controlled Trial of D-Cycloserine	Indiana University Health		W81XWH0910091	12.420	-	159,435.25	159,435.25				
		Exploration into the Genetics of Food Allergy	Children's Hospital of Philadelphia		W81XWH-10-GSFARP-IA	12.420	-	(3,899.97)	(3,899.97)				
		NF Consortium Infrastructure and Trial#1: "Open-label, p	University of Alabama-Birmingham		W81XWH120155	12.420	-	40,739.02	40,739.02				
		Induction of Food Allergy in Mice by Allergen Inhalation	Cincinnati Fdtn Biomedical Resrch		W81XWH1310497	12.420	-	97,503.65	97,503.65				
						Military Medical Research and Development Total			18,237.86	1,860,877.47	1,879,115.33		
			Research and Technology Development	Uncovering general principles of network dynamic of circ	University of Cincinnati		D12AP00005	12.910	-	175,863.69	175,863.69		
						Research and Technology Development Total			-	175,863.69	175,863.69		
					Department of Defense Total			18,237.86	2,036,741.16	2,054,979.02			
	Department of Education	National Institute on Disability and Rehabilitation Research	Rehabilitation Research and training Center for Traumat			Case Western Reserve University	H133B090010	84.133	176,366.43	205,292.38	826,959.29		
						Nationwide Children's Hosp			154,480.92	-	-		
						State of Oregon System of Higher Ed			48,769.32	-	-		
						Childrens Hospital Colorado			188,956.73	-	-		
						OUS University of Oregon			53,093.51	-	-		
		SPAN - A Tool for Social Participation And Navigation		University of Wisconsin	H133G130272	84.133	102.00	57,709.03	60,883.98				
				Tufts Medical Center			3,072.95	-	-				
				National Institute on Disability and Rehabilitation Research Total			624,841.86	263,001.41	887,843.27				
		Special Education-Grants for Infants and Families	HMG Hospital Based Regional Child Find - Jaeger	Ohio Department of Health		03130011HB0613	84.181	-	48,137.12	48,137.12			
				Special Education-Grants for Infants and Families Total			-	48,137.12	48,137.12				
		Rehabilitation Training_General Training	ORSC Proposal for Project SEARCH Replication, Capacity B	Ohio Rehab. Svcs Commission		13F1043VR-12	84.275	-	100,508.54	100,508.54			
				Rehabilitation Training_General Training Total			-	100,508.54	100,508.54				
	Transition Programs for Students with Intellectual Disabilities into Higher Education	Transition Options in Postsecondary Settings for Student	Ohio State University		P407A100039	84.407	-	7,879.32	7,879.32				
				Transition Programs for Students with Intellectual Disabilities into Higher Education Total			-	7,879.32	7,879.32				
				Department of Education Total			624,841.86	419,526.39	1,044,368.25				
Department of Justice	Crime Victim Assistance	Ohio Attorney General 2011/2012 VOCA/SVAA Grant VOCA 2013			Crime Victims Assistance Office	2012VADSCE483	16.575	-	16,044.00	16,044.00			
					Crime Victims Assistance Office	2013VADSCE483	16.575	-	36,532.66	36,532.66			
					Crime Victim Assistance Total			-	52,576.66	52,576.66			
	Improving the Investig. & Prosecution of Child Abuse & Regional & Local Children's Advo.	State Chapter Support to Children's Advocacy Centers	National Children's Alliance		06-CINC-OH-SA12	16.758	-	9,000.00	9,000.00				
				Improving the Investigation & Prosecution of Child Abuse & Regional & Local Children's Advocacy Ctrs Total			-	9,000.00	9,000.00				
				Department of Justice Total			-	61,576.66	61,576.66				
National Science Foundation	Biological Sciences	Collaborative research: Ontology-enabled reasoning across Probing the robustness of a developmental system MicroRNA Regulation of Axon Guidance in C. elegans			DBI-1062542	47.074	-	8,200.96	8,200.96				
					IOS-0843424	47.074	-	87,426.76	87,426.76				
					IOS-1257023	47.074	-	89,133.20	89,133.20				
					Biological Sciences Total			-	184,760.92	184,760.92			
		Mathematical and Physical Sciences	Extension of Censored Quantile and Empirical Likelihood			NSF DMS-1007535	47.049	-	12,901.09	12,901.09			
				Mathematical and Physical Sciences Total			-	12,901.09	12,901.09				
				National Science Foundation Total			-	197,662.01	197,662.01				
Department of Labor	Competitive Grants for Workers Training & Placement in High Growth & Emerg. Industry	Health Careers Collaborative of Greater Cincinnati	Cincinnati State Tech		GCJ200701060A39	17.275	-	(184.53)	(184.53)				
									Competitive Grants for Workers Training and Placement in High Growth and Emerging Industry Sectors Total		-	(184.53)	(184.53)
									Department of Labor Total		-	(184.53)	(184.53)
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 Universal Flu Vaccine by a Norovirus P Particle Platform			2011680033005	10.310	-	118,389.69	118,389.69				
					20116800330395	10.310	-	55,963.59	55,963.59				
					20138701520476	10.310	-	125,003.79	125,003.79				
									Agriculture and Food Research Initiative (AFRI) Total		-	299,357.07	299,357.07
				Department of Agriculture Total			-	299,357.07	299,357.07				

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	CFDA	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
Dept of Health and Human Serv	Affordable Care Act (ACA) Primary Care Residency Expansion Program	Expansion of a Pediatric Primary Care Resident Training			HP020766		93.510	-	384,776.15	384,776.15
				Affordable Care Act (ACA) Prim. Care Residency Expan. Prog. Total				-	384,776.15	384,776.15
	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 Improving Hematopoietic Stem Cell Mobilization by the EG	P2D Bioscience	University of Cincinnati	AG027990		93.866	-	(4,591.27)	(4,591.27)
					AG033057		93.866	47,506.92	452,571.28	500,078.20
					AG040118		93.866	-	487,456.84	487,456.84
					AG040858		93.866	-	50,475.41	50,475.41
					AG042986		93.866	-	(4,640.92)	(4,640.92)
				Aging Research Total				47,506.92	981,271.34	1,028,778.26
	Allergy, Immunology and Transplantation Research	Clinical Immunization Safety Assessment Genetic Linkage in Lupus Regulations of Gastrointestinal Eosinophils Epidemiologic Impact of HPV Vaccination		Indiana University	200-2012-53661		93.855	-	44,293.38	44,293.38
				University of California	AI024717		93.855	-	409,644.84	409,644.84
					AI045898		93.855	-	338,631.71	338,631.71
					AI104709		93.855	102,389.14	489,870.71	608,934.70
								16,674.85	-	-
					AI055649		93.855	-	(1,734.71)	(1,734.71)
				St Jude Children's Research Hospital	AI057753		93.855	16,189.00	116,379.75	132,568.75
				John Hopkins University	AI070235		93.855	681,667.24	707,186.42	1,392,853.66
				University of North Carolina-Chapel Hill				3,329.32	-	-
					AI073713		93.855	-	(55,031.30)	(55,031.30)
					AI074743		93.855	-	208,564.11	208,564.11
					AI075038		93.855	-	45,924.11	45,924.11
					AI075159		93.855	-	4,488.30	4,488.30
					AI083450		93.855	-	455,501.25	455,501.25
				University of Queensland	AI087683		93.855	101,017.38	247,977.26	348,994.64
					AI087830		93.855	-	402,902.17	402,902.17
				Pennsylvania State University	AI088116		93.855	26,077.28	440,801.78	466,879.06
				University of Iowa	AI088372		93.855	170,445.06	208,360.34	378,805.40
				Takeda Vaccines (Montana)	AI089634		93.855	32,501.19	653,770.25	911,485.40
				Virginia Tech				225,213.96	-	-
					AI090129		93.855	-	388,672.63	388,672.63
					AI092434		93.855	-	(270.43)	(270.43)
				University of Cincinnati	AI093614		93.855	155,321.17	236,783.98	518,181.16
				Van Andel Institute				126,076.01	-	-
					AI093673		93.855	-	48,632.91	48,632.91
					AI100934		93.855	-	525,610.48	525,610.48
					AI101375		93.855	-	162,068.86	162,068.86
				Ludwig Boltzmann Gesellschaft GmbH-LB	AI103388		93.855	9,720.00	167,220.53	176,940.53
					AI103853		93.855	-	131,813.04	131,813.04
					AI107274		93.855	-	153,288.02	153,288.02
					AI112186		93.855	-	177,992.16	177,992.16
				University of Texas Medical Branch	HHSN272200800006C		93.855	177,340.03	4,264,015.53	4,441,355.56
					HHSN272201300016I		93.855	-	91,885.40	91,885.40
				Texas A & M	AI020624		93.855	-	78,876.35	78,876.35
				George Washington University	AI033325		93.855	-	1,807.48	1,807.48
				University of Cincinnati	AI060515		93.855	-	47,284.17	47,284.17
				Oklahoma Medical Research Fnd.	AI062629		93.855	-	29,166.87	29,166.87
				Mount Sinai Medical Center	AI066738		93.855	-	521,976.39	521,976.39
				University of Texas @ San Antonio	AI070412		93.855	-	77,363.53	77,363.53
				Washington University	AI077810		93.855	-	104,150.98	104,150.98
				Blood Center of Wisconsin, Inc.	AI080557		93.855	-	20,500.99	20,500.99
				University of California	AI082973		93.855	-	12,079.03	12,079.03
				Oklahoma Medical Research Fnd.	AI083194		93.855	-	293,512.79	293,512.79
				Indiana University	AI085258		93.855	-	4,268.70	4,268.70
				Children's Hospital Boston	AI087628		93.855	-	234,452.71	234,452.71
				Massachusetts General Hospital	AI087881		93.855	-	3,549.23	3,549.23
				University of Maryland	AI100195		93.855	-	66,358.42	66,358.42
				University of California	AI100807		93.855	-	189,806.49	189,806.49
				University of Cincinnati	AI103816		93.855	-	57,900.54	57,900.54
				University of Louisville	AI103980		93.855	-	63,772.99	63,772.99
				Univ of California, San Francisco	AI104347		93.855	-	19,756.75	19,756.75
				University of Cincinnati	AI106269		93.855	-	28,177.20	28,177.20
				University of Wisconsin-Madison	HHSN272200900052C		93.855	-	1,149,522.02	1,149,522.02
				Allergy, Immunology and Transplantation Research Total				1,843,961.63	14,069,527.11	15,913,488.74
ARRA	ARRA Accelerating Adoption of Comparative Effectiveness Research (CER)	Bundling Effective Resident Handoff Practices to Improve	Children's Hospital Boston		AE00029		93.726	-	18,765.23	18,765.23
				ARRA Accel. Adoption - Comparative Effectiveness Res. (CER) Total				-	18,765.23	18,765.23
ARRA	ARRA - Emergency Medical Services for Children	Implementation of the PECARN Traumatic Brain Injury Pred	Columbia University		MC19289		93.418	-	22,105.00	22,105.00
				ARRA - Emergency Medical Services for Children Total				-	22,105.00	22,105.00
ARRA	ARRA - Health Information Technology - Beacon Communities	CCHMC Strategic Focus on Population Health Improvement	Healthbridge		908C0016/01		93.727	-	632.91	632.91
				ARRA - Health Information Technology - Beacon Communities Total				-	632.91	632.91
	Arthritis, Musculoskeletal and Skin Diseases Research	Cincinnati Rheumatic Disease Core Center		Case Western Reserve University	AR047363		93.846	1,448.33	594,642.82	651,891.36
				Stanford University				36,447.42	-	-
				University of Cincinnati				19,352.79	-	-
				Multidisciplinary Clinical Research Center	AR047784		93.846	24,040.00	246,823.77	473,465.04
				Ann & Robert H Lurie Children's Hospital				14,817.60	-	-
				Arkansas Children's Hospital Research In				1,437.00	-	-
				Children's Hospital of Philadelphia				9,764.31	-	-
				Cleveland Clinic Foundation				3,105.01	-	-
				Connecticut Childrens Medical Center				3,480.00	-	-
				Emory University				1,392.94	-	-
				Feinstein Institute Medical Research				11,635.73	-	-
				Medical College of Wisconsin				-	-	-

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
				Northwestern University			11,353.15	-	-
				University of Alabama at Birmingham			576.37	-	-
				University of Chicago			14,518.00	-	-
				University of Cincinnati			129,089.48	-	-
				University of Pittsburgh			1,431.68	-	-
		Gene Expression In Pediatric Arthritis		Arkansas Children's Hospital Research In	AR048929	93.846	4,646.00	935,547.09	1,276,414.48
				Carolinas Healthcare System			48,470.88	-	-
				Children's Hospital Boston			2,000.00	-	-
				Children's Mercy Hospital			2,080.00	-	-
				Indiana University			3,428.00	-	-
				Medical College of Wisconsin			8,507.40	-	-
				University of Cincinnati			116,410.86	-	-
				Wake Forest Univ School of Medicine			155,324.25	-	-
		Role of IL-13 Receptors in Atopic Dermatitis		University of Cincinnati	AR054490	93.846	-	(1,112.76)	(1,112.76)
		Longitudinal Determination of Outcomes of Adolescents w/ Behavioral Interventions and Long Term Outcomes in Juven		University of Cincinnati	AR054842	93.846	18,934.39	295,428.19	314,362.58
		Mechanisms linking the hemostatic protease thrombin to a Sex differences in ACL injury risk factors emerge during			AR056687	93.846	-	101,273.78	101,273.78
		Enhancing PROMIS in Pediatric Pain, Rheumatology, and Re			AR056990	93.846	-	271,408.08	271,408.08
					AR057551	93.846	-	(1,053.45)	(1,053.45)
				Children's Hospital of Philadelphia	AR057940	93.846	15,568.60	283,035.90	323,715.44
				Emory University			19,258.75	-	-
				University of Cincinnati			5,852.19	-	-
		MUNC13-4 gene Polymorphisms in Macrophage Activation syn			AR059049	93.846	-	310,479.38	310,479.38
		Towards Measures of Lupus Nephritis Activity & Damage fo		Ann & Robert H Lurie Children's Hospital	AR059509	93.846	4,720.00	52,666.27	82,760.22
				Ohio State University			10,486.00	-	-
				University of Cincinnati			12,254.95	-	-
				University of Texas Southwestern			2,633.00	-	-
		The Role of IL-31 in TH2 Cytokine-Driven Systemic Sclero			AR062832	93.846	-	75,846.39	75,846.39
		Fibromyalgia Integrative Training Program for Teens (FIT			AR063412	93.846	-	155,732.61	155,732.61
		Mechanisms of Muscle Afferent Sensitization after Ischem			AR064561	93.846	-	203,798.57	203,798.57
		Innovative Efficacy Measures of Lupus Nephritis Therapie		Ohio State University	AR065098	93.846	37,480.83	158,657.88	196,138.71
		Program Project in the Genetics of SLEProject 2: Geno	University of Alabama-Birmingham		AR049084	93.846	-	(6,744.34)	(6,744.34)
		PROMIS Supplement Expanding the Adult Pain Item Pool	Northwestern University		AR052177	93.846	-	590.13	590.13
		Neuromuscular Intervention Targeted to Mechanisms of ACL	Ohio State University		AR055563	93.846	-	(212.20)	(212.20)
		A Developmentally-Based Tissue Engineering Approach to I	University of Cincinnati		AR056943	93.846	-	262,917.30	262,917.30
		Sex differences in ACL injury risk factors emerge during	High Point University		AR057551	93.846	-	13,694.00	13,694.00
		Responsiveness of Pediatric PROMIS Item Banks in Childre	Boston University		AR057929	93.846	-	(4,598.89)	(4,598.89)
				Arthritis, Musculoskeletal and Skin Diseases Research Total			751,945.91	3,948,820.52	4,700,766.43
	Assistance Programs for Chronic Disease Prevention and Control	SEARCH for Diabetes in Youth, Phase 3: Registry Study -			DP002709	93.945	-	575,252.21	575,252.21
				Assistance Programs for Chronic Disease Prevention & Control Total			-	575,252.21	575,252.21
	Biomedical Research and Research Training	Biochemical and Genetic Analysis of Notch Signaling		Washington University	GM055479	93.859	49,579.00	125,875.81	175,454.81
		Regulation of Wingless (Wg) Signaling and Morphogen Grad			GM063891	93.859	-	267,128.44	267,128.44
		PPARgamma and PPARgamma Agonists in Septic Shock		Medical University South Carolina	GM067202	93.859	76,700.00	510,909.24	587,609.24
		Hox Control of Cell-Specific EGF Signaling During Develo			GM079428	93.859	-	248,317.54	248,317.54
		Interferon - Mediated Reprogramming of Toll-Like Recepto			GM085063	93.859	-	(13,026.80)	(13,026.80)
		Fundamental mechanisms of protein kinase activation loop			GM087374	93.859	-	256,584.02	256,584.02
		Roles of Retromer Complex in Development			GM087517	93.859	-	243,981.58	243,981.58
		PPAR gamma in pediatric sepsis and the inflammatory resp			GM093135	93.859	-	29,261.94	29,261.94
		MMP-8 as a Novel Therapeutic Target in Sepsis			GM096994	93.859	-	317,691.00	317,691.00
		Specification of Stochastic Left-Right Asymmetric Neuron			GM098026	93.859	-	274,293.53	274,293.53
		DNA Damage Response Pathways in Meiotic Sex Chromosome I			GM098605	93.859	-	403,764.42	403,764.42
		Novel Mechanisms of Regenerative Fetal Wound Repair by I			GM098831	93.859	-	127,939.64	127,939.64
		Stratification of pediatric septic shock		Baylor College of Medicine.	GM099773	93.859	6,500.00	285,867.42	370,658.50
				Children's Hospital Med Center of Akron			6,300.00	-	-
				Children's Hospital Oakland			7,900.00	-	-
				Children's Hospital of Orange County			1,500.00	-	-
				Indiana University			1,000.00	-	-
				Linco Research, Inc(Millipore)			60,000.00	-	-
				Pennsylvania State University			300.00	-	-
				University of Michigan			600.00	-	-
				University of Minnesota			691.08	-	-
		Regulation and Scaling of a Morphogen Gradient			GM101373	93.859	-	402,808.46	402,808.46
		Organization of the inactive X-chromosome			GM102184	93.859	-	297,335.04	297,335.04
		Molecular and Neural Mechanisms of Temperature Preferenc			GM107582	93.859	-	188,153.07	188,153.07
		Novel diagnostic and stratification tools for septic sho			GM108025	93.859	-	4,304.36	4,304.36
		Novel signaling function of Cdc42 GTPase in vivo			GM108661	93.859	-	31,184.37	31,184.37
		Mouse and Guinea Pig Models for Herpesviruses			HHSN272201000008I	93.859	-	638,359.19	638,359.19
		Role of Eicosanoids in Shock	Medical University of South Carolina		GM027673	93.859	-	34,288.58	34,288.58
		Collaborative Science Supplement to R01-GM090158	Emory University		GM090158	93.859	-	122,991.12	122,991.12
		Extracellular matrix remodeling and fibrosis	University of Rochester		GM097347	93.859	-	59,651.89	59,651.89
		Midazolam for the Pediatric Trials Networ	Duke University		HHSN275201000003I	93.859	-	3,200.73	3,200.73
				Biomedical Research and Research Training Total			211,070.08	4,860,864.59	5,071,934.67

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
		Mechanisms of drug resistance in Myeloproliferative neop			HL114074	93.837	-	250,733.33	250,733.33
		Cell Signaling Mechanisms of Calcific Aortic Valve Disea			HL114682	93.837	-	327,599.16	327,599.16
		Molecular mechanisms underlying upper airway patterning			HL115447	93.837	-	114,692.57	114,692.57
		Genetics, Mechanisms and Clinical Phenotypes of Arrhythm		Beth Israel Deaconess Medical Center	HL116906	93.837	116,817.30	439,373.24	992,911.42
				Boston University			8,288.02	-	-
				John Hopkins University			13,245.09	-	-
				University of Arizona			136,039.85	-	-
				University of Colorado			65,666.35	-	-
				University of Rochester			213,481.57	-	-
		Understanding the Role of HDL Subspecies in Adolescents			HL118132	93.837	-	26,705.57	26,705.57
		MBNL1's function in myofibroblast transformation and fib			HL119353	93.837	-	102,981.93	102,981.93
		Omics of Lung Diseases			HL119986	93.837	-	25,817.54	25,817.54
		BEX1 and the control of protein translation in cardiac h			HL121284	93.837	-	55,690.84	55,690.84
		Sigma-1 receptor and cardioprotection			HL122354	93.837	-	25,435.27	25,435.27
		T32 Training grant		University of Cincinnati	HL007382	93.837	-	67,310.14	67,310.14
		Cardiac Myosin Binding Protein-C: Structure, Function...		University of Vermont	HL059408	93.837	-	430,478.87	430,478.87
		Evaluation of Growth and Puberty in Adolescent and Young		University of Utah	HL068270	93.837	-	3,729.00	3,729.00
		Ca Signaling Domains Programming Cardiac Hypertrophy		University of California	HL080101	93.837	-	414,303.02	414,303.02
		Modifying Dietary Behavior in Adolescents with Elevated		University of Cincinnati	HL088567	93.837	-	20,146.98	20,146.98
		Therapeutic Hypothermia after Pediatric Cardiac Arrest		University of Michigan	HL094345	93.837	-	(1,479.14)	(1,479.14)
		Understanding Mechanisms of Fontan Failure and Key Predi		Georgia Tech	HL098252	93.837	-	22,367.75	22,367.75
		Hypoplastic Left Heart Syndrome: Expression of RHD in th		Washington University	HL098634	93.837	-	23,278.94	23,278.94
		Cincinnati Cell Characterization Core		University of Maryland	HL099997	93.837	-	748,939.88	748,939.88
		Improving Cardiac Function after Myocardial Infarction		Temple University	HL108806	93.837	-	342,700.03	342,700.03
		Biomarkers in Pediatric Cardiomyopathy		University of Miami	HL109090	93.837	-	25,060.46	25,060.46
		Validation of Circulating Endothelial Cells and Micropar		University of Minnesota	HL110957	93.837	-	15,157.64	15,157.64
		Genotype-Phenotype Assoc. in Pediatric Cardiomyopa		University of Miami	HL111459	93.837	-	1,322,075.82	1,322,075.82
		A TG rabbit model for the functional effects of FHC muta		University of Vermont	HL111847	93.837	-	35,097.40	35,097.40
		Mechanisms of Refractory Hypertension		University of Alabama-Birmingham	HL113004	93.837	-	887.77	887.77
		Directing differentiation of human pluripotent stem cell		University of Michigan	HL115372	93.837	-	48,517.19	48,517.19
		Cleveland Clinic Center for Accelerated Innovations (CCC		Cleveland Clinic of CWRU	HL119810	93.837	-	16,058.81	16,058.81
				Cardiovascular Diseases Research Total			1,627,486.02	14,437,530.12	16,065,016.14
Centers for Disease Control & Prevention_ Investigations & Technical Assistance		National Spina Bifida Registry Longitudinal Data Collect			DD000766	93.283	-	53,713.74	53,713.74
		Collaboration between WIC and EHDl to Improve Follow-up			DD001007	93.283	-	31,036.16	31,036.16
		Hemophilia Prevention Network	Hemophilia Foundation of Michigan		DD000862	93.283	-	15,019.25	15,019.25
				Centers for Disease Control and Prevention Investigations and Technical Assistance Total			-	99,769.15	99,769.15
Child Abuse and Neglect State Grants		ODJFS "Beyond the Silence" "PSANE" training and Tech Sup		Ohio Depart of Jobs & Family Srvc	G-1011-060589	93.669	-	(19,879.35)	(19,879.35)
		Ohio Department of Job and Family Services Grant Agreeeme		Ohio Depart of Jobs & Family Srvc	G-1213-0600128	93.669	-	55,366.86	55,366.86
				Child Abuse and Neglect State Grants Total			-	35,487.51	35,487.51
Child Health and Human Development Extramural Research		Pediatric Scientist Development Program (PSDP) [K12]		Children's Hospital Boston	HD000850	93.865	201,689.10	106,102.72	1,816,658.12
				Children's Hospital of Philadelphia			98,975.81	-	-
				Columbia University			165,614.62	-	-
				Duke University			190,876.77	-	-
				Indiana University			14,487.14	-	-
				Stanford University..			246,821.28	-	-
				University of California			422,321.26	-	-
				University of Colorado			103,521.66	-	-
				University of Minnesota			34,905.43	-	-
				University of Texas Southwestern			17,325.00	-	-
				University of Washington			61,611.67	-	-
				Washington University			152,405.66	-	-
		Training In Developmental And Perinatal Endocrinology			HD007463	93.865	-	161.57	161.57
		The Role of Human Milk in Infant Nutrition and Health		Boston College	HD013021	93.865	232,958.51	583,066.13	1,069,563.51
				Broad Institute Inc.			38,363.29	-	-
				Inst Nac Ciencias Med Y Nutricion			201,792.00	-	-
				University of Cincinnati			13,383.58	-	-
		Eunice Kennedy Schriver NICHD cooperative Multicenter Ne			HD027853	93.865	-	275,205.82	275,205.82
		Child Health Research Career Development Award (K12)			HD028827	93.865	-	448,656.21	448,656.21
		Long Term Functional Outcomes Following Early Childhood		Case Western Reserve University	HD042729	93.865	85,307.45	335,945.24	476,133.87
				Nationwide Childrens Hospital			54,881.18	-	-
		Cadherin-based Actin Assembly in the Xenopus Embryc			HD044764	93.865	-	188,141.19	188,141.19
		Ectoderm Formation in the Early Xenopus Embryo			HD045737	93.865	-	246,081.98	246,081.98
		Mechanisms of Fetal Inflammatory Response Syndrome Induc		University of Western Australia	HD057869	93.865	98,989.00	130,254.01	229,243.01
		Novel genetic and salivary glycan biomarkers for risk of		Boston College	HD059140	93.865	102,766.35	222,015.90	375,676.94
				Miami University..			50,894.69	-	-
		20-year intergenerational longitudinal followup of femal			HD060604	93.865	-	(3,437.13)	(3,437.13)
		Parental Adherence to CF Homecare: Research Chaplaincy C			HD062642	93.865	-	132,755.57	132,755.57
		Xenbase: a Xenopus Model Organism Database		University of Calgary	HD064556	93.865	567,500.90	367,267.25	934,768.15
		Transcriptional Control of Human Placental Differentiati			HD065339	93.865	-	330,282.50	330,282.50
		Injury Prevention in a Home Visitation Population			HD066115	93.865	-	773,115.52	773,115.52
		Telehealth Enhancement of Adherence to Medication in Ped		Children's Hospital of Philadelphia	HD067174	93.865	91,562.55	425,754.12	606,241.17
				Children's Mercy Hospital			14,593.10	-	-
				Connecticut Childrens Medical Center			45,026.13	-	-
				Nationwide Children's Hosp			24,713.23	-	-
				University of Cincinnati			4,592.04	-	-

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
		Enhancing treatment adherence and health outcomes			HD068223	93.865	-	205,246.45	205,246.45
		Using SNA to Examine the Long-Term Outcomes of Socially		College of William and Mary	HD068315	93.865	2,105.57	103,279.39	105,384.96
		Insulin-like Growth Factor 1 Gene Therapy; Correction of			HD068504	93.865	-	115,894.45	115,894.45
		Molecular signaling in uterine receptivity to implantati			HD068524	93.865	-	284,320.57	284,320.57
		Cincinnati Training Program in Pediatric Clinical and De			HD069054	93.865	-	163,114.91	163,114.91
		Engaging Fathers in Home Visitation: Incorporation of a		Pennsylvania State University	HD069431	93.865	104,709.20	475,907.25	580,616.45
		A Novel RF Coils and k-t Space Imaging for Neonatal Chest			HD071540	93.865	-	141,970.67	141,970.67
		Health & wellbeing of sexually abused females & offsprin		University of Southern California	HD072468	93.865	24,460.79	101,898.57	126,359.36
		Physician Attitudes toward New Biomedical HIV Prevention			HD072807	93.865	-	98,127.61	98,127.61
		Initiation and Progression of Preterm Lung Injury with V		University of Western Australia	HD072842	93.865	76,360.00	258,748.26	335,108.26
		EHR-based patient safety: Automated error detection in n			HD072883	93.865	-	290,132.03	290,132.03
		Supporting Treatment Adherence Regimens in Pediatric Epi			HD073115	93.865	-	528,266.63	528,266.63
		Abused and non-abused females' high-risk online behavior			HD073130	93.865	-	606,757.59	606,757.59
		Shared Decision Making In Pediatric Chronic Conditions:			HD073149	93.865	-	95,295.10	95,295.10
		Efficacy of Methylphenidate for Management of Long-term			HD074683	93.865	-	114,174.28	114,174.28
		Self-Management Assistance for Recommended Treatment (SM			HD074842	93.865	-	278,614.33	278,614.33
		Decreasing teen STI prevalence through universal emergen			HD075751	93.865	-	18,137.11	18,137.11
		Bone Mineral Accretion in Young Children		Children's Hospital of Philadelphia	HD076321	93.865	156,095.79	256,933.81	426,890.62
				University of California			13,861.02	-	-
		Mechanisms of postnatal cutaneous afferent development d			HD077483	93.865	-	78,189.05	78,189.05
		Maternal temperament, stress, and inflammation in preter		University of California - Davis	HD078127	93.865	249,997.15	172,346.83	422,343.98
		Pediatric Functional Neuroimaging Research Network		University of California, Los Angeles	HHSN275200900018C	93.865	245,998.29	1,530,148.24	1,776,146.53
		Genetic Influence on Cognitive and Behavioral Recovery a	University of Pittsburgh		HD001097	93.865	-	(313.25)	(313.25)
		ATN Coordinating Center	University of Alabama-Birmingham		HD040533	93.865	-	83,621.06	83,621.06
		Psychobiology of Eating Disorders in Adolescent Females	University of Cincinnati		HD051953	93.865	-	215,417.92	215,417.92
		Genome Wide Association Study of Bone Mineral Accretion	Children's Hospital of Philadelphia		HD058886	93.865	-	16,531.71	16,531.71
		Reading ICARD: Interventions for Children with Attention	University of Texas -Houston		HD060617	93.865	-	530,785.03	530,785.03
		Clinical Decision Rules to Discriminate Bruising Caused	Lurie Children's Hospital of Chicago		HD060997	93.865	-	162,670.25	162,670.25
		Sterol and Isoprenoid Diseases Rare Diseases Consortiur	Oregon Health Sciences University		HD061939	93.865	-	56,298.72	56,298.72
		Pediatric Adverse Reaction in NASH	University of Arizona		HD062589	93.865	-	13,531.73	13,531.73
		Inborn Errors of Metabolism Collaborative: Defining the	Michigan Public Health Institute		HD069039	93.865	-	34,198.68	34,198.68
		Production, Validation and Distribution of the Xenopus O	University of Virginia		HD069352	93.865	-	79,536.49	79,536.49
		Health & wellbeing of sexually abused females & offsprin	Pennsylvania State University		HD072468	93.865	-	141,526.17	141,526.17
		Deciphering the gene regulatory network controlling vert	University of California		HD073179	93.865	-	127,673.74	127,673.74
		Short-term Outcomes of Genitoplasty in DSD	University of Oklahoma		HD074579	93.865	-	4,999.99	4,999.99
				Child Health and Human Development Extramural Research Total			4,211,467.21	11,945,349.97	16,156,817.18
Diabetes, Digestive, and Kidney Diseases Extramural Research		Pediatric Gastroenterology and Nutrition Training Grant			DK007727	93.847	-	384,194.14	384,194.14
		Studies of Gaucher Disease: A Prototype Lipidosis			DK036729	93.847	-	(198.22)	(198.22)
		Behavioral & Nutrition TX to Help CF Preschoolers Grow			DK054915	93.847	-	(21,273.00)	(21,273.00)
		Prevalence of Mitochondrial DNA Depletion Syndromes in P			DK062453	93.847	-	87,790.56	87,790.56
		Clinical Center for Cholestatic Liver Disease in		The Hospital for Sick Children	DK062497	93.847	143,714.11	530,651.54	674,365.65
		Research Training in Child Behavior and Nutrition			DK063929	93.847	-	191,517.06	191,517.06
		Immunologic Dysfunction in Biliary Atresia			DK064008	93.847	-	450,596.97	450,596.97
		Self-Management of Type 1 Diabetes During Adolescence		Nemours Children's Clinic, Jacksonville	DK069486	93.847	59,546.62	333,555.01	454,565.09
				University of California			10,385.42	-	-
				University of Miami			51,078.04	-	-
		Molecular basis of digestive system development in Xenop			DK070858	93.847	-	73,241.82	73,241.82
		Teen Longitudinal Assessment of Bariatric Surgery (Teen-		Baylor College of Medicine.	DK072493	93.847	170,346.64	578,510.92	957,841.48
				Nationwide Children's Hosp			42,018.73	-	-
				University of Alabama at Birmingham			25,063.39	-	-
				University of Pittsburgh			43,396.26	-	-
				University of Washington			98,505.54	-	-
		IL-13 and Eosinophilic Esophagitis			DK076893	93.847	-	(12,083.65)	(12,083.65)
		Dissecting Dendritic Cell Function in Autoimmune Diabete			DK078179	93.847	-	245,087.12	245,087.12
		Digestive Health Center: Bench to Bedside Research in Pe		University of Cincinnati	DK078392	93.847	17,305.51	1,065,769.65	1,083,075.16
		Molecular Requirements for Proliferation of Fetal and Ad			DK078640	93.847	-	15,413.29	15,413.29
		Biomarkers for Inflammatory Bowel Disease Behavior and T			DK078683	93.847	-	232.31	232.31
		Adolescent Bariatrics: Controlled Longitudinal Study of		Baylor College of Medicine.	DK080020	93.847	36,071.54	206,848.11	297,984.20
				Nationwide Childrens Hospital			13,730.70	-	-
				University of Alabama at Birmingham			8,801.56	-	-
				University of Pennsylvania			15,890.62	-	-
				University of Pittsburgh			16,641.67	-	-
		Mammalian Foregut and Liver Development			DK080823	93.847	-	39,329.02	39,329.02
		Inhibition of an apical cAMP/cGMP transporter (MRP4) in		St Jude Children's Research Hospital	DK080834	93.847	8,166.00	230,356.48	238,522.48
		Bio Determinants of Steatohepatitis after Adol Baria Sur			DK080888	93.847	-	(2,984.25)	(2,984.25)
		Control of Diabetes by Manipulation of Bcl2 Family Membe			DK081175	93.847	-	345,866.99	345,866.99
		DNA Damage and Response in the Bladder Microenvironment.			DK081737	93.847	-	138,522.67	138,522.67
		Mechanisms of Intestinal Stem Cell Expansion Following R			DK083325	93.847	-	42,364.11	42,364.11
		Biological Basis of Phenotypes & Clinical Outcomes in Bi			DK083781	93.847	-	(26,491.85)	(26,491.85)
		Primary biliary cirrhosis: Molecular genetics and microb		University of Cincinnati	DK084054	93.847	7,453.61	209,397.29	216,850.90
		Role of Ileum in Reducing Obesity Related Comorbidities			DK084310	93.847	-	23,251.41	23,251.41
		Efficacy of enteral glutamine in reducing bloodstream in		University of Michigan	DK088027	93.847	55,119.85	118,139.20	173,259.05
		Cardiovascular Disease in Children with Chronic Kidney D			DK090070	93.847	-	122,963.11	122,963.11
		Eosinophil:M2 Macrophage:CCL11 Axis in Experimental Coli			DK090119	93.847	-	329,830.21	329,830.21
		Cincinnati Center for Excellence in Molecular Hematology			DK090971	93.847	-	713,261.62	713,261.62
		Dendritic Cells in the Breaking of Peripheral Tolerance			DK090978	93.847	-	79,042.84	79,042.84
		Clinic and Home Family Based Behavioral Treatment for Ob			DK091251	93.847	-	601,972.53	601,972.53
		The Molecular Determinants of Virus Induced Biliary Atre			DK091566	93.847	-	287,093.84	287,093.84
		KLF5 regulation of intestinal development and stem cell			DK092306	93.847	-	339,841.85	339,841.85

Gov Agency	Gov Branch	Award Title	Pass-through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
		Human Endocrine Cell Development			DK092456	93.847	-	552,417.70	552,417.70
		LPA2 receptor-containing complexes in regulating secreto			DK093045	93.847	-	250,831.57	250,831.57
		Th2 Cytokines and Signaling in Pediatric Inflammatory Bo			DK094832	93.847	-	150,918.08	150,918.08
		The Role of Regulatory T Cells in Biliary Atresia			DK095001	93.847	-	366,649.10	366,649.10
		Social influence of family networks on T2D risk percepti			DK095473	93.847	-	5,352.22	5,352.22
		Critical Translational Studies in Pediatric Nephrology		University of Cincinnati	DK096418	93.847	170,493.96	754,579.99	925,073.95
		"mTOR signaling in murine intestinal stem cell and proge			DK097879	93.847	-	47,402.51	47,402.51
		Single Cell/RNA-Seq dissection of Human iPS cell develop			DK098350	93.847	-	159,465.12	159,465.12
		Immunopathogenesis of Non-alco			DK099222	93.847	-	277,114.82	277,114.82
		Cell Fate Regulation of Nephron Progenitors			DK100315	93.847	-	107,811.61	107,811.61
		Wnt/PCP Signaling in the Intestinal Epithelium			DK101618	93.847	-	25,541.83	25,541.83
		Type 2 Diabetes and Social Networks			HHSN268201200237P	93.847	-	29,153.82	29,153.82
		The Studies to Treat or Prevent Pediatric Type 2 Diabete	George Washington University		DK061230	93.847	-	61,273.24	61,273.24
		CRN in Non-Alcoholic Steatohepatitis (NASH CRN)	Case Western University		DK061732	93.847	-	241,123.58	241,123.58
		Chronic Kidney Disease in Children	Children's Mercy Hospital		DK066143	93.847	-	5,790.00	5,790.00
		A Multi-Center Group to Study Acute Liver Failure in	University of Pittsburgh		DK072146	93.847	-	169,669.23	169,669.23
		3D growth of human pancreatic tissue from PSCs	Vanderbilt University		DK072473	93.847	-	3,177.68	3,177.68
		Randomized Intervention for Children with Vesico Uretera	University of Buffalo		DK074063	93.847	-	828.43	828.43
		Dietary Intake & Beh in Adol Bariatric Surg Pts	University of Pennsylvania		DK080738	93.847	-	21,979.46	21,979.46
		Medication Adherence in Children Who Had Liver Transplan	Mount Sinai Medical Center		DK080740	93.847	-	50,058.86	50,058.86
		Progression of Acute Kidney Injury to Chronic Kidney Dis	Yale University School of Medicine		DK082185	93.847	-	40,421.80	40,421.80
		Immunosuppression Withdrawal for Stable Pediatric Liver T	Univ of California, San Francisco		DK083031	93.847	-	(936.02)	(936.02)
		Forecasters of future and progressive chronic kidney	Ohio State University		DK085673	93.847	-	25,197.55	25,197.55
		Gene Discoveries in Subjects with Crohn's Disease of Afr	Emory University		DK087694	93.847	-	13,580.69	13,580.69
		Teen Adherence in Kidney Transplant: Effectiveness of a	McGill University		DK092977	93.847	-	82,972.61	82,972.61
		A genitoUrinary Development Molecular Anatomy Project (G	Western General Hospital		DK092983	93.847	-	88,548.15	88,548.15
		Generating molecular markers that selectively label urot	Columbia University Medical Center		DK094530	93.847	-	48,200.75	48,200.75
		Limited Competition for the Continuation of Teen Longitu	University of Cincinnati		DK095710	93.847	-	731,772.07	731,772.07
		Predicting Response to Standardized Pediatric Colitis Th	Connecticut Children's Med. Center		DK095745	93.847	-	242,815.50	242,815.50
		Novel Serum and Urinary Biomarkers of Diabetic Kidney D	Yale University School of Medicine		DK096549	93.847	-	11,064.49	11,064.49
		FL3X: An Adaptive Intervention to Improve Outcomes for Y	University of North Carolina		DK097785	93.847	-	35,989.20	35,989.20
		Causes and Consequences of Neutrophil Dysfunction in Ear	Emory University		DK098231	93.847	-	85,896.84	85,896.84
		Comprehensive Quantitative Ultrafast 3D Liver MRI	Case Western University		DK098503	93.847	-	22,062.05	22,062.05
		FL3X: An Adaptive Intervention to Improve Outcomes for Y	University of North Carolina		DK101132	93.847	-	217,861.31	217,861.31
				Diabetes, Digestive, and Kidney Diseases Extramural Research Total			993,729.77	12,648,196.54	13,641,926.31
Disabilities Prevention		Improving the Health of People with Disabilities through	Ohio State University		DD00931	93.184	-	63,830.43	63,830.43
				Disabilities Prevention Total			-	63,830.43	63,830.43
Discovery & Applied Rsrch for Technological Innovations to Improve Human Health		Center for point-of-care technologies research for STDs	Johns Hopkins University		EB007958	93.286	-	135,876.10	135,876.10
		Development of Analysis Tools to Enhance Fetal Neurologi	University of Arkansas		EB007826	93.286	-	17,945.27	17,945.27
				Discovery & Applied Research for Technological Innovations to Improve Human Health Total			-	153,821.37	153,821.37
Drug Abuse and Addiction Research Programs		Endocannabinoid Signaling During Early Pregnancy			DA006668	93.279	-	300,441.31	300,441.31
		Tracking Adolescents After Bariatric Surgery; Substance,			DA033415	93.279	-	377,772.21	377,772.21
		A revolutionary approach to an efficacious HIV vaccine			DA038017	93.279	-	19,827.39	19,827.39
		Effects of Physical Activity & Marijuana Use	University of Cincinnati		DA030354	93.279	-	1,818.06	1,818.06
		Effects of Physical Activity & Marijuana Use	University of Wisconsin		DA030354	93.279	-	23,704.66	23,704.66
				Drug Abuse and Addiction Research Programs Total			-	723,563.63	723,563.63
Drug-Free Communities Support Program Grants		DFC Support Program - POCWA			SP014669	93.276	-	47,784.52	47,784.52
				Drug-Free Communities Support Program Grants Total			-	47,784.52	47,784.52
Emergency Medical Services for Children		EMSC Network Development Demonstration Project - Hospita			MC22684	93.127	175,464.15	264,453.42	562,252.08
				Medical College of Wisconsin			122,334.51		
				Washington University					
				Emergency Medical Services for Children Total			297,798.66	264,453.42	562,252.08
Environmental Health		Training Grant in Teratology			ES007051	93.113	-	326,298.73	326,298.73
		Environmental Toxins and Uterine Gene Expression			ES007814	93.113	-	216,020.65	216,020.65
		A Comm.-Based Trial to Prevent Lead Poisoning & Injuries			ES014575	93.113	-	462.65	462.65
		Effects of Lead, Manganese and Stress During Development			ES015689	93.113	-	15.82	15.82
		Impact of Traffic-Related Particles on Asthma for Studen		University of Cincinnati	ES017957	93.113	105,729.69	20,098.00	125,827.69
		Continued studies of environmntl impact on puberty:GUF2		University of Cincinnati	ES019453	93.113	188,468.02	667,279.95	855,747.97
		Neurobehavioral and Neuroimaging Effects of Traffice Exp		University of Cincinnati	ES019890	93.113	132,546.81	491,485.24	624,032.05
		Community Outreach and Engagement Core	University of Cincinnati		ES006096	93.113	-	67,142.11	67,142.11
		T32 - Training Grant	University of Cincinnati		ES007250	93.113	-	118,202.58	118,202.58
		Pooled Analysis of (OP) Metabolites & DDe & Birth	University of California-Berkeley		ES009605	93.113	-	21,053.52	21,053.52
		NIEHS T32ES010957-12 CCHMC Trainee; PI: Ranjan Deka	University of Cincinnati		ES010957	93.113	-	59,646.38	59,646.38
		Early Lead Exposure, ADHD and Persistent Criminality: Ro	University of Cincinnati		ES015559	93.113	-	61,901.00	61,901.00
		Translational Studies on the Role of Developmental Pyret	Rutgers		ES015991	93.113	-	5,161.43	5,161.43
		Mechanisms of Pesticide-Induced Neurobehavioral Deficits	University of Med. & Dentistry of NJ		ES015991	93.113	-	(95.08)	(95.08)
		Prenatal Low Level Tobacco Exposure	Pennsylvania State University		ES016304	93.113	-	(2,809.82)	(2,809.82)
		The Libby Community Childhood Health Investigation and E	University of Cincinnati		ES017939	93.113	-	8,725.95	8,725.95
		Air Pollution, Subclinical CVD and Inflammatory Markers	University of Maryland		ES019168	93.113	-	34,747.35	34,747.35
		Intervention to Reduce Body Burden of PCBs in Residents	University of Cincinnati		ES019206	93.113	-	2,415.89	2,415.89
		Epigenetics of Lead Toxicity in Mouse Brain	University of Cincinnati		ES020048	93.113	-	1,844.44	1,844.44
		Genetic Susceptibility to PCB-induced Motor Dysfunction	Northern Kentucky University		ES020053	93.113	-	(80.90)	(80.90)
		Prenatal Sex Steroids, Bisphenol A, Phthalates, and Sexu	Brown University		ES020346	93.113	-	18,549.18	18,549.18
		Longitudinal study of exposure to PBDEs and PFCs and chi	University of Cincinnati		ES020349	93.113	-	346,587.33	346,587.33
		Multiple Risk Factors and Neurodevelopment Deficits in R	University of Cincinnati		ES021106	93.113	-	6,008.54	6,008.54
		Field Validation of a Personal Sensor for Ultrafine PM i	University of Cincinnati		ES0230387	93.113	-	11,339.37	11,339.37
		Transgenerational Inheritance of Epigenetic Effects of P	University of Cincinnati		ES023319	93.113	-	27,554.69	27,554.69
				Environmental Health Total			426,744.52	2,509,555.00	2,936,299.52

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
	Extramural Research Programs in the Neurosciences & Neurological Disorders	Mitogenic Activities in Neurofibromatosis			NS028840	93.853	-	320,598.35	320,598.35
		Roles of Gsh1 & Gsh2 in Telencephalic Neurogenesis			NS044080	93.853	-	142,941.48	142,941.48
		Impact of Initial Therapy and Response on Long Term Out			NS045911	93.853	67,223.91	948,773.34	2,617,635.54
				Arkansas Children's Hospital			41,058.65	-	-
				Baylor College of Medicine.			34,187.23	-	-
				Children's Healthcare of Atlanta			91,904.86	-	-
				Childrens Hospital Colorado			23,312.06	-	-
				Children's Hospital of Alabama			160,910.24	-	-
				Children's Hospital of Philadelphia			21,670.51	-	-
				Children's Hospital of Pittsburgh			203,805.89	-	-
				Childrens National Medical Center			121,464.67	-	-
				Columbia University			69,195.28	-	-
				Cook Children's Health Care System			31,314.95	-	-
				Eastern Virginia Medical School			3,502.80	-	-
				Medical College of Wisconsin			38,769.80	-	-
				Miami Children's Hospital			205,493.84	-	-
				Montefiore Medical Center			71,901.69	-	-
				Nationwide Childrens Hospital			72,550.24	-	-
				Nemours Children's Clinic, Jacksonville			6,775.48	-	-
				New York University			42,212.84	-	-
				NorthShore University HealthSystem			15,237.53	-	-
				Oregon Health & Science University			22,867.39	-	-
				Phoenix Children's Hospital			10,483.65	-	-
				State University of New York			8,284.44	-	-
				Seattle Children's Hospital			18,818.68	-	-
				University Hospitals of Cleveland			112,926.03	-	-
				University of California			25,741.04	-	-
				University of Pittsburgh			30,433.93	-	-
				University of Tennessee			26,456.54	-	-
				University of Utah			45,543.34	-	-
				Washington University			39,020.12	-	-
				Wayne State University			5,794.57	-	-
				Yale University			-	(19,734.38)	(19,734.38)
		Regulation and mechanisms of synaptic vesicle exocytosis			NS054750	93.853	-	-	-
		Cincinnati Center for Neurofibromatosis Research		University of Cincinnati	NS057531	93.853	103,503.24	264,463.08	427,110.76
				University of Minnesota			59,144.44	-	-
		Sodium Channel Gene Variation in the Treatment of Epilep			NS062756	93.853	-	273,077.04	273,077.04
		Contributions of Aberrant Granule Cells Integration to t			NS062806	93.853	-	290,532.95	290,532.95
		Genetic Therapy for CNS Manifestations in MPS I via BBB-			NS064330	93.853	-	204,750.85	204,750.85
		Identification and reversal of primary and secondary epi			NS065020	93.853	-	618,358.72	618,358.72
		Regulation of Sensory-Motor Connectivity by Semaphorin-			NS065048	93.853	-	241,178.26	241,178.26
		Imaging the effect of centrotemporal spikes and seizures		The University of Alabama at Birmingham	NS065840	93.853	7,726.74	521,302.68	529,029.42
		Longitudinal DTI study in Children Treated for Congenita		Washington University	NS066932	93.853	129,140.35	336,290.96	465,431.31
		Molecular control of neurogenesis in the adult			NS068993	93.853	-	473,646.59	473,646.59
		Molecular Mechanisms of Oligodendrocyte Differentiation			NS072427	93.853	-	124,048.85	124,048.85
		Regulation of Forebrain Neurogenesis by the Energy Sencs		University of Minnesota	NS072591	93.853	49,202.79	369,382.70	418,585.49
		Motor cortex dysfunction in migraine			NS072817	93.853	-	1,523.06	1,523.06
		Chromatin Remodeling Control of CNS Myelination and Remy			NS075243	93.853	-	282,592.77	282,592.77
		Amitriptyline and Topiramate in the Prevention of Childh			NS076788	93.853	63,293.00	2,091,493.09	2,876,822.09
				Atlanta Headache Specialists, PC			5,769.00	-	-
				Children's Hospital Boston			26,585.00	-	-
				Children's Hospital Colorado			11,917.00	-	-
				Children's Hospital Med Center of Akron			25,782.00	-	-
				Children's Mercy Hospital			4,892.00	-	-
				Cleveland Clinic Foundation			24,205.00	-	-
				Colorado Springs Neurological Associates			51,763.00	-	-
				Dallas Pediatric Neurology Associates			62,747.00	-	-
				Dent Neurosciences Research Center			40,679.00	-	-
				Eastern Virginia Medical School			47,699.00	-	-
				Nationwide Childrens Hospital			60,169.00	-	-
				Josephson Wallack Munshower Neurology			4,000.00	-	-
				LeBonheur			28,896.00	-	-
				Marshfield Clinic Research Foundation			8,811.00	-	-
				Nationwide Childrens Hospital			45,407.00	-	-
				NERHC, Inc			30,770.00	-	-
				Phoenix Children's Hospital			26,502.00	-	-
				Preferred Primary Care Physicians, Inc			49,071.00	-	-
				Premiere Research Institute			24,696.00	-	-
				Renown Institute for Neurosciences			18,330.00	-	-
				Saint Louis University			12,912.00	-	-
				Schenectady Neurological Consultants			7,307.00	-	-
				Scott & White Memorial Hospital			21,262.00	-	-
				Seattle Children's Hospital			4,000.00	-	-
				St. Lukes- Roosevelt Hospital Center			4,000.00	-	-
				Stanford University			4,000.00	-	-
				State of Oklahoma			3,702.00	-	-
				University of California			27,453.00	-	-
				University of Louisville			17,909.00	-	-
				University of Maryland			20,801.00	-	-
				Winthrop University Hospital			-	-	-

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp		
Maternal and Child Health Federal Consolidated Programs		AIR-P Project: Addressing Misconceptions of Challenging Impact of Cognition on Language in Pediatric Hearing Loss Sickle Cell		Sickle Cell Affected Family Greater Cincinnati Ohio Sickle Cell and Health Association	MC11054	93.110	-	3,994.15	3,994.15		
					MC21513	93.110	-	161,197.32	161,197.32		
					MC22218	93.110	1,705.47	325,414.24	332,599.71		
		Variations in Care and Outcomes for Children with Trauma Hemophilia Comprehensive Care	Hemophilia Foundation of Michigan	University of Cincinnati	MC26806	93.110	-	12,747.52	12,747.52		
					MC00015	93.110	-	20,563.14	20,563.14		
					MC00032	93.110	-	510,059.02	510,059.02		
					MC07618	93.110	-	10,141.99	10,141.99		
		Leadership Education in Neurodevelopmental and Other Related Healthy Tomorrows Partnership For Children Program	American Academy of Pediatrics	Massachusetts General Hospital	MC11054	93.110	-	58,108.64	58,108.64		
					MC20218	93.110	-	1,580.97	1,580.97		
		Autism Intervention Research Network on Physical Health Extracting EHR Data on Use of Psychotropic Medications in		Children's Hospital of Philadelphia	MC20218	93.110	-	1,580.97	1,580.97		
		Maternal and Child Health Federal Consolidated Programs Total							7,185.47	1,103,806.99	1,110,992.46
		Medical Assistance Program		MEDTAPP Perinatal Quality Improvement MEDTAPP Neonatal Abstinence Syndrome	Ohio State University Ohio State University	Case Western Reserve University	G-1213-07-0343	93.778	35,000.00	252,604.91	287,604.91
G-1415-07-0060	93.778						-	858,066.59	858,066.59		
Medical Assistance Program Total							35,000.00	1,110,671.50	1,145,671.50		
Medical Library Assistance		Increasing Clinical Trial Enrollment: A Semi-Automated Multi-Institutional Pediatric Epilepsy Decision Support		Children's Hospital Colorado Children's Hospital of Philadelphia	LM010227	93.879	-	65,856.96	65,856.96		
					LM011124	93.879	107,242.73	185,128.31	377,841.05		
							85,470.01	-	-		
Medical Library Assistance Total							192,712.74	250,985.27	443,698.01		
Mental Health Research Career/Scientist Development Awards		Med Response in Children with Pred Inatt Type ADHD			MH083881	93.281	-	146,537.81	146,537.81		
Mental Health Research Career/Scientist Development Awards Total							-	146,537.81	146,537.81		
Mental Health Research Grants		Examining the Biological Basis of ADHD LAMS Amygdala Glucocorticoid Receptor Function in Stress 2/2-Multisite Study of School Based Treatment Approaches Medication Continuity in Children Treated for ADHD Evaluation of an Intervention for Improving Community-Based Development of a Multifaceted Cognitive Training Program Treatment of Maternal Depression in Home Visitation Molecular Mechanisms Controlling Formation of Basal Ganglia 4/8-Collaborative genomic studies of Tourette Disorder 2/2-Anomalous Motor Physiology in ADHD Executive Function/Metacognitive Training: Early Interver Frontal Cortical Gamma Oscillations Mark Contamination Developing New Technologies to Improve ADHD Medication C Latrophilin-3 and ADHD: A new potential mechanism Bipolar Disorder Imaging & Treatment Research Center Center for Genomic & Phenomic Studies in Autism Cortical Excitability: Phenotype and Biomarker in ADHD Training Outpatient Clinicians to Deliver Cognitive Behavioral The Effects of Estradiol on genetic Risk for Disordered Evaluating the Time-Dependent Unfolding of Social Interactions The effect of lithium on intracellular sodium in brain		Nationwide Childrens Hospital Nationwide Childrens Hospital University of Massachusetts Boston	MH064478	93.242	-	208,230.06	208,230.06		
					MH073816	93.242	141,145.80	599,310.00	740,455.80		
					MH079010	93.242	-	219,530.30	219,530.30		
					MH082865	93.242	-	210,992.20	210,992.20		
					MH083027	93.242	-	177,464.00	177,464.00		
					MH083665	93.242	174,683.30	320,179.98	494,863.28		
					MH085842	93.242	-	(5,084.69)	(5,084.69)		
					MH087499	93.242	114,490.11	540,851.34	655,341.45		
					MH090740	93.242	-	338,204.71	338,204.71		
					MH092520	93.242	-	79,141.52	79,141.52		
					MH095014	93.242	-	273,354.76	273,354.76		
					MH095911	93.242	-	203,995.43	203,995.43		
					MH100640	93.242	-	50,496.49	50,496.49		
					MH101155	93.242	-	28,236.86	28,236.86		
					MH101609	93.242	-	122,010.55	122,010.55		
					MH077138	93.242	-	171.62	171.62		
					MH081810	93.242	-	366.09	366.09		
					MH081854	93.242	-	13,807.86	13,807.86		
					MH089291	93.242	-	15,774.05	15,774.05		
					MH092377	93.242	-	(135.49)	(135.49)		
MH094659	93.242	-	105,534.53	105,534.53							
MH094837	93.242	-	76,955.08	76,955.08							
Mental Health Research Grants Total							430,319.21	3,579,387.25	4,009,706.46		
National Bioterrorism Hospital Preparedness Program		Ohio Bio-Terrorism Preparedness	Ohio Department of Health		03130012PP0110	93.889	-	(146.10)	(146.10)		
National Bioterrorism Hospital Preparedness Program Total							-	(146.10)	(146.10)		
National Center for Research Resources		Cincinnati Center for Clinical & Trans Sciences & Training Effects of Physical Activity on Cardiovascular Risk Factors	University of Cincinnati University of Cincinnati		TR000077	93.389	-	2,496,983.47	2,496,983.47		
					TR000078	93.389	-	(11,056.73)	(11,056.73)		
National Center for Research Resources Total							-	2,485,926.74	2,485,926.74		
National Center on Sleep Disorders Research		Pediatric Sleep Research Program Effect of Adolescent Sleep Restriction on Neural & Behavioral Dynamic Computational Modeling of Obstructive Sleep Apnea Multi-Center Trial of Limiting PGY 2&3 Resident Work Hours	Brigham & Women's Hospital	University of Cincinnati	HL078989	93.233	-	35,074.61	35,074.61		
					HL092149	93.233	-	217,204.47	217,204.47		
					HL105206	93.233	542,252.22	356,567.46	898,819.68		
					HL111478	93.233	-	47,467.35	47,467.35		
National Center on Sleep Disorders Research Total							542,252.22	656,313.89	1,198,566.11		
National Research Service Award in Primary Care Medicine		NRSA Research Fellowship Training			HP010027	93.186	-	394,798.04	394,798.04		
National Research Service Award in Primary Care Medicine Total							-	394,798.04	394,798.04		
Nursing Research		Patterned Experience in Preterm Infants Transitional Telehealth Home Care: REACH Assessing Measurement Bias Impact	Children's Hospital of Philadelphia University of North Florida	Virginia Commonwealth University	NR012307	93.361	12,034.46	569,104.48	581,138.94		
					NR002093	93.361	-	304,640.89	304,640.89		
					NR010631	93.361	-	(545.08)	(545.08)		
Nursing Research Total							12,034.46	873,200.29	885,234.75		
Oral Diseases and Disorders Research		Molecular Genetic Analysis of Craniofacial Development Genetic Basis of Cleft Lip and Palate Molecular Patterning of Mammalian Dentition The role of primary cilia in craniofacial development Global Gene Expression Atlas of Craniofacial Development The Role of Primary Cilia in Murine Craniofacial Development Golg1 in Craniofacial Development		Washington University Stowers Institute for Medical Research	DE013681	93.121	4,926.04	489,361.29	494,287.33		
					DE015207	93.121	-	654.97	654.97		
					DE018401	93.121	-	423,317.02	423,317.02		
					DE019853	93.121	-	175,726.75	175,726.75		
					DE020049	93.121	5,426.00	197,575.65	203,001.65		
					DE023804	93.121	-	119,320.70	119,320.70		
					DE023864	93.121	-	34,428.70	34,428.70		
Oral Diseases and Disorders Research Total							10,352.04	1,440,385.08	1,450,737.12		
Poison Center Support and Enhancement Grant Program		Poison Control Stabilization and Enhancement Program			H4BHS15468	93.253	-	229,264.03	229,264.03		
Poison Center Support and Enhancement Grant Program Total							-	229,264.03	229,264.03		

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
	Research on Healthcare Costs, Quality and Outcomes	Acceleration to Expertise: Simulation as a Tool to Impro			HS020455	93.226	-	292,409.11	292,409.11
		Center of Excellence on Quality of Care Measures for Chi			HS020506	93.226	-	147,667.42	147,667.42
		Pursuing Perfection in Pediatric Therapeutics		Case Western Reserve University	HS021114	93.226	9,161.40	834,949.79	844,111.19
		Enhancing the Sustainability of a Pediatric Learning Hea		Children's Hospital of Philadelphia	HS022974	93.226	42,091.57	253,003.37	303,440.75
				University of Vermont State			8,345.81	-	-
		Improving Sickle Cell Transitions of Care through Health	The Lewin Group, Inc.		HHSA2902010000331	93.226	-	27,796.56	27,796.56
		PHIS-: Augmenting the Pediatric Health Information Syste	Children's Hospital of Philadelphia		HS019862	93.226	-	141,134.29	141,134.29
		Improving the Quality of Pediatric Emergency Care Using	Children's Hospital of Philadelphia		HS020270	93.226	-	25,723.83	25,723.83
		Infrastructure for Maintaining Primary Care Transformati	University of North Carolina		HS020940	93.226	-	4,689.24	4,689.24
		Collaborative Ohio Inquiry Network (COIN)	University of Cincinnati		HS021648	93.226	-	7,099.20	7,099.20
		Access to Pediatric Voice Therapy: A Telehealth Solutio	University of Cincinnati		HS021781	93.226	-	86,431.23	86,431.23
		Improving Child Health by Disseminating Patient Centered	American Board of Pediatrics		HS021935	93.226	-	13,022.77	13,022.77
							59,598.78	1,833,926.81	1,893,525.59
	Research Related to Deafness and Communication Disorders	Efficacy of Laryngeal High-Speed Videoendoscopy		The General Hospital Corporation	DC007640	93.173	101,836.86	86,982.45	188,819.31
		Functional MR Imaging Study of Speech Production in Chil			DC010188	93.173	-	(7,760.36)	(7,760.36)
		Functional Analyses of Tricellular Tight Junctions in He			DC011748	93.173	-	295,335.32	295,335.32
		Identifying Genes for Non-syndromic Recessive Deafness-			DC011803	93.173	-	357,417.47	357,417.47
		Usher proteins in the inner ear structure and function		University of Kentucky	DC012564	93.173	146,234.43	202,162.00	348,396.43
		10th International Conference AQL2013 Advances in Quanti			DC013213	93.173	-	11,048.81	11,048.81
		The Natural History of CMV-Related Hearing Loss and the	University of Alabama-Birmingham		HHSN263201200010C	93.173	-	86,926.96	86,926.96
		Wideband Clinical Diagnosis and Monitoring of Middle-Ear	Boys Town National Resch Hospital	Good Samaritan Hospital	DC010202	93.173	79,525.54	254,016.66	333,542.20
		Improved Method of Drug Delivery to the Inner Ear	University of Cincinnati		DC011062	93.173	-	(5,109.85)	(5,109.85)
							327,596.83	1,281,019.46	1,608,616.29
	Sickle Cell Treatment Demonstration Program	Cincinnati Sickle Cell Project	Ohio Department of Health		03130011SK0512	93.365	-	110,197.03	110,197.03
		Sickle Cell treatment Demonstration Program	University of Cincinnati		EMC0755	93.365	-	(893.32)	(893.32)
							-	109,303.71	109,303.71
	Substance Abuse & Mental Health Services Projects of Reg. & National Significance	A Continuum of Trauma Care: Adapting Evidence-Based Prac			SM059286	93.243	-	20,115.03	20,115.03
		TFCBT Training at Ohio University	Ohio University		SM059345	93.243	-	1,232.62	1,232.62
		The Center for Trauma Recovery and Juvenile Justice (CTR	University of Connecticut		SM061273	93.243	-	256,678.97	256,678.97
							-	278,026.62	278,026.62
	Training and Clinical Skills Improvement Projects	Enhanced Surveillance for New Vaccine Preventable Diseas			IP000458	93.185	-	144,628.52	144,628.52
							-	144,628.52	144,628.52
ARRA	Trans-NIH Recovery Act Research Support	Unbiased Forward Genetic Analysis of Virus/Host Interact			AI087336	93.701	-	(9,735.20)	(9,735.20)
		Defining the complex genetics of Juvenile Idiopathic Art			AR058587	93.701	-	(19,945.17)	(19,945.17)
		Cincinnati Neuro-Oncology Research Core			CA149239	93.701	-	(212.00)	(212.00)
		Adolescent Bariatrics: Assessing Health Benefits & Risk			DK072493	93.701	-	(496.65)	(496.65)
		Nextgen Dissection of the Genomic Basis of Kidney Develo			DK090891	93.701	-	261,438.81	261,438.81
		Exposure-induced Systemic Oxidative Stress in Children w			ES016830	93.701	-	(49.87)	(49.87)
		Development of an Asthma Research Core Center			HL101333	93.701	-	(25.13)	(25.13)
		CARRA: Accelerating Toward an Evidence Based Culture in	Duke University		AR058934	93.701	-	14,614.00	14,614.00
							-	245,588.79	245,588.79
	Trans-NIH Research Support	Open Source Science: Transforming Chronic Illness Care		University of California	DK085719	93.310	14,747.00	1,296,898.33	1,484,434.15
				University of Chicago			62,909.44	-	-
				University of Vermont State			109,879.38	-	-
		Characterizing the Gut Microbial Ecosystem for Diagnosis	Broad Medical Research Program		DE023798	93.310	-	56,995.13	56,995.13
							187,535.82	1,353,893.46	1,541,429.28
	University Centers for Excellence in Dev. Disabilities Education, Research, and Service	University of Cincinnati University Center for Excellenc	University of Cincinnati		90DD0696/01	93.632	-	382,352.00	382,352.00
							-	382,352.00	382,352.00
	Vision Research	Mechanism of action of Retinal Determination proteins			EY014648	93.867	-	51,767.25	51,767.25
		Wnt Pathway Regulation of Lens Polarity			EY016241	93.867	-	362,815.54	362,815.54
		Genetic Studies of Optic Atrophy			EY018876	93.867	-	249,780.75	249,780.75
		Retinal Microglia and Angiogenesis			EY021636	93.867	-	389,152.48	389,152.48
		EYA in Retinal Angiogenesis			EY022917	93.867	-	263,895.90	263,895.90
		Light Regulated Vascular Development of the Eye		University of California	EY023179	93.867	271,809.14	217,003.74	488,812.88
		Defining Glial Programs that Support Adult Photoreceptor			EY024405	93.867	-	7,125.45	7,125.45
		Roles of CC Chemokine Activity in Mast Cell Responses an	University of Cincinnati		EY019630	93.867	-	408,619.03	408,619.03
		Postnatal Growth and Retinopathy of Prematurity (G-ROP)	Children's Hospital of Philadelphia		EY021137	93.867	-	54,977.81	54,977.81
							271,809.14	2,005,137.95	2,276,947.09
	Human Immunodeficiency Virus (HIV)/Acquired Immunodef. Virus Syndrome (AIDS)	CFHS Consortium Obesity Prevention	Ham Cnty Family & Children First		CHFS Obesity Prevent	93.944	-	81,467.34	81,467.34
							-	81,467.34	81,467.34
	Human Genome Research	Better Outcomes for Children: GWAS & PheWAS in eMERGEII.		Children's Hospital Boston	HG006828	93.172	417,939.77	669,198.74	1,094,434.63
				University of Cincinnati			7,296.12	-	-
							425,235.89	669,198.74	1,094,434.63
	Prevention & Public Hth Fund (Affordable Care Act) Enhanced Surv. for New Vaccine Preven	Enhanced Surveillance for New Vaccine Preventable Diseas			U01IP000458	93.533	-	348,720.98	348,720.98
							-	348,720.98	348,720.98

Gov Agency	Gov Branch	Award Title	Pass-Through Grantor	Subrecipient Name	Federal Grant No.	CFDA	Sub Exp	Fed Exp	Total Exp
	Alcohol Research Programs	Regulation of Hepatic Stellate Cells in Development and Mechanisms of Alcoholic Liver Disease		University of Cincinnati	AA020514	93.273	-	117,638.56	117,638.56
				University of Pittsburgh	AA020846	93.273	31,412.50	21,807.48	107,414.01
	Alcohol Action on Extended Amygdala Glutamate Synapses Teen Alcohol Screening in the Pediatric Emergency Care A		Vanderbilt University Rhode Island Hospital		AA019455	93.273	-	(302.08)	(302.08)
					AA021900	93.273	-	28,869.39	28,869.39
				Alcohol Research Programs Total				85,606.53	168,013.35
Injury Prevention and Control Research and State and Community Based Programs		STAT-ED - Suicidal Teens Accessing Treatment in the ED		Nationwide Childrens Hospital	CE002129	93.136	170,555.42	280,379.33	450,934.75
				Injury Prevent. & Control Res. - State & Community Based Progr. Total			170,555.42	280,379.33	450,934.75
National Center for Advancing Translational Sciences		Generating Human Intestinal Organoids with an ENS. Reliable System for Blood Pressure	University of Cincinnati		TR000546	93.350	-	461,500.66	461,500.66
					TR000078	93.350	-	350,165.81	350,165.81
				National Center for Advancing Translational Sciences Total			-	811,666.47	811,666.47
Occupational Safety and Health Program		Genetic Susceptibility for Occupational Asthma Just-in-Time Methods for Understanding Near-misses, Inju Early Identification of World Trade Center Conditions in	University of Cincinnati New York University		OH008795	93.262	-	17,766.95	17,766.95
					OH010035	93.262	-	117,071.43	117,071.43
					OH010394	93.262	-	17,762.88	17,762.88
				Occupational Safety and Health Program Total			-	152,601.26	152,601.26
Research and Training in Complementary and Alternative Medicine		DNA Attenuates Inflammatory Responses through Altering R		Nationwide Children's Hosp	AT006880	93.213	-	24,655.06	24,655.06
				Research & Training in Complementary & Alternative Medicine Total			-	24,655.06	24,655.06
Environmental Public Health and Emergency Response		Green Housing Study: Measures of Housing Factors and Pec		University of Cincinnati	EH000990	93.070	-	21,057.91	21,057.91
				Environmental Public Health and Emergency Response Total			-	21,057.91	21,057.91
ARRA Recovery Act Comparative Effectiveness Research - AHRQ		Building Modular Pediatric Chronic Disease Registries fo		Childrens Hospital Colorado	HS020024	93.715	39,637.22	483,095.01	1,434,335.75
				Children's Hospital of Philadelphia			624,985.53	-	-
				Nationwide Children's Hosp			84,546.46	-	-
				University of North Carolina-Chapel Hill			11,076.55	-	-
				University of Pennsylvania			107,445.20	-	-
				University of Vermont State			83,549.78	-	-
		Making distributed models accessible and useful todata		University of California San Diego	HS019564	93.715	-	10,000.00	10,000.00
				Recovery Act Comparative Effectiveness Research - AHRQ Total			951,240.74	493,095.01	1,444,335.75
HIV Prevention Activities_Health Department Based		HIV Testing in Ohio Emergency Departments Expanded HIV Testing in Ohio Emergency Departments (EDs)	Ohio Department of Health		03130012HT0314	93.940	-	25,120.73	25,120.73
					03130012HT0213	93.940	-	26,706.43	26,706.43
				HIV Prevention Activities_Health Department Based Total			-	51,827.16	51,827.16
Hospital Prep Prog (HPP) & Public Helath Emergency Prep (PHEP)		ODH - Poison Control Bioterrorism Preparedness		Cleveland Rainbow Babies	UHCMC 2012-0373	93.074	-	135,175.89	135,175.89
				Hospital Prep Prog (HPP) & Public Helath Emergency Prep (PHEP) Aligned Cooperative Agreements Total			-	135,175.89	135,175.89
Health Program for Toxic Substances and Disease Registry		UIC PEHSU PROGRAM-2013-05487-01-00 KN		University of Illinois - Chicago	TS000118	93.161	-	3,236.55	3,236.55
				Health Program for Toxic Substances and Disease Registry Total			-	3,236.55	3,236.55
Microbiology and Infectious Diseases Research		Norovirus Capsid: A Novel Drug Target.		University of Cincinnati	AI097936	93.856	-	35,785.17	35,785.17
				Microbiology and Infectious Diseases Research Total			-	35,785.17	35,785.17
				Dept of Health and Human Serv Total			19,373,478.01	121,610,012.21	140,983,490.22
Department of Veterans Affairs	Department of Veterans Affairs	Consulting Services for Assessing and Documenting VA Tra		University of Cincinnati	VA250-13-C-0058	64.000	-	29,258.25	29,258.25
				Consulting Services Total			-	29,258.25	29,258.25
				Department of Veterans Affairs Total			-	29,258.25	29,258.25
Office of Personnel Management	Intergovernmental Personnel Act (IPA) Mobility Program	Patient-Centered Care and Cultural Transformation VAMC IPA - Matthew Weirauch (10/01/12-09/30/13) VAMC IPA - Sara Lazaro (07.01.11 - 06.30.12)	Department of Veteran Affairs Department of Veteran Affairs Department of Veteran Affairs		MOU #6/11	27.011	-	19,977.17	19,977.17
					IPA_Weirauch	27.011	-	24,226.85	24,226.85
					Lazaro_IPA	27.011	-	66,179.03	66,179.03
				Intergovernmental Personnel Act (IPA) Mobility Program Total			-	110,383.05	110,383.05
				Office of Personnel Management Total			-	110,383.05	110,383.05
Natl Aeronautics & Space Admin	Exploration	Acute and long term outcomes of simulated deep space rad		University of Cincinnati	NNX13AO47G	43.003	24,624.35	55,452.71	80,077.06
				Exploration Total			24,624.35	55,452.71	80,077.06
	Space Operations	RNA Deep Sequencing and Metabolomic Profiling of Microgr		University of Arizona	NNX13AM01G	43.007	-	19,705.70	19,705.70
				Space Operations Total			-	19,705.70	19,705.70
				Natl Aeronautics & Space Admin Total			24,624.35	75,158.41	99,782.76
		Drug and Poison Control				93.959	211,173.00	-	211,173.00
				Grand Total			\$ 20,252,355.08	\$ 124,839,490.68	\$ 145,091,845.76

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

1. SCOPE OF AUDIT

All Federal grant operations of Cincinnati Children's 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 Cincinnati Children's cognizant agency 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 Cincinnati Children's 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 2014.

* * * * *

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated balance sheets as of June 30, 2014, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended, and the related notes to the consolidated financial statements which collectively comprise Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") basic consolidated financial statements and have issued our report thereon dated October 23, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Cincinnati Children's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cincinnati Children's internal control. Accordingly, we do not express an opinion on the effectiveness of Cincinnati Children's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cincinnati Children's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cincinnati Children's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cincinnati Children's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

October 23, 2014, Except for Note 13, as to which the date is January 26, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Children's Hospital Medical Center and Affiliates ("Cincinnati Children's") compliance with the types of compliance requirements described in the *OMB 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, 2014. Cincinnati Children's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cincinnati Children's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Cincinnati Children's compliance.

Opinion on Each Major Federal Program

In our opinion, Cincinnati Children's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Cincinnati Children's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cincinnati Children's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the consolidated financial statements of Cincinnati Children's as of and for the year ended June 30, 2014, and have issued our report thereon dated October 23, 2014, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

October 23, 2014, Except for Note 13, as to which the date is January 26, 2015

CHILDREN’S HOSPITAL MEDICAL CENTER AND AFFILIATES

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

PART I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

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

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

Identification of Major Programs:

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

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

Dollar threshold used to distinguish between Type A and Type B programs? \$ 3,000,000

Research and Development program tested as a single Type A program

Auditee qualified as low-risk auditee? X Yes No

CHILDREN'S HOSPITAL MEDICAL CENTER AND AFFILIATES

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED JUNE 30, 2014**

PART II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None

PART III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None